



**Edward  
River**  
COUNCIL

**I hereby give notice that an Ordinary Meeting of Council will be held on:**

**Date:** Thursday, 15 July 2021  
**Time:** 9.00am  
**Location:** RFS Building, Macknight Drive,  
Deniliquin

# **BUSINESS PAPER**

**Ordinary Council Meeting**

**15 July 2021**

**Philip Stone  
General Manager**



## Order Of Business

<b>1</b>	<b>Opening Meeting</b> .....	<b>5</b>
<b>2</b>	<b>Live Streaming Statement</b> .....	<b>5</b>
<b>3</b>	<b>Acknowledgement of Country</b> .....	<b>5</b>
<b>4</b>	<b>Statement of Purpose</b> .....	<b>5</b>
<b>5</b>	<b>Apologies and Applications for a Leave of Absence by Councillors</b> .....	<b>5</b>
<b>6</b>	<b>Confirmation of Minutes</b> .....	<b>5</b>
<b>7</b>	<b>Disclosures of Interests</b> .....	<b>16</b>
<b>8</b>	<b>Mayoral Minute(s)</b> .....	<b>16</b>
	Nil	
<b>9</b>	<b>Reports of Committees</b> .....	<b>16</b>
	Nil	
<b>10</b>	<b>Reports to Council</b> .....	<b>17</b>
10.1	Mayor, Councillors and General Manager Meetings .....	17
10.2	Resolutions of Council.....	19
10.3	Investment & Reserves Report June 2021 .....	29
10.4	2020-2021 Estimated Carry Forward Capital and Operating Expenses.....	55
10.5	Delegation to General Manager .....	59
10.6	2021-2023 MoU - Deni Play on the Plains Festival Ltd.....	63
10.7	Development Services Report.....	110
10.8	Deniliquin Airport Runway Reconstruction Project.....	119
10.9	Saleyards Strategic Plan .....	125
10.10	Operations Department update .....	197
10.11	Major Projects Program - July 2021 - Progress Report.....	201
<b>11</b>	<b>Notices of Motions</b> .....	<b>210</b>
	Nil	
<b>12</b>	<b>Questions with Notice</b> .....	<b>210</b>
	Nil	
<b>13</b>	<b>Confidential Matters</b> .....	<b>211</b>
13.1	Ute Muster Festival Outstanding Debts .....	211
13.2	Appointment of Code of Conduct Review Panel.....	211
13.3	Minor Organisational restructure .....	211
<b>14</b>	<b>Close of Meeting</b> .....	<b>212</b>



**1 OPENING MEETING****2 LIVE STREAMING STATEMENT**

Edward River Council wishes to advise members of the public that Council Meetings will be recorded and will be available after each meeting on Council's website [www.edwardriver.nsw.gov.au](http://www.edwardriver.nsw.gov.au).

All care will be taken to maintain the privacy of those in attendance, however As a visitor in the public gallery, your presence may be recorded. By remaining In the public gallery, it is assumed your consent is given in the event your image is broadcast. This includes any filming by television cameras if attendance is approved by the General Manager or Mayor.

**3 ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge that we are here today on the land of the Wamba Wamba Perrepa Perrepa people. I would also like to acknowledge and pay my respects to past Aboriginal Elders, the present Aboriginal and Torres Strait Islander people who reside within this area, and their future generations.

**4 STATEMENT OF PURPOSE**

I have come here as a Councillor freely and without bias to:

- Represent the views of the community in considering the matters before us today
- To vote in a matter I consider to be in the best interest of the community
- To observe the Code of Conduct and respect the rule of the chair and views of my fellow Councillors.

**5 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS****6 CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 17 June 2021



**Edward  
River**  
COUNCIL

# **MINUTES**

**Ordinary Council Meeting**

**17 June 2021**

**MINUTES OF EDWARD RIVER COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE RFS BUILDING, MACKNIGHT DRIVE, DENILIQUN  
ON THURSDAY, 17 JUNE 2021 AT 9.00AM**

**PRESENT:** Cr Norm Brennan (Mayor), Cr Pat Fogarty (Deputy Mayor), Cr Peta Betts, Cr Marg Bull, Cr Ashley Hall, Cr Norm McAllister, Cr Peter McCrabb, Cr Nick Metcalfe, Cr Mac Wallace

**IN ATTENDANCE:** Phil Stone, General Manager; Mark Dalzell, Director Infrastructure; Suni Campbell, Director Corporate Services; Cassie Harkin, Executive Assistant

**GALLERY:** Five

## **1 OPENING MEETING**

## **2 ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge that we are here today on the land of the Wamba Wamba Perrepa Perrepa people. I would also like to acknowledge and pay my respects to past Aboriginal Elders, the present Aboriginal and Torres Strait Islander people who reside within this area, and their future generations.

## **3 STATEMENT OF PURPOSE**

I have come here as a Councillor freely and without bias to:

- Represent the views of the community in considering the matters before us today
- To vote in a matter I consider to be in the best interest of the community
- To observe the Code of Conduct and respect the rule of the chair and views of my fellow Councillors.

## **4 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS**

Nil

## **5 CONFIRMATION OF MINUTES**

### **RESOLUTION 2021/66**

Moved: Cr Pat Fogarty

Seconded: Cr Peta Betts

That the minutes of the Ordinary Council Meeting held on 20 May 2021 be confirmed.

**CARRIED**

## **6 DISCLOSURES OF INTERESTS**

10.6 Cr Peta Betts and Cr Ashley Hall declared Non-Pecuniary – Significant interest.

10.8 Cr Peter McCrabb declared a Pecuniary interest in the 2021-2024 Funding Agreement – Murray Regional Tourism.

**7 MAYORAL MINUTE(S)****MOTION****RESOLUTION 2021/67**

Moved: Cr Norm Brennan

Seconded: Cr Pat Fogarty

That the composition of the Seniors Living Precinct Committee consisting of Crs Fogarty, Hall and Betts remain in place until the Senior Living Precinct s355 has been established by Council.

**CARRIED**

**8 REPORTS OF COMMITTEES**

Nil

**9 REPORTS TO COUNCIL****10.1 MAYOR, COUNCILLORS AND GENERAL MANAGER MEETINGS****RESOLUTION 2021/68**

Moved: Cr Mac Wallace

Seconded: Cr Marg Bull

That Council note the Mayor, Councillors and General Manager meetings attended during the month of May 2021, undertaken either remotely, or adhering to COVID-19 distancing regulations.

**CARRIED**

It was also noted attendance by Councillors at the following meetings:-

7 May 2021	Budget Roadshow Pretty Pine	Crs McCrabb and Fogarty
10 May 2021	Budget Roadshow Wanganella	Cr McCrabb
12 May 2021	Budget Roadshow Blighty	Cr Fogarty
14 May 2021	Budget Roadshow Conargo	Cr Fogarty

**10.2 RESOLUTIONS OF COUNCIL****RESOLUTION 2021/69**

Moved: Cr Pat Fogarty

Seconded: Cr Marg Bull

That Council note the information in the Resolutions of Council as at 9 June 2021.

**CARRIED**



**10.3 INVESTMENT & RESERVES REPORT MAY 2021****RESOLUTION 2021/70**

Moved: Cr Peter McCrabb

Seconded: Cr Nick Metcalfe

That That Council:

1. Note and receive the May 2021 report on Investments totalling \$44,899,088 inclusive of cash at bank for day-to-day operations.
2. Note that actual interest received for the month of May 2021 was \$13,262.
3. Note that accrued interest earned to 31 May 2021 but not yet received was \$130,900.
4. Note the Certificate of the Responsible Accounting Officer and adopt the Investment Report

**.CARRIED**

**10.4 DEBT RECOVERY AND FINANCIAL HARDSHIP POLICY****RESOLUTION 2021/71**

Moved: Cr Peter McCrabb

Seconded: Cr Marg Bull

That Council

1. Adopt the Debt Collection and Hardship Policy with an interim amendment for a 12-month period detailing provision for payment arrangements due to rates harmonisation impacts.
2. Note that the interim clause will be reviewed after June 2022.

**CARRIED**

**10.5 COUNCILLOR AND MAYOR FEES 2021/22****RESOLUTION 2021/72**

Moved: Cr Mac Wallace

Seconded: Cr Peter McCrabb

That Council

1. Fix the annual fee for the mayor \$27,060 in accordance with the appropriate determination of the Remuneration Tribunal effective from 1 July 2021.
2. Fix the annual fees of \$12,400 for the councillors in accordance with the appropriate determination of the Remuneration Tribunal effective from 1 July 2021.
3. Note the option to make Superannuation payments to mayors and councillors effective from 1 July 2022.

**CARRIED**

At 9.18am, Cr Peta Betts and Cr Ashley Hall left the meeting.

**10.6 EDWARD RIVER SENIORS LIVING PRECINCT****RESOLUTION 2021/73**

Moved: Cr Norm McAllister

Seconded: Cr Mac Wallace

That Council:

1. Endorse the initial Business Case for the Edward River Council Seniors Living Precinct (SLP) with the following principles and assumptions:
  - a. The capital and operational financial model, updated with the recent \$1m Murray Darling Basin grant, shows an operating surplus estimated for year 5, depending on demand.
  - b. Marketing dwellings “off the plan” to confirm the number of dwellings required for construction in the first stage.
  - c. Operating the SLP under a “Deferred Management Fee (DMF)” structure with a lifetime loan/lease/license arrangement.
  - d. Initially adopting a 40% DMF over an 8-year term.
2. Adopt six standard floor plans: Designs A, N and X – 3 Bedroom dwellings, and Designs C, D and Q – 2 Bedroom dwellings, for detailed design by the architect.
3. Commence the development of a Section 355 Committee as the initial governance mechanism of the SLP, noting that:
  - a. the terms of reference and appointment of the committee members are to be developed for future Council approval.
  - b. the governance structure may change in future depending on how Council wishes to manage the SLP in the longer term.
4. Seek expert advice to assist in establishing the Entry Price of the various dwelling designs offered for sale.
5. Engage an independent agent to market and pre-sell dwellings for the initial project stages.
6. Proceed to tender for design and construction of dwellings and civil infrastructure to further firm up the financials of the business case and budgets, noting civil and dwelling designs are well advanced.
7. Design and install a new sign at the site of the project, showing the architect’s impression of the village in full operation.
8. Develop designs for a gateway/entrance to the precinct.
9. Make budget provision for SLP capital reserves such as dwelling refurbishment and future capital development from the DMF fees and grants.

**CARRIED**

At 9.28am, Cr Peta Betts and Cr Ashley Hall returned to the meeting.

**10.7 2021-2023 MOU - DENI PLAY ON THE PLAINS FESTIVAL LTD.****RESOLUTION 2021/74**

Moved: Cr Peter McCrabb

Seconded: Cr Nick Metcalfe

That this item be deferred until the next Council meeting.

**CARRIED**

At 9.35am, Cr Peter McCrabb left the meeting.

**10.8 2021-2024 FUNDING AGREEMENT - MURRAY REGIONAL TOURISM****RESOLUTION 2021/75**

Moved: Cr Pat Fogarty

Seconded: Cr Nick Metcalfe

That Council:

1. Approve the 2021-2024 Funding Agreement between Edward River Council and Murray Regional Tourism, on the condition of Murray Regional Tourism agreeing to Edward River Council's requests.
2. Authorises the General Manager to provide written confirmation to Murray Regional Tourism to enact this Motion.

**CARRIED**

At 9.38am, Cr Peter McCrabb returned to the meeting.

**10.9 DISSOLUTION OF CENTRAL MURRAY REGIONAL LIBRARY AGREEMENT****RESOLUTION 2021/76**

Moved: Cr Peta Betts

Seconded: Cr Pat Fogarty

1. Council dissolve the Central Murray Library Committee and the 2002 Central Murray Library Agreement in accordance with the decision of the Central Murray Library Committee
2. Note that the process of separating the library service from Murray River Council has now been enacted in accordance with Council resolution 2019/11/284.
3. Council note that the date for separation is June 30, 2021.
4. Council adopt Edward River Library as the new name for the Edward River Council library service.

**CARRIED**

**10.10 COMMUNITY AND ECONOMIC DEVELOPMENT TEAM UPDATE****RESOLUTION 2021/77**

Moved: Cr Norm McAllister

Seconded: Cr Peter McCrabb

1. That Council receive and endorse the Community and Economic Development Department update

**CARRIED**

**10.11 DRAFT INDUSTRIAL LAND STRATEGY****RESOLUTION 2021/78**

Moved: Cr Norm McAllister

Seconded: Cr Peter McCrabb

That Council

1. Adopt the draft Industrial Land Strategy
2. Forward the Industrial Land Strategy to the Department of Planning, Industry & Environment and request that it be endorsed.

**CARRIED**

**10.12 ENVIRONMENTAL SERVICES REPORT****RESOLUTION 2021/79**

Moved: Cr Peter McCrabb

Seconded: Cr Peta Betts

That Council note the Environmental Services report for May 2021

**CARRIED**

**10.13 PRETTY PINE RESERVE COMMITTEE'S REQUEST****RESOLUTION 2021/80**

Moved: Cr Peter McCrabb

Seconded: Cr Marg Bull

That Council

1. Enter into an agreement with the Pretty Pine Reserve Committee to fund the construction of a second synthetic tennis court on a 50:50 basis up to a Council contribution of \$15,000,
2. Re-allocate \$15,000 from the Local Roads & Community Infrastructure Round One funding to the construction of a second synthetic tennis court at Pretty Pine Reserve, and
3. Consider the construction of a verandah at the Caretaker's cottage on the Pretty Pine Reserve as part of Council's building renewal program.

**CARRIED**

**10.14 POTENTIAL DENILQUIN AIRPORT RESIDENTIAL SKYPARK DEVELOPMENT****RESOLUTION 2021/81**

Moved: Cr Peter McCrabb

Seconded: Cr Norm McAllister

That Council

1. Prepare a business case for the development of a residential Skypark at Denilquin Airport,
2. Allocate \$30,000 from Airport Industrial Land reserve towards the business case for a residential Skypark development at the Denilquin Airport.

**CARRIED**

**10.15 EXPRESSION OF INTEREST FOR DENILQUIN AIRPORT INDUSTRIAL AREA****RESOLUTION 2021/82**

Moved: Cr Peter McCrabb

Seconded: Cr Norm McAllister

That Council:

1. Undertakes a public exhibition period of 28-days regarding the sale of land in the Airport Precinct as defined in Attachment 1 to this report, and
2. Receives a further report regarding the Expression of Interest process following a 28-day exhibition period.

**CARRIED**

**10.16 OPERATIONS DEPARTMENT UPDATE****RESOLUTION 2021/83**

Moved: Cr Peter McCrabb

Seconded: Cr Marg Bull

That Council receive and note the June 2021 Operations Department Update.

**CARRIED**

**10.17 MAJOR PROJECTS PROGRAM - JUNE 2021 - PROGRESS REPORT****RESOLUTION 2021/84**

Moved: Cr Peter McCrabb

Seconded: Cr Mac Wallace

That Council note the Major Projects Program from various funding sources - Progress Report for June 2021.

**CARRIED**

**10 NOTICES OF MOTIONS**

Nil

**11 QUESTIONS WITH NOTICE**

Nil

**12 CONFIDENTIAL MATTERS****RESOLUTION 2021/85**

Moved: Cr Peter McCrabb

Seconded: Cr Peta Betts

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

**13.1 Request to Write-off Debtor Accounts**

This matter is considered to be confidential under Section 10A(2) - a and b of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors) and discussion in relation to the personal hardship of a resident or ratepayer.

**13.2 Contract C2021/06 - George Street Reconstruction 20-21**

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

**CARRIED****13.1 REQUEST TO WRITE-OFF DEBTOR ACCOUNTS****RESOLUTION 2021/86**

Moved: Cr Peter McCrabb

Seconded: Cr Nick Metcalfe

That Council:

1. Receive and note the report.
2. Authorise the write-off of bad trade debts amounting to **\$13,860.68** for financial year 20/21 that are unrecoverable (as showing in Attachment 1) in accordance with *clause 213(3) of the Local Government (General) Regulation 2005*

**CARRIED**

**13.2 CONTRACT C2021/06 - GEORGE STREET RECONSTRUCTION 20-21**

**RESOLUTION 2021/87**

Moved: Cr Norm McAllister

Seconded: Cr Marg Bull

That Council

1. Accepts the revised tender submitted by Deni Civil and Construction Pty Ltd for Contract C2021/06 – George Street Reconstruction 20/21 for the lump sum tender price of \$184,263.00 + GST;
2. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Contract C2021/06 – George Street Reconstruction 20/21, and
3. Delegate the Contract Superintendent to approve variations up to a maximum of 10% of the contract value.

**CARRIED**

**RESOLUTION 2021/88**

Moved: Cr Peta Betts

Seconded: Cr Mac Wallace

That Council moves out of Closed Council into Open Council.

**CARRIED**

**13 CLOSE OF MEETING**

**The Meeting closed at 11.05am**

**The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 15 July 2021.**

.....

**CHAIRPERSON**

**7 DISCLOSURES OF INTERESTS**

**8 MAYORAL MINUTE(S)**

Nil

**9 REPORTS OF COMMITTEES**

Nil



**10 REPORTS TO COUNCIL****10.1 MAYOR, COUNCILLORS AND GENERAL MANAGER MEETINGS**

**Author:** Belinda Perrett, Executive Assistant

**Authoriser:** Philip Stone, General Manager

**RECOMMENDATION**

That Council note the Mayor, Councillors and General Manager meetings attended during the month of June 2021, undertaken either remotely, or adhering to COVID-19 distancing regulations.

**BACKGROUND**

The report details meetings undertaken on behalf of Council by the Mayor, Councillors and the General Manager in June 2021.

**ISSUE/DISCUSSION**

<b>Mayor, Councillor and General Manager meetings June 2021</b>			
<b>Date</b>	<b>Participants</b>	<b>Topic</b>	<b>Council Reps</b>
June 1	Rukshan deSilva	Planning NSW	General Manager, Manager Development Services
June 2	Volunteers	Afternoon Tea	Mayor, General Manager, Manager Community & Economic Development
June 4	NSW Cross Border	Briefing	Mayor, General Manager
June 8	Airport Advisory	Committee Meeting	Mayor, General Manager, Director Infrastructure
June 8	Mayrung Hall	Committee Meeting	Cr Metcalfe
June 9	South West Arts	Local Govt. Stakeholders Meeting	General Manager
June 16	Community Members	Saleyards Strategic Plan	Mayor, General Manager, Cr Metcalfe, Cr Wallace
June 16	Blokes Night In	Mens Health	Mayor, General Manager, Cr Metcalfe
June 17	Deniliquin Health Action Group	Meeting	Mayor
June 22	Hospital Accreditation Assessors	Lunch Meeting	Mayor
June 23	Developers Forum	Driving Growth	Mayor, Cr Bull, Cr Fogarty General Manager, Manager Community & Economic Development
June 24	RAMJO Health	Sub-Committee	General Manager
June 24	SW Music	Board Meeting	Cr Bull
June 25	RAMJO Water	Sub-Committee	Mayor

June 29	The Importance of Regional Business	NSW Rice Industry	Mayor, General Manager, Manager Community & Economic Development
June 29	Disability and Inclusion Access	Committee Meeting	Mayor, Manager Community & Economic Development

**STRATEGIC IMPLICATIONS**

N/A

**COMMUNITY STRATEGIC PLAN**

5.1 Our community is informed and engaged.

**FINANCIAL IMPLICATIONS**

N/A

**LEGISLATIVE IMPLICATIONS**

N/A

**ATTACHMENTS**

Nil

**10.2 RESOLUTIONS OF COUNCIL**

**Author:** Belinda Perrett, Executive Assistant

**Authoriser:** Philip Stone, General Manager

**RECOMMENDATION**

That Council note the information in the Resolutions of Council as at 9 July 2021.

**BACKGROUND**

The attached report details the status of open Resolutions of Council.

Total Resolutions of Council for the 2020/2021 Financial Year – 203

Total Closed Resolutions for the 2020/2021 Financial Year - 186

**ISSUE/DISCUSSION**

Monthly report to update Councillors and community members on the progress of Council Resolutions.

**STRATEGIC IMPLICATIONS**

As outlined in the status updates.

**COMMUNITY STRATEGIC PLAN**

This report aligns with Outcome 5 – A community working together to achieve its potential. Particularly it supports outcome 5.3, our local government is efficient, innovative, and financially sustainable.

**FINANCIAL IMPLICATIONS**

Not applicable

**LEGISLATIVE IMPLICATIONS**

Not applicable

**ATTACHMENTS**

- 1. Council Meeting Resolutions as at 9 July 2021**

17 June 2021	Resolution	Responsibility	Status	Expected Date of Completion
2021/67	Mayoral Minute That the composition of the Seniors Living Precinct Committee consisting of Crs Fogarty, Hall and Betts remain in place until the Senior Living Precinct s355 has been established by Council.	Director Corporate Services	Adopted	Closed
2021/71	Debt Recovery and Financial Hardship Policy That Council <ol style="list-style-type: none"> <li>1. Adopt the Debt Collection and Hardship Policy with an interim amendment for a 12-month period detailing provision for payment arrangements due to rates harmonisation impacts.</li> <li>2. Note that the interim clause will be reviewed after June 2022.</li> </ol>	Manager Finance	Adopted	Closed
2021/72	Councillor and Mayor Fees 2021/22 That Council <ol style="list-style-type: none"> <li>1. Fix the annual fee for the mayor \$27,060 in accordance with the appropriate determination of the Remuneration Tribunal effective from 1 July 2021.</li> <li>2. Fix the annual fees of \$12,400 for the councillors in accordance with the appropriate determination of the Remuneration Tribunal effective from 1 July 2021.</li> <li>3. Note the option to make Superannuation payments to mayors and councillors effective from 1 July 2022.</li> </ol>	Director Corporate Services	Adopted	Closed
2021/73	Edward River Seniors Living Precinct That Council: <ol style="list-style-type: none"> <li>1. Endorse the initial Business Case for the Edward River Council Seniors Living Precinct (SLP) with the following principles and assumptions:               <ol style="list-style-type: none"> <li>a. The capital and operational financial model, updated with the recent \$1m Murray Darling Basin grant,</li> </ol> </li> </ol>	General Manager	Underway	September

	<p>shows an operating surplus estimated for year 5, depending on demand.</p> <ul style="list-style-type: none"> <li>b. Marketing dwellings “off the plan” to confirm the number of dwellings required for construction in the first stage.</li> <li>c. Operating the SLP under a “Deferred Management Fee (DMF)” structure with a lifetime loan/lease/license arrangement.</li> <li>d. Initially adopting a 40% DMF over an 8-year term.</li> </ul> <ol style="list-style-type: none"> <li>2. Adopt six standard floor plans: Designs A, N and X – 3 Bedroom dwellings, and Designs C, D and Q – 2 Bedroom dwellings, for detailed design by the architect.</li> <li>3. Commence the development of a Section 355 Committee as the initial governance mechanism of the SLP, noting that:             <ul style="list-style-type: none"> <li>a. the terms of reference and appointment of the committee members are to be developed for future Council approval.</li> <li>b. the governance structure may change in future depending on how Council wishes to manage the SLP in the longer term.</li> </ul> </li> <li>4. Seek expert advice to assist in establishing the Entry Price of the various dwelling designs offered for sale.</li> <li>5. Engage an independent agent to market and pre-sell dwellings for the initial project stages.</li> <li>6. Proceed to tender for design and construction of dwellings and civil infrastructure to further firm up the financials of the business case and budgets, noting civil and dwelling designs are well advanced.</li> <li>7. Design and install a new sign at the site of the project, showing the architect’s impression of the village in full</li> </ol>			
--	---	--	--	--

	<p>operation.</p> <ol style="list-style-type: none"> <li>8. Develop designs for a gateway/entrance to the precinct.</li> <li>9. Make budget provision for SLP capital reserves such as dwelling refurbishment and future capital development from the DMF fees and grants.</li> </ol>			
<b>2021/75</b>	<p>2021/2024 Funding Agreement – Murray Regional Tourism That Council:</p> <ol style="list-style-type: none"> <li>1. Approve the 2021-2024 Funding Agreement between Edward River Council and Murray Regional Tourism, on the condition of Murray Regional Tourism agreeing to Edward River Council's requests.</li> <li>2. Authorises the General Manager to provide written confirmation to Murray Regional Tourism to enact this Motion.</li> </ol>	General Manager	Underway	July 2021
<b>2021/76</b>	<p>Dissolution of Central Murray Regional Library Agreement</p> <ol style="list-style-type: none"> <li>1. Council dissolve the Central Murray Library Committee and the 2002 Central Murray Library Agreement in accordance with the decision of the Central Murray Library Committee</li> <li>2. Note that the process of separating the library service from Murray River Council has now been enacted in accordance with Council resolution 2019/11/284.</li> <li>3. Council note that the date for separation is June 30, 2021.</li> <li>4. Council adopt Edward River Library as the new name for the Edward River Council library service.</li> </ol>	Manager Tourism and Economic Development	Completed	Closed
<b>2021/78</b>	<p>Draft Industrial Land Strategy That Council</p> <ol style="list-style-type: none"> <li>1. Adopt the draft Industrial Land Strategy</li> <li>2. Forward the Industrial Land Strategy to the Department of Planning, Industry &amp; Environment and request that it be endorsed.</li> </ol>	Manager Development Services	Adopted.  Forward for	September

			endorsement	
<b>2021/80</b>	<p>Pretty Pine Reserve Committee's Request That Council</p> <ol style="list-style-type: none"> <li>1. Enter into an agreement with the Pretty Pine Reserve Committee to fund the construction of a second synthetic tennis court on a 50:50 basis up to a Council contribution of \$15,000,</li> <li>2. Re-allocate \$15,000 from the Local Roads &amp; Community Infrastructure Round One funding to the construction of a second synthetic tennis court at Pretty Pine Reserve, and</li> <li>3. Consider the construction of a verandah at the Caretaker's cottage on the Pretty Pine Reserve as part of Council's building renewal program.</li> </ol>	Director Infrastructure		
<b>2021/81</b>	<p>Potential Deniliquin Airport Residential Skypark Development That Council</p> <ol style="list-style-type: none"> <li>1. Prepare a business case for the development of a residential Skypark at Deniliquin Airport,</li> <li>2. Allocate \$30,000 from Airport Industrial Land reserve towards the business case for a residential Skypark development at the Deniliquin Airport.</li> </ol>	Director Infrastructure		
<b>2021/82</b>	<p>Expression of Interest for Deniliquin Airport Industrial Area That Council:</p> <ol style="list-style-type: none"> <li>1. Undertakes a public exhibition period of 28-days regarding the sale of land in the Airport Precinct as defined in Attachment 1 to this report, and</li> <li>2. Receives a further report regarding the Expression of Interest process following a 28-day exhibition period.</li> </ol>	Director Infrastructure		
<b>2021/86</b>	<p>Request to Write-off Debtor Accounts That Council:</p> <ol style="list-style-type: none"> <li>1. Receive and note the report.</li> <li>2. Authorise the write-off of bad trade debts amounting to <b>\$13,860.68</b> for financial year 20/21 that are unrecoverable (as showing in Attachment 1) in accordance with <i>clause 213(3) of the Local Government (General) Regulation 2005</i></li> </ol>	Manager Finance		
<b>2021/87</b>	Contract C2021/06 – George Street Reconstruction 20-21	Director		

	<p>That Council</p> <ol style="list-style-type: none"> <li>1. Accepts the revised tender submitted by Deni Civil and Construction Pty Ltd for Contract C2021/06 – George Street Reconstruction 20/21 for the lump sum tender price of \$184,263.00 + GST;</li> <li>2. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Contract C2021/06 – George Street Reconstruction 20/21, and</li> <li>3. Delegate the Contract Superintendent to approve variations up to a maximum of 10% of the contract value.</li> </ol>	Infrastructure		
<b>18 February 2021</b>	<b>Resolution</b>	<b>Responsibility</b>	<b>Status</b>	<b>Expected Date of Completion</b>
<b>2021/2</b>	<p>Bob White Memorial Trust</p> <p>That Council:</p> <ol style="list-style-type: none"> <li>1. Discuss and endorse the establishment of the Bob White Memorial Trust and associated documents that support the formation of the Trust: <ol style="list-style-type: none"> <li>(a) The Trust Document (attachment 1)</li> <li>(b) The Conargo Memorial Hall and Recreation Ground Committee meeting minutes held in January 2021 (attachment 3)</li> <li>I The submission to the Minister for Local Government (attachment 4)</li> </ol> </li> </ol>	Director Corporate Services	<p>Placed on Public Exhibition for a period of 28 days.</p> <p>Submission sent to the Minister for Local Government</p> <p>Further information requested and supplied</p>	<p><del>April 2021</del></p> <p><del>June 2021</del></p> <p>August 2021</p>
<b>2021/9</b>	<p>Edward River Seniors Living Precinct</p> <p>That Council:</p> <ol style="list-style-type: none"> <li>1. Endorse the Seniors Living Precinct sketch plans and standard unit designs for the purposes of detailed design, cost estimates and expressions of interest to the community.</li> <li>2. Note the estimated project costs and construction approach detailed in this report</li> <li>3. Proceed with more detailed design and costs for the</li> </ol>	General Manager	Underway	<p><del>30 June 2021</del></p> <p>Closed</p>



	<p>purposes of construction.</p> <ol style="list-style-type: none"> <li>4. Note that, if the Building Better Regions Fund grant is successful, Council will be required to contribute at least 50% to the cost of the project, either from borrowing or reserves.</li> <li>5. Delegate authority to the General Manager to apply to the Building Better Regions Fund Infrastructure Projects Stream for at least 50% of the costs of stage 1 of the development on a 1:1 funding basis</li> <li>6. Proceed with developing an operating and management model for the project, based on a community-based, not-for-profit entity, utilising either leasehold or loan/license, for decision by Council prior to 30 June 2021.</li> <li>7. Endorse the market testing expressions of interest process underway to determine market demand in the local community.</li> </ol>			
<b>19 November 2020</b>	<b>Resolution</b>	<b>Responsibility</b>	<b>Status</b>	<b>Expected Date of Completion</b>
<b>2020/236</b>	<p>328 Conroy Street That Council:</p> <ol style="list-style-type: none"> <li>1. Enter into an agreement with the property owners of 328 Conroy Street to close the section of the Conroy Street road reserve currently fenced into 328 Conroy Street, subject to the property owners agreeing to pay all costs relating to this matter, and;</li> <li>2. Commence the road closure process in accordance with the requirements of the <i>Roads Act 1993</i> for the portion of Conroy Street that is currently fenced into 328 Conroy Street, subject to the property owners entering into an agreement with Council regarding this matter.</li> </ol>	Acting Director Infrastructure	Property owner notified.	<p>February 2024 <del>30 April 2021</del> June 2021</p>
<b>2020/242</b>	<p>Purchase of one Bogie Drive Twin Steer Water Truck That Council</p> <ol style="list-style-type: none"> <li>1. Accept the tender submitted by Johnson Truck and Coach</li> </ol>	Acting Director Infrastructure	<p>Letter of acceptance sent</p> <p>Waiting on delivery</p>	<p>February 2024</p> <p>April 2024</p>

	<p>Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$290,909.09 excluding GST</p> <p>2. Approve the sale of the existing truck (FM91) by Pickles Auctions.</p> <p><b>AMENDMENT</b>  Moved: Cr Ashley Hall  Seconded: Cr Peta Betts  That Council</p> <p>1. Accept the tender submitted by Johnson Truck and Coach Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$209,909.09 excluding GST</p> <p>2. Review the sale of the existing truck (FM91) by Pickles Auctions.</p>			June 2021
<b>15 October 2020</b>	<b>Resolution</b>	<b>Responsibility</b>	<b>Status</b>	<b>Expected Date of Completion</b>
<b>2020/195</b>	<p>Minutes of the Audit Risk and Improvement Committee Meeting held on 24 September 2020</p> <p>That Council:</p> <p>1 Receive and note the Minutes of the Audit Risk and Improvement Committee Meeting held on 24 September 2020, contained at Attachment A.</p> <p>2. Reviews the policy regarding the financial treatment of residual value of road assets.</p> <p>3. Reviews the policy on the financial treatment of Grant Funding due to the changes in accounting standards</p>	Director Corporate Services	Commenced	June 2021
<b>2020/203</b>	<p>Planning Proposal No 10 – Lot 2DP1220715, Harfleur Street</p> <p>That Council:</p> <p>1. <b>Endorse the Planning</b> Proposal provided as Attachment 1 .</p> <p>2. That Council request the Department of Planning, Industry and</p>	Manager Environmental Services (Acting)	1. Completed	Closed

	<p>Environment to prepare the draft amendment to the Deniliquin Local Environmental Plan 2013 and provide Council with an Opinion that the Plan can be made.</p> <p>3. That Council request Parliamentary Counsel to prepare the draft Amendment to the Deniliquin Local Environmental Plan 2013 under section 3.36 (1) of the Environmental Planning and Assessment Act 1979</p>		<p>2. Completed</p> <p>3. Awaiting response</p>	<p>Closed</p> <p>February 2021</p>
<b>2020/213</b>	<p>Sale and Development of Lots 33, 34, 35 and 36 Saleyards Road</p> <p>That Council</p> <p>1. Authorise the General Manager to accept the current offer of \$250,000 inc. GST the sale of the Lots 33,34, 35 and 36 Saleyards Road, Deniliquin to Rhys Tremble Concreting and Engineering.</p> <p>2. Require the Contract of Sale to be conditional on a development application being submitted with 12 months of signing the contract for the purposes of industrial use and development and include a buy back clause.</p> <p>3. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Lots 33,34, 35 and 36 Saleyards Road, Deniliquin</p>	<p>Manager Community &amp; Economic Development</p>	<p>Conditions agreed. Contract being prepared.</p>	<p><del>November 2020</del> <del>February 2021</del> <del>April 2021</del> June 2021</p>
<b>20 August 2020</b>	<b>Resolution</b>	<b>Responsibility</b>	<b>Status</b>	<b>Expected Date of Completion</b>
<b>2020/164</b>	<p>North Deniliquin Levee Upgrade Feasibility Report</p> <p>That Council:</p> <p>1. Adopt the North Deniliquin Levee Upgrade Feasibility Report, contained as Attachment 1 to this report, and;</p> <p>2. Apply to Office of Environment and Heritage for funding of the works detailed in the North Deniliquin Levee Upgrade Feasibility Report</p>	<p>Manager Engineering &amp; Assets</p>	<p>Underway</p> <p>Waiting on funding details</p>	<p><del>October 2020</del> <del>February 2021</del> <del>April 2021</del></p> <p>July 2021</p>

16 July 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/143	<p>That Council;</p> <ol style="list-style-type: none"> <li>1. Approve an application for a loan facility of up to \$2.5M over the 2020/21 and 2021/22 financial years to match the funding received from the Commonwealth Regional Airport Program towards the renewal and upgrade of the runway at Deniliquin airport,</li> <li>2. Direct that officers investigate further opportunities for State funding towards this work.</li> <li>3. Make representations through the Member for Murray and the Deputy Premier seeking State Government funding towards the project as the runway upgrade is essential to providing the region with air access to medical facilities and will assist in aerial firefighting in the event of serious bush and grass fires.</li> </ol>	Manager Engineering and Assets	<p>Representations made.</p> <p>Further representations made and Advocacy Strategy delivered to appropriate Ministers</p>	<p><del>30 December 2020</del></p> <p><del>March 2021</del></p> <p>July 2021</p>
2020/144	<p>Asset Management Plans</p> <p>That Council:</p> <ol style="list-style-type: none"> <li>1. Note the current Transport, Buildings, Open Space and Recreation, Flood Mitigation and Drainage, Water and Sewerage Asset Management Plans;</li> <li>2. Undertake a project to update the Asset Management Plans based on the outcomes from the Asset Revaluation project; and</li> <li>3. Receive a further report in October 2020 regarding the Asset Management Plans.</li> </ol>	Manager Engineering and Assets	Asset Management Plans being updated.	<p><del>15 October 2020</del></p> <p><del>3 December 2020</del></p> <p>February 2021</p> <p>April 2021</p> <p>June 2021</p>

**10.3 INVESTMENT & RESERVES REPORT JUNE 2021****Author: Bruce Maunganidze, Financial Accountant****Authoriser: Suni Campbell, Director Corporate Services****RECOMMENDATION**

That That Council:

1. Note and receive the June 2021 report on Investments totalling \$46,791,852 inclusive of cash at bank for day-to-day operations.
2. Note that actual interest received for the month of June 2021 was \$18,405.
3. Note that accrued interest earned to 30 June 2021 but not yet received was \$135,752.
4. Note the Certificate of the Responsible Accounting Officer and adopt the Investment Report.

**BACKGROUND**

The purpose of this report is to update Council on the investment of surplus funds and performance of Council's investment portfolio for the month to 30 June 2021 as required by *Regulation No 264 (Part 19) of the Local Government Act 1993*.

As at 30 June 2021, Council had a total of \$46,791,852 in invested funds. Interest received from investments during the month of June 2021 on a cash basis was \$18,405.

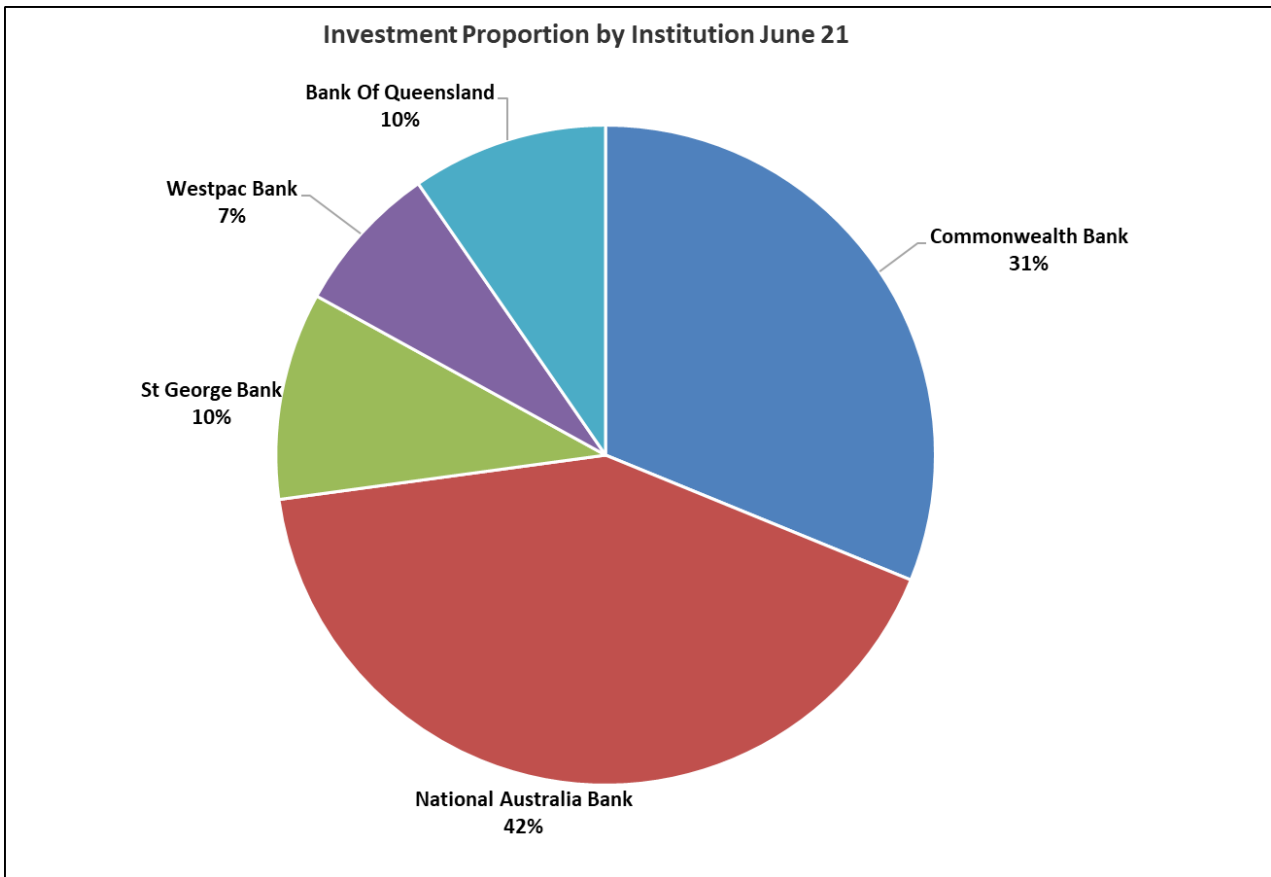
Included in this report are the following items:

- Council's Investments as at 30 June 2021
- Restrictions Applying to Investment Funds
- Investment Portfolio Performance
- Investment Commentary
- Monthly Report from Imperium Markets
- Certification by the Responsible Accounting Officer

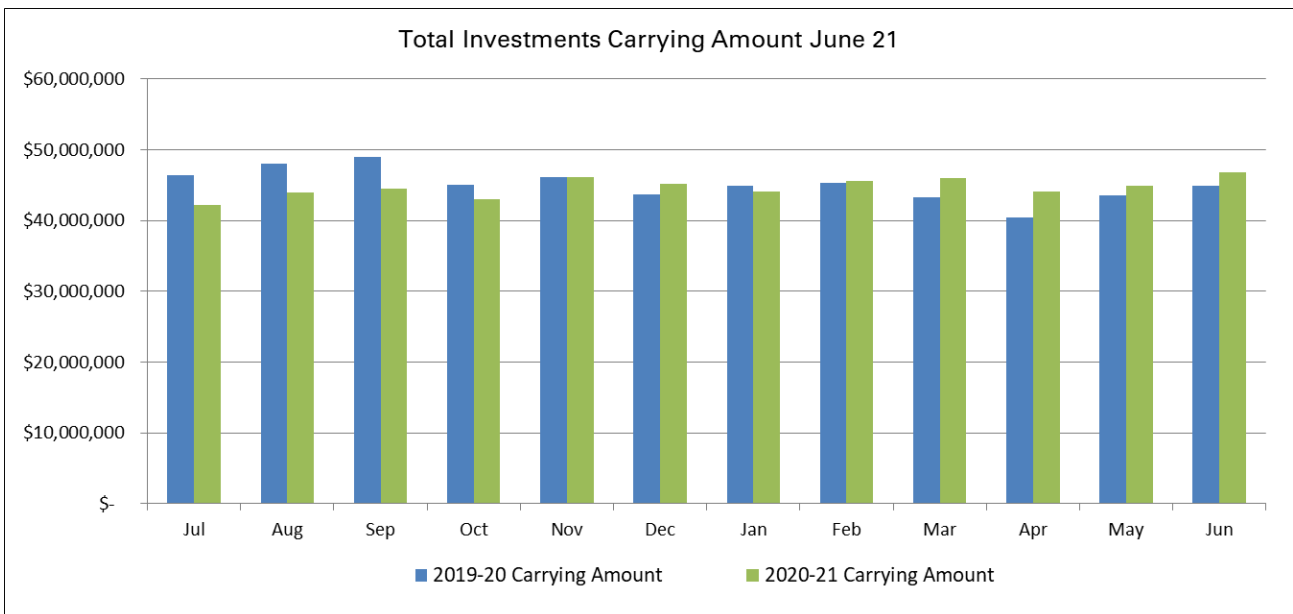
**ISSUE/DISCUSSION****Council's Investments as at 30 June 2021**

As at 30 June 2021, Council had a total of \$46,791,852 in term deposits and cash at bank exclusive of unrepresented receipts or cheques.

Council's funds were invested with A1+, A1 and A2 rated Authorised Deposit Institutions (ADI's).



The details of the investments are included in **Attachment 1 – Investment Register** as at 30 June 2021.



The total investments balance has remained within the \$40M - \$47M range for the past 12 months, with seasonal fluctuations from month to month in line with Council's cashflow requirements.

Two term deposits with NAB worth \$3M matured during the month, these were reinvested with NAB for 24 months and 36 months at 0.60% and 0.75% respectively. Council also redeemed the Westpac 31 Day Notice Accounts worth \$5.9M due to low returns (0.35%). This was reinvested into term deposits with ME Bank @ 0.50% for 12 months and NAB @ 0.65% for 24 months.

Total funds increased by \$1,892,764 during the month mainly due to receipt of Financial Assistance Grants (FAGs) including 2022 advance payment FAG, partly offset by operational and capital expenditure payments.

Summary of **cash at bank** from day to day operations:

<b>Cash Summary</b>		<b>Comment</b>
Opening cash book balance	\$ 2,313,768	Grants and Rates debtors receipts and Term
Plus receipts	\$ 18,733,939	Deposit maturities
Less payments	\$ 17,479,802	Capex and Opex payments and Term Deposit investments
<b>Cash book balance as at 30 June 2021</b>	<b>\$ 3,567,905</b>	
<b>Statement Summary</b>		
Opening statement balance	\$ 2,243,393	Grants and Rates debtors receipts and Term
Plus receipts	\$ 18,753,081	Deposit maturities
Less payments	\$ 17,432,188	Capex and Opex payments, Term Deposit investments and April unrepresented payments
<b>Bank statement balance as at 30 June 2021</b>	<b>\$ 3,564,286</b>	
plus Unrepresented receipts	\$ 3,696	Receipts not yet presented at bank
less Unrepresented payments	\$ 77	Payments not yet presented at bank
<b>Reconciliation balance as at 30 June 2021</b>	<b>\$ 3,567,905</b>	

### **Restrictions Applying to Investment Funds**

Total Funds were held between General, Water and Sewer Funds as follows:

<b>Fund Name</b>	<b>Bank and Investments Percentage</b>	
General	\$ 33,420,247	71.42%
Water	\$ 7,495,386	16.02%
Sewer	\$ 5,876,220	12.56%
<b>Total Funds</b>	<b>\$ 46,791,852</b>	<b>100.00%</b>

The following restrictions applied to the cash and investments balance:

**Internal Restrictions**

Infrastructure replacement	\$ 2,599,826
Plant replacement reserve	\$ 1,798,670
Recreation reserves/villages	\$ 1,113,000
Other internal reserves	\$ 819,542
Employee entitlements	\$ 692,727
Land Development Fund	\$ 385,000
Airport Development	\$ 187,447
Deposits, retentions and bonds	\$ 447,529
Seniors Living Precinct	\$ 243,502
Deniliquin Town Hall and Civic Precinct Redevelopment	\$ 412,805

**Total Internal Restrictions** **\$ 8,700,048**

**External Restrictions**

Water supplies fund	\$ 7,495,386
Sewerage services fund	\$ 5,876,220
Tip remediation	\$ 1,300,000
Unexpended Merger funds	\$ 1,425,794
Other unexpended grant funds	\$ 955,773
Library fund	\$ 309,992
Other external reserves	\$ 158,044

**Total External Restrictions** **\$ 17,521,207**

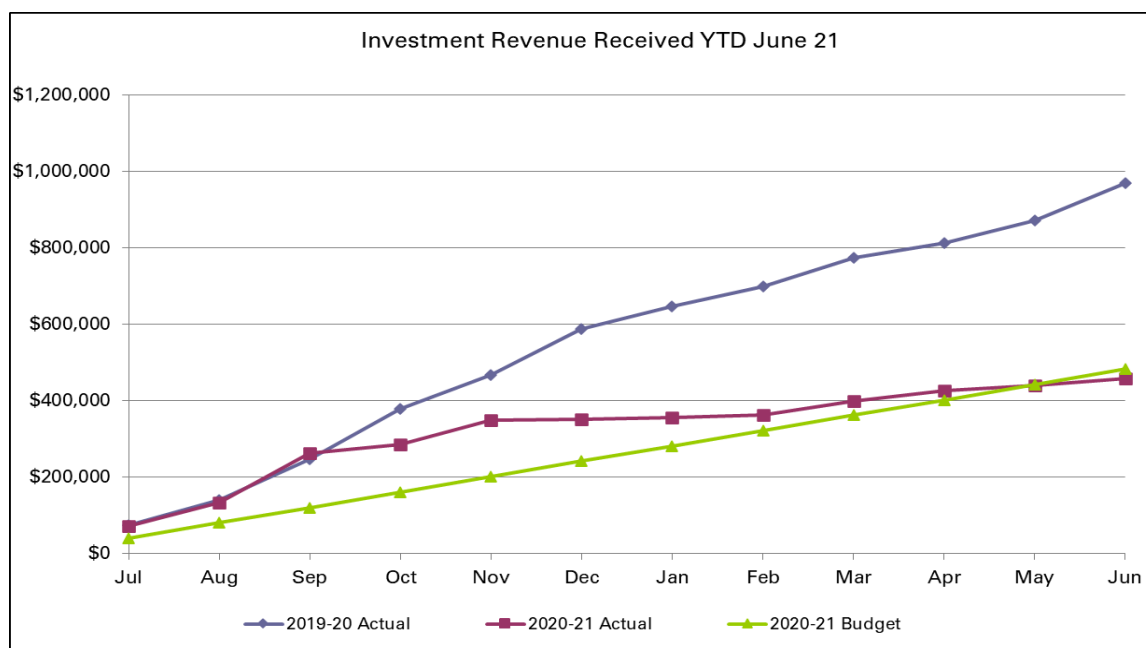
**Unrestricted Funds** **\$ 20,570,596**

**Total Funds** **\$ 46,791,852**

A detailed breakdown of the restrictions is provided in **Attachment 2 – Detailed Reserve Balances** as at 30 June 2021. **Please note these balances are preliminary, pending reconciliation and final review as part of the financial year end process (Reserve balances may change).**

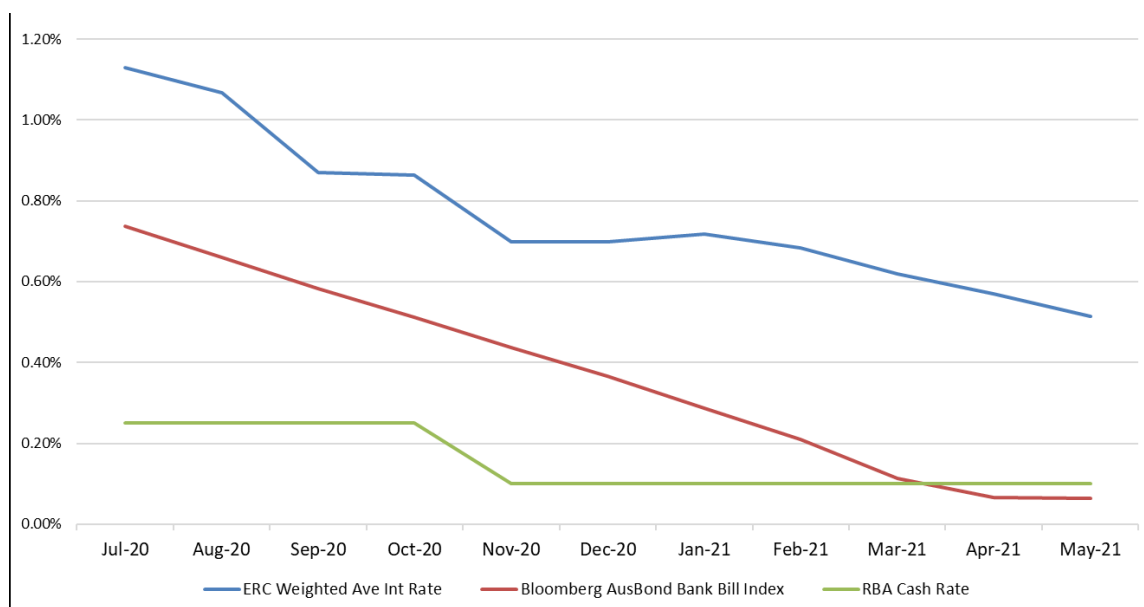
**Investment Portfolio Performance**

Interest received from investments during the month of June 2021 was \$18,405 consisting of \$351 from on-call/bank accounts and \$18,054 from term deposits.





## Investment Portfolio Performance YTD June 2021



As at 30 June 2021, Council's weighted average interest rate was 0.59%, which was 0.53% above the Bloomberg AusBond Bank Bill Index implied one-year return of 0.06%. Accrued interest of \$135,752 had been earned to 30 June 2021 but was yet to be received as these investments mature in later months.

**Monthly Investment Review from Imperium Markets**

Council engaged Imperium Markets Pty Ltd to provide ongoing investment advisory services from June 2021 as per recommendation from Audit Risk and Improvement Committee (*resolution ARIC/2021/7*). As part of this service, Imperium provides, among other services, a monthly investment review report for Council which council uses to inform investment decisions. A copy of the report is attached in this report as **Attachment 3 - Investment Review June 2021- Imperium Markets**. For the 2 months May and June 2021, Council's total financial benefit as a result of accessing better rates through the Imperium platform is estimated at \$14.8K:

ERC - Estimated Financial Benefit due to better Rates on Imperium Platform Jun-21

**\$ 14,780.82**

Bank	Rating	Purchase Date	Maturity Date	Principal	Interest Rate- Imperium platform	Publicly Available Interest Rate	Interest on Maturity	Council Financial Benefit	Interest Paid
NAB	AA-	29/06/2021	29/06/2023	2,500,000.00	0.65%	0.60%	32,500.00	2,500.00	At Maturity
NAB	AA-	25/06/2021	29/06/2023	2,000,000.00	0.65%	0.60%	26,142.47	2,010.96	At Maturity
ME	A-2	25/06/2021	28/06/2022	1,000,000.00	0.50%	0.50%	5,041.10	-	At Maturity
NAB	AA-	10/06/2021	11/06/2024	3,000,000.00	0.75%	0.70%	67,623.29	4,508.22	At Maturity
NAB	AA-	10/06/2021	13/06/2023	2,000,000.00	0.60%	0.55%	24,098.63	2,008.22	At Maturity
NAB	AA-	24/05/2021	24/05/2024	2,500,000.00	0.75%	0.70%	56,301.37	3,753.42	Annual

**Investment Commentary**

As at 30 June 2021, all investments were within the defined Investment Policy limits, with the exception of NAB term deposits which were temporarily 2% (\$783K) above the A-1+ rated individual institution limit due to movements during the month. This will be rectified in July, with \$4.5M NAB term deposits maturing then. Council's investment portfolio consisted of term deposits (91%) and cash at bank/ on call (9%).

The Reserve Bank of Australia (RBA) elected to leave the official cash rate unchanged at a record low of 0.10% during the month whilst suggesting that conditions for an interest rate rise were "unlikely to be met until 2024 at the earliest". The low interest climate is therefore set to continue in the medium to long term.

To mitigate the re-investment risk that this poses, Council has started, following on the advice from Imperium Markets, to invest in term deposits with maturities longer than 1 year, taking into consideration council's cashflow needs. This will allow council to take advantage of the higher returns currently on the market for these investments as compared to short term ones.

### STRATEGIC IMPLICATIONS

Investments have been made in accordance with Council's investment policy which was adopted on 20 December 2018.

### COMMUNITY STRATEGIC PLAN

This report aligns with Outcome 5 – A community working together to achieve its potential and will assist to achieve the objective 'Our local government is efficient, innovative and financially sustainable'.

### FINANCIAL IMPLICATIONS

Under Council's Investment policy, investments are made with a range of ADI's, with Council funds invested with a single institution not going above a percentage of the total portfolio as follows:

40%	A1+ rated institutions
20%	A1 rated institutions
10%	A2 rated institutions
\$250,000	Unrated authorized deposit taking institutions

The overall portfolio credit framework limits applicable to any credit rating category are as follows:

100%	TCorp/M Funds
100%	A1+ rated institutions
40%	A1 rated institutions
30%	A2 rated institutions
5%	A3 Unrated authorized deposit taking institutions

### LEGISLATIVE IMPLICATIONS

#### **Certification – Responsible Accounting Officer**

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

Amanda Barber  
**Responsible Accounting Officer**

### ATTACHMENTS

1. Investment Register as at 30 June 2021
2. Detailed Reserve Balances as at 30 June 2021
3. Investment Review June 2021- Imperium Markets


Schedule of Investments													
											This Report is at date		30-June-2021
Description	Financial Institution	Council	Type	Account No.	Rating at EOM (S&P)	Date Invested	Maturity Date	Days	Rate	Face Value Amount	% of Portfolio	Estimated Interest	
Westpac Business Cheque Plus Account	Westpac Bank	Deniliquin	Oncall/ CMT	032-870 16-6545	A1+	N/a	N/a	365	0.00%	450,976	0.96%	Monthly	
Westpac 31 Day Notice Account	Westpac Bank	Deniliquin	Oncall/ CMT	032-870 23-2696	A1+	N/a	N/a	365	0.35%	1,617	0.00%	Monthly	
Commonwealth Bank General Fund	Commonwealth Bank	Conargo	Oncall/ CMT	062-533 000 000 10	A1+	N/a	N/a	365	0.00%	3,112,339	6.65%	Monthly	
Commonwealth Bank Business On Line Save	Commonwealth Bank	Conargo	Oncall/ CMT	062-533 101 511 17	A1+	N/a	N/a	365	0.15%	475,949	1.02%	Monthly	
Macquarie Bank - Rates	Macquarie Bank	Deniliquin	Oncall/ CMT	3005-79778	A1	N/a	N/a	365	0.00%	792	0.00%	Monthly	
Macquarie Bank - Water	Macquarie Bank	Deniliquin	Oncall/ CMT	2643-18940	A1	N/a	N/a	365	0.00%	180	0.00%	Monthly	
<b>Total Oncall/ CMT Accounts</b>										<b>4,041,852</b>	<b>8.64%</b>		
<b>Term Deposits</b>													
St George	St George Bank	Deniliquin	TD	354775348	A1+	03-Sep-20	03-Sep-21	365	0.85%	1,500,000	3.21%	12,750.00	
St George	St George Bank	Edward River	TD	354032747	A1+	04-Nov-20	04-Nov-21	365	0.60%	1,250,000	2.67%	7,500.00	
St George	St George Bank	Edward River	TD	357226820	A1+	04-Nov-20	04-Nov-21	365	0.60%	1,000,000	2.14%	6,000.00	
St George	St George Bank	Edward River	TD	357777242	A1+	05-Nov-20	05-Nov-21	365	0.60%	1,000,000	2.14%	6,000.00	
Westpac	Westpac Bank	Edward River	TD	032-870-24-5462	A1+	26-Sep-20	26-Sep-21	365	0.70%	3,000,000	6.41%	21,000.00	
National Australia Bank	National Australia Bank	Edward River	TD	GMI-DEAL-10713076	A1+	24-Jul-20	26-Jul-21	367	0.92%	1,000,000	2.14%	9,250.41	
National Australia Bank	National Australia Bank	Edward River	TD	GMI-DEAL-10713973	A1+	30-Jul-20	30-Jul-21	365	0.85%	2,000,000	4.27%	17,000.00	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	10-Jun-21	13-Jun-23	733	0.60%	2,000,000	4.27%	24,098.63	
National Australia Bank	National Australia Bank	Edward River	TD	75-932-6938	A1+	31-Jul-20	30-Jul-21	364	0.85%	1,500,000	3.21%	12,715.07	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	10-Jun-21	11-Jun-24	1097	0.75%	3,000,000	6.41%	67,623.29	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	06-Nov-20	08-Nov-21	367	0.55%	3,000,000	6.41%	16,590.41	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	24-May-21	24-May-24	1096	0.75%	2,500,000	5.34%	56,301.37	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	25-Jun-21	29-Jun-23	734	0.65%	2,000,000	4.27%	26,142.47	
National Australia Bank	National Australia Bank	Edward River	TD	0	A1+	29-Jun-21	29-Jun-23	730	0.65%	2,500,000	5.34%	32,500.00	
Commonwealth Bank	Commonwealth Bank	Edward River	TD	CDA 37543602	A1+	16-Oct-20	16-Sep-21	335	0.62%	4,000,000	8.55%	22,761.64	
Commonwealth Bank	Commonwealth Bank	Edward River	TD	0	A1+	23-Oct-20	21-Oct-21	363	0.60%	4,000,000	8.55%	23,868.49	
Commonwealth Bank	Commonwealth Bank	Edward River	TD	0	A1+	19-Feb-21	18-Feb-22	364	0.41%	1,500,000	3.21%	6,133.15	
Commonwealth Bank	Commonwealth Bank	Edward River	TD	0	A1+	01-Apr-21	11-Apr-22	375	0.43%	1,500,000	3.21%	6,626.71	
<b>Total A1+ Deposits</b>										<b>38,250,000</b>	<b>81.75%</b>		
ME Bank	Me Bank	Edward River	TD	083-01854-5525	A2	25-Jun-21	28-Jun-22	368	0.50%	1,000,000	2.14%	5,041.10	
Bank Of Queensland	Bank Of Queensland	Edward River	TD	083-01854-5526	A2	10-Dec-20	08-Dec-21	363	0.54%	1,500,000	3.21%	8,055.62	
Bank Of Queensland	Bank Of Queensland	Edward River	TD	083-01854-5527	A2	19-Mar-21	21-Mar-22	367	0.39%	2,000,000	4.27%	7,842.74	
<b>Total A2 Deposits</b>										<b>4,500,000</b>	<b>9.62%</b>		
									<i>Weighted Average Interest Rate</i>	0.59%	<b>46,791,852</b>	<b>100.00%</b>	

<b>ERC Detailed Reserves Balances</b>	<b>30/06/2021</b>
<b>EXTERNAL RESERVES</b>	
Developer Contributions - General	39,485
Specific Purpose Unexpended Grants	955,773
Water Supplies	7,495,386
Sewerage Services	5,876,220
Domestic Waste Management	1,300,000
Merger Operational	367,149
Merger Stronger Communities	1,058,645
Conargo Milestones/Interpretative	37,287
Conargo Oval M&R	20,000
Deniliquin Band Committee	19,809
Deniliquin Community Gardens	2,967
EPA Waste	35,915
Library Reserve	309,992
Regional Arts	2,580
<b>Total External Restrictions</b>	<b><u>17,521,207</u></b>
<b>INTERNAL RESERVES</b>	
Plant Replacement	1,798,670
Infrastructure Replacement	2,599,826
Employees Leave	692,727
Deposits, retentions and bonds	447,529
Airport Industrial Land	20,000
Asset Management	14,000
Airport Runway Development	187,447
Blighty Power Upgrade	70,000
Building Maintenance	50,000
Cemetery Upgrade	9,000
Depot office & gates upgrade	41,000
Dog Trail	3,000
Election Reserve	12,312
Fencing Conargo	7,000
Gravel Pits	14,000
Human Resources	17,674
Internal Audit	6,000
Land Development	385,000
Landscaping plan	90,000
Recreation Reserves/Villages (Landscaping Plans)	1,113,000
Risk Management	44,686
Wanganella Community Hall	5,000
Shire Entrance Signs	5,000
Tourism/Industry Promotion	13,000
Town Planning Plan, Surveys & Studies	102,662
Waste Facilities	63,300
Water Supply Network	57,000
Website Development	1,750
Seniors Living Precinct	243,502
Conargo and Pretty Pine Rural Landfills	23,158
Deniliquin Town Hall and Civic Precinct Redevelopment	412,805
North Depot Redevelopment	150,000
<b>Total Internal Restrictions</b>	<b><u>8,700,048</u></b>
<b>Total Restrictions</b>	<b><u>26,221,256</u></b>



## Investment Review

### June 2021

 <p>IMPERIUM MARKETS</p>	<p>Imperium Markets Pty Ltd ABN: 87 616 579 527 Authorised Representative of Libertas Financial Planning Pty Ltd AFSL 429 718 Phone: +61 2 9053 2987 Email: <a href="mailto:michael.chandra@imperium.markets">michael.chandra@imperium.markets</a> Level 9 Suite 02, 3 Spring Street, Sydney NSW 2000</p>
---	---



### Impact of COVID-19 to Council's Portfolio

COVID-19 has adversely impacted financial markets, which in turn, has also affected Council's investment portfolio. We provide a quick summary in this section.

With regards to financial markets, shares (equities) experienced a significant correction in March 2020 but have since, recovered substantially due to the unprecedented fiscal and monetary policy support from global central banks and governments. **The RBA cut rates to record lows on 3<sup>rd</sup> November 2020 to 0.10%.** Despite the Delta variant causing renewed restrictions across several countries (including Australia), equities markets have continued their rally over the course of 2021 driven by the multiple vaccines available and ongoing fiscal and monetary policy easing measures. Longer-term bond yields have risen since the start of the calendar year on the prospects of higher inflation over coming years.

With regards to the medium-longer term outlook for financial markets, of importance is the RBA's outlook and expectations for the Australian economy. They would like to see the following three economic indicators improve before they even consider increasing interest rates:

1. The unemployment rate to drop to around 4.5% (currently it sits at 5.1% and has not been below 4.5% since 2008);
2. *"Until actual inflation is sustainably within the 2-3% target range"* (it has not been within their target band for the past 5 years); and
3. Wage growth to surpass +3% (it has not been above this level for the past 8 years).

Their current forward guidance suggests conditions for a rate rise are ***"unlikely to be until 2024 at the earliest"***.

The largest impact to Council's investment portfolio is with regards to its largest exposure being assets held in bank term deposits, which accounts for around ~91% of Council's total investment). **The biggest risk that Council faces over the medium-longer term in this environment is not the potential loss of capital (given all the banks are well capitalised and regulated by APRA), but the rapid loss of interest income as interest rates have plummeted.**

Council's term deposit portfolio was yielding 0.64% p.a. at month-end, with a weighted average duration of around 341 days or ~11½ months. **This short average duration will provide some income protection against the low interest rate environment over the immediate future.** As existing deposits mature however, they will inevitably be reinvested at much lower prevailing rates.

**Given official rates have fallen to record lows, Council is likely to see a rapid decline in interest income over future financial years. Its budgeted income over the medium-longer term needs to be revised to reflect the low interest rate environment. Returns between 0.40%-0.80% p.a. may potentially be the "norm" over the next few financial years, especially if rolling the majority of surplus funds for terms less than 2-3 years.** Yields may in fact be lower if electing to invest for terms under 12 months.



## Council’s Portfolio & Compliance

### Asset Allocation

The portfolio is mainly directed to fixed term deposits (91%). The remainder of the portfolio is held in various overnight cash accounts with the major banks (9%) and Macquarie Bank earning a low rate of return. We recommend opening the ‘accelerator’ cash account with Macquarie Bank (A+), which is currently paying an overnight rate of 0.40% p.a. for balances up to \$10m (and 0.20% p.a. for balances greater than \$10m).

**With the RBA cutting interest rates in November 2020 to 0.10% and flagging no rate hikes “at least until 2024”, the priority should be to lock in any remaining attractive medium-longer dated fixed deposits or fixed bonds that may still be available to address reinvestment risk as margins continue to compress.**

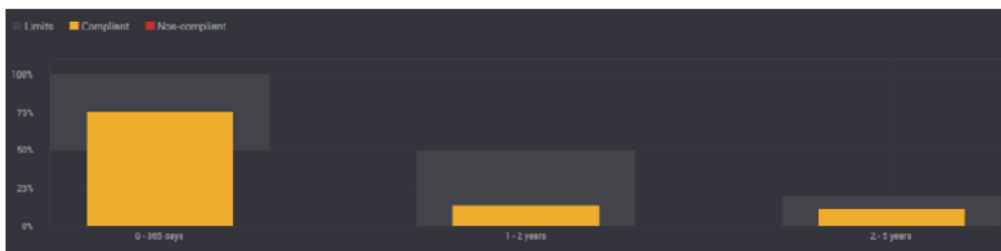


### Term to Maturity

**The portfolio remains highly liquid with around 74% maturing within 12 months, which is well above the minimum requirement of 50%.** The weighted average duration of the deposit portfolio is around 11½ months, which has been extended from 7 months in May. We commend Council’s decision to place additional term deposit with NAB (AA-) for 2-3 years, locking in rates between 0.60%-0.75% during the month.

We recommend continuing to diversify the maturity profile to mitigate the rapid loss of income and address reinvestment risk (rolling over deposits at lower prevailing rates). The biggest risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates from 7¼% to the historical levels currently experienced at 0.10%. Rollover risk has been the major detriment to Council’s performance and interest income over the past decade and will continue to do so going forward.

We recommend a further diversified maturity profile to take advantage of the capacity in the 1-5 year investment horizon. This will address Council’s biggest threat going forward being reinvestment risk in the low interest rate environment.





Where there is (counterparty) capacity to invest in attractive medium-longer term investments, we recommend this be allocated to medium-term fixed deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 365 days	\$34,791,852	74.36%	50%	100%	\$12,000,000
✓	1 – 2 years	\$6,500,000	13.89%	0%	50%	\$16,895,926
✓	2 – 5 years	\$5,500,000	11.75%	0%	20%	\$3,858,370
		<b>\$46,791,852</b>	<b>100.00%</b>			

### Counterparty

As at the end of June, applying long-term credit ratings only, Council had a minor overweight position to the NAB (AA-) by around \$783k. This can easily be rectified with \$4.5m of deposits maturing with NAB (AA-) in late July 2021. Overall, the portfolio is lightly diversified across the investment grade credit spectrum, with no exposure to the unrated ADIs.

Compliant	Issuer	Rating <sup>A</sup>	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	CBA	AA-	\$14,588,288	31.18%	40.00%	\$4,128,453
X	NAB	AA-	\$19,500,000	41.67%	40.00%	<b>-\$783,259</b>
✓	WBC	AA-	\$8,202,593	17.53%	40.00%	\$10,514,148
✓	Macquarie	A	\$971	0.00%	20.00%	\$9,357,399
✓	BoQ	BBB+	\$3,500,000	7.48%	10.00%	\$1,179,185
✓	ME Bank	BBB	\$1,000,000	2.14%	10.00%	\$3,679,185
			<b>\$46,791,852</b>	<b>100.00%</b>		

<sup>A</sup>Applying long-term ratings only.

On 1<sup>st</sup> July 2021, after receiving final approval, BoQ acquired ME Bank for \$1.325bn. As such, effective 01/07/2021, all ME Bank's senior assets including term deposits will be upgraded from BBB to BBB+. With regards to counterparty limits, the two banks are still running separate ADI licences and so their individual exposures will continue to be shown separately. Once ME Bank formally withdraws its ADI licence (which could take up to 12 months), existing holdings with ME Bank will need to be aggregated with its parent company, BoQ. Council will need to keep this in mind when reinvesting maturing deposits with BoQ or ME Bank, and when placing 'new' surplus funds, so as not to be 'overweight' relative to the overall aggregate limits. There is also, however, a chance that BoQ may be upgraded from BBB+ to either A- or A by S&P over coming months/years, which would help with capacity limits.

We remain supportive of the regional and unrated ADI sector (and have been even throughout the GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.

APRA's Chairman affirmed that the banks had satisfactorily moved towards an 'unquestionably strong' capital position and that bank's stress testing contingency plans were now far better positioned than was previously the case years ago. **RBA Governor Lowe has commented that they have not seen any signs of stress in the financial system and that unlike during the GFC, the banks now have cash, are well capitalised and are acting as "shock absorbers" in the current pandemic crisis.**

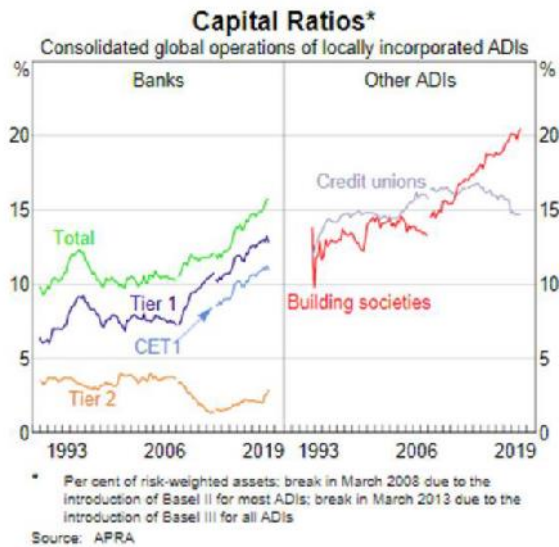




Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer ‘above market’ specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio’s overall returns.

In the current environment of high regulation and scrutiny, all domestic ADIs continue to carry high levels of capital, particularly amongst the lower (“BBB”) and unrated ADIs. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC. **APRA’s mandate is to “protect depositors” and provide “financial stability”.**

***The biggest single risk that depositors face in the current low interest rate environment is not capital or credit risk, but reinvestment risk. Interest rates are now at their effective lower bound of 0.10%.***





### Credit Quality

The portfolio remains diversified from a credit ratings perspective. The entire long term portfolio is spread amongst the investment grade spectrum.

Council's maximum limit of 30% in aggregate with the "BBB" rated ADIs remains fairly conservative compared to some other NSW local government clients who have a maximum limit of 40%. From a ratings perspective, the "BBB" rated banks now generally dominate the number of ADIs issuing deposits within the investment grade space. However, given most banks are fully liquid during the current pandemic, most of the "BBB" rated and Unrated ADIs are currently not seeking wholesale funding.

As such, in the interim, we could see a shift towards a larger proportion of assets being directed towards the higher rated ADIs given the lack of appetite amongst the lower rated ADIs.

All aggregate ratings categories are within the Policy limits:

Compliant	Credit Rating <sup>^</sup>	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AA Category	\$42,290,881	90%	100%	\$4,500,971
✓	A Category	\$971	0%	40%	\$18,715,769
✓	BBB Category	\$4,500,000	10%	30%	\$9,537,556
✓	Unrated Category	\$0	0%	5%	\$2,339,593
		<b>\$46,791,852</b>	<b>100.00%</b>		

<sup>^</sup> Applying long-term ratings only.



### Performance

Council's performance (excluding cash holdings) for the month ending 30 June 2021 is summarised as follows:

Performance (Actual)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.01%	0.02%	0.05%	0.15%	0.15%
AusBond Bank Bill Index	0.00%	0.01%	0.01%	0.06%	0.06%
Council's T/D Portfolio <sup>^</sup>	0.05%	0.16%	0.35%	0.90%	0.90%
<b>Outperformance</b>	<b>0.05%</b>	<b>0.15%</b>	<b>0.34%</b>	<b>0.85%</b>	<b>0.85%</b>

<sup>^</sup>Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

Performance (Annualised)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.10%	0.10%	0.10%	0.15%	0.15%
AusBond Bank Bill Index	0.03%	0.04%	0.02%	0.06%	0.06%
Council's T/D Portfolio <sup>^</sup>	0.67%	0.65%	0.71%	0.90%	0.90%
<b>Outperformance</b>	<b>0.64%</b>	<b>0.62%</b>	<b>0.69%</b>	<b>0.85%</b>	<b>0.85%</b>

<sup>^</sup>Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

For the month of June, the portfolio (excluding cash) provided a return of +0.05% (actual) or +0.67% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.00% (actual) or +0.03% p.a. (annualised). The outperformance continues to be anchored by a combination of those medium-longer dated deposits locked-in for a term of 6 months or longer.

We note that investments are being reinvested at lower prevailing rates as the cash rate has reached the RBA's effective lower bound of 0.10% and likely to stay at these depressed levels for the foreseeable future.

Investors using the Imperium Markets platform (an ASIC Licensed Market) have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible.



### Council's Term Deposit Portfolio & Recommendation

As at the end of June 2021, Council's deposit portfolio was yielding 0.64% p.a. (unchanged from the previous month), with a weighted average duration of around 341 days (~11½ months).

We recommend Council continues extending this average duration closer to 18 months if possible. We reiterate that in the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the historical low levels of 0.10%.

At the time of writing, we see value in:

ADI	LT Credit Rating	Term	T/D Rate
ICBC, Sydney	A	5 years	1.50% p.a.
WBC	AA-	5 years	~1.30% p.a.
NAB	AA-	5 years	1.25% p.a.
ICBC, Sydney	A	4 years	1.25% p.a.
WBC	AA-	4 years	~1.05% p.a.
NAB	AA-	4 years	1.00% p.a.
ICBC, Sydney	A	3 years	0.96% p.a.
WBC	AA-	3 years	~0.82% p.a.
NAB	AA-	3 years	0.75% p.a.
ICBC, Sydney	A	2 years	0.70% p.a.
NAB	AA-	2 years	0.60% p.a.

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment.

For terms under 12 months, we believe the strongest value is currently being offered by the following ADIs (dependent on daily funding requirements):



ADI	LT Credit Rating	Term	T/D Rate
ME Bank	BBB	12 months	0.50% p.a.
BoQ	BBB+	7-8 months	0.45% p.a.
CBA	AA-	12 months	~0.44% p.a.
BoQ	BBB+	9-12 months	0.40% p.a.
Westpac	AA-	12 months	~0.36% p.a.
NAB	AA-	12 months	0.35% p.a.
AMP Bank	BBB	9-12 months	0.35% p.a.^
Bendigo	BBB+	9-12 months	0.35% p.a.

<sup>^</sup> AMP T/Ds – contact us to receive an additional 0.20% p.a. rebated commission on top of the rate shown

Amongst the investment grade sector, short-dated term deposits (maturing less than 12 months) are yielding under 0.50% p.a. (most are under 0.40% p.a.). We believe there is not much value being offered in short-dated deposits.

In contrast, there is an upward pick-up in yield for investors that can take advantage of 2-5 year fixed T/Ds whilst official rates are stuck at depressed levels at least for the next two to three years. For those investors that do not require high levels of liquidity and can stagger their investments longer-term, they will be rewarded over coming years if they roll for a minimum term of 2 years (we note some investors tend to roll for 3-5 years), potentially yielding, on average, more than double the return compared to those investors that purely invest in short-dated deposits.

#### Council's At-Call Account

Should any of Council's at-call accounts be earning less than 0.40% p.a., we recommend opening the **Macquarie Bank (A+) accelerator cash account** which is currently being offered at a rate of **0.40% p.a. for balances up to \$10m**. If interested, please get in contact with us and we can introduce Council with the relevant staff at Macquarie Bank to open up this account.



### Senior FRNs Review

Over June, amongst the senior major bank FRNs, physical credit securities marginally widened at the long-end of the curve. Secondary market securities remain relatively expensive on the back of the RBA announcing its \$200bn quantitative easing (QE) package (doubled in Feb 2021).

**A new 5 year senior major bank FRN would now be issued around the +52bp, which remains tight on a historical basis.** We may finally see some primary issuances in Q3-Q4 this year from the major banks as the RBA's term funding facility (TFF) draws to an end as of June 2021. The lack of supply from new (primary) issuances has played a major role with the rally in credit markets over the past year.

Amongst the "A" and "BBB" rated sector, the securities were marked around 3bp tighter at the long-end of the curve, driven by some new issuances over the month, including:

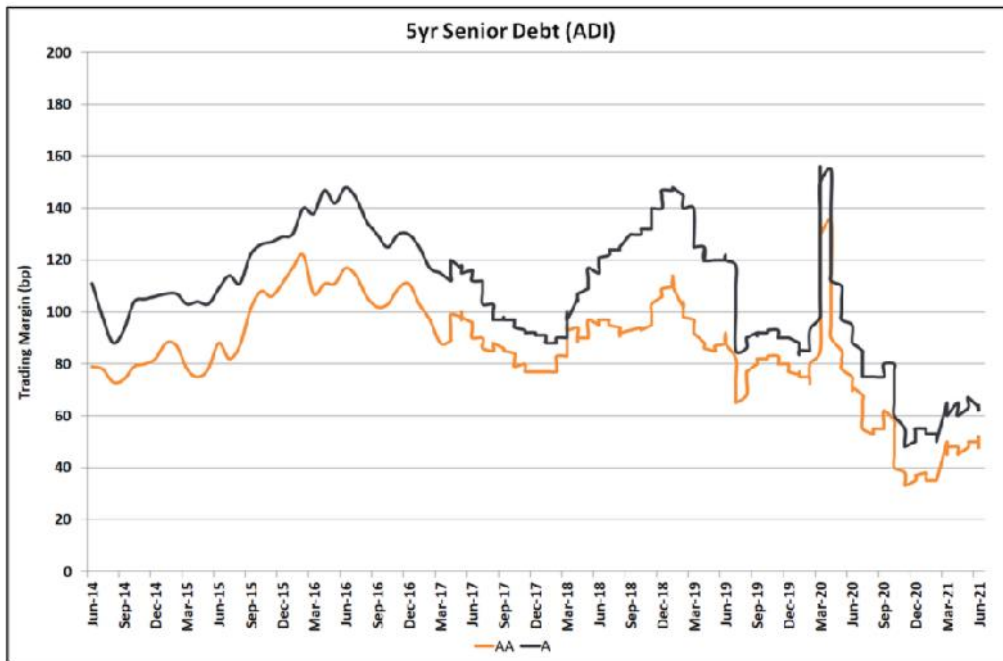
ADI	Rating	Volume	Term	Maturity Date	Priced	Initial Guidance
Teachers Mutual	BBB	\$100m	5yrs	16/06/2026	+68bp	+ [70-73]bp
Bendigo	BBB+	\$225m	5yrs	18/06/2026	+65bp	+ [65-67]bp
ICBC	A	\$500m	5yrs	18/06/2026	+66bp	+ [72]bp

While turnover in the secondary market is still predominately dominated by commonwealth, semi-government and major bank senior paper, given the lack of supply, we have started to observe that even a handful of regional bank senior paper has sometimes been trading inside "mid" levels over recent months.

Credit securities remain tight on a historical level but are looking slightly more attractive following the widening experienced since the start of the calendar year. FRNs will continue to play a role in investor's portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	30/06/2021	31/05/2021
"AA" rated – 5yrs	+52bp	+50bp
"AA" rated – 3yrs	+25bp	+27bp
"A" rated – 5yrs	+64bp	+67bp
"A" rated – 3yrs	+42bp	+45bp
"BBB" rated – 3yrs	+52bp	+55bp

Source: IBS Capital



Source: IBS Capital

We now generally **recommend switches** ('benchmark' issues only) into new attractive primary issues (or longer-dated alternatives), out of the following senior FRNs that are maturing:

- On or before mid-2024 for the "AA" rated ADIs (domestic major banks);
- On or before mid-2022 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.

*FRNs remain expensive in this environment and we continue to favour longer-dated fixed investments (term deposits).*



### Senior Bonds - Northern Territory Treasury Corporation (NTTC)

We are aware of the following senior retail bond offering from Northern Territory Treasury Corporation (NTTC) effective 1<sup>st</sup> July 2021:

Maturity Date	Rate % p.a. <sup>^</sup>	Interest Paid
15/12/2022	0.40%	Annually
15/12/2023	0.60%	Annually
15/12/2024	1.00%	Annually
15/12/2025	1.20%	Annually
15/12/2026	1.50%	Annually

<sup>^^</sup>The rates offered in the above table can be reviewed and changed at any time from Treasury. The rate for broker sponsored applications will be dropped by 0.20% p.a. effective 1 October 2020.

**Any investor interested in this product should avoid placing through the broker channel and contact Imperium Markets to receive the full commission of 0.25% (plus GST) on the face value of the investment, in the form of an additional rebate.** If placed through the brokers, they are likely to keep the 0.25% commission (on the face value of the investment).

Overview	Description
Issuer	Northern Territory Government
Credit Rating	Aa3 (Moody's), which is AA- equivalent (S&P)
Type	Fixed senior (retail) bonds
Program	Territory Bonds Issue 111
Date for applications	<b>01/07/2021 – 30/11/2021</b>
Liquidity	Weekly redemptions available, subject to the prevailing market rate and administration costs <sup>^^</sup>

<sup>^^</sup> Note given this is a retail bond offering (min. parcel size of \$5,000), for wholesale investors, we would not consider this to be a liquid investment (the largest redemptions to date have only been \$200-\$300k).

The product should be viewed as a hold-to-maturity product, noting there are significant penalty costs including admin fees, the prevailing market interest rate, and factors in any associate commissions that were previously paid. Given the longer-term outlook for official interest rates, **any investor with capacity should consider placing a small parcel (up to \$5m) in the 15/12/2024, 15/12/2025 and 15/12/2026 maturities through Imperium Markets** to receive an effectively higher rate, once factoring in the rebated commission.





## Economic Commentary

### International Market

Equity markets continued their positive momentum in June, despite ongoing concerns of rising inflationary pressures leading to upward revisions of central bank rate hikes. Concerns have grown globally around the Delta variant with many countries instituting travel restrictions or restricting travel to those who are now fully vaccinated.

In the US, the S&P 500 Index gained +2.22%, while the tech-heavy NASDAQ Index surged +5.49%. Equities finished positively across Europe's main indices, led by France's CAC (+0.94%), Germany's DAX (+0.71%) and UK's FTSE (+0.21%).

The US Fed's meeting in June revealed their latest 'dot plot' which showed that the median FOMC member now forecasts two Fed rate hikes in 2023, versus none in the March iteration (13 of the 18 person FOMC see rates rising in 2023 versus only six previously). The Fed repeated its April line in that "inflation has risen, largely reflecting transitory factors", while making no changes to their key policy rate or its US\$120bn/month bond buying pace.

US inflation continued its sharp rise in May with the headline reading up +0.6% m/m taking the annual reading to +5.0%. The core reading rose +0.7% m/m, lifting the annual reading to +3.8%. The past 3 month rise in core US inflation was the highest recorded since August 1982.

The US unemployment rate fell by 0.3% to 5.8% in May but remained well above the pre-pandemic level of 3.5%.

The UK's GDP rose by a strong +2.3% m/m in April, putting the economy on track to rebound in Q2 as restrictions eased. UK CPI came in higher than expected at +2.1% y/y, with core inflation at +2.0% so hitting the BoE's 2% target for the first time since 2018. Euro area annual CPI inflation hit +2% for the first time since 2018 but the core increase was much lower at +0.9%.

Canada's GDP in Q1 was weaker than expected but was still up a strong annualised +5.6%, fuelled by a record contribution from residential investment. The Bank of Canada kept all its policy settings unchanged and said it would maintain its bond buying at \$3b/week, although the market expects a further tapering to be announced at next month's meeting.

On the back of vaccine optimism and US fiscal stimulus, the OECD upgraded its forecasts for global growth to 5.8% this year and 4.4% next year from 5.6% and 4.0% respectively back in March.

The MSCI World ex-Aus Index rose +1.46% for the month of June:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+2.22%	+8.17%	+38.62%	+16.49%	+15.41%	+12.52%
MSCI World ex-AUS	+1.46%	+7.33%	+37.07%	+13.21%	+12.93%	+8.77%
S&P ASX 200 Accum. Index	+2.26%	+8.29%	+27.80%	+9.59%	+11.16%	+9.29%

Source: S&P, MSCI



### Domestic Market

The RBA's meeting in June did not provide any new forward guidance given they had previously flagged that it will review its unconventional policy settings in July. **At the July meeting, the RBA will decide on whether to extend their 3yr yield target from the April 2024 bond to the November 2024 bond, and whether to undertake a 3<sup>rd</sup> round of QE.**

**The subsequent Minutes remained overwhelmingly dovish, which suggests the RBA is in no hurry to follow the RBNZ or BOC in flagging higher rates in 2022.** The RBA still notes inflation is unlikely to be sustainably within the 2-3% band "until 2024 at the earliest".

**Q1 GDP rose by +1.8% (and +1.1% y/y) and is now 0.8% above pre-COVID levels.** Overall, the data showed that the rebound was uninterrupted by the tapering in some fiscal support in Q1 and that brief periods of virus-related shutdowns have not stalled the recovery.

**The unemployment rate fell 0.4% to 5.1% in May and is now back to pre-pandemic February 2020 levels.** Headline employment rose 115.2k to a record high 13.1m. Employment gains were led by full-time (+97.5k), with part-time also strong (+17.7k).

Credit growth slowed in April to 0.2% m/m from 0.4% m/m in March (consensus +0.4%). Growth was again driven by housing credit (+0.5% m/m) with business credit declining (-0.3% m/m) after the previous month's increase.

Australian dwelling price rose +2.2% m/m in May, taking the annual change in dwelling prices to +10.6% y/y. New housing loan approvals rose strongly in April, up +3.7% m/m with growth driven by both owner-occupiers (+4.3% m/m) and investors (+2.1% m/m).

**Australia's AAA rating was retained by S&P, with the outlook moving from negative to stable,** citing the "strong" economic rebound, giving greater confidence in the deficit narrowing towards 3% of GDP over the next 2-3 years.

June saw the re-emergence of low levels of local transmission of COVID-19 in Australia, first in Melbourne, and most recently concentrated in Sydney, with both resulting in circuit-breaker lockdowns (two weeks announced for Greater Sydney).

**The Australian dollar fell -2.68%, finishing the month at US75.18 cents** (from US77.25 cents the previous month).

### Credit Market

The main credit indices marginally tightened over June. The indices now trade back to their levels experienced in late 2020:

Index	June 2021	May 2021
CDX North American 5yr CDS	48bp	51bp
iTraxx Europe 5yr CDS	47bp	50bp
iTraxx Australia 5yr CDS	58bp	59bp

Source: Markit



## Fixed Interest Review

### Benchmark Index Returns

Index	June 2021	May 2021
Bloomberg AusBond Bank Bill Index (0+YR)	+0.00%	+0.00%
Bloomberg AusBond Composite Bond Index (0+YR)	+0.69%	+0.26%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.08%	+0.07%
Bloomberg AusBond Credit Index (0+YR)	+0.33%	+0.22%
Bloomberg AusBond Treasury Index (0+YR)	+0.99%	+0.30%
Bloomberg AusBond Inflation Gov't Index (0+YR)	+0.79%	+0.90%

Source: Bloomberg

### Other Key Rates

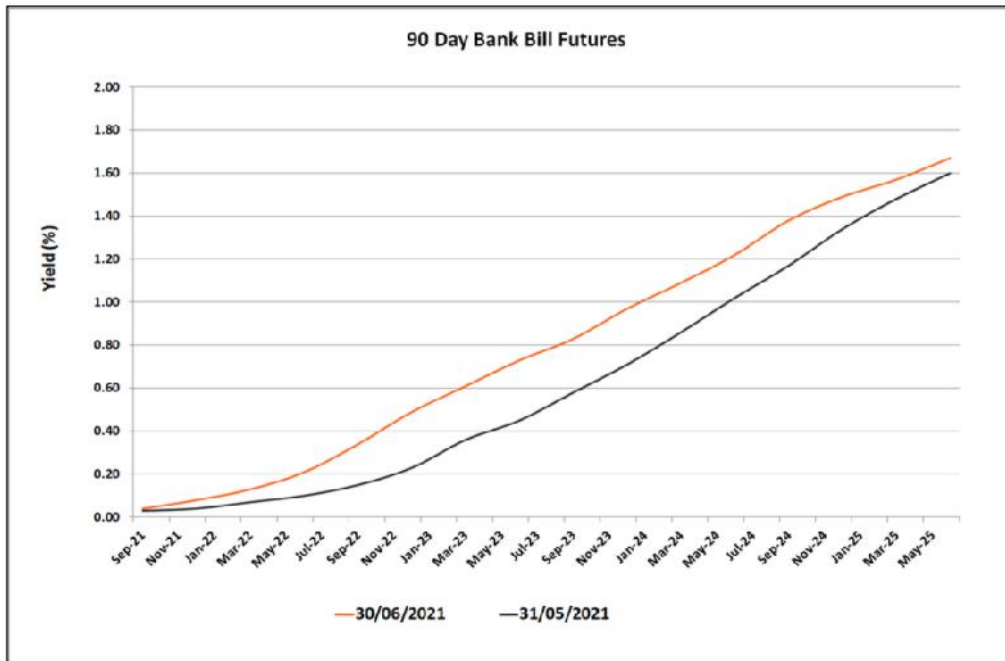
Index	June 2021	May 2021
RBA Official Cash Rate	0.10%	0.10%
90 Day (3 month) BBSW Rate	0.03%	0.04%
3yr Australian Government Bonds	0.20%	0.10%
10yr Australian Government Bonds	1.49%	1.61%
US Fed Funds Rate	0.00%-0.25%	0.00%-0.25%
10yr US Treasury Bonds	1.45%	1.58%

Source: RBA, AFMA, US Department of Treasury



90 Day Bill Futures

Over June, bill futures rose across the board as rising inflationary pressures, as well as the end of the RBA’s TFF and potential withdrawal or tapering of its QE programme later this. Overall, bill futures continue to depict a low rate environment over the long-run, despite the steeping curve in recent months:



Source: ASX



## Fixed Interest Outlook

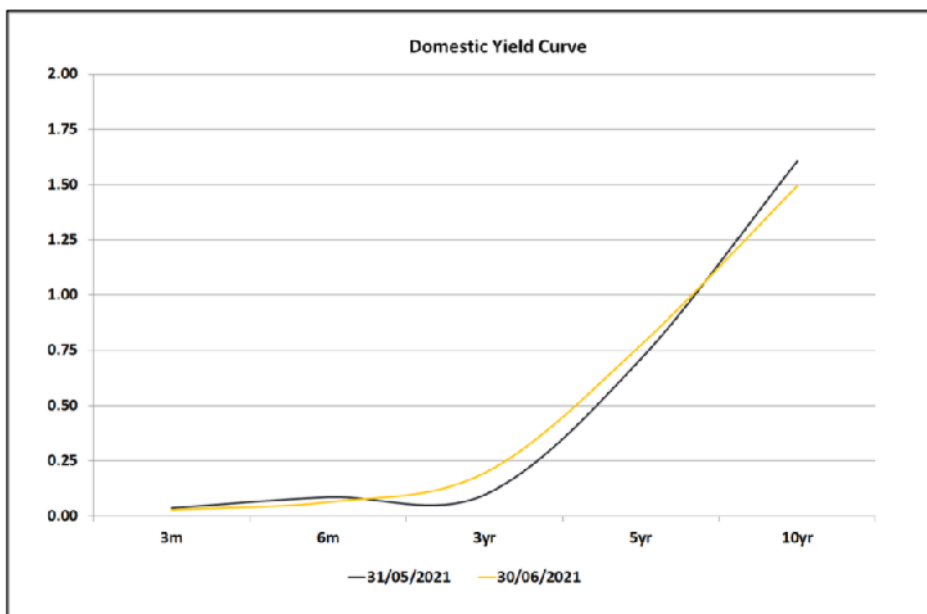
While bond yields have marched higher since the start of the calendar year, price actions have suggested that inflation may not be as big a risk as many market participants are suggesting. Central banks have continued to dismiss the current and expected rise of inflation as ‘transitory’, citing deep scars from the pandemic that are at work to add to the pre-existing structural downward pressures on inflation.

In Australia, sporadic outbreaks are likely to be controlled via short-lived restrictions until vaccination lifts to around the 80% level. The RBA has factored in these snap lockdowns as part of their economic projections. They have continued to reaffirm their view that official rates are unlikely to rise **“until 2024 at the earliest”**. They would like to see the following three economic indicators improve before they even consider increasing interest rates:

1. The unemployment rate to drop to around 4.5% (currently it sits at 5.1% and has not been below 4.5% since 2008);
2. *“Until actual inflation is sustainably within the 2-3% target range”* (it has not been within their target band for the past 5 years); and
3. Wage growth to surpass +3% (it has not been above this level for the past 8 years).

**Governor Lowe recently commented that “inflationary pressures remain subdued and are likely to remain so”, whilst also not mentioning any scenarios that would see a hike earlier than 2024.**

The domestic bond market continues to suggest a prolonged low period of interest rates. Over the month, yields fell around 12bp at the long-end of the curve, while the 3-year part of the curve rose around 10bp on expectations the RBA will taper QE over coming months:

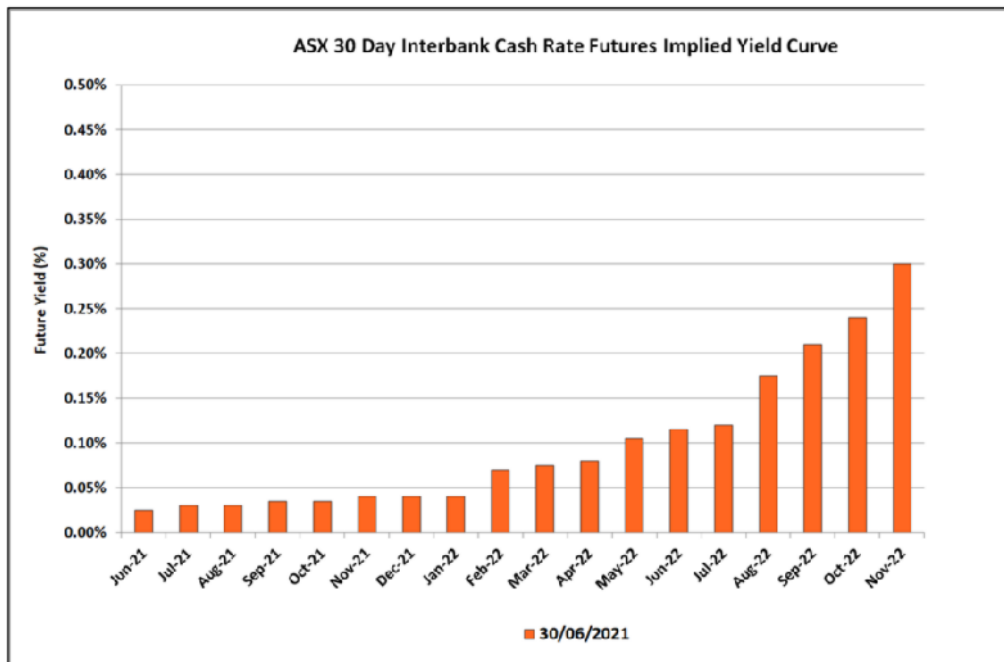


Source: AFMA, ASX, RBA



RBA Deputy Governor Debelle reiterated that the RBA would be looking for actual, rather than forecast wages growth and inflation when deliberating on monetary policy. Their current forward guidance remains poised for a rate hike in 2024 at the earliest.

The market is currently fully pricing in a 15bp rate hike by the end of 2022:



Source: ASX

**Disclaimer**

Imperium Markets provides fixed income investment advisory services and a financial market platform through which clients and fixed income product providers may transact with each other.

The information in this document is intended solely for your use. The information and recommendations constitute judgements as of the date of this report and do not consider your individual investment objectives and adopted policy mandate.

Imperium Markets monitors the entire fixed income investible universe and recommends the best rate available to us, regardless of whether a product provider uses our market platform. You are responsible for deciding whether our recommendations are appropriate for your particular investment needs, objectives and financial situation and for implementing your decisions. You may use our platform to transact with your chosen product providers.

Imperium Markets charges a flat fee for our investment advice. Any commissions received are rebated to clients in full. If you choose a product provider who uses our market platform, the product provider pays us 1bp p.a. funding fee of the value of the investments transacted.

**10.4 2020-2021 ESTIMATED CARRY FORWARD CAPITAL AND OPERATING EXPENSES****Author: Jacinta Liefing, Management Accountant****Authoriser: Suni Campbell, Director Corporate Services****RECOMMENDATION**

- Note the progress of the carry forward of expenditure and funding from 2020-2021 into the current financial year 2021-2022.

**BACKGROUND**

The Local Government (General) Regulation 2005, Sub-Clause 211(3) states that all approvals of expenditure and votes lapse at the end of the financial year, except for works, services, goods and materials or facilities already started or contracted to be carried out or to be provided before the end of the year concerned.

This report is to note the current progress on the carry forward projects for 2021-2022 and is important to note this is the current work in progress figures, as the end of financial year process is still ongoing. The current estimated amount to be carried forward to 2021-22 is **\$10,829,036.62**.

**ISSUE/DISCUSSION**

The attachment to this report lists projects for the 2020-2021 financial year, as at 05 July 2021, that have not been finalised and therefore are required to be carried forward in the current financial year (2021-2022).

Operational carry forwards consist of Merger Funded projects (336K), Drought Support projects (65K), Long Paddock (21K), Community Satisfaction Survey (24K) and Community Grants (5K). Grant funded projects are required to be carried forward and spent to acquit the funding, Long Paddock is a project we hold money for and therefore requires a carry forward. One project that was part of the 20/21 Community Grants program has requested an extension on their project, and has been included in this report.

Capital carry forwards include the Civic Place Redevelopment (3.39Mil), Plant Acquisition (410K), Local Roads and Community Infrastructure Rounds 1 & 2 (642K), Merger Funded projects (485K), Water fund projects (906K), Sewer fund projects (591K) and other capital works projects ongoing.

<b>Project Type</b>	<b>\$</b>
Capital	10,393,959.69
Operating	435,076.93
	<b>10,829,036.62</b>

The Unrestricted Cash is made up of Plant Acquisitions (410K), Estates Building (2Mil), Senior Living Precinct (244K), Road works (716K) and other Capital Works projects not fully completed.

Unrestricted Cash balance at the end of the 2020-21 budget was estimated to be \$5 million, the current estimated Unrestricted Cash Balance at 30 June 2021 is \$18.6 million. The difference in the budgeted figure and current estimated balance is largely due to the \$10.8m in carry forward and \$3.2 in grant receipts and reserve movements. This is subject to change as the end of financial year process is still underway.

<b>Funding Type</b>	<b>\$</b>
Unrestricted Cash	4,412,196.93
Merger & Stronger Communities	820,323.77
Unspent Grant funding	4,096,035.79
External reserve	21,239.12
Water Fund	862,857.07
Sewer Fund	616,383.94
	<b>10,829,036.62</b>

### **STRATEGIC IMPLICATIONS**

Delivery of carry forward projects contribute to the long-term sustainability of Council.

### **COMMUNITY STRATEGIC PLAN**

Objective 5 - A community working together to achieve its potential

5.3 Our local government is efficient, innovative and financially sustainable

### **FINANCIAL IMPLICATIONS**

Funded from unspent grants, sewer, water and unrestricted cash reserves.

### **LEGISLATIVE IMPLICATIONS**

Local Government (General) Regulation 2005

- 211 Authorisation of expenditure

### **ATTACHMENTS**

1. **Estimated Carry Forward Report attachment**



### 2020/21 Capital Works Carry Forward Projects

#### Summary

The estimated value of carry forward projects from 2020/21 to 2021/22 is noted in the table below. It is noted that Council staff are continuing to review these amounts and the projects to finalise the carry forward projects.

Funding Type	\$
Unrestricted Cash	4,412,196.93
Merger & Stronger Communities	820,323.77
Unspent Grant funding	4,096,035.79
External reserve	21,239.12
Water Fund	862,857.07
Sewer Fund	616,383.94
	<b>10,829,036.62</b>

#### Unrestricted Cash Reserves

These projects are funded from Council's own revenue sources within the General Fund, mainly through depreciation of assets, and forms Council's annual renewal program.

Projects to be carried forward include:

- Estates Building. Council has allocated \$2M for the refurbishment of the Estates Building from its own funds as part of the overall Town Hall project,
- Plant and Fleet. All plant and fleet vehicles for 2020/21 have been ordered, however, delivery issues have meant that some funds will be carried forward into 2021/22,
- Road construction works. Several road construction projects, including Kelly Street and Jane Street in the industrial area and George Street are ongoing. Council has completed roadworks in Sloane Street and Russell Street as part of the Roads to Recovery Program as well as the resealing and gravel road re-sheeting programs, and
- Buildings. Work on the refurbishments of the Multi Arts Centre and Peppin Heritage Centre will carry forward into 2021/22. These projects involve both Council funding and grant funding, with the grant funding programs extending into the 2021/22 financial year.

#### Merger and Stronger Communities

These projects are funded through the original Stronger Communities Fund and New Council Implementation Fund programs (original \$10M and \$5M of funding at the merger) as well as various rounds of the Stronger Country Communities Fund programs. Projects to be carried forward include:

- Tech 1 re-implementation project,
- Corporate and governance projects related to the New Council Implementation Fund, and
- Various master plan and strategic plans that have unspent funds available.

**Unspent Grant Funding**

These projects are from various grant funding programs Council has received, including Drought Communities Programme, Local Roads and Community Infrastructure program, Fixing Country Roads and Fixing Local Roads. Projects to be carried forward includes:

- Funding from various sources for the Town Hall and Civic Plaza projects,
- Maude Road reconstruction and sealing,
- Poitiers Street reconstruction,
- Augustus Street reconstruction,
- Memorial Park changerooms, and
- Community projects through the Local Roads and Community Infrastructure Rounds 1 and 2.

**Water and Sewer Funds**

These funds are reported separately to the General Fund. The carried forward amounts are the unspent capital funds for the projects, however, many of these projects have been completed and Council staff are currently reviewing the status of the projects to determine the final carry forward projects. Projects that may be carried forward include:

- Telemetry for the water and sewer treatment plants and systems,
- Water Treatment Plant refurbishments,
- Reservoir cleaning,
- Integrated Water Cycle Management Strategy, and
- Wanganella Water Supply investigation and implementation.

**10.5 DELEGATION TO GENERAL MANAGER**

**Author:** Greg Briscoe-Hough, Senior Governance Advisor

**Authoriser:** Suni Campbell, Director Corporate Services

**RECOMMENDATION**

That Council confirm the delegations under section 377 of the Local Government Act to Council's General Manager, Philip Stone, and note the minor administrative corrections to the Document history in Part 1 and the corrected name in Part 2 of the approved delegations documents.

**BACKGROUND**

A governing body of Council may delegate certain functions to the General Manager. A delegation of a council function must be made by a council resolution (Chapter 12 Part 3 ss 377-381 of the Act).

Edward River Council at its meeting of 19 October 2017, and in accordance with section 377 of the Local Government Act 1993, resolved to delegate its powers, authorities, duties and functions as set out in Register of Delegations Part 1: Delegation to the Mayor, Council Committees, General Manager, and other bodies.(Resolution 204/17).

The Delegations of Authority from Council are in now in two distinct documents, the first being those from Council to the General Manager (Part 1) and from the General Manager to Council staff (Part 2), and are regularly reviewed and updated to reflect changes to legislation, regulations and/or staffing (Resolutions 2018/152 regarding Part 2, 2018/280, 2018/286 rescinding earlier versions, 2019/87 for transfer of delegations to nominated acting General Managers as required, now redundant and inoperable due to nominated staff having left).

The division into parts was so that those purely administrative revisions due to personnel changes or the reallocation of tasks could be undertaken in a timely fashion by the General Manager without unduly burdening Council.

**ISSUE/DISCUSSION**

Council last visited this issue in July 2020 (Resolution 2020/135) a month after the appointment of the current General Manager, where the revised version of Part 1 was adopted and the revised financial delegations of Part 2, normally within the purview of the General Manager, were considered and adopted by Council.

This was done for the sake of transparency and information of Council as the financial delegations of the incumbent General Manager were specified and so, whilst the power was already self-referential, it was considered appropriate as a best practice balance and check measure.

The current versions of both Parts 1 and 2 have minor administrative deficiencies, in that they do not specifically note the actual modification / adoption history (Part 1) and have a discrepancy between the General Manager name (John Rayner) and actual signatory (Philip Stone)(Part 2).

**STRATEGIC IMPLICATIONS**

This 'housekeeping' is merely a timely minor correction in anticipation of the new Council having to exercise similar oversight (under s380 of the Local Government Act, 1993) after its election.

**COMMUNITY STRATEGIC PLAN**

No implications

**FINANCIAL IMPLICATIONS**

Nil

**LEGISLATIVE IMPLICATIONS**

Nil

**ATTACHMENTS**

1. Delegation to General Manager - Attachment A

**ATTACHMENT A - UPDATE TO NOTE IN PART 1 OF THE REGISTER OF DELEGATIONS (1 of 2)**

Edward River Council at its meeting of 19 October 2017, and in accordance with section 377 of the Local Government Act 1993, resolved to delegate its powers, authorities, duties and functions as set out in Register of Delegations Part 1: Delegation to the Mayor, Council Committees, General Manager, and other bodies. *This has since been updated to reflect changes to legislation, regulations and/or staffing (Resolutions 2018/152 regarding Part 2, 2018/280, 2018/286 rescinding earlier versions and this current version at Council's meeting of 16 July 2020 (Resolution 2020/135).*

All Council delegations contained in Part 1 are subject to the following limitations:

1. The delegated power, authority, duty or function being performed in accordance with Council policy;
2. The delegated power, authority, duty or function being performed in accordance with the Law.

The delegations of Council will remain in force until they are revoked or amended by a resolution of the Council.

The Council notes that the General Manager may delegate his or her powers, authorities, duties and functions at his or her discretion. The General Manager's delegations to Council employees will form Register of Delegations Part 2: Delegations to Council Employees by the General Manager and remain in force until they are revoked or amended by the General Manager.

Section 380 of the Local Government Act 1993 provides that Council's delegations are required to be reviewed during the first 12 months of each term of office.

## ATTACHMENT A - UPDATE TO NOTE IN PART 2 OF THE REGISTER OF DELEGATIONS (2 of 2)

### Delegation to Staff by the General Manager

In accordance with section 378 of the Local Government Act 1993 I, **Philip Stone** delegate the powers, authorities, duties and functions of Council as set out Parts A - D to the persons who have been employed by Council and hold the named staff positions, (Appointed Delegates) or the persons who from time to time hold (or are acting in) the positions named therein.

In addition to the delegated powers, authorities, duties and functions of Council expressly delegated by me in this document to employees of Council, Council employees are delegated the powers, functions and duties of Council in accordance with the job description of the relevant position the staff member holds from time to time.

All delegations made by me as General Manager in this document (Register of Delegations Part 2) are subject to the following limitations:

1. The delegated power, authority, duty or function being performed in accordance with Council Policy and Procedures;
2. The delegated power, authority, duty or function being performed in accordance with the Law;
3. Any limitations on the scope of the power, authority, duty or function delegated to the General Manager by the Council in Register of Delegations Part 1;
4. The delegated power, authority, duty or function being performed to not exceed monetary limits in accordance with Council's Procurement Policy. Should performance of the delegated function exceed the applicable monetary threshold, the delegate must obtain the approval of their respective superior Manager, Director or General Manager.

The delegations made as General Manager will remain in force until they are revoked or amended by the General Manager.

Philip Stone  
**General Manager**

**10.6 2021-2023 MOU - DENI PLAY ON THE PLAINS FESTIVAL LTD.**

**Author:** Erica Singleton, Community and Economic Development Project Officer

**Authoriser:** Philip Stone, General Manager

**RECOMMENDATION**

That Council:

1. Approve the 2021-2023 Memorandum of Understanding (MoU) agreement between Edward River Council and Deni Play on the Plains Festival Ltd.
2. Authorises the General Manager to provide written confirmation to Deni Play on the Plains Festival Ltd. to enact this MoU.

**BACKGROUND**

The existing 2018-2020 MoU between Edward River Council and Deni Play on the Plains Festival Ltd. has expired.

The purpose of this report is to renew the Memorandum of Understanding (MoU) between Edward River Council and Deni Play on the Plains Festival Ltd. over the next three years (2021-2023).

**ISSUE/DISCUSSION**

The previous MoU provided Deni Play on the Plains Festival Ltd. with the following sponsorship package:

- \$25,000 as an annual cash contribution towards marketing the Deni Ute Muster, and;
- Up to \$60,000 of in-kind support annually - including traffic control, road and access maintenance, food inspections and receipt of sewage waste from the site

On the basis of Deni Play on the Plains Festival Ltd. delivering a second annual event, Play on the Plains music festival, several amendments are recommended for the new 2021-2023 MoU, including:

- An increased financial contribution from Edward River Council of \$10,000 for years two and three of the agreement (2022 and 2023).
- An increased in-kind contribution of \$15,000 per annum, representing a total in-kind value of \$25,000 over the three-year period.
- Updates to the annual sponsorship entitlements to better reflect marketing expectations.
- Minor updates to in-kind support and MoU formatting changes.

**STRATEGIC IMPLICATIONS**

There are no strategic implications arising from this MoU.

**COMMUNITY STRATEGIC PLAN**

The 2021-2023 MoU and partnership with Deni Play on the Plains Festival Ltd. aligns with the following outcomes in Council's Community Strategic Plan:

- 2.1: Our economy is strong and diverse.
- 2.2: We develop our key assets to enhance agriculture, boost tourism and support existing business.
- 5.2: We collaborate and pursue partnerships that achieve great outcomes for our community.

**FINANCIAL IMPLICATIONS**

Support for Deni Play on the Plains Festival Ltd. was considered through the development of Councils 2021-22 budget. In the budget is an allowance of \$60,000 for in-kind support and \$25,000 cash support. The proposed 2021-2023 MoU will result in an additional \$15,000 in-kind expenditure in the 2021-22 budget.

If approved, the MoU financial and in-kind support must be accounted for in Council's budget over the next three years.

**LEGISLATIVE IMPLICATIONS**

There are no legislative requirements to consider within this report.

**ATTACHMENTS**

1. **2021-2023 Deni Play on the Plains Festival x Edward River Council MoU**
2. **2018-2020 MoU**
3. **Festival Information and Statistics**





---

**EDWARD RIVER COUNCIL & DENI PLAY ON THE PLAINS FESTIVAL LTD.  
2021-2023 MEMORANDUM OF UNDERSTANDING (MoU)**

---

**JUNE 2021**



THIS MoU is made on [insert date]

**BETWEEN:**

**Edward River Council**

and

**Deni Play on the Plains Festival Ltd.**

**RECITALS**

Edward River Council (ERC) will provide financial and in-kind support to Deni Play on the Plains Festival Ltd. over a three-year period from 2021-2023 to ensure two safe and successful events can be delivered, generating significant economic and tourism benefits to the Edward River region.

Deni Play on the Plains Festival Ltd. (The Festival) will acknowledge Edward River Council's support by promoting Visit Deni and the Edward River region to event patrons, with a vision to increase overnight stays either side of the two events and encouraging future visitation.

**THE PARTIES AGREE as follows:**

**1. DEFINITIONS AND INTERPRETATION**

In this MoU, unless the context otherwise requires:

**Agreement** means this MoU, including its recitals and any schedules or annexures (if any).

**Approved Purpose** means the purpose or purposes set out in items.

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Party** means Deni Play on the Plains Festival Ltd. or Edward River Council as the context requires and **Parties** means both of them.

**2. PARTNERSHIP SUPPORT FROM EDWARD RIVER COUNCIL**

Edward River Council will provide annual financial and in-kind support to Deni Play on the Plains Festival Ltd., to support the following two events:

- Deni Ute Muster
- Play on the Plains

**2.1 Financial support:**

**2021:**

Deni Ute Muster \$25,000 (plus GST)

**2022:**

Deni Ute Muster \$25,000 (plus GST)

Play on the Plains \$10,000 (plus GST)



**2023:**

Deni Ute Muster \$25,000 (plus GST)  
 Play on the Plains \$10,000 (plus GST)

**Total cash contribution 2021 – 2023: \$95,000 (plus GST)**

Any monetary contribution received from Edward River Council will contribute towards Deni Play on the Plains Festival Ltd.'s marketing expenditure.

**2.2 In-kind support:**

Edward River Council will provide in-kind support up to a maximum value of \$225,000 over the three-year period (2021-2023).

A \$75,000 in-kind contribution has been allocated for each year of the agreement.

Edward River Council acknowledges the annual in-kind contribution may fluctuate depending on factors such as weather. To account for this, Deni Play on the Plains Festival Ltd. has the ability to vary their annual in-kind claims by up to 20%. However, once the total allowance of \$225,000 has been reached, no further in-kind support will be provided.

**2021:**

\$75,000 (plus or minus 20%)

**2022:**

\$75,000 (plus or minus 20%)

**2023:**

\$75,000 (plus or minus 20%)

Edward River Council will report in-kind usage costs to Deni Play on the Plains Festival Ltd. after each event and will confirm the remaining in-kind balance.

Costings for the in-kind support will be determined by Council based on the actual costs of labour, plant and materials.

**Total in-kind contribution 2021 – 2023: \$225,000****In-kind support may include:****Grant application support**

Edward River Council Officer support and assistance with event, tourism and infrastructure grant applications is sought. Deni Play on the Plains Festival Ltd. is continuously identifying new revenue opportunities and seeks the Council's support in the identification of funding opportunities, the provision of information and assistance with grant writing. The expertise available to Council will increase our capacity to attract funding to ensure the on-going growth and sustainability of the Festivals and the site.

**Heavy Machinery Equipment**

The use of Edward River Council equipment and personnel is sought for site maintenance throughout the year. While the support required will be somewhat dependent on weather conditions and usage, the following is expected:

- a. Heavy vehicle grader to grade roads on site, twice a year (timing dependent on weather, and required in the months leading up to the Festivals).
- b. Machinery and personnel for maintenance.



**Traffic Management Plan**

Provision of Edward River Council traffic personnel, equipment, vehicles and personnel to implement the Traffic Management Plan during the Festivals.

**Waste Management**

Edward River Council to supply garbage trucks e.g. (1 x 18m side loader, 1 x 6m rear loader, 1x 2m side loader) on site over the events with supervisor and operations to provide garbage collection of wheelie bins and general garbage/litter pick up of garbage bags in the camping areas in accordance with the Waste Management Plan.

**Liquid Waste**

Pump outs of liquid waste from the Festival site by the company contracted by Deni Play on the Plains Festival Ltd., disposed at dump points at Edward River Council sewerage facility in accordance with the Waste Management Plan.

**Water Trucks**

Provision of water trucks and personnel to assist in the management of settling dust from roads within the Festival site (weather dependent).

**3. PARTNERSHIP SUPPORT FROM DENI PLAY ON THE PLAINS FESTIVAL LTD.**

Deni Play on the Plains Festival Ltd. will provide Edward River Council, and Council's tourism brand Visit Deni, the following benefits:

**3.1 Promotion:****Year-round on-site signage**

Deni Play on the Plains Festival Ltd. will provide Edward River Council with the opportunity to install permanent signage at the Muster Site, including:

- Corporate Centre – ERC and Visit Deni logos to be included on Media Wall.
- Merchandise Shed – ERC and Visit Deni logos to be included on shed.
- Camping access road off Main Drive used by all reserved and general camping patrons – ERC branded sign on fence.
- ERC and Visit Deni swing signage.

This signage will allow Edward River Council to have an association with the event on a year-round basis and remind users of the site of Edward River Council's support of the Festival. The users of the site throughout the year include both locals and external hirers, and we are working to ensure usage is increased throughout the year.

**Signage during the Festival**

In addition to the permanent on-site signage, during the Festival the Edward River Council will be provided the following signage opportunities:

- Up to six banners/flags in prominent locations, two of which to be placed at gate two.
- Two banners in Corporate Hospitality area.
- Visit Deni scrim to be placed around Festival Arena.
- 15 x Deni Ute Muster flags placed around Deniliquin leading up to and over the Festival, which include ERC or Visit Deni logo (flags will be provided by the Deni Ute Muster).





**Signage Note:** Edward River Council will cover the costs of design, manufacturing and installation of the signs. The Festival will approve the content, design, size and type of signage prior to installation.

#### **Event Activation – Trade Site**

Edward River Council will be provided the opportunity to undertake an activation activity during the event through the provision of a large prominent, powered trade site (Edward River Council to provide their own branded marquee and furniture). This will provide Edward River Council with an opportunity to showcase tourism and community information at the event. Edward River Council can use the site to distribute marketing and other information relating to Deniliquin, the region, or to communicate local messages.

#### **Corporate Tickets**

The Corporate Area will provide Edward River Council with the opportunity to meet community leaders, state government partners (Destination NSW) and our other event partners and stakeholders.

Deni Play on the Plains Festival Ltd. will annually supply Edward River Council:

- 12 x Deni Ute Muster Corporate Weekend Passes (valued at \$7,800).
- 12 x Play on the Plains Corporate Passes (valued at \$3,000).

#### **General Admission Tickets**

Deni Play on the Plains Festival Ltd. will annually supply Edward River Council:

- 12 x Deni Ute Muster General Admission Adult Passes (valued at \$3,228.00).
- 12 x Play on the Plains General Admission Adult Passes (valued at \$1,200).

Edward River Council is not eligible to any prize draws linked to General Admission or Corporate Tickets.

#### **Deni Ute Muster Website**

Edward River Council will be noted as a Major Sponsor on the Partners and Sponsors festival website pages, including a logo link to Edward River Council's website.

A dedicated tourism page will be included on the Deni Ute Muster and Play on the Plains websites, under the About Tab highlighting the experiences people can enjoy in the Edward River region and will redirect people to Council's official tourism website, Visit Deni.

Website copy to be provided by Edward River Council.

#### **Smartphone APP**

Edward River Council and Visit Deni logos will feature on the Sponsors and Partners page of the Deni Ute Muster APP with a link to the Edward River Council and Visit Deni websites. The smart phone APP will be available year-round from the APP Store and will feature relevant content over this period.

#### **Direct Marketing – Email**

Deni Ute Muster has an active email database of more than **35,000 people**. Edward River Council will have the opportunity to contribute email content up to six times each year:

- Two emails prior to the event
- A minimum of four emails throughout the year.

#### **Social Media Opportunities**





- **Facebook** - Edward River Council will receive a minimum of four posts each year on the official Deni Ute Muster Facebook page and a minimum of two posts each year on the official Play on the Plains Facebook page.
- **Instagram** - Edward River Council will receive a minimum of four grid posts and a minimum of 12 IG stories each year on the official Deni Ute Muster (@deniutemuster) Instagram account and a minimum of two grid posts and a minimum of 6 IG stories each year on the official Play on the Plains (@playonthelains) Instagram account.

Lock out period for Deni Ute Muster social media opportunities Mid-September - Second Week in October.

#### **Pocket Program**

Edward River Council will receive a full-page advert in the Deni Ute Muster festival pocket guide each year.

Deadline for content 30 June. Content to be provided by Edward River Council prior to publication deadline.

#### **Promotions**

The festival run a series of prize related promotions in the lead up to the event. Edward River Council will be invited to contribute prizes to these promotions.

#### **Big Screen**

Edward River Council and Visit Deni logos and television commercial (TVC) will be included on the Big Screens either side of the Main Stage at the event.

#### **Trade Sites**

Edward River Council and Visit Deni material will be included in all other Events and Festivals that the Deni Ute Muster attends for promotional purposes over the three-year partnership.

#### **Festival Site Use**

Edward River Council will have the opportunity to utilise the expansive Deni Play on the Plains Festival Ltd. site twice a year.

Times and purpose of use will need to be agreed upon with Deni Play on the Plains Festival Ltd.

Edward River Council may not assign or sublease the Festival site without approval and written consent by Deni Play on the Plains Festival Ltd.

Set up and clean up are at the expense of Edward River Council.

### **3.2 Media Coverage:**

#### **Radio - Deni Ute Muster, Play on the Plains TBC**

The Festival will run radio advertising covering the following regions:

- Albury/Wodonga, Wangaratta, Orange, Wagga Wagga, Bendigo, Mildura, Swan Hill, Geelong, Warrnambool, Shepparton, Ballarat and Sale/Traralgon.
- KIX Country network covers music lovers across VIC, NSW and QLD.
- Major local sponsorship with Edge 102.5.
- Triple M Melbourne & Regional Victoria Rush Hour Promotion.
- Moonmans Waiting For A Male Promotion Sydney.
- Triple M Melbourne Metro & Regional, Sydney and Adelaide.





While direct recognition of Edward River Council cannot be provided due to the medium and time limits, the adverts will promote Deniliquin. All radio interviews will encourage visitation to Deniliquin and the region.

**Television – Deni Ute Muster, Play on the Plains TBC**

The festival will run TV advertising covering the following regions:  
Regional NSW, VIC & TAS.

**Newspapers and Magazines**

The Festival will seek to obtain editorial support through local, state and national newspapers and magazines. Using a professional public relation company, our paid advertising and editorial reach includes publications such as the Weekly Times, Country News, Daily Advertiser and a range of regional newspapers and niche magazines. Deniliquin will be promoted in these opportunities.

**Media Release**

Edward River Council will be acknowledged in media releases, and where possible, linkages will be made. While we cannot guarantee Edward River Council will be specifically mentioned, our expert publicist will ensure Deniliquin and the Edward River region is heavily promoted.





#### **4 OBLIGATIONS OF DENI PLAY ON THE PLAINS FESTIVAL LTD.**

##### **4.2 Use of monetary support funds**

Deni Play on the Plains Festival Ltd. will use the monetary support funds for the Approved Purpose noted in item 2.1.

##### **4.3 Acknowledgement of Edward River Council**

4.4 Deni Play on the Plains Festival Ltd. will acknowledge Edward River Council in the manner set out in item 3.

##### **4.5 Request for Information**

Deni Play on the Plains Festival Ltd. is to provide Edward River Council with any documents or information relating to this MoU within ten (10) business days of receiving such a request.

##### **4.6 Accounts and Invoicing**

Deni Play on the Plains Festival Ltd. will invoice Edward River Council for the specified amounts in item 2.1 one month before each event.

Payment will be processed by Edward River Council within 30 days.

#### **5 REVIEW AND EVALATION**

5.2 Edward River Council will assess the achievements against the outcomes within this MoU.

5.3 Deni Play on the Plains Festival Ltd. will attend a post event evaluation meeting with Edward River Council and other authorities following the conduct of the Festivals.

5.4 Deni Play on the Plains Festival Ltd. will provide a report to Council within eight weeks of the conclusion of the Festivals detailing the following information:

- (a) Attendance numbers for the Festivals.
- (b) Details of the origin and estimated length of stay of visitors to the Festivals.
- (c) Estimates of the economic and tourism impact of the Festivals applying a jointly agreed methodology used to produce results.
- (d) Impact assessment on the Deniliquin community (positive and negative impacts).
- (e) Media and marketing obtained for the Edward River region as a result of the Festivals.
- (f) Detailed Festivals budget, including estimates of direct spend and fundraising contribution to the local community.
- (g) Details of specific event operational and other issues associated with the Festivals including recommendations for improvements in future years.

#### **5 DISPUTE RESOLUTION**

5.2 In the event of a dispute arising out of a failure to meet any of the obligations required by this MoU, either party may give the other party written notice specifying the details of the dispute. Within seven days, a representative of both parties will agree to meet to resolve the issue.

5.3 If a dispute occurs within two weeks of the event date, both parties will agree to meet to resolve the issue within two working days of the notice.

5.4 If the dispute is unable to be resolved, the matter will be referred to any form of alternative dispute resolution procedure on which the parties agree. Where a mediator is involved, the parties must agree to comply with the mediators instructions.







- 5.5 The charges for the mediation will be paid equally by the parties.
- 5.6 Edward River Council will not enter into a dispute resolution procedure for the following issues:
- (a) The level of Edward River Council's financial and in-kind contribution

**6 TERMINATION OF MoU**

- 6.2 If Deni Play on the Plains Festival Ltd. is unable to deliver the outcomes specified in this MoU, Edward River Council may review the level of sponsorship and in-kind support provided to the event.
- 6.3 If Edward River Council or Deni Play on the Plains Festival Ltd. is in breach of the terms of this MoU this MoU may be terminated in writing by the General Manager of Edward River Council.

**Executed by the Parties hereto:**

**For and on behalf of Edward River Council:**

\_\_\_\_\_  
Signature of Authorised Person

Philip Stone

Dated \_\_\_\_\_

General Manager

**For and on behalf of Deni Play on the Plains Festival Ltd.:**

\_\_\_\_\_  
Signature of Authorised Person

Vicky Lowry

Dated \_\_\_\_\_

General Manager



**SCHEDULE 1 –DETAILS****1. Notice Addresses****(a) Edward River Council**

General Manager  
Edward River Council  
PO Box 270  
Deniliquin NSW 2710

Email: [council@edwardriver.nsw.gov.au](mailto:council@edwardriver.nsw.gov.au)

**(b) Deni Play on the Plains Festival Ltd.**

Vicky Lowry  
Deni Play on the Plains Festival Ltd.  
Deniliquin Festival Site  
Conargo Road  
Deniliquin NSW 2710  
Email: [gm@deniutemuster.com.au](mailto:gm@deniutemuster.com.au)



**PARTNERSHIP PROPOSAL  
2018 - 2020**



**Edward  
River**  
COUNCIL

**JOIN US FOR OUR 20TH ANNIVERSARY AND THE  
BIGGEST MUSTER YET!**



[www.deniutemuster.com.au](http://www.deniutemuster.com.au)

Document Set ID: 72266  
Version: 3 Version Date: 06/01/2021

At the 19 July 2018 Council meeting, Edward River Council approved entering into this MOU with the Deniliquin Ute Muster for a three-year period, being the 2018, 2019 and 2020 events

Executed by Deniliquin Ute Muster )  
 )  
 )

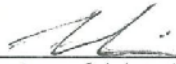
\_\_\_\_\_  
Authorised Representative

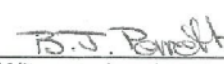
\_\_\_\_\_  
Witness signature

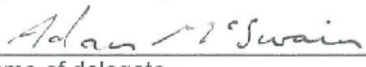
\_\_\_\_\_  
Name of authorised representative

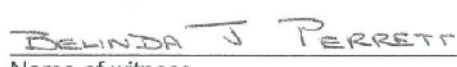
\_\_\_\_\_  
Name of witness

Executed by Edward River Council by its) duly authorised delegate )  
 )

  
\_\_\_\_\_  
Signature of delegate

  
\_\_\_\_\_  
Witness signature

  
\_\_\_\_\_  
Name of delegate

  
\_\_\_\_\_  
Name of witness

## Contact.

**Vicky Lowry**

General Manager – Deni Play on the Plains Festival Ltd.

62-64 Hardinge Street

PO Box 170

Deniliquin NSW 2710

P – 03 5881 3388 | M – 0448 832 104

E – [gm@deniutemuster.com.au](mailto:gm@deniutemuster.com.au)

**Julia Druitt**

Media & Marketing Co-ordinator – Deni Play on the Plains Festival Ltd.

62-64 Hardinge Street

PO Box 170

Deniliquin NSW 2710

P – 03 5881 3388 | M – 0448 832 104

E – [media@deniutemuster.com.au](mailto:media@deniutemuster.com.au)

<b>Contact</b>	<b>2</b>
<b>Proposal outline</b>	<b>4</b>
<b>Creating a mutually beneficial partnership</b>	<b>5</b>
<b>About the Deni Ute Muster</b>	<b>7</b>
<b>Profile</b>	<b>9</b>
<b>Festival Management</b>	<b>11</b>
<b>Awards</b>	<b>12</b>
<b>Benefits to the Edward River Council</b>	<b>13</b>
<b>Media Coverage</b>	<b>16</b>
<b>Partnership support from Edward River Council</b>	<b>17</b>
<b>Monetary Sponsorship</b>	<b>19</b>

## Proposal Outline.

The Deni Ute Muster presents this proposal to Edward River Council (ERC) for support of the 2018-2020 Deni Ute Musters (the Festival). The proposal is for Edward River Council to become a Major Event Partner and in return for the investment, we will deliver substantial economic and social benefits to our local community and a variety of benefits directly to ERC. The benefits and opportunities delivered to both ERC and the community are outlined in the proposal.

The Festival will continue to seek the support of other government and corporate sector organisations. If additional support is obtained, the Festival will commit to providing Edward River Council Major Event Partner status and will deliver the benefits outlined.

## Creating a mutually beneficial partnership.

Edward River Council's support of the Deni Ute Muster will enable the event to continue to deliver outstanding economic, tourism and community benefits, and will directly deliver several of Council's core objectives and priorities including:

- **Building the local economy** – The Festival is a major tool in building our local economy, through employment, the support of local businesses and the generation of tourism and positive publicity for Deniliquin. The Festival has, and will continue to be Deniliquin's major tourism marketing tool, providing direct visitation outcomes and year-round marketing. The direct economic contribution of the festival is anywhere between \$10million - \$15million per annum. The marketing value that the Deni Ute Muster Currently holds from 2017 is \$3,459,908 with a Social Media Value at \$309,036 (*Please note this value will increase as the valuation process is still in progress*) currently totalling at \$3,768,944.
- **Supporting our community** – The Festival delivers significant community outcomes including volunteer engagement opportunities for a diverse cross section of the local community, substantial fundraising for community organisations (over \$60,000 per annum), and skill development and work experience opportunities for local people, including young people. It contributes to community wellbeing, brings our community together and creates a sense of pride in Deni.
- **Our Environment** – The Muster site is a significant asset and we are seeking to develop a partnership with ERC to ensure the asset is more accessible to the local community and to Council.

Partnering with the Festival will also provide ERC with an opportunity to provide brand recognition of the newly named Edward River Council and the Visit Deni Campaign, this will directly communicate messages to thousands of people throughout the region and the state. Full details of the benefits and opportunities to ERC are outlined in this proposal.



### Supporting a strong and sustainable future for the Muster and Deniliquin.

A mutually beneficial partnership with ERC will enable the Deni Ute Muster to achieve its mission, and at a relatively low cost to Council, the event will continue to deliver outstanding economic and community outcomes through the reinvigorated Festival.

The goals in our Strategic Plan are closely correlated to Councils, thus creating the ideal partnership opportunity.

### Our Mission:

To deliver an exceptional music and entertainment festival the celebrates Australian culture, places Deniliquin on the map and provides significant economic and social benefits to our local community.

### Outcomes delivered by the Muster:

- We will generate substantial community and social capital benefits.
- We will deliver exceptional profile, economic and tourism benefits for our community.
- We will deliver outstanding programming and beneficial partnerships.

### Key Goals and Actions:

1. **Financial sustainability** – Build a strong and financially stable and sustainable organisation, including reducing debt and costs, identifying new revenue sources and implementing financial controls.
2. **Building our audiences** – Grow and retain our audiences to achieve a “sell-out” event.
3. **Vibrant program** – Deliver high quality programming celebrating rural life and introducing new content to reinvigorate and excite our audiences.
4. **Community and partnerships** – Strengthen and reinvigorate relationships with our key partners, including Council and the local community.
5. **Governance and management** – Implement good governance and management practices.
6. **Site and event operations** – Effectively manage and continuously improve the event operations and the Muster site, including improving community usage of the site, and involvement in the event operations.

## About the Deni Ute Muster.

The Deni Ute Muster encapsulates the diversity and uniqueness of Australian heritage, culture and the fun-loving nature of rural communities. It has made Deni the "Ute Capital of the World". It delivers an extensive, vibrant and diverse entertainment program that attracts mega stars like Alan Jackson, Cold Chisel, Kelly Clarkson and Keith Urban. It also supports and promotes local and country music talent, and provides a unique opportunity to bring rural people together. Far more than just an entertainment event, the Festival is a major business and community asset for Deniliquin and the region, as the following statistics reveal.

## Brief History

**First Muster:** 1999

**Years of continuous operation:** 19years

**Estimated attendance per annum (1999-2017):** 6,000 to 20,000

## Economic impact

**Estimated annual economic impact of event:** \$10-\$15million

**Estimated economic contribution over 19 festivals:** \$197 Million

**Festival spend on local suppliers and businesses (2017):** \$965,500

*\*Economic impact data is collected through research conducted in conjunction with Destination NSW, the event ticketing system, and post event evaluations.*

*(The Muster has a policy of sourcing locally where products and services are available)*

## Muster Audience (2017)

**Number of attendances over 2 days:** 15,030

**Percentage of visitors from Interstate:** 61%

**Percentage of visitors from NSW:** 23% outside the region

**Percentage of visitors from Event Region:** 16%

**Number of overseas visitors:** 7

## Community and Social Capital Benefits

**Number of local volunteers involved:** Approx. 1,000 (individuals, sporting and community groups, providing social connections and generating community spirit throughout the year and over the festival)

**Total Volunteer Hours per annum:** 67,200

**Donations to community groups in 2016:** \$61,000 donated to 22 groups

**Donations to community since 2008:** \$604,000

**Value of passes and merchandise provided for fundraising in 2017:** \$15,000

**Program support:** Deniliquin High School run the Breathalyser over the festival to help fund Learner Driver Education Programs.

**Charity Support:**

2017 – Can Assist Deniliquin – Can Assist are committed to ensuring that all people in NSW, regardless of where they live, have access to cancer treatment and care. Can Assist Deniliquin Raised Approx. \$8685.

2017 – Deniliquin Mental Health Group

2017 – Navorina Nursing Home

2017 – Burrumbuttock Hay Runners

## Profile.

The Festival is one of Australia's most iconic regional events. It is recognised by tourism and media organisations throughout Australia and has more than any other activity, put Deniliquin on the map. The Festival promotes Deniliquin and the Southern Riverina region, and is a key tourism tool in attracting awareness and visitation to the region.

***The 2017 event media coverage reached 10,448,904 individuals.***

### 2017 Media Breakdown

- A total of **1,878** media reports mentioned the Deni Ute Muster during this period. This coverage had an audience/circulation of **10,448,904**.
- Almost half of this coverage was from internet outlets (**866 articles**, or 47.2% of total coverage), however press coverage accounted for the majority of the potential audience/circulation (**5,489,412**).
- The Majority of the press mentions appeared in New South Wales media outlets (**155 articles**). Most radio and television coverage also appeared in New South Wales outlets with **37** and **224** reports respectively.

- There were also 651 television reports (or 34.7%), 252 press reports (13.4%), and 89 radio reports (4.7%) that mentioned the Muster.
- The Festival was mentioned most on television by Channel 7, with 51 reports, followed by Channel 9, with 21 reports. The leading television comperes were Larry Emdur and Kylie Gillies on Channel 7's Morning Show, with 387 syndicated reports broadcast nationally.

## Festival Management.

Deni Play on the Plains Festival Limited is overseen by a constitution, it is governed by a volunteer board of six highly skilled and experienced Directors and a Core management team including a General Manager, Arena Co-ordinator, Media & Marketing Co-ordinator, Finance & Administration Office and an Administration & Merchandise Co-ordinator.

The Festival contracts a wide range on contractors and suppliers, and receives significant community and volunteer support in delivering the event.

## Awards.

### 2017

Meetings and Events Australia – Regional Event of the Year - **TBA**

### 2016

NSW Tourism Awards – Festivals and Events – **Finalist**

### 2015

NSW Tourism Awards – Festival & Events – **Bronze Winner**

Australian Event Awards – **Finalist for Australia's Favourite Event**

Australian Event Awards – **Finalist for Best Regional Event**

NSW/ACT Regional Achievement and Country Awards – **Finalist**

### 2014

Australian Event Awards – Best Regional Event – **Winner**

Deniliquin Business Chamber Awards – Excellence in Innovation – **Winner**

### 2013

Inland Tourism Awards – Festivals and Events – **Inducted into Hall of Fame for consecutively winning this category for 3 years running**

### 2012

Australian Tourism Awards – Festivals and Events – **Gold Winner**

NSW Tourism Awards – Festival and Events – **Gold Winner**

Inland Tourism – Festival and Events – **Gold Winner**

Deniliquin Business Chamber Awards – Tourism Excellence of the year, Festival and Events – **Winner**

### 2011

NSW Tourism Awards – Festival and Events – **Bronze Award**

Inland Tourism Awards Festival and Events – **Gold Winner**

Inland Tourism Awards – Inland Champion – **Winner**

Deniliquin Business Chamber Awards – Most Popular Business - **Winner**

Deniliquin Business Chamber Awards – Excellence in Presentation and Marketing – **Winner**

### 2010

Inland Tourism Awards – Festival and Events – **Gold Winner**

Deniliquin Business Chamber Awards – Excellence in Presentation and Marketing – **Winner**

Deniliquin Business Chamber Awards – Business of the year – **Winner**

## Benefits available to the Edward River Council.

Below are benefits the Deni Ute Muster can provide to the Edward River Council as a Major Event Partner of the Festival. We would be pleased to further negotiate the benefits and opportunities we can deliver for Council and the community.

### Year- Round on-site Edward River Council signage

The Festival will provide Edward River Council with the opportunity to install permanent signage at the Muster Site, including:

- Corporate Centre – ERC logo to be included on Media Wall.
- Merchandise Shed – ERC branded sign on shed.
- Camping access road off Main Drive used by all reserved and general camping patrons – ERC branded sign on fence.

This signage will allow Council to have an association with the event on a year-round basis, and remind users of the site of Council's support of the Festival. The users of the site throughout the year include both locals and external hirers, and we are working to ensure usage is increased throughout the year.

### Signage during the Festival

In addition to the permanent onsite signage, during the Festival the Edward River Council can be provided with the following signage opportunities:

- Up to 6 banners/flags in prominent locations, 2 of which to be placed at gate 2.
- 2 banners in Corporate Hospitality area.
- Scrim to be placed around Festival Arena.
- 15x Deni Ute Muster flags placed around Deniliquin leading up to and over the Festival, which include ERC or Visit Deni Ute logo (flags will be provided by the Deni Ute Muster).

**Signage Note:** It is expected Council will cover the costs of design, manufacturing and installation of the signs. The Festival management will approve the content, design, size and type of signage prior to installation.



### Event Activation – Trade Site

Edward River Council will be provided with the opportunity to undertake an activation activity during the event through the provision of a large prominent, powered trade site (ERC to provide their own branded marquee and furniture). This will provide ERC with an opportunity to showcase tourism and community information at the event. ERC can use the site to distribute marketing and other information relating to Deniliquin, the region, or to communicate local messages.

### Corporate Tickets

The Festival will provide Edward River Council with 12 Corporate Weekend Passes (valued at \$7,800). The Corporate Area will provide ERC with the opportunity to meet community leaders, state government partners (Destination NSW) and our other event partners and stakeholders.

### General Admission Tickets

The Festival will provide Edward River Council with 12 General Admission Adult Passes (valued at \$2,988.00)

### Deni Ute Muster Website

The Deni Ute Muster website has on average **45,916** page views per month. This number is expected to grow and a Search Engine Marketing (SEM) campaign will be expanded in 2018.

We will feature Edward River Council as a Major Sponsor on the Partners and Sponsors page, including a logo link to the Council's website. In addition, we offer a "Deniliquin" page under "About" which includes details about Deniliquin and ERC.

### Direct Marketing – Email

The Festival has an active email database of more than **30,000 people** used to promote the event. We will provide Edward River Council with the opportunity to contribute content and images to a minimum of 2 post prior to the event date and a minimum of 4 posts throughout the year.

### Social Media Opportunities

**Facebook** - The Festival currently has over 99,000 fans with 100,000 predicted by the Festival. In 2017, to date the Facebook reach was 8,466,158 individuals, with the Facebook paid advertising campaign reaching over 2 million people. The Edward River Council will receive posts upon request given that it works in conjunction with the Deni Ute Muster.

**Instagram** - The Festival currently has around 16,000 followers on Instagram. Throughout the year the Deni Ute Muster will post content that encourages visitation to Deniliquin throughout the year. The Edward River Council will receive posts upon request given that it works in conjunction with the Deni Ute Muster.

### Pocket Program

The Festival will produce a pocket program and will provide Edward River Council with a one page advert (2018 final design is to be provided by 4<sup>th</sup> July to allow for distribution to commence in August), and equivalent advertising space in 2019 and 2020 publications.

### Promotions

The Festival will run a series of prize related promotions in the lead up to the event. These promotions can include information provided by Edward River Council.

### Big Screen

The Edward River Council or Visit Deni Campaign logo and television commercial (TVC) will be included on the Big Screens either side of the Main Stage. (TVC to be provided by ERC).

### Trade Sites

The Edward River Council or Visit Deni Campaign material will be included in all other Events and Festivals that the Deni Ute Muster attends for promotional purposes over the three-year partnership.

### Festival Site Use

Edward River Council will have the opportunity to utilise our expansive Deni Ute Muster site twice a year.

Times and purpose of use will need to be agreed upon with Deni Play on the Plains Festival Ltd. Edward River Council may not assign or sublease the Deni Ute Muster Site without approval and written consent by Deni Play on the Plains Festival Ltd.

Set up and clean up are at the expense of Edward River Council.

## Media Coverage.

### Radio

The Festival will run radio advertising covering the following regions:

- Albury/Wodonga, Wangaratta, Orange, Wagga Wagga, Bendigo, Mildura, Swan Hill, Geelong, Warrambool, Shepparton, Ballarat and Sale/Traralgon.
- KIX Country network covers much lovers across VIC, NSW and QLD.
- Major local sponsorship with Edge 102.5.
- Off the Beach Sydney & AFL Nation on air and via social media.
- Nova100 Melbourne Metro Area.

While direct recognition of Edward River Council cannot be provided due to the medium and time limits, the adverts will promote Deniliquin. All radio interviews will encourage visitation to Deniliquin and the region.

### Newspapers and Magazines

The Festival will seek to obtain editorial support through local, state and national newspapers and magazines. Using a professional public relation company, our paid advertising and editorial reach includes publications such as the Weekly Times, Country News, Daily Advertiser and a range of regional newspapers and niche magazines. Deniliquin will be promoted in these opportunities.

### Media Release

Edward River Council will be acknowledged in media releases, and where possible, linkages will be made. While we cannot guarantee Edward River Council will be specifically mentioned, our expert publicist will ensure Deniliquin is heavily promoted.

### Smart Phone APP

Edward River Council will feature a logo on the Sponsors and Partners page of the APP with a link to the ERC website or Visit Deni Campaign Website. The smart phone APP will be available year-round from the APP Store and will feature relevant content over this period.

## Partnership support from Edward River Council.

The Deni Ute Muster is seeking the following support on an annual basis from Edward River Council. In return for this support, the Festival will provide a range of benefits. We would be pleased to discuss other benefits and support available from Council.

As part of the Partnership, we would be pleased to discuss how we can improve access to the event site by the community, and Council if required. This includes the building of the Office/Museum and Coffee shop complex and future plans for the development of an Emergency Management Centre at the site.

### In-Kind support prior to the Festival

Edward River Council will provide the following in-kind support up to a maximum value of \$60,000 annually. Once the \$60,000 in-kind support is allocated or utilised no further in-kind support will be provided. Costings for the in-kind support will be determined by Council based on the actual costs of labour, plant and materials.

#### 1. Grant application support

Council Officer support and assistance with event, tourism and infrastructure grant applications is sought. The Festival is continuously identifying new revenue opportunities and seeks the Council's support in the identification of funding opportunities, the provision of information and assistance with grant writing. The expertise available to Council will increase our capacity to attract funding to ensure the on-going growth and sustainability of the Festival and the site.

#### 2. Heavy Machinery Equipment

The use of Council equipment and personnel is sought for site maintenance throughout the year. While the support required will be somewhat dependent on weather conditions and usage, the following is expected.

- a. Heavy vehicle grader to grade roads on site, twice a year (timing dependent on weather, and required in the months leading up to the Festival).
- b. Machinery and personnel for maintenance.

#### 3. Traffic Management Plan

Provision of ERC traffic personnel, equipment, vehicles and personnel to implement the Traffic Management Plan during the event.

**4. Waste Management**

Edward River Council to supply garbage trucks (1 x 18m side loader, 1 x 6m rear loader, 1x 2m side loader) on site over the Festival with supervisor and operations to provide garbage collection of wheelie bins and general garbage/litter pick up of garbage bags in the camping areas in accordance with the Waste Management Plan.

**5. Liquid Waste**

Pump outs of liquid waste from the Festival site by the company contracted by Deni Ute Muster, disposed at dump points at Edward River Council sewerage facility in accordance with the Waste Management Plan.

**6. Water Trucks**

Provision of water trucks and personal to assist in the management of settling dust from roads within the Festival site (weather dependent).

## Monetary Sponsorship.

A cash contribution of \$25,000 per annum (plus GST) in 2018 to be reviewed in 2019 and 2020, and where opportunities arise, additional buy-in from ERC for specific marketing opportunities associated with the Festival.

The cash component will primarily be allocated to marketing the Festival, Deniliquin and the region, in conjunction with Edward River Council.

### Cash to be spent in the following way:

#### Radio advertising

In 2017 the Deni Ute Muster reached **4,152,000 individuals** via this advertising medium.

#### Television advertising

In 2017 the Deni Ute Muster reached **645,500 individuals** via this advertising medium.

#### Videographer

In 2018 the Deni Ute Muster is looking to employ a Videographer for the duration of the festival to shoot footage of the Muster and Deni. This footage will then be reviewed by the Deni Ute Muster's Publicist and sent out to a database of media outlets.

### Proposed Payment Schedule

Given the cash flow for the event associated with the purchase of tickets, the following payment schedule is proposed:

\$25,000 (plus GST) To be paid on invoice submitted after signing of agreement.

### Annual Review

It is anticipated that an annual review and detailed post event report will be provided by the Festival by early December each year. The annual reporting will include the Festival outcomes, media and marketing exposure and estimated tourism and economic impact assessment (based on Destination NSW survey results and ticket sales).

### Review and Evaluation

- a. Council will assess the achievements against the outcomes within this MOU
- b. Deni Ute Muster will attend a post event evaluation meeting with Council and other authorities following the conduct of the event.
- c. Deni Ute Muster will provide a report to Council within 8 weeks of the conclusion of the event detailing the following information:
  - i. Attendance numbers for the Deni Ute Muster
  - ii. Details of the origin and estimated length of stay of visitors to Deni Ute Muster.
  - iii. Estimates of the economic and tourism impact of the festival applying a jointly agreed methodology used to produce results.
  - iv. Impact assessment on the Deniliquin community (positive and negative impacts).
  - v. Media and marketing obtained for the Edward River region as a result of the event.
  - vi. Detailed event budget, including estimates of direct spend and fundraising contribution to the local community.
  - vii. Details of specific event operational and other issues associated with the event including recommendations for improvements in future years.

### Dispute resolution

- a. In the event of a dispute arising out of a failure to meet any of the obligations required by this MOU, either party may give the other party written notice specifying the details of the dispute. Within 7 days, a representative of both parties will agree to meet to resolve the issue.
- b. If a dispute occurs within two weeks of the event date, both parties will agree to meet to resolve the issue within 2 working days of the notice.
- c. If the dispute is unable to be resolved, the matter will be referred to any form of alternative dispute resolution procedure on which the parties agree. Where a mediator is involved, the parties must agree to comply with the mediators instructions.
- d. The charges for the mediation will be paid equally by the parties.
- e. Council will not enter into a dispute resolution procedure for the following issues:
  1. The level of Council's financial and in-kind contribution

### Termination of MOU

- a. If Deni Ute Muster is unable to deliver the outcomes specified in this MOU, Council may review the level of sponsorship and in-kind support provided to the event.
- b. If Council or Deni Ute Muster is in breach of the terms of this MOU this MOU may be terminated in writing by the General Manager of Council.



# 2021 - 2023 Proposal





## Contact.

**Vicky Lowry**

General Manager – Deni Play on the Plains Festival Ltd.

Festival Site, 8235 Conargo Rd Deniliquin NSW 2710

PO Box 170

Deniliquin NSW 2710

P – 03 5881 3388 | M – 0448 832 104

E – [gm@deniutemuster.com.au](mailto:gm@deniutemuster.com.au)

**Charlotte Wade**

Media & Marketing Co-ordinator – Deni Play on the Plains Festival Ltd.

Festival Site, 8235 Conargo Rd Deniliquin NSW 2710

PO Box 170

Deniliquin NSW 2710

P – 03 5881 3388 | M – 0408 079 903

E – [media@deniutemuster.com.au](mailto:media@deniutemuster.com.au)

## Proposal Outline.

Deni Play On The Plains Festival Ltd presents this proposal to Edward River Council (ERC) for support of the 2021-2023 Deni Ute Muster and 2022-2023 Play On The Plains (the Festivals). The proposal is for Edward River Council to become a Major Event Partner and in return for the investment, we will deliver substantial economic and social benefits to our local community and a variety of benefits directly to ERC. The benefits and opportunities delivered to both ERC and the community are outlined in the proposal.

## Creating a mutually beneficial partnership.

Edward River Council's support of the Deni Ute Muster and Play On The Plains will enable the events to continue to deliver outstanding economic, tourism and community benefits, and will directly deliver several of Council's core objectives and priorities including:

**Building the local economy** – The Festivals are a major tool in building our local economy, through employment, the support of local businesses and the generation of tourism and positive publicity for Deniliquin. The Festivals have and will continue to be Deniliquin's major tourism marketing tool, providing direct visitation outcomes and year-round marketing. The direct economic contribution of the Deni Ute Muster is anywhere between \$8million - \$15million per annum.

**Supporting our community** – The Festivals deliver significant community outcomes including volunteer engagement opportunities for a diverse cross section of the local community, substantial fundraising for community organisations (over \$60,000 per annum), and skill development and work experience opportunities for local people, including young people. It contributes to community wellbeing, brings our community together and creates a sense of pride in Deni.

**Our Environment** – The Muster site is a significant asset and we are seeking to develop a partnership with ERC to ensure the asset is more accessible to the local community and to Council.

Partnering with the Festival will also provide ERC with an opportunity to provide brand recognition of Edward River Council and the Visit Deni Campaign, this will directly communicate messages to thousands of people throughout the region and the state. Full details of the benefits and opportunities to ERC are outlined in this proposal.

### Supporting a strong and sustainable future for the Festivals and Deniliquin.

A mutually beneficial partnership with ERC will enable Deni Play On the Plains Festival Ltd to achieve its mission, and at a relatively low cost to Council, the Festivals will continue to deliver outstanding economic and community outcomes.

The goals in our Strategic Plan are closely correlated to Councils, thus creating the ideal partnership opportunity.

### Our Mission:

To deliver an exceptional music and entertainment festival that celebrates Australian culture, places Deniliquin on the map and provides significant economic and social benefits to our local community.

### Our Aim:

Our aim is to guarantee, patrons take away long-standing memories of the region, since positive travel memories equate to return visitation and promotion of the area.

### Outcomes delivered by Play On The Plains Festival Ltd:

- We will generate substantial community and social capital benefits.
- We will deliver exceptional profile, economic and tourism benefits for our community.
- We will deliver outstanding programming and beneficial partnerships.

### Key Goals and Actions:

1. **Financial sustainability** – Build a strong and financially stable and sustainable organisation, including reducing debt and costs, identifying new revenue sources and implementing financial controls.
2. **Building our audiences** – Grow and retain our audiences to achieve “sell-out” events.
3. **Vibrant program** – Deliver high quality programming celebrating rural life and introducing new content to reinvigorate and excite our audiences.
4. **Community and partnerships** – Strengthen and reinvigorate relationships with our key partners, including Council and the local community.
5. **Governance and management** – Implement good governance and management practices.
6. **Site and event operations** – Effectively manage and continuously improve the event operations and the Muster site, including improving community usage of the site, and involvement in the event operations.

## About the Deni Ute Muster.

The Deni Ute Muster encapsulates the diversity and uniqueness of Australian heritage, culture and the fun-loving nature of rural communities. It has made Deni the "Ute Capital of the World". It delivers an extensive, vibrant and diverse entertainment program that attracts mega stars like Alan Jackson, Cold Chisel, Kelly Clarkson and Keith Urban, Carrie Underwood and Tim McGraw. It also supports and promotes local and country music talent and provides a unique opportunity to bring rural people together. Far more than just an entertainment event, the Festival is a major business and community asset for Deniliquin and the region, as the following statistics reveal.

### Brief History

**First Muster:** 1999

**Years of continuous operation:** 22 years (includes virtual event in 2020 due to Covid -19)

**Estimated attendance per annum (1999-2020):** 6,000 to 20,000+

### Economic impact

**Estimated annual economic impact of event:** \$8-\$15million

**Estimated economic contribution over 21 festivals:** \$213 Million

**Festival spend on local suppliers and businesses:** \$1,266,000

*\*Economic impact data is collected through research conducted in conjunction with Destination NSW, the event ticketing system, and post event evaluations.*

*(The Muster has a policy of sourcing locally where products and services are available)*

### Muster Audience (2019)

**Number of attendances over 2 days:** 20,086 Sell Out Crowd

**Percentage of visitors from Interstate:** 67.5%

**Percentage of visitors from NSW:** 20% outside the region

**Percentage of visitors from Event Region:** 12%

**Number of overseas visitors:** 0.5 (14)

## Community and Social Capital Benefits

**Number of local volunteers involved:** Approx. 1,000 (individuals, sporting and community groups, providing social connections and generating community spirit throughout the year and over the festival)

**Total Volunteer Hours per annum:** 67,200

**Donations to community groups in 2019:** \$65,000 donated to 23 groups

**Donations to community since 2008:** \$734,000

**Value of passes and merchandise provided for fundraising in 2019:** \$17,500

**Program support:** Deniliquin High School run the Breathalyser over the festival to help fund Learner Driver Education Programs.

### **Charity Support:**

2019 – Can Assist Deniliquin – Can Assist are committed to ensuring that all people in NSW, regardless of where they live, have access to cancer treatment and care.

2019 – Burrumbuttock Hay Runners

## Profile.

The Deni Ute Muster is one of Australia's most iconic regional events. It is recognised by tourism and media organisations throughout Australia and has more than any other activity, put Deniliquin on the map. The Festival promotes Deniliquin and the Southern Riverina region, and is a key tourism tool in attracting awareness and visitation to the region.

***The 2019 event media coverage reached 11,434,798 individuals.***

### 2019 Deni Ute Muster Media Breakdown

- A total of **2,799** media reports mentioned the Deni Ute Muster during this period. This coverage had an audience/circulation of **11,434,798** and an advertising space rate (ASR) of \$5,641,005.
- This coverage consisted of 1,615 internet articles (58% of the total), 743 television reports (26%), 285 press releases (10%) and 156 radio reports (6%).
- The Deni Ute Muster was most frequently mentioned in NSW press outlets (71%), followed by Victoria (14%). In broadcast media, reports were most common in NSW based outlets (40%) followed by Queensland (23%) and Victoria (20%).

## About Play On the Plains.

It has been a long time plan to introduce another festival, to be held on the Deni Ute Muster site. A lot of research was done to find a time of year and genre that would fit into this region. With so many options of festivals in the market it was important to get this right.

The inaugural Play on the Plains was an event that showcased our festival site to a brand new young audience held on the Sunday of the Victorian Labour Day weekend in March 2021.

Unfortunately, the NSW Health Order for Covid restricted numbers and many of the plans that were to be part of the festival.

Safety being our number one priority.

The extra costs for barrier fencing, policing, medical team, seating, covid officers, cleaners and sanitisers with the reduced tickets numbers and sales due to no dancing allowed seen a loss of \$77,000 to the organisation.

### Short Answers From Survey

For the next 4 years the Deniliquin Show does not fall on the Victorian Long Weekend in March, so the question was asked if the preference to attend would be the Saturday or Sunday on that weekend.

**In 2022 on the same Victorian March Long Weekend, what day would your preference be for the festival to be held?**

Saturday - 82%

Sunday - 18%

**Did you stay in Deniliquin?**

Yes - 70%

No - 30%

**How many nights did you stay in Deniliquin?**

One 48%

More 52%

## 'One of the best' festivals

Dear Editor,

I had the pleasure of attending the Play on the Plains music festival held at the Ute Muster site on Sunday, March 7.

I have been to many outside music events and this would have to rank as one of the best.

The grassed lawns looked great, the food was well priced and good quality, as were the drinks.

Sound quality was superb, matching the performance of our own MC, cuzzy Rick Bond.

The bands were outstanding, all young



Australians who were very grateful of the opportunity to be performing again.

A big thank you to the Deni Ute Muster committee and also to the band of volunteers who made it all happen.

I can't wait until the next one.

Yours etc.  
Paul Fellows  
Deniliquin

# Ticket Sales



## General Admission 13+ 1,098

58% Out Of Region  
42% In Region

NSW In Region 457 (42%)  
NSW Out Of Region 72 (6.5%)  
VIC 531 (48%)  
ACT 27 (2.5%)  
QLD 6 (0.5%)  
SA 3 (0.3%)  
WA 1 (0.1%)  
NT 1 (0.1%)

## Under 13 39

NSW In Region 31  
NSW Out Of Region 4  
VIC 3  
NT 1



## Numbers on Site

General Admission 13+	1,098
Under 13	39
Volunteers	96
Vendors	28
Staff/Board/Partners	28
Sponsors	50
Deni MHAG	5
Maintenance Staff/Cleaners	11
Competition Passes	5
Media	11
Production	20
Emergency Services (VRA,Police,Medical,Security)	41
<b>Total On Site</b>	<b>1,432</b>

# Demographics

## Customers By Gender



44%



56%



<b>Under 18</b>	<b>8.5%</b>
<b>18-21</b>	<b>41.0%</b>
<b>22-25</b>	<b>24.5%</b>
<b>26-30</b>	<b>15.0%</b>
<b>31-40</b>	<b>5.0%</b>
<b>Over 50</b>	<b>6.0%</b>

# Social Media

## Reach - Organic (Not Paid)



133.8k



80.2k

## Reach - Paid



98.0k

## Impressions - Paid



109.2k

## Audience



1,042



1,038

## Festival Management.

Deni Play on the Plains Festival Limited is overseen by a constitution, it is governed by a volunteer board of six highly skilled and experienced Directors and a Core management team including a General Manager, Arena Co-ordinator, Media & Marketing Co-ordinator, Finance & Administration Office and an Administration & Merchandise Co-ordinator.

The Festivals contract a wide range on contractors and suppliers and receives significant community and volunteer support in delivering the event.

**Awards.****2020**

MEA - NSW State and National Award for Regional Event of the Year – **Winner**

Deniliquin Business Chamber Awards - Inspiring Pivot Award – **Winner**

**2019**

NSW Tourism Awards - Festivals and Events – **Silver**

Country & Outback and Riverina Murray Regional Tourism Awards - Festivals and Events – **Gold**

NSW Business Chamber Awards - Excellence in Social Enterprise – **Finalist**

NSW Regional Business Chamber Awards - Outstanding Young Employee – **Finalist**

NSW Regional Business Chamber Awards - Business Leader – **Finalist**

NSW Regional Business Chamber Awards - Excellence in Social Enterprise – **Winner**

Deniliquin Business Chamber Awards - Outstanding Young Employee – **Winner**

Deniliquin Business Chamber Awards - Business Leader – **Winner**

Deniliquin Business Chamber Awards - Excellence in Social Enterprise – **Winner**

**2018**

NSW Tourism Awards - Festivals & Events - **Finalist**

NSW Murray Riverina Regional Tourism Awards - Festivals & Events - **Gold**

Regional Business Chamber Awards - Business Leader - **Finalist**

Regional Business Chamber Awards - Excellence in Innovation - **Finalist**

Deniliquin Business Chamber Awards - Outstanding Young Employee - **Finalist**

Deniliquin Business Chamber Awards - Business Leader - **Winner**

Deniliquin Business Chamber Awards - Excellence in Innovation - **Winner**

**10.7 DEVELOPMENT SERVICES REPORT**

**Author:** Marie Sutton, Manager Development Services

**Authoriser:** Philip Stone, General Manager

**RECOMMENDATION**

That Council note the Development Services Report for June 2021

**BACKGROUND**

Attachment 1 is the Development Services Report for June 2021

**ISSUE/DISCUSSION**

N/A

**STRATEGIC IMPLICATIONS**

N/A

**COMMUNITY STRATEGIC PLAN**

N/A

**FINANCIAL IMPLICATIONS**

N/A

**LEGISLATIVE IMPLICATIONS**

N/A

**ATTACHMENTS**

1. Development Services Report June 2021

<b>Applications - June 2021</b>					
<b>Application</b>	<b>Property Description</b>	<b>Proposal</b>	<b>Date Received</b>	<b>Date Approved</b>	<b>Status</b>
DA 48/21 CC 32/21	Lot 1 DP1051320, 430 Hay Road, Deniliquin	Alterations and additions to existing dwelling	8/06/21	30/06/21	Approved
DA 49/21 CC 33/21	Lot 1 DP1104847, 96 Edwardes Street, Deniliquin	Addition to existing dwelling and new carport	2/06/21	30/06/21	Approved
DA 50/21 CC 34/21	Lot 223 DP1014016, 2 Golf Club Road, Deniliquin	Erect 4 golf cart sheds	7/06/21	-	Under assessment
DA 51/21 CC 35/21	Lot 446 DP39876, w Golf Club Road, Deniliquin	Driving range shed	4/06/21	-	Under assessment
DA 52/21 CC 36/21	Lot 1 DP123162, Racecourse Road, Deniliquin	New single dwelling – Kit home	11/06/2	-	Under assessment
DA 53/21 CC 37/21	Lot 125 DP1118059, 167 Cobb Highway, Deniliquin	Carport	17/06/21	24/06/21	Approved
DA 54/21 CC 38/2	Lot 4 DP1017507, Conargo Road, Deniliquin	Farm shed	17/06/21	-	Under assessment
DA 55/21 CC 39/21	Lot 6 & 7, DP3483, 343 Jefferson Street, Deniliquin	Carport / storage shed	9/06/21	-	Waiting on further information
DA 56/21	Lot 2 DP610445, 36 Davidson Street, Deniliquin	Demolition of dwelling	22/06/21	25/06/21	Approved

DA 57/21	Lot 541 DP877290, 468-470 Poitiers Street, Deniliquin	Renovation works to old Butter Factory	25/06/21	-	Under assessment
DA 58/21 CC 40/21	Lot 5 DP285397, 16 Boxwood Court, Deniliquin	Residential shed	25/06/21	-	Under assessment
DA 59/21 CC 41/21	Lot 1 DP503099, 343 Wood Street, Deniliquin	Residential shed	30/06/21	-	Under assessment
DA 60/21 CC 42/21	Lot 1 DP1132408, 1 Butler Street (Site 254) Deniliquin	Alterations and additions	29/06/2	-	Under assessment
DA 61/21 CC 43/21	Lot 1 DP197027, 427 George Street, Deniliquin	Residential shed	23/06/21	-	Under assessment
DA 62/21 CC 44/21	Lot 36 DP263070, 5 Taabinga Court, Deniliquin	New single dwelling	23/06/21	-	Under assessment
DA 63/21 CC 45/21	Lot 6 DP368593, 132 Edwardes Street, Deniliquin	Carport	30/06/21	-	Under assessment
DA 64/21	Lot 1 DP1101706, 117 Pyles Road, Blighty	Secondary dwelling	30/06/21	-	Under assessment
DA 65/21	Lot 5 DP38609, 497 St Michael Street, Deniliquin	Demolition of dwelling	30/06/21	-	Under assessment
DA 66/21 CC 46/21	Lot 5 DP285128, 138 Riverview Drive, Deniliquin	Residential shed	30/06/21	-	Under assessment



DA 67/21	Lot 12 DP112214, 304 Noyes Street, Deniliquin	Demolition of dwelling	30/06/21	-	Under assessment
DA 68/21	Lot 51 DP1031442, 139 Davidson Street, Deniliquin	Change of use to Diner / Café	30/06/21	-	Under assessment
DA 69/21 CC 47/21	Lot 2 DP2201, 403 Wood Street, Deniliquin	Residential shed	30/06/21	-	Under assessment
<b>Complying Development Certificates</b>					
CDC 4/21	Lot 13 Sec 52 DP758913, 79 Macauley Street, Deniliquin	Inground swimming pool	30/06/21	-	Under assessment
CDC 5/21	Lot 69 DP756273, Coree Road, Mayrung	Inground swimming pool	30/06/21	-	Under assessment
<b>S68 Applications</b>					
S68 18/21	Lot 1 DP1132408, 1 Butler Street (site 460) Deniliquin	Extend flyover	2/06/21	16/06/21	Approved
S68 19/21	Lot 100 DP1061446, Ochertyre Street, Deniliquin	Install 4 safari tents	3/06/21	16/06/21	Approved
S68 20/21	Lot 125 DP1118059, 167 Cobb Highway, (site 1 – Cottages), Deniliquin	Install a demountable cabin	7/06/1	8/06/2	Approved
S68 21/21	Lot 125 DP1118059, 167 Cobb Highway, (site 9 – Cottages), Deniliquin	Install a demountable cabin	9/06/21	21/06/21	Approved

S68 22/21	Lot 1 DP123162, Racecourse Road, Deniliquin	Septic system	11/06/21	-	Under assessment
S68 23/21	Lot 1 DP1132408, 1 Butler Street (site 32) Deniliquin	Flyover and deck extension	18/06/21	-	Under assessment
S68 24/21	Lot 125 DP1118059, 167 Cobb Highway, Deniliquin	Extension to Managers' residence	29/06/21	-	Under assessment

Processing Times for June 2021		
Application Type	* Mean Gross Days	** Mean Net Days
DA	60	25
Mod (S4.55) of DA & DA/CC	-	-
CDC	-	-
CC	28	28
S68 Applications	25	25

\* Mean gross days = Total days from lodgment to determination      \*\* Mean Net Days = Total days less Stop the Clock days

Value and Number of Applications Determined 2020 and 2021								
Month	DAs 2020	DAs 2021	CDCs 2020	CDCs 2021	S68 2020	S68 2021	Value 2020	Value 2021
January	3	8	2	0	-	3	\$737,500	\$1,885,946
February	3	7	1	0	-	4	\$89,175	\$1,599,609
March	8	18	-	1	1	4	\$46,000	\$2,918,375
April	7	9	-	1	-	5	\$818,000	\$673,735
May	5	7	-	1	1	0	\$205,000	\$463,520
June	10	11	-	0	1	6	\$532,258	\$938,000
July	11		1		1		\$983,473	
August	7		-		5		\$918,903	
September	10		2		2		\$1,153,983	
October	16		2		3		\$1,827,041	
November	9		-		2		\$275,550	
December	9		-		3		\$1,466,842	
<b>TOTALS</b>	<b>98</b>	<b>60</b>	<b>8</b>	<b>3</b>	<b>19</b>	<b>17</b>	<b>\$9,053,725</b>	<b>\$8,479,985</b>

Note: numbers of application determined does not include construction certificates, modifications and applications determined by private certifiers. Value of application determined does not include the value of work for s68 applications.

Section 10.7 Certificates/Sewerage Drainage Diagrams	
Planning certificates	24
Sewerage drainage diagrams	13

Swimming Pool Inspection Program			
Month	1 <sup>st</sup> Inspection	2 <sup>nd</sup> Inspection	3 <sup>rd</sup> Inspection
May	-	-	-

**NSW Planning Portal commencement**

Council is now accepting all applications for Development Applications (DAs), Construction Certificates (CCs) and Complying Development Certificates (CDCs) via the [NSW Planning Portal](#). Council can no longer accept direct lodgment of applications.

This change is in line with the NSW Government's mandatory requirements for all Councils to participate in their ePlanning platform for application lodgment by 1 July 2021.

There have been some adjustments to processes and ongoing changes continue to occur to make acceptance of applications through the NSW Planning Portal more streamlined.

**Food Premises Inspection Program**

The Food Premises Inspection Program for 20/21 has been completed. Council inspected 72 High and Medium Risk Food fixed Food Premises, 12 temporary premises and 3 Mobile Food Vans. Council's inspection program is in line with the NSW Food Authority memorandum of understanding with Council. A Food Activity report is required to be submitted to the Food Authority by 28 July 2021.

<b>Ranger's Report – June 2021</b>		
<b>Companion Animals</b>		
	<b>Cats</b>	<b>Dogs</b>
Animals still impounded	2	2
Animals seized/surrendered	0	10
Animals released to owner	0	4
Animals euthanised	0	0
Animals rehomed	2	4
Dogs declared dangerous / menacing	-	0
Animals microchipped by Council	2	3
Animals microchipped by Council (Desexing Program)	-	-
Animals microchipped by Council (quarterly free chipping week)	-	-
Animals registered	8	4
Animal registration notices sent	-	-
Animal fines	0	3
<b>Clean Up Notices</b>		
Property clean up notices	0	
Illegal dumping	3	
<b>Parking</b>		
Parking fines	0	
Parking patrols completed	5	
<b>Impoundment (Impounding Act 1993)</b>		
Vehicles	0	

Euthanised Wildlife			1 x kangaroo			
Dog Attacks 2020 and 2021						
Month	No. of Incidents		No. of Attacking Dogs		No. of Victims	
	2020	2021	2020	2021	2020	2021
January	1	1	1	1	1	1
February	2	2	4	2	29	2
March	2	1	2	1	2	1
April	1	-	1	-	1	-
May	2	1	3	1	2	2
June	-	0	-	0	-	0
July	1		1		1	
August	1		1		3	
September	4		6		5	
October	2		1		3	
November	0		0		0	
December	2		2		1	
<b>TOTAL</b>	<b>13</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>40</b>	<b>6</b>

Dog Attack Details			
Date	Details	Victims	Outcome
-	-	-	-

**10.8 DENILIQVIN AIRPORT RUNWAY RECONSTRUCTION PROJECT****Author: Mark Dalzell, Director Infrastructure****Authoriser: Mark Dalzell, Director Infrastructure****RECOMMENDATION**

That Council:

1. Endorses the reduction in scope for the Deniliquin Airport Runway Reconstruction project so that the estimated cost for the project is \$3.5M,
2. Negotiates with the Federal Government regarding the change of scope for the Deniliquin Airport Runway Reconstruction project, and
3. Approve an application for a loan facility of up to \$1.75M over the 2021/22 and 2022/23 financial years to match the funding received from the Commonwealth Regional Airport Program towards the Deniliquin Airport Runway Reconstruction Project.

**BACKGROUND**

Council, at its 16 July 2020 meeting, resolved the following regarding grant funding for the Deniliquin Airport Runway Reconstruction project:

*That Council:*

1. *Approve an application for a loan facility of up to \$2.5M over the 2020/21 and 2021/22 financial years to match the funding received from the Commonwealth Regional Airport Program towards the renewal and upgrade of the runway at Deniliquin airport,*
2. *Direct that officers investigate further opportunities for State funding towards this work.*
3. *Make representations through the Member for Murray and the Deputy Premier seeking State Government funding towards the project as the runway upgrade is essential to providing the region with air access to medical facilities and will assist in aerial firefighting in the event of serious bush and grass fires.*

At the time of accepting the grant funding Council had been given an undertaking from the State Government that, should Council be successful in obtaining Federal Government assistance, they would contribute to the project as well. To date a contribution from the State Government has not been confirmed and Council is reviewing the project regarding funding and the scope of works.

**ISSUE/DISCUSSION**State Government Funding

Since the announcement of the Federal Government funding, Council has made several representations to the State Government to confirm their verbal commitment to assist with the project. The most recent of these representations being in the past month where the General Manager discussed with senior staff from the Department of Regional NSW a recent letter that Council sent to the Deputy Premier. Council has not received any confirmation of funding and at the time of writing this report was awaiting further advice from Department of Regional NSW regarding this matter.

Based on this outcome Council officers recommend that Council proceeds with the project independent of funding from the state government to ensure completion of the required works.

### Impact on Overall Project Funding

Under the terms of the Federal Government funding agreement, Council is required to fund 50% of the project up to \$2.5M with the Federal Government providing the other 50% of funding up to \$2.5M, resulting in an overall project budget of \$5M. Council would also be responsible for all expenditure above \$5M.

The lack of confirmation of funding from the State Government means that Council would need to fund the \$2.5M from its own sources, either through reserves or borrowings. Whilst it is noted that Council has resolved to make an application for a loan of up to \$2.5M for the project, a review of the project based on the current outcome from discussions with the State Government questions the overall value to Council of the project based on Council providing the full \$2.5M in funding towards the project. As a result of this staff reviewed the scope of the project based on reduced level of funding for the project.

### Project Scope

At its 3 June 2021 workshop Council discussed a reduce scope of works for the project based on the following changes:

- Maintaining the existing runway length of 1,219m and not extending the runway out to 1,400m as was included in the original scope of works, and
- Reducing the pavement strengthening from a Pavement Classification Number (PCN) of 20, as included in the original scope, to a PCN of 15.

It is noted that the requirements for the runway lighting renewal has not changed as this is a requirement of CASA.

Following the workshop Council officers discussed the changes to the project scope at the Airport Users Advisory Committee meeting. Committee members agreed with not extending the existing runway but encouraged Council to keep in the scope the requirement for a PCN of 20. The committee members noted that it would be easier for Council in the future to undertake an extension of the runway should future funding allow for this, however, strengthening of the runway would be harder to do and have more impact on the use of the airport.

Based on this information Council staff have reduced the scope of the project to incorporate the following:

- Reconstruction of the existing runway without any extension to its length,
- Stabilisation of the existing runway pavement to be used as a sub-base for the new pavement,
- Construction of a new base pavement, 200mm thick, on top of the stabilised sub-base, and
- Bitumen seal suitable for the runway.

The runway would still operate as a Code 3C runway, as it is over 1,200m long, and would be suitable for aircraft such as King Air B-200 and passenger aircraft seating up to 30 people. It is noted that Air Ambulance Victoria utilise King Air aircraft in their fleet.

### Project Estimate

Based on the revised scope of works, the project estimate is reduced from \$5M to \$3.5M. Details of this reduction in the estimated cost is included in Attachment 1.

### Project Funding

There are two funding scenarios for the project based on the current agreement. These funding arrangements are:

- Option 1 being where the Federal Government funds 50% of the project, and
- Option 2 being where the Federal Government provides \$2.5M in funding for the project.



Option 1 is based on the current agreement, which states that the Federal Government will 50% fund the project up to a maximum contribution of \$2.5M. With the revised project estimate at \$3.5M this funding would be \$1.75M with Council required to provide the remaining \$1.75M in funding. This is a \$0.75M reduction from Council's current commitment of \$2.5M.

Option 2 is based on the Federal Government providing the full \$2.5M in funding that it has allocated to the project. This would mean that Council's share of the project is \$1M.

It is in Council's interests that it spends the least amount of its own funds towards this project, which would be Option 2. The decision regarding the amount of Federal Government funding is a decision for the government and would be based on representations made by Council in this regard. To date Council officers have advised the funding body that Council is reviewing the project based on the current outcomes from discussions with the State Government. The funding body has acknowledged this and have requested further information be provided once Council has more information regarding the project.

### Summary

Under the original funding agreement construction works are meant to be completed by 30 June 2022 with the project fully acquitted and final payment from the government made by the end of August 2022. Survey and geotechnical investigation work for the project have been completed and Council has engaged Pitt and Sherry consulting engineers to undertake the detailed design and documentation for the project. The current schedule for the project is noted below.

Description	To be completed by
Detail Design and Documentation	July – September 2021
Tender documentation and advertising	October – November 2021
Tender report to Council Meeting	December 2021
Construction	February – April 2022
Final project acquittal	July 2022

The final schedule will be dependent on discussions regarding funding for the project as well as engagement with the current airport users and the weather conditions. It is Council's aim that the works proceed without weather interruption, meaning that the February to April period or the October to December period would be preferred for construction. The current schedule allows for a February to April construction timeframe, however based on funding outcomes, this may be changed to later in 2022. Council will engage with airport users throughout the process to ensure the least impact from the works, however, it is noted that the sealed runway will be closed during this time and the grass runway will be reduced in length.

### **STRATEGIC IMPLICATIONS**

Deniliquin airport provides essential services and economic support to the wider community. The existing runway is in poor condition and has no major renewal works in over fifty years. The current runway needs to be renewed within the next few years to enable it to be safe and fit for purpose. Funding from other levels of government will assist in completing this project.

### **COMMUNITY STRATEGIC PLAN**

This project meets the following objectives in the Community Strategic Plan:

- Outcome 1 – A great place to live,
- Outcome 2 – A prosperous and vibrant economy, and
- Outcome 4 – A region with quality and sustainable infrastructure.

**FINANCIAL IMPLICATIONS**

Depending on funding for the project Council may need to provide up to \$1M towards the construction of the project. These funds may be sourced from current infrastructure reserves or through borrowings.

This project has been included in Council's Long-Term Financial Plan.

**LEGISLATIVE IMPLICATIONS**

Nil.

**ATTACHMENTS**

1. **Revised Project Estimate for Deniliquin Airport Runway Project**



## Memorandum

<b>DATE:</b>	8 July 2021
<b>TO:</b>	Councillors
<b>CC:</b>	Phil Stone – General Manager
<b>FROM:</b>	Mark Dalzell – Director Infrastructure
<b>SUBJECT:</b>	<b>Project Estimates for Deniliquin Airport Runway Reconstruction Project</b>

Dear Councillors,

Please find below information regarding the revised estimates for the Deniliquin Airport Runway Reconstruction project, based on a reduced scope of works including:

- Reconstruction of the existing runway without any extension to its length,
- Stabilisation of the existing runway pavement to be used as a sub-base for the new pavement,
- Construction of a new base pavement, 200mm thick, on top of the stabilised sub-base, and
- Bitumen seal suitable for the runway.

### Revised Project Estimate for Deniliquin Airport Runway Project

Item	Description	Quantity	Rate	Estimated Costs
1	Project preliminaries, design and documentation	Item	\$250,000	\$250,000
2	Refurbish and upgrade drainage system.	Item	\$150,000	\$150,000
3	Stabilise existing runway pavement to act as sub-base. 1,220m x 30m x 250mm deep = 9,200m <sup>3</sup>	9,200m <sup>3</sup>	\$45/m <sup>3</sup>	\$414,000
4	Supply, spread and compact base pavement layer, 1,220m x 30m x 200mm thick = 7,400m <sup>3</sup>	7,400m <sup>3</sup>	\$180/m <sup>3</sup>	\$1,332,000

Item	Description	Quantity	Rate	Estimated Costs
6	Supply and install bitumen seal for new runway, 1,220m x 30m = 36,600m <sup>2</sup>	36,600m <sup>2</sup>	\$25/m <sup>2</sup>	\$915,000
7	Replace and upgrade runway lighting system.	Item	\$400,000	\$400,000
Total Estimate				\$3,461,000

**Mark Dalzell**

**Director Infrastructure**



**10.9 SALEYARDS STRATEGIC PLAN****Author: Mark Dalzell, Director Infrastructure****Authoriser: Mark Dalzell, Director Infrastructure****RECOMMENDATION**

That Council:

1. Adopts the draft Saleyards Strategic Plan
2. Confirms its intention to adopt option 4, unless interest is shown from the market to grow sheep and cattle sales and there is a strong likelihood of success of securing government investment in the site
3. Undertakes an expression of interest process for the leasing of the sale yards facility, including cattle and sheep yards, with the intention of securing a lease with an operator willing to:
  - a. Invest in the facility and grow the performance of both cattle and sheep sales over time
  - b. Provide an improved commercial return on investment for both council and the operator
4. Provides a report with a recommendation on the outcome of the expression of interest process by November 2021
5. Includes the development of the Saleyards in its advocacy strategy and investigates funding opportunities to assist with future development of the saleyards
6. Includes the development of the saleyards in Council's long term financial plan, and
7. Prepares a management plan for the ongoing operation of the sale yards facility.

**BACKGROUND**

Council is currently undertaking a strategic planning process regarding the future of the Deniliquin Saleyards. To date a draft of the Saleyards Strategic Plan has been endorsed and placed on public exhibition. The public exhibition period has now closed.

This report discusses the outcome from the public exhibition process and addresses concerns that have been raised.

**ISSUE/DISCUSSION**Draft Strategic Plan

Urban Enterprises have been engaged by Council to prepare a strategic plan for the development and operation of the Saleyards. The plan looks at the history and operation of the Saleyards as well as the agriculture economy in the region and proposed future works and development of the site. Council endorsed the draft plan in March 2021 and resolved to place the draft on public exhibition at its 15 April 2021 meeting.

A copy of the draft Saleyards Strategic Plan is included in Attachment 1.

The draft plan included four main options for the strategic direction of the facility with Option 2 being broken down into two further sub-options, being Option 2a and 2b. As part of endorsing the draft plan, as well as during previous meetings, Council adopted Option 4 as its preferred option. As noted in the executive summary of the Strategic Plan, Option 4 includes:

<b>Option</b>	4
<b>Description</b>	Divest and close the cattle yards and re-invest into the sheep yards and ancillary facilities.
<b>Overview</b>	This option is focused on cost and risk prevention for the cattle yards, particularly with the degraded state of the facility and the declining

	throughput. This option would also include re-investing into the sheep yards (as per Option 2)
<b>Indicative Cost</b>	\$0.75M to \$1.5M (sheep yards). Cattle yards will depend on divestment options.

### Public Exhibition of the draft Strategic Plan

The draft Plan was placed on public exhibition in May 2021 with the exhibition period closing on 14 June 2021. Council also undertook a public meeting to outline the issues and sentiment raised during the exhibition period. Council received nine submissions during this period with one submission supporting Council's adopted option and the other eight submissions not supporting the adopted option but supporting Option 2 instead. Copies of the submissions are included in Attachment 2 as a confidential attachment.

The summary of the submissions not supporting Council's adopted option is noted below:

- Submissions were critical of Council's apparent lack of investment in the yards and the performance of the current Saleyards operator,
- Submissions noted the importance of the Saleyards to the community, especially the agricultural sector, and the long history of Saleyards in Deniliquin,
- The facility should be managed as a whole, including the sheep yards and truck wash, rather than as individual components,
- The submission supporting Council's adopted option noted that sheep were of more importance and more economically viable in the area and that would be better served by making the development of the sheep yards a priority.

### Community Survey

As part of the public exhibition period, a community survey was undertaken. Council received 112 individual completed surveys, with a summary of the outcomes from the survey noted below:

- 59% (66) of respondents are cattle producers,
- Of this 59%, 76% (50) stated that they sold their cattle at markets or through avenues other than the Deniliquin Saleyards,
- Reasons for not supporting Deniliquin cattle sales included:
  - Limited cattle numbers for sale: 49%,
  - State of the yards: 27%
  - Other reasons (lack of buyers, drought, COVID): 24%
- 96% do not support expenditure being diverted from the sheep yard to the cattle yards.

The above noted summary from the community survey was discussed at the community meeting.

### Community Meeting

As part of the public exhibition period, a community meeting was held on Wednesday, 16 June 2021. There was good attendance at the meeting with over 30 agents, producers and transporters attending. At the meeting the General Manager gave a presentation regarding the following points:

- Update on the status of the project,
- Issues raised during the public exhibition period,
- Themes from the consultation period and community survey, and
- Options for renewal works.

Following the presentation there was discussion from the floor regarding the concerns that the community have about the Strategic Plan and Saleyards in general. The feeling from the floor was supporting the submissions that had been made as well as sentiments from previous meetings between Council representatives and the community.

The main points from the discussion included:

- The community survey question relating to where people sell cattle was misleading as it only allowed for one answer. People understood this to mean that if they sold cattle away from Deniliquin, they then could not also choose Deniliquin as a selling point. It has been confirmed that the survey allowed for multiple selling locations to be entered onto the form.
- The agricultural sector, especially cattle markets, are doing it tough now due to a long period of drought. The sentiment is that the market is turning around and therefore figures from the last ten years should not be used,
- At some time in the future cattle will be more profitable than sheep and if Council closes the cattle yards it will not be able take advantage of any changes in future markets,
- The Saleyards should be viewed as a whole complex and not just individual yards. Therefore, the revenue, expenditures and profits from the cattle yards, sheep yards and truck wash should be considered together,
- Many people from the floor were critical of Council's lack of investment in the Saleyards in the past.

#### Financial Modelling

Included in a report to Council's 1 July 2021 was financial modelling of the operation of the Saleyards based on several models, including:

- Business as Usual based on the provided information,
- Increased revenue to Council based on the same gross income and increased rent percentage,
- Increased revenue to Council based on increased cattle sales and increased rent percentage,
- Council revenue increased to \$70,000 per year through increased sheep and cattle sales.

Further information regarding the financial modelling is included in Attachment 3.

In summary the modelling shows that the Saleyards would not be able to operate fully as a commercial entity in that, whilst the income generated by an operator would cover maintenance of the facility under a stronger lease arrangement, the fees generated to Council would not cover the depreciation of facility and therefore long term sustainability. Council would therefore need to provide additional funds, either through grant funding or through its cash reserves or borrowings, to ensure that future development works are funded.

#### Advocacy Strategy and Long-Term Financial Plan

Council has adopted an Advocacy Strategy to assist with setting its objectives at a strategy level, especially where additional assistance from other levels of government may be required. It is therefore important, given Council's wish to develop the sheep yards, that the Saleyards be included in the Advocacy Strategy so that it can support future submissions regarding funding for the Saleyards.

The adoption of Option 4 in the Strategic Plan will require significant expenditure in the future, especially regarding the sheep yards and to a lesser extent the cattle yards. This expenditure needs to be included in the scenarios in the Long-Term Financial Plan.

#### Ongoing Operation of the Saleyards

During the public exhibition period, Council undertook a site inspection of the cattle yards with representatives from the local selling agents. During the inspection the following issues were discussed:

- The presentation of yards in terms of weeds and cleanliness. Mark Dalzell advised that this had been discussed with the Operator and a direction given that the yards be cleaned to a point where a sale would be able to be held,
- Preference for pen selling rather than ring selling, due to the speed at which pen selling can be performed,
- Generally, the yards are suitable for selling, though improvements such as replacement of old timbers and upgraded gates would be preferred,
- Issues regarding the compliance of the overhead walkways,
- Preferred number of cattle for a sale is 150, and
- A willingness to work with Council regarding the operation of the cattle yards to improve the condition of the yards and encourage more selling at the facility.

As noted, one of the issues discussed was the condition of the overhead walkways and the compliance of these walkways with the relevant Australian Standards. The agents noted that the walkways were usable and met their operational needs regarding selling of cattle. Staff noted this information but also noted that Council has a duty of care to ensure that facilities comply with relevant Australian Standards and industry requirements and this instance with would include comply with AS1657 *Fixed Platforms, Walkways, Stairways and Ladders*. The current overhead walkways do not comply with the requirements of this standard.

In general, Council has a defence under the Local Government Act where it has adopted a management plan to address risk issues and has considered all the risks involved. This reflects that Council acts on behalf of the community (rather than being a private entity) and has limited resources to address all the needs of the community. Council must therefore prioritise these resources based on community need and risk. In allowing further use of the cattle yards Council will need to develop a management plan including:

- Limiting the use of the cattle yards to three runs, which would allow for sales up to 300 head based on an average of 10 head of cattle per pen,
- Limiting who can use the overhead walkways and under what conditions they can be used,
- Work with the operator regarding maintenance of the yards in line with the current lease agreement, and
- Improvement program to replace the existing overhead walkways of the area to be used.

This will allow cattle sales to re-commence to encourage more use of the yards and provide additional value to the yards should Council divest the yards to an independent operator or community group.

It is noted that the funding is available in the 2020/21 Open and Public Space Refurbishment Program, which includes the Saleyards assets in this asset class, for Council to undertake any work related to the Saleyards in the immediate future.

## **STRATEGIC IMPLICATIONS**

The existing Saleyards have had limited investment for several years. Sales numbers have decreased as other avenues have opened to enable producers to sell their stock direct to the market. The Strategic Plan will assist Council in determining the strategic direction for the facility and on funding and investment opportunities in the future. It will also give some guidance on the current management and operations of the Saleyards.



**COMMUNITY STRATEGIC PLAN**

This project meets the objectives of *Outcome 4 – A region with quality and sustainable infrastructure* in the Community Strategic Plan.

**FINANCIAL IMPLICATIONS**

This strategy is funded through Round 2 of the Stronger Communities Fund. Council will need to source future funds to undertake the work included in the Strategic Plan.

**LEGISLATIVE IMPLICATIONS**

Nil.

**ATTACHMENTS**

1. **Draft Saleyards Strategic Plan**
2. **Saleyards Public Exhibition Submissions - Confidential**
3. **Memo regarding Financial Modelling for Saleyards Operations**

CELEBRATING  
**30**  
YEARS  
1989-2019

**urban** planning  
**enterprise** economics+tourism

# DENILIKUIN SALEYARDS

## STRATEGIC PLAN

EDWARD RIVER COUNCIL | MARCH 2021



[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)

**AUTHORS**

Paul Shipp, Urban Enterprise (strategic planning and economics)  
Kurt Ainsaar, Urban Enterprise (strategic planning and economics)  
Darrel Brewin, Consultant (agriculture)  
Nereus Powilanska-Burnell, Cardno (engineering)  
Valentina Roldan, Cardno (engineering)

**VERSION**

1

**DISCLAIMER**

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.

**COPYRIGHT**

© Copyright, Urban Enterprise Pty Ltd, 2020

This work is copyright. Apart from any uses permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.



L1 302-304 Barkly St, Brunswick VIC 3056  
+61 3 9482 3888 [urbanenterprise.com.au](http://urbanenterprise.com.au)

## CONTENTS

EXECUTIVE SUMMARY	1
1. BACKGROUND	4
1.1. INTRODUCTION	4
2. AGRICULTURAL TRENDS & REGIONAL CONTEXT	5
2.1. INTRODUCTION	5
2.2. MACROECONOMIC CONDITIONS	5
2.3. PERFORMANCE OF THE NSW AGRICULTURE INDUSTRY: SNAPSHOT	6
2.4. LIVESTOCK	7
2.5. AGRICULTURE IN THE RIVERINA MURRAY REGION	8
2.6. EDWARD RIVER AGRIBUSINESS CONSIDERATIONS	12
3. ECONOMIC AND DEMOGRAPHIC CONTEXT	14
3.1. INTRODUCTION	14
3.2. POPULATION GROWTH	14
3.3. ECONOMIC CONTEXT	15
3.4. EMPLOYMENT IN AGRICULTURE	16
3.5. KEY FINDINGS	17
4. REGIONAL SALEYARDS HIERARCHY	18
4.1. INTRODUCTION	18
4.2. COMPETING SALEYARDS	18
4.3. TRENDS INFLUENCING SALEYARDS	21
4.4. KEY FINDINGS	23
5. DENILQUIN SALEYARDS	25
5.1. INTRODUCTION	25
5.2. SALEYARDS PRECINCT	25
5.3. ON-SITE INFRASTRUCTURE & AMENITY	26
5.4. OPERATIONS	26
5.5. OWNERSHIP & TENURE	26
5.6. THROUGHPUT	28
5.7. FINANCIAL PERFORMANCE	30
5.8. KEY FINDINGS	31
5.9. CONSULTATION FINDINGS	31
6. ENGINEERING REVIEW	34
6.1. INTRODUCTION	34
6.2. ROAD INFRASTRUCTURE	34
6.3. DRAINAGE	35
6.4. SEWERAGE RETICULATION	36
6.5. WATER SUPPLY	36
6.6. ELECTRICITY SUPPLY	37
6.7. TELECOMMUNICATIONS	37

6.8. CATTLE YARDS	37
6.9. SHEEP YARDS	38
6.10. KEY FINDINGS	39
7. ISSUES AND OPPORTUNITIES	42
7.1. INTRODUCTION	42
8. OPTIONS	45
8.2. PREFERRED OPTION	49
8.3. SUB-OPTIONS	50
9. ACTION PLAN	52
9.1. INTRODUCTION	52
9.2. OBJECTIVES	52
9.3. ACTION PLAN	53

#### FIGURES

F1. PRIMARY INDUSTRIES OUTPUT, NSW, 2019	6
F2. SUMMARY OF LIVESTOCK OUTPUT, NSW, 2019	7
F3. RIVERINA MURRAY REGION	8
F4. RIVERINA MURRAY LAND USE	9
F5. REGIONAL DISTRIBUTION OF BEEF, RIVERINA MURRAY, 2011	10
F6. REGIONAL DISTRIBUTION OF SHEEP, RIVERINA MURRAY, 2011	11
F7. REGIONAL DISTRIBUTION OF WOOL, RIVERINA MURRAY, 2011	12
F8. HISTORICAL & FORECAST POPULATION – EDWARD RIVER LGA – 2011 TO 2036	14
F9. AGRICULTURAL EMPLOYMENT BY INDUSTRY – EDWARD RIVER AND SURROUNDING LGAS – 2016	17
F10. EXISTING SALEYARDS BY THROUGHPUT (WITHIN 250 KM OF DENILQUIN), 2019	18
F11. DENILQUIN SALEYARDS SITE	25
F12. DENILQUIN SALEYARDS THROUGHPUT, 2015 TO 2019	28

#### TABLES

T1. HISTORICAL & FORECAST POPULATION – EDWARD RIVER AND SURROUNDING LGAS – 2011 TO 2036	15
T2. INDUSTRY OF EMPLOYMENT – EDWARD RIVER LGA – 2011 & 2016	15
T3. AGRICULTURAL INDUSTRY OF EMPLOYMENT – EDWARD RIVER LGA – 2011 & 2016	16
T4. COMPETING SALEYARDS MATRIX	20
T5. SHEEP THROUGHPUT, COMPETING SALEYARDS	29
T6. CATTLE THROUGHPUT	29
T7. DENILQUIN SALEYARDS, FINANCIALS, 2015 TO 2019 (FY)	30
T8. SUMMARY OF ISSUES & OPPORTUNITIES, DENILQUIN SALEYARDS	42

**ACRONYMS**

EU	European Union
GVAP	Gross Value of Agricultural Production
LGA	Local Government Area
LV	Low Voltage
MDP	Murray Darling Basin
NLIS	National Livestock Identification Scheme
NSW	New South Wales
US	United States
YOY	Year on Year

## EXECUTIVE SUMMARY

Edward River Council commissioned a Strategic Plan for the Deniliquin Saleyards to complete a strategic review of the saleyards precinct and investigate the future use of the facility, including the potential upgrade of infrastructure and/or an expansion of services.

### AGRICULTURAL LAND USE & PRODUCTION

It is considered relevant to consider agricultural land use and production context and trends:

- Agriculture is a key economic driver of the Riverina Murray region. The agricultural activities in Deniliquin and surrounds are predominantly dryland pasture, irrigated pasture and rangeland grazing.
- The Murray Riverina region is attractive for agricultural production due to:
  - The scale, diversity and productivity of agricultural land in the region.
  - Good transport networks with most major highway and rail corridors crossing the region.
  - Water infrastructure and irrigation capacity.
  - An international reputation for food manufacturing with strong processing and supporting industries.

### AGRICULTURAL TRENDS

The following structural shifts and long term trends are taking place in the industry and should be considered:

- Water allocations have become more variable with more frequent low or zero allocations.
- Long term average water prices are predicted to rise, which will impact the viability of rice production, traditional commodity cropping and grazing dairy.
- Regional agribusiness gross regional product (GRP) could decrease and become more volatile and seasonal.
- Employment in agribusiness and value-adding may decline and the number of skilled workers may decrease.
- Consolidation of farming will continue with the impact of technology and the need for economies of scale to be globally competitive.

### REGIONAL SALEYARDS HIERARCHY & THROUGHPUT

- There is a significant number of saleyards in southern NSW and northern Victoria, with a potential oversupply of facilities within a 200 - 250 km radius of Deniliquin.
- Saleyards in larger regional centres/cities are higher order facilities that achieve a much higher annual throughput and their position in the hierarchy is strengthening.
- The Deniliquin sheep yards are attractive to buyers due to the favourable location and a high quality reputation for price, presentation and quality of infrastructure and assets, and the unique tree coverage over the yards.
- Annual sheep throughput at the Deniliquin Saleyards has been consistent over the past 5 years, with a minor increase in recent years.
- The Deniliquin cattle yards has seen little investment over a long period of time and infrastructure is degraded.
- Cattle throughput has experienced a significant year-on-year decline over the past 5 years, and the frequency of cattle sales has been reduced from fortnightly to monthly.
- Cattle throughput at nearby saleyards such as Echuca, Swan Hill and Finley has increased in recent years, likely absorbing the loss of throughput at Deniliquin, Kerang and Hay.
- Some of the key challenges facing Saleyards relate to environmental factors, farming and land use trends, regulatory compliance, technological advancements, regionalisation and privatisation.

## ISSUES &amp; OPPORTUNITIES

The following issues and opportunities should be addressed through strategic and asset planning:

- Protect and enhance the sheep yards, which is the facility's competitive advantage and specialisation.
- Improve the general safety standards across the precinct to ensure that the facility is compliant and high quality safety standards and practices are implemented and adhered to.
- Ensure all infrastructure and assets are compliant to improve stock and user safety, and reduce the risk of work, health and safety incidents.
- Consider the future use and utilisation of the cattle yards, given that the infrastructure is aging, throughput and regional stock numbers are declining, and the competition across the region is strengthening.
- Significant investment is required to upgrade and improve the cattle yards to a standard that satisfies general safety standards and compliances.
- Improve infrastructure, services and resources across the facility to realise operational and cost efficiencies.
- Consider the use of underutilised land, buildings and amenities across the site to explore additional commercial opportunities and additional incomes streams.
- Clearly delineate and define maintenance responsibilities between the owner and the operator to increase competitiveness and meet user expectations.

## OPTIONS FOR THE DENILQUIN SALEYARDS

Four options are proposed for the Denilquin Saleyards. Note that option 2 is a combination of the sheep yards and either option 2a or 2b for the cattle yards. Options are outlined and discussed in detail in Section 8.

Option	Overview	Indicative cost
1	Business as usual for the saleyards	Minimal
2	Improvements and upgrades to infrastructure and services at the sheep yards	\$0.75 to \$1.5m
2a	Deliver the minimum investment required to ensure a safe and compliant facility, and to mitigate risks associated with a business as usual decision.	\$0.5 to \$1m
2b	More substantial upgrades to the cattle yards in an attempt to improve competitiveness and increase viability	\$1.5 to \$2m
3	Major re-investment and renewal in the cattle yards and sheep yards	\$6 to \$10m
4	Divest and close the cattle yards and re-invest into the sheep yards and ancillary facilities	\$0.75 to \$1.5m (sheep yards). Cattle yards will depend on divestment options



#### PREFERRED OPTION

The most appropriate options for the Deniliquin Saleyards are Option 2/2b and Option 4.

The sheep yards is the clear competitive advantage, indicated by the:

- Consistent throughput and income;
- Stable sheep numbers in the region;
- Benefits of the sunk investment in infrastructure that has a useful economic life; and
- The natural shade offered through widespread tree coverage.

The sheep yards is an area of specialisation. This should be protected and enhanced through a deliberate investment strategy that improves competitiveness, grows market share (throughput), encourages operational efficiencies, and satisfies user expectations. Comparatively, the cattle yards are at a point where either substantial investment is required to upgrade the facility in an attempt to improve competitiveness and increase throughput (option 2b), or divest and close the facility (option 4).

At the time the Issues and Options Report was completed and issued (June 2020), Berrigan Shire Council was considering permanent closure of the Finley Saleyards. If this eventuated, the Deniliquin cattle yards could leverage that opportunity to capture a share of Finley's annual cattle throughput (approx. 16,000 in 2019). At that time, option 2a was the preferred option, which would involve the minimum investment required to ensure a safe and compliant facility. This was recommended in order to keep the cattle yards open and monitor the situation at Finley. Berrigan Shire Council have since decided to re-commence sales and invest into the facility.

Given the change in circumstances, the opportunity for Deniliquin to pursue option 2b has diminished. Without Finley closing, growth in cattle throughput could only come by increasing market share in a reducing and increasingly competitive market. This is highly unlikely, due to:

- Declining cattle numbers in the region;
- Volatile climate conditions - changing rainfall patterns and projections of ongoing decreases in rainfall, threatening water security;
- Strong competition from nearby Saleyards such as Echuca, Swan Hill and Finley; and
- Competing selling methods that are becoming more common and have an increasing market share (e.g. online sales).

Edward River Council has previously resolved to pursue option 4: divest and close the cattle yards, and re-invest into the sheep yards and ancillary facilities. Given the decision by Berrigan to reinvest at Finley, this is supported.

An action plan for the preferred option (option 4) is provided in Section 9.

## 1. BACKGROUND

### 1.1. INTRODUCTION

Urban Enterprise (strategic planning and economics) in conjunction with Darrell Brewin (agriculture) and Cardno (engineering) were engaged by Edward River Council to prepare a Strategic Plan for the Deniliquin Saleyards. The purpose of the Plan is to provide a strategic review of the precinct to investigate the future use of the facility, including the potential upgrade of infrastructure and/or an expansion of services.

The Strategic Plan includes comprehensive research and analysis relating to:

- Regional agricultural production and land use trends;
- Macroeconomic considerations;
- Trends influencing saleyards;
- An assessment of infrastructure, services and operations at the Deniliquin Saleyards; and
- A summary of key findings from consultation with regular users (e.g. agents, buyers, sellers, operators and transporters).

It is important to note that the Strategic Plan was prepared following the preparation of an Issues and Options Report (June, 2020).

## 2. AGRICULTURAL TRENDS & REGIONAL CONTEXT

### 2.1. INTRODUCTION

This section provides an overview of some of the macroeconomic conditions influencing the agriculture industry in New South Wales including domestic and international economic conditions and environmental considerations such as drought and water security.

This section also provides a snapshot of NSW's agricultural economic performance in 2019 including trends in production, output, export value and price.

### 2.2. MACROECONOMIC CONDITIONS

Farmers in NSW faced challenging conditions in 2019 with higher feed costs, low water availability and high water costs in addition to drought. Hay and grain were in short supply on the east coast and domestic prices surged. Grain prices reached their highest point in winter and spring 2018 with lower supply available and high feed demand from livestock producers. The higher demand for hay and grain from cattle and sheep producers lowered margins further for dairy, pig and poultry farmers.

Low water allocations in NSW led to higher prices, as more buyers competed for lower water volumes. The Murrumbidgee regulated river ended the year at 7% allocation for general security water licences. With 0% general security allocations at the end of the year, the NSW Murray and Lower Darling river regions had emergency drought restrictions in place, limiting use to town water supply, domestic and stock use and permanent plantings.

Approximately 4.9 million ML in water allocations were traded in the southern Murray Darling Basin in 2018/19, 31% less volume than last year. Prices for water entitlements in NSW increased substantially over 2018 levels, particularly for High Security entitlements, with the volume weighted average price 58% higher at \$5,564 per share (average of all regulated river water sources). General Security entitlements were 32% higher in 2018-19 at \$1,929 per share (average of all regulated river water sources), with most of the trading occurring in the NSW Murray and Murrumbidgee.

Trade tensions between the US and China, lower consumer confidence in the EU, and natural disasters in Japan were major reasons for slowed trade activity in 2019. The trade tensions in the US and China caused a slowdown in global trade and created uncertainty among businesses due to the unpredictability of tariff changes and expectations around policy directions. China increased tariffs on many American agricultural commodities in 2018 including pork, wine, fruit and nuts. In November 2018 China announced an anti-dumping investigation into Australian barley, which has caused uncertainty among grain growers and had not been resolved by the end of the financial year.

The Australian dollar depreciated against major currencies over 2019 which benefitted export-oriented commodities. Throughout 2019 the Comprehensive and Progressive Agreement for Trans-Pacific Partnership came into effect for Australia and a number of trading partners, positively impacting agricultural commodity exports.

**2.3. PERFORMANCE OF THE NSW AGRICULTURE INDUSTRY: SNAPSHOT**

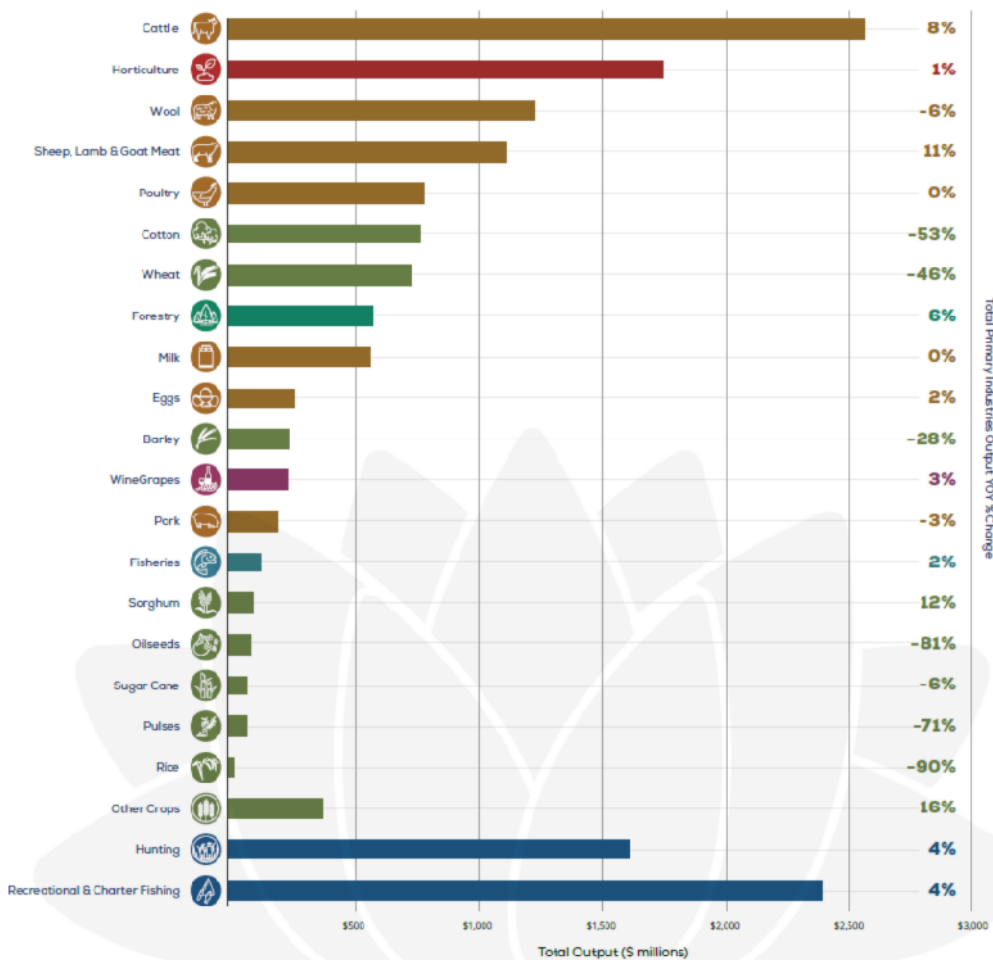
Figure 1 summarises the total output value of all agricultural commodities in NSW in 2019, and also includes the change (+/-) compared with 2018. Livestock, wool and horticulture continue to drive much of the NSW agriculture activity.

In 2019, cattle generated the highest amount of output across all agricultural commodities in NSW, with a total value in excess of \$2.5 billion (+8% YOY).

Sheep, lamb and goat meat recorded an output value of approximately \$1.2 billion in 2019 and achieved strong growth (+11%) compared with 2018. Wool generated a slightly higher annual output (approx. \$1.25 billion), but recorded a 6% decrease compared with 2018.

Other notable declines in output occurred across cotton, wheat and barley, and is likely due to the lower availability of water influenced by a period of drought and lower allocations of water through trading.

F1. PRIMARY INDUSTRIES OUTPUT, NSW, 2019



Source: NSW Primary Industries Performance Data & Insights 2019, NSW Department of Primary Industries 2019

**2.4. LIVESTOCK**

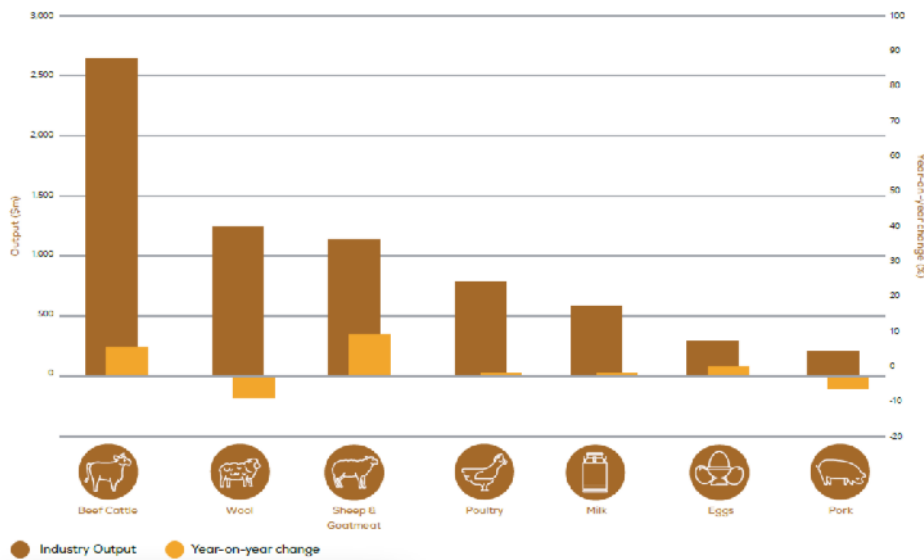
It is estimated that the value of the livestock industries in NSW increased by 4% compared to 2018, which was partially driven by increased turn-off rates (i.e. for slaughter or export) but also record prices for sheep meat, goats and wool.

Stock water reserves remained low across large parts of NSW, particularly in the most extensive areas of concern in the Western, North West and Central West. Extreme heat events over the 2018/19 summer also placed further pressure on stock water resources and demand.

Intensive livestock industries also faced very challenging operating conditions. High feed prices affected the cost of production across the sector and placed producer margins under pressure. The dry conditions had a detrimental effect on milk supply, but poultry meat and egg supply remained relatively stable.

Figure 2 summarises the approximate value of output generated across livestock and the annual changed compared with 2018.

F2. SUMMARY OF LIVESTOCK OUTPUT, NSW, 2019



Source: NSW Primary Industries Performance Data & Insights 2019, NSW Department of Primary Industries 2019

Output generated by the beef cattle industry increased by 8%, with increased supply and buoyant prices helping to stimulate the industry during dry conditions. Exports to China increased significantly with a record 65 million kg of beef traded to China.

Record price for wool helped offset the pressures brought on by drought, including rising costs and a reduction in wool supply. An overall decrease in flock size and the average amount of wool cut per head resulted in a 6% decrease in output, but is still above the 5-year average.

Strong international demand for sheep meat and a falling exchange rate lifted exports and domestic prices, resulting in strong throughput at many saleyards in NSW. However, many producers were forced to buy feed or turn-off stock due to the deteriorating conditions.

Recently, issues stemming from widespread and prolonged bushfires across the east coast of Australia in NSW, Victoria and Queensland, coupled with the global impact of coronavirus are likely to contribute to a short to medium term decline in production and subdued international demand (particularly from China) for Australian produce.

## 2.5. AGRICULTURE IN THE RIVERINA MURRAY REGION

This sections provides an overview of agriculture in the Riverina Murray region including land use and production, as well as an overview of the distribution of livestock value across the region for livestock (meat and wool).

Edward River is a rural municipality located at the gateway of the Murray River and agricultural land further north. Edward River Council forms part of the Riverina Murray region, which includes the following 26 Local Government Areas: Wentworth, Balranald, Hay, Edward River, Murray River, Carrathool, Murrumbidgee, Berrigan, Federation, Griffith, Leeton, Narrandera, Lockhart, Greater Hume, Albury, Wagga Wagga, Coolamon, Bland, Temora, Junee, Cootamundra-Gundagai and Snowy Valleys, as shown in Figure 3.

F3. RIVERINA MURRAY REGION



### 2.5.1. AGRICULTURAL LAND USE AND PRODUCTION

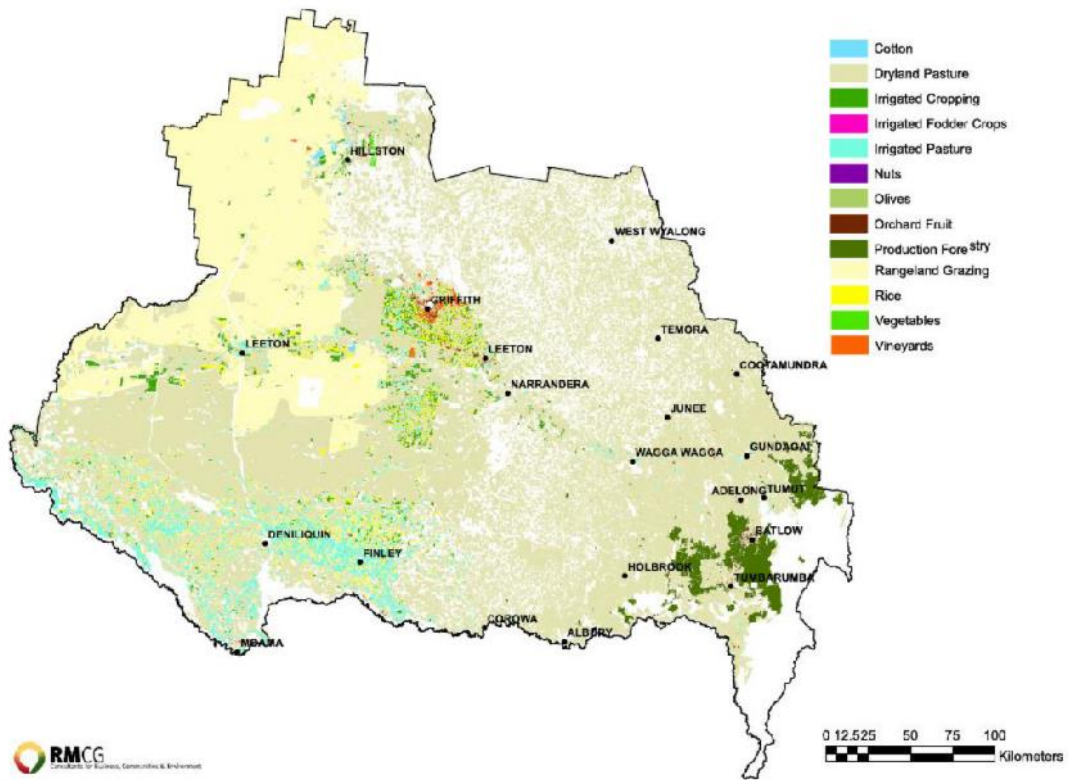
Agriculture is a key economic driver of the Riverina Murray region, as it generates over 10% of Gross Regional Product (GRP). Across the region, agricultural land use and production is diverse and generally includes rice, cotton, cereals horticulture and extensive dryland cropping and livestock grazing; including beef and sheep.

The agricultural strengths of the Riverina Murray region include:

- The scale, diversity and productivity of agricultural land in the region.
- Good transport networks with most major highway and rail corridors crossing the region.
- Significant water infrastructure and irrigation capacity.
- An international reputation for food manufacturing with strong processing and supporting industries.

The agricultural land uses in Deniliquin and surrounds are predominantly dryland pasture, irrigated pasture and rangeland grazing, as shown in Figure 4. This includes cattle and sheep/lamb livestock both for meat and wool.

F4. RIVERINA MURRAY LAND USE



Source: Riverina Murray Agricultural Industries, Department of Planning and Environment, RMCG 2016  
Excludes Wentworth LGA

2.5.2. LIVESTOCK

MEAT

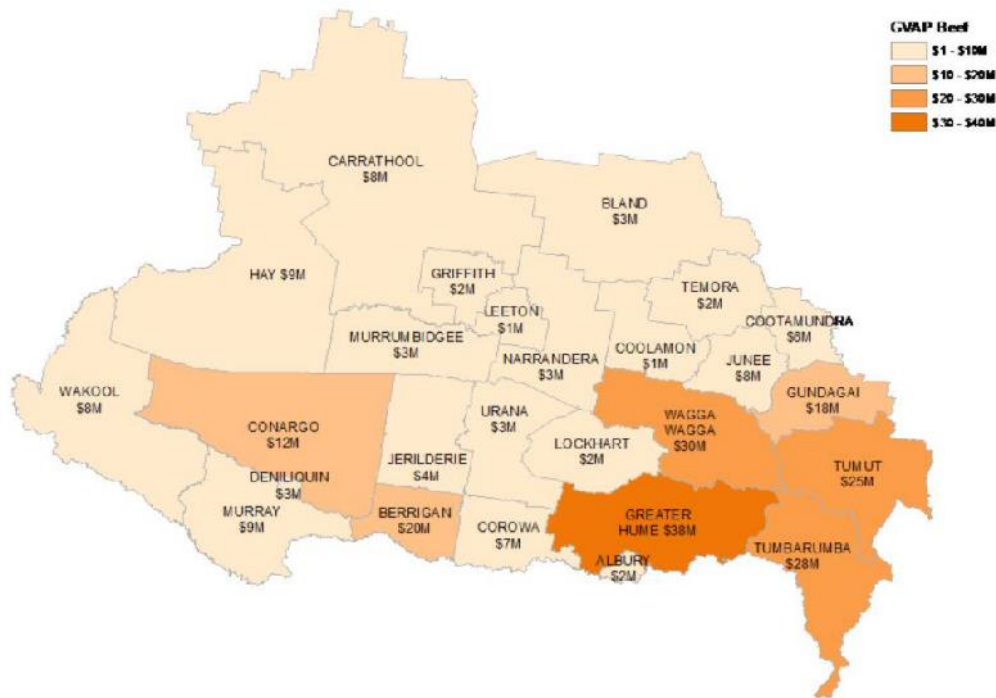
Livestock production for meat is the second largest agricultural sector in the Riverina Murray region generating a gross value of production in the order of \$575 million in 2011 and occupies approximately two thirds of farmed land area.

In 2011, there were around 2,305 farms identified as sheep, beef cattle or sheep and beef farms in the Murray–Murrumbidgee region. There was a further 1,520 mixed livestock and grain farms.

The livestock sector is made up of a large number of small farms (<500 hectares) and there has been little evidence of consolidation.

Cattle numbers have been relatively static over the past 20 years, hovering around 900,000. Most beef produced in 2011 originated from the Greater Hume, Wagga Wagga, Tumbarumba and Tumut Local Government Areas. Sheep meat was mostly produced in Greater Hume, Bland, Hay, Wagga Wagga and Carrathool Local government Areas.

F5. REGIONAL DISTRIBUTION OF BEEF, RIVERINA MURRAY, 2011



Source: Riverina Murray Agricultural Industries, Department of Planning and Environment, RMOG 2016  
Excludes Wentworth LGA



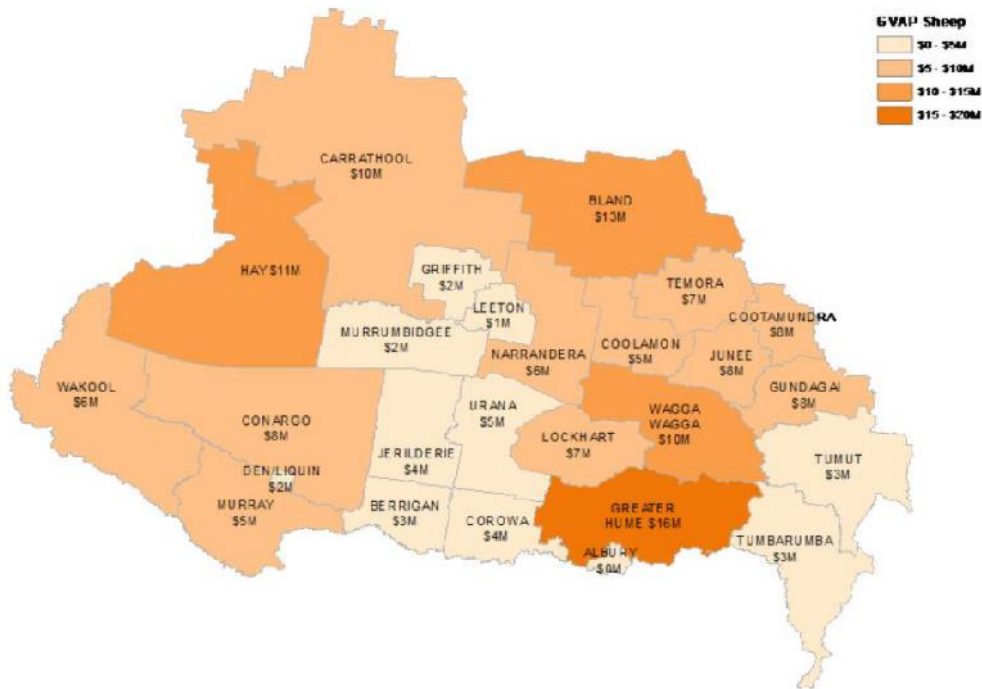
**SHEEP AND WOOL**

Wool is the fifth largest agricultural sector in the Riverina Murray region with a gross value of production in the order of \$205 million in 2011.

Wool production has decreased in line with the reduction in sheep numbers. There was close to 60% less wool produced in the region in 2010 (28,000 tonnes) compared with 1992 (67,000 tonnes). Despite the decrease in wool production, the gross production value of wool has floated around \$230 million showing neither an increasing nor decreasing trend indicating significant productivity gains.

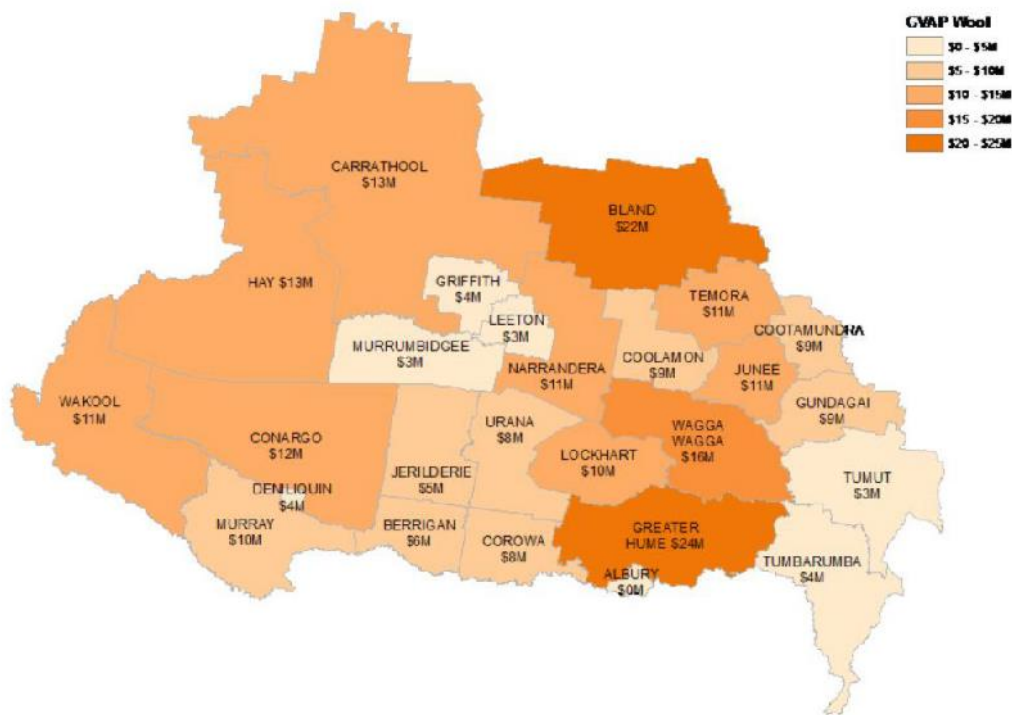
The local government areas that contributed the most to wool production were Greater Hume, Bland, Wagga Wagga, Carrathool, Hay, Conargo and Junee.

F6. REGIONAL DISTRIBUTION OF SHEEP, RIVERINA MURRAY, 2011



Source: Riverina Murray Agricultural Industries, Department of Planning and Environment, RMOG 2016  
Excludes Wentworth LGA

F7. REGIONAL DISTRIBUTION OF WOOL, RIVERINA MURRAY, 2011



Source: Riverina Murray Agricultural Industries, Department of Planning and Environment, RMCQ 2015. Excludes Wentworth & Balranald LGA

**2.6. EDWARD RIVER AGRIBUSINESS CONSIDERATIONS**

The Edward River Agribusiness Masterplan was prepared in 2019 and provides a vision and blueprint to position the Edward River Council economy for sustained prosperity in agribusiness. Although agriculture is typically a cyclical industry, the Masterplan acknowledges the structural shifts that are occurring and are projected to continue in the industry, driven by the following long term trends:

- Water allocations have become more variable with more frequent low or zero allocations.
- Long term average water prices are predicted to rise, which will impact the viability of rice production, traditional commodity cropping and grazing dairy.
- Regional agribusiness gross regional product (GRP) could decrease and become more volatile and seasonal
- Employment in agribusiness and value-adding may decline and the number of skilled workers may decrease.
- Consolidation of farming will continue with the impact of technology and the need for economies of scale to be globally competitive.

Despite some of the challenging long term trends facing the agriculture industry, the economic fundamentals of the industry are sound, with a number of positive attributes that are influencing the sector:

- There is growing global demand for safe, quality and trusted food and fibre;
- Australia has a reputation for high quality and safe food and fibre;
- Australia is in close proximity and is connected with growing export markets;
- There is a growing interest in Australian agribusiness from international investors;
- Access to world leading RD&E (Research, Development & Extension); and

- Evolving technological advances driving productivity and sustainability.

Agriculture and agribusiness in Edward River and the broader region are well placed to adapt to structural shifts across the sector by remaining agile and capitalising on areas of competitive advantage that are recognised as long term and sustainable opportunities.

The clear challenges facing the Deniliquin Saleyards and the farming activities that relate to its operations (i.e. livestock grazing) are centred around the long term availability and price of water and the impact that this will have on business viability, particularly for smaller enterprises. Further, the issue of an ageing labour force could have an impact on the availability of skilled workers over the long term.

The Masterplan (2019) provides a number of agribusiness priorities for the industry. The priority that is considered the most relevant to the Deniliquin Saleyards relates to improving water efficiency in the industry to ensure maximum production value is extracted from usage. This is particularly relevant to the Deniliquin Saleyards itself and the water requirements for pasture. This is discussed further in the following sections of the report.

### 3. ECONOMIC AND DEMOGRAPHIC CONTEXT

#### 3.1. INTRODUCTION

This section provides a profile and assessment of the municipality’s demographics and economy having regard to population and employment indicators and trends.

Population growth is important for rural areas, as it typically generates organic growth and demand for population-driven good and services such as retail, hospitality, health and education. Population growth is also important for stimulating local employment growth, largely through the need for servicing industry needs.

#### 3.2. POPULATION GROWTH

##### 3.2.1. EDWARD RIVER POPULATION GROWTH

Edward River municipality has a population of approximately 9,000 people. The population declined by 400 persons between 2006 and 2011, and then partially recovered in the following 5 years, adding approximately 100 persons.

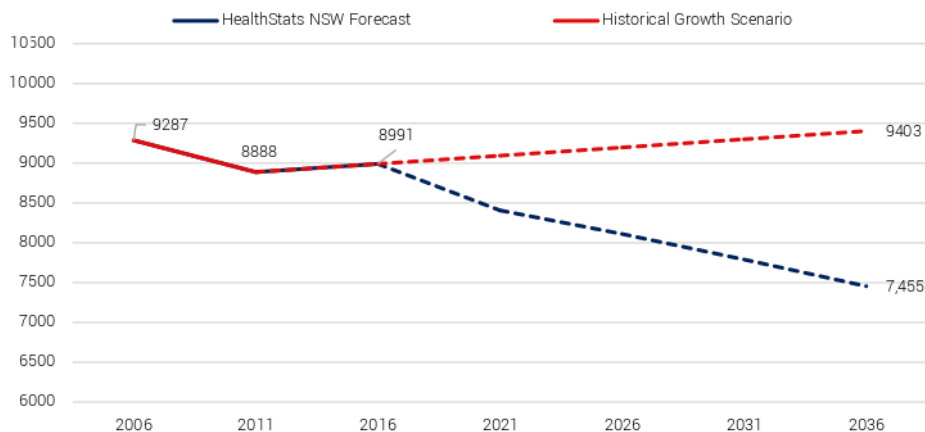
Figure 8 shows the historical change in population in the municipality between 2006 and 2016, as well as two population scenarios to 2036:

- Scenario 1 adopts the historical growth rate between 2011 and 2016; and
- Scenario 2 adopts the forecast growth rate to 2036.

Scenario 1 projects that the population will increase to approximately 9,400 persons to 2036, representing a 4.6% increase (+412 persons).

Scenario 2 forecasts the municipality to experience a decline in population; from 8,991 in 2016 to 7,455 persons in 2036, representing a 17% decrease (-1,536 persons).

F8. HISTORICAL & FORECAST POPULATION – EDWARD RIVER LGA – 2011 TO 2036



Source: Australian Bureau of Statistics, 2006-2016 HealthStats NSW, 2019

### 3.2.2. REGIONAL POPULATION GROWTH

Table 1 compares the historical and forecast population scenario for Edward River and the surrounding local government areas of Berrigan, Hay, Murray River, Murrumbidgee and Moira. As at 2016, the collective population of these municipalities was approximately 66,000.

Population forecasts indicate that the population is projected to decline over the next 15 years, decreasing by 1% (337 persons) to 2036. The population of Edward River, Berrigan, Murrumbidgee and Hay are forecast to decline, whilst Moira and Murray River are projected to increase.

#### T1. HISTORICAL & FORECAST POPULATION – EDWARD RIVER AND SURROUNDING LGAS – 2011 TO 2036

	2006	2016	2021	2031	2036	CHANGE # (2016 – 36)	CHANGE % (2016 – 36)
Edward River (A)	9,287	8,991	8,407	7,790	7,455	-1,536	-17%
Berrigan (A)	8,160	8,572	8,343	8,024	7,779	-793	-9%
Hay (A)	3,483	2,975	2,676	2,421	2,323	-652	-22%
Murray River (A)	11,020	11,887	11,886	12,293	12,406	+519	+4%
Murrumbidgee (A)	4,219	3,933	3,559	3,288	3,160	-773	-20%
Moira (S)	27,477	29,486	30,169	31,662	32,384	+2,898	+10%
<b>Total</b>	<b>63,646</b>	<b>65,844</b>	<b>65,040</b>	<b>65,478</b>	<b>65,507</b>	<b>-337</b>	<b>-1%</b>

Source: Australian Bureau of Statistics, 2011 & 2016 HealthStats NSW, 2019

### 3.3. ECONOMIC CONTEXT

Deniliquin and the broader Edward River municipality is a rural economy that is driven by agricultural and population-driven services. Based on employment indicators, the key industries in the Edward River economy are health care and social assistance, agriculture, retail trade, manufacturing and tourism. Together, these industries account for over 50% of employment in the municipality.

Despite a trend towards consolidation of enterprise and technological advancements generally resulting in a reduction in labour force requirements, employment in agriculture increased between 2011 and 2016, growing by 8 jobs to 520 employed persons (+2%). Employment in agriculture is second only to health care and social assistance, which recorded a 9% increase (+45 jobs) over the same period.

#### T2. INDUSTRY OF EMPLOYMENT – EDWARD RIVER LGA – 2011 & 2016

	2011*		2016		Change 2011 to 2016	
	#	%	#	%	#	%
Health Care and Social Assistance	494	15%	539	15%	+45	9%
<b>Agriculture, Forestry and Fishing</b>	<b>512</b>	<b>15%</b>	<b>520</b>	<b>14%</b>	<b>+8</b>	<b>2%</b>
Retail Trade	416	13%	359	10%	-57	-14%
Manufacturing	210	6%	273	7%	+63	30%
Education and Training	242	7%	272	7%	+30	12%
Accommodation and Food Services	228	7%	264	7%	+36	16%
Construction	177	5%	247	7%	+70	40%
Public Administration and Safety	223	7%	215	6%	-8	-4%
Transport, Postal and Warehousing	130	4%	157	4%	+27	21%
Professional, Scientific and Technical	137	4%	151	4%	+14	10%
Electricity, Gas, Water and Waste	104	3%	137	4%	+33	32%
Other Services	120	4%	130	4%	+10	8%

Inadequately described	16	0.5%	93	3%	+77	481%
Financial and Insurance Services	83	3%	79	2%	-4	-5%
Wholesale Trade	95	3%	76	2%	-19	-20%
Administrative and Support Services	56	1.7%	63	1.7%	+7	13%
Not stated	3	0.1%	43	1.2%	+40	1333%
Rental, Hiring and Real Estate Services	29	0.9%	26	0.7%	-3	-10%
Arts and Recreation Services	18	0.5%	20	0.5%	+2	11%
Information Media and Telecommunications	26	0.8%	18	0.5%	-8	-31%
Mining	10	0.3%	8	0.2%	-2	-20%
Not applicable	0	0.0%	0	0.0%	0	NA
<b>Total</b>	<b>3,329</b>	<b>100%</b>	<b>3,690</b>	<b>100%</b>	<b>+361</b>	<b>10%</b>

Source: Census of Population and Housing, Australian Bureau of Statistics, 2011 & 2016

\*In 2011 Deniliquin and Conargo Local Government Areas amalgamated to form Edward River.

### 3.4. EMPLOYMENT IN AGRICULTURE

Table 3 shows the change in agricultural sub-sector employment in Edward River between 2011 and 2016. The table shows that employment in sheep, beef, cattle and grain farming declined by 22% (-80 jobs), decreasing from 357 to 277 jobs in that time.

Given that the Deniliquin Saleyards facility relies on stable and consistent levels of stock production, a decline in sub-sector employment is concerning for the local industry and Saleyards facility. This may translate to a reduction in stock production across the municipality, but should not be assessed in isolation, given that the Saleyards has a regional catchment, attracting producers across southern NSW and northern Victoria.

#### T3. AGRICULTURAL INDUSTRY OF EMPLOYMENT – EDWARD RIVER LGA – 2011 & 2016

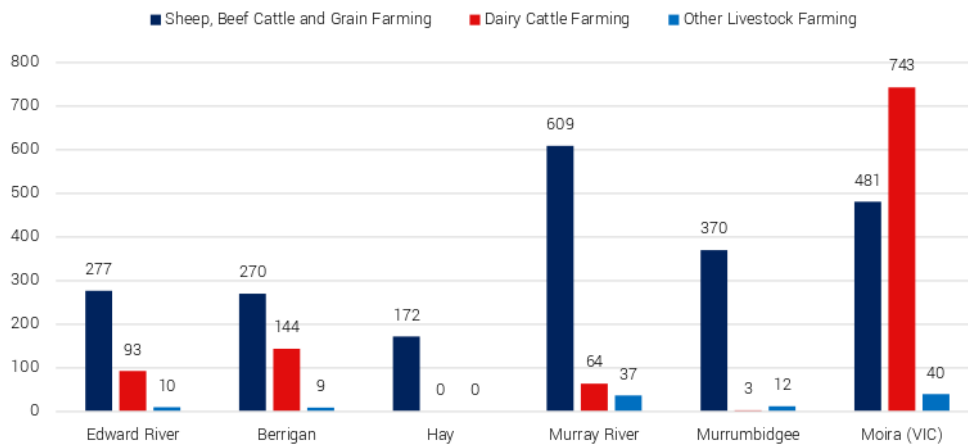
	2011*		2016		Change 2011 to 2016	
	#	%	#	%	#	%
Sheep, Beef Cattle and Grain Farming	357	73%	277	59%	-80	-22%
Dairy Cattle Farming	91	19%	93	20%	2	2%
Agriculture, nfd	23	4.7%	89	19%	66	287%
Other Livestock Farming	9	1.8%	10	2.1%	1	11%
Mushroom and Vegetable Growing	4	0.8%	0	0%	-4	-100%
Other Crop Growing	4	0.8%	0	0%	-4	-100%
Nursery and Floriculture Production	0	0%	0	0%	0	0%
Fruit and Tree Nut Growing	0	0%	0	0%	0	0%
Poultry Farming	0	0%	0	0%	0	0%
Deer Farming	0	0%	0	0%	0	0%

Source: Census of Population and Housing, Australian Bureau of Statistics, 2011 & 2016

\*In 2011 Deniliquin and Conargo Local Government Areas amalgamated to form Edward River.

Figure 9 summarises the key agricultural employment sub-sectors for Edward River and the surrounding local government areas in 2016. The figure shows that sheep, beef cattle and grain farming is the highest employing agricultural sub-sector, followed by dairy cattle farming.

F9. AGRICULTURAL EMPLOYMENT BY INDUSTRY – EDWARD RIVER AND SURROUNDING LGAS – 2016



Source: Australian Bureau of Statistics, 2016

**3.5. KEY FINDINGS**

- Edward River and the broader region is a rural economy that is driven by agriculture and population-service industries such as health, education, retail and tourism.
- Together, sheep, beef cattle and grazing farming, and dairy farming accounts for approximately 80% of the municipality’s agriculture jobs. These types of agricultural land uses and farming activities are critical to the role and function of the local economy, and the saleyards is seen as a key piece of infrastructure supporting these activities.
- The population of Edward River Council and the broader region (i.e. adjoining Local Government Areas) is projected to decline over the next 15 years. Whilst the forecast decline in population is negligible and should not have a material impact on the Deniliquin Saleyards, the potential risk of a long term decline in population relates to the potential reduction in the regional labour force pool, which may have implications for effectively servicing regional agricultural sectors.

## 4. REGIONAL SALEYARDS HIERARCHY

### 4.1. INTRODUCTION

This section assesses the regional saleyards hierarchy to understand Deniliquin's position across the region. The assessment considers location, size and scale of facilities, the types of stock traded, as well as historical trends in throughput.

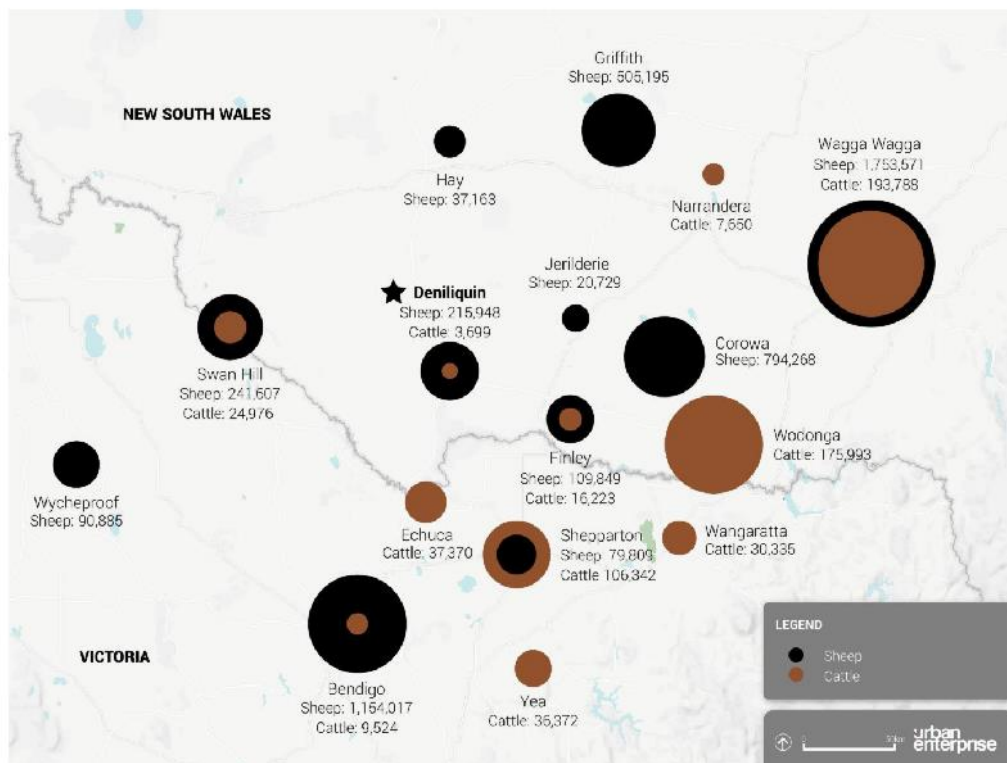
This section also assesses some of the trends that are influencing saleyards including environmental factors, farming and land use trends, regulatory compliance, technological advancements, regionalisation and privatisation.

### 4.2. COMPETING SALEYARDS

There are a number of existing Saleyards and livestock exchange facilities in the region that vary quite significantly in terms of on-site infrastructure and facilities, investment and levels of throughput.

Figure 10 shows the existing saleyards within a 250 km radius of Deniliquin, as well as the annual sheep and cattle throughput for each facility in 2019. The role of each facility and annual trends in throughput is discussed on the following pages.

F10. EXISTING SALEYARDS BY THROUGHPUT (WITHIN 250 KM OF DENILIQUN), 2019



Source: Saleyard Survey 2018/19, derived from Meat and Livestock Australia (MLA) 2018/19



Table 4 provides an overview of Saleyards within the Riverina Murray region and across northern Victoria. General information includes location, animals traded, sale days and average throughput. The table indicates the following:

- The largest Saleyards in terms of throughput is Wagga Wagga, with the facility recording an average sheep throughput in excess of 1.8 million and a cattle throughput of approximately 190,000 per annum. However, Wagga Wagga is the furthest distance from Deniliquin (230 km – 3 hrs).
- Bendigo is the second largest Saleyards facility in terms of throughput, recording close to 1 million head of sheep per annum (on average). Bendigo is approximately two hours from Deniliquin.
- Finley is the closest facility (approx. 50 mins) to Deniliquin, but records approximately half of the sheep throughput compared with Deniliquin. Given the close proximity of the two saleyards, there is an opportunity to consolidate the Finley and Deniliquin facilities into one sub-regional saleyards at Deniliquin. Or alternatively for each saleyard facility to specialise in a different stock type.
- Swan Hill is the most comparable to Deniliquin in terms of sheep throughput, but is located approximately 130 km west (1 hour 40 mins). It is likely that Swan Hill and Deniliquin are competing for producers across the municipalities of Edward River, Murray River and Swan Hill.
- On average, Jerilderie, Urana and Hay record a much lower sheep throughput compared to Deniliquin Saleyards.
- On average, Echuca records four times the cattle throughput compared with Deniliquin. Echuca does not conduct sheep sales.
- The majority of competing saleyards are publicly owned and operated (i.e. by Council) with the exception of Wodonga (privately owned and operated), Deniliquin (privately operated only) and Finley (privately operated only).

## T4. COMPETING SALEYARDS MATRIX

Name	Distance from ER (km)	Animals Traded	Sale Days	Ave. Throughput 2015-19	Change in Throughput 2015-19	Ownership
Deniliquin Saleyards		Sheep, Cattle	Fortnightly (Sheep), monthly (Cattle)	Cattle: 6,500 Sheep: 189,899	Cattle -19% Sheep +3%	Public - Edward River Council – leased to Scanclear
Finley Livestock Exchange*	56 km (48 mins)	Cattle, Sheep	Tues (Sheep), Wed (Cattle)	Cattle: 14,036 Sheep: 84,659	Cattle +3% Sheep +9%	Public – Berrigan Shire Council – leased to Scanclear
Echuca and District Livestock Exchange	69 km (55 mins)	Cattle (Prime & Dairy), Horses	Fortnightly Wed (Cattle), Fri (Horses)	Cattle: 32,762	Cattle +5%	Public - Campaspe Shire
Jerilderie Saleyards	73 km (1-hr)	Sheep		Sheep: 18,323	Sheep -1%	
Shepparton Regional Saleyards	100 km (1 hr 30 mins)	Calves, Cattle, Sheep, Lambs	Mon (Calves), Tues (Cattle), Fri (Lamb & Sheep)	Cattle: 97,480 Sheep: 93,200	Cattle +3% Sheep -6%	Public - Greater Shepparton Council
Kerang Saleyards	110 km (1 hr 15 mins)	Cattle		Cattle: 5,893	Cattle -21%	Temporarily closed.
Hay Saleyards	117 km (1 hr 30 mins)	Cattle, Sheep		Cattle: 2,412 Sheep: 68,375	Cattle -12% Sheep -18%	
Urana Saleyards	119 km (1 hr 40 mins)	Sheep		Sheep: 8,500	Sheep +43%	
Swan Hill Regional Livestock Exchange	130 km (1 hr 40 mins)	Cattle, Sheep	Thurs	Cattle: 26,514 Sheep: 219,882	Cattle -2% Sheep +4%	Public - Swan Hill Rural City
Bendigo Livestock Exchange	138 km (2-hrs)	Cattle, Lamb, Sheep	Mon (Lamb & Sheep), Tues (Cattle)	Cattle: 13,901 Sheep: 1,018,487	Cattle -15% Sheep +10%	Public - Greater Bendigo
Corowa Saleyards	140 km (2-hrs)	Sheep, Lamb	Mon (Weekly)	Sheep: 658,817	Sheep 5%	Public - Federation Council
Wangaratta Livestock Exchange	150 km (2 hrs 15 mins)	Cattle	Thurs	Cattle: 33,204	Cattle -8%	Public - Rural City of Wangaratta
NVLX (Northern Victoria Livestock Exchange) Wodonga	170 km (2 hr 10 mins)	Cattle (Prime), Cow, Bull	Tues (Cattle), Wed (Cow, Bull)	Cattle: 204,373	Cattle -6%	Private - Palisade Investment Partners
Wycheproof Saleyards	170 km (2 hr 15 mins)	Sheep	Monthly (Sheep)	Sheep: 83,050	Sheep -2%	Public - Buloke Shire Council
Griffith Livestock Marketing Centre	170km (2 h 30 mins)	Sheep, Lamb, Cattle	Friday (Sheep & Lamb), Monthly (Cattle)	Sheep: 522,611	Sheep -1%	Public – Griffith City Council
Wagga Wagga Livestock Marketing Centre	230 km (3-hrs)	Cattle, Sheep and Lambs	Mon (Cattle), Thurs (Sheep & Lambs)	Cattle: 190,524 Sheep: 1,802,368	Cattle -3% Sheep -1%	Public - Wagga Wagga City Council

Source: Saleyard Survey 2014-2019, Meat and Livestock Australia (MLA)

\* Note: Berrigan Shire Council may close the Finley Livestock Exchange in the near future.

### 4.3. TRENDS INFLUENCING SALEYARDS

The livestock industry is experiencing significant changes that are influencing the way in which traditional saleyard facilities operate and are placing pressure on the viability of day-to-day operations of Saleyards.

Some of the key challenges facing Saleyards relate to environmental factors, farming and land use trends, regulatory compliance, technological advancements, regionalisation and privatisation.

#### 4.3.1. DECLINING STOCK NUMBERS

##### BEEF

Cattle numbers have fluctuated to some extent with seasonal conditions; however, the total cattle numbers have remained relatively static over the past 20 years. Greater Hume, Wagga Wagga, Tumbarumba and Tumut were the largest beef producing LGAs in the region indicating that saleyards in the higher rainfall zone may have the greatest share of regional cattle offerings. However, overall the beef industry's annual productivity growth is low.

##### SHEEP AND WOOL

There was a 46% decline in sheep numbers between 1992 and 2013 in the Murray Riverina region; however, the Gross Value of Agricultural Production (GVAP) of sheep meat increased nearly five-fold from \$26 million in 1992 to \$124 million in 2013. Wool production decreased in line with the reduction in sheep numbers. There was nearly 60% less wool produced in the region in 2010 (28,000 tonnes) compared with 1992 (67,000 tonnes).

Sheep production is more widespread and occurred mostly in Greater Hume, Bland, Hay, Wagga Wagga and Carrathool LGAs. Since 2009, sheep numbers have stabilised and growing, reflecting improved lamb and wool prices.

##### IRRIGATED DAIRY INDUSTRY

Dairy production is concentrated in the LGA's where there is access to irrigation water. The Region produces around 25% of NSW milk. It falls within the broader Murray Dairy region, which incorporates the southern Riverina, north-east Victoria and the Goulburn Murray Irrigation District, making it one of the largest dairy producing regions in Australia.

Successive years of low or zero water availability during the millennium drought coupled with low milk prices in recent years and the ability of farmers to sell their water rights has resulted in a major long-term reduction in the total number of dairy enterprises and a decline in milk production.

The most efficient enterprises have intensified their production systems through increases in purchased feed, higher water use and water use efficiencies and productivity gains on farm.

Water trading has driven water into higher value irrigated businesses and environmental water recovery has reduced water availability in every traditional irrigation area throughout the Murray Darling Basin.

##### RECENT DROUGHT CONDITIONS IN NORTHERN VICTORIA AND NEW SOUTH WALES

The sustained period of drought in northern Victoria and New South Wales in 2019 and rising feed costs resulted in farmers turning off higher levels of stock for slaughter, forcing farmers to liquidate their stock sooner. Strong international demand for live-exports, largely from the US and China is also helping to absorb the drought-driven supply of cattle not suitable for slaughter.

Whilst sheep numbers in the region have gradually declined in recent years, margins have been steady due to the strong price growth achieved for wool.

#### 4.3.2. CLIMATE CHANGE

The temperatures in the Riverina Murray region are predicted to rise with average daily maximum temperatures of 1.5–3.0°C higher in all seasons by 2050. Rainfall is likely to increase moderately in summer but decline substantially in spring, autumn and winter with a high risks for increases in extreme rainfall events. The number of extreme fire-weather days is also projected to grow in southern Australia.

Higher temperatures and drier conditions are likely to cause major changes in ecosystems. Freshwater resources and stream flows in south eastern Australia are predicted to decline. The river flows in the south eastern section of the Murray Darling Basin (MDB) are expected to further decline by 5–15% over the next 20–50 years.

The effect of climate change is expected to further constrain water resources. This will require the irrigated dairy industry to achieve more with less water and is likely to accelerate the significant contraction of dairy enterprises in the Region

The region is likely to be severely impacted by climate change because of increasing temperatures, changes in the volume and distribution of rainfall, reduced snowfalls, and decreases in river flows. The latter is particularly important given the dependence in this Region on irrigation.

The Region's broadacre livestock production is highly sensitive to climatic factors and variability due to its dependence on the supply of forage from dryland pastures. The impacts will be most severe in the lower rainfall parts of the wheat sheep zone. Modest changes in rainfall and pasture production under climate change will result in much larger reductions in sustainable stocking rate and profitability.

#### 4.3.3. REGULATORY COMPLIANCE

Saleyards have a wide and increasingly complex range of regulations to comply with, such as work, health and safety and animal welfare guidelines. Most facilities have ageing infrastructure which are costly to maintain, repair and replace to the required standards, placing financial and risk pressures on Councils and operators. A number of deaths have occurred within near saleyards in recent years (both employees and members of the public), including one death in Geelong in 2014.

#### 4.3.4. TECHNOLOGY

Advances in technology have meant that farmers have different options for selling livestock such as on-farm sales, online auctions or selling straight to the customer. The advent of new technology has created new avenues for farmers and livestock agents to buy and sell cattle.

Online saleyard websites such as Auctions Plus and Cattle Sales pre-market livestock prior to the auction. Online sales are becoming more attractive and utilised for trading livestock, particularly as rural communities become more familiar with digital platforms and online networks become more advanced. Anecdotally, when platforms such as Auctions Plus established, they experienced issues with providing accurate stock descriptions to prospective buyers. However, as stock descriptions improve over time, the threat of this selling system on traditional saleyards will increase.

#### 4.3.5. REGIONALISATION AND PRIVATISATION

Smaller saleyards are being impacted by a number of factors including the regionalisation and privatisation of saleyard facilities, shrinking herds, online auctions, and centralisation of farms. In response to many challenges, a number of large regional saleyards have been established to take advantage of economies of scale for compliance with regulations, and to allow investment in new facilities and systems. This trend, coupled with increasing privatisation of existing and new facilities and operations, has placed further pressure on smaller Council saleyards to compete.

It has been estimated that up to half of all regional saleyards have closed in Australia in the past 20 years, mainly owned by small rural councils. These factors combine to result in significant financial and other pressures placed on local saleyard facilities to maintain operations while adapting to changing circumstances.

These pressures are taking place at a time when local governments are under significant financial pressure, with many major public assets under review in order to ensure value for money to ratepayers. As a recent example, Edward River Council indicated that the Finley Livestock Exchange may close in the near future due to the investment that is required to upgrade the facility to for safety and compliance requirements.

Whilst not always profitable in current circumstances, Saleyards generate social benefits for agents, users, buyers, sellers and transport operators. They also provide diversity to the local economy through supporting industry, other agriculture assets and businesses. This is particularly relevant for the Deniliquin Saleyards, which has strong local linkages to other industrial and agricultural land uses such as rice, wool, beef, dairy products, wheat, barley, fat lambs, vegetables, fruit and timber.

#### 4.4. KEY FINDINGS

- There is a large number of saleyards in southern NSW and northern Victoria. Given the growing number of selling methods that are available to producers, there is a potential oversupply of saleyard facilities within a 200 - 250 km radius of Deniliquin. This is particularly the case due to modern transport methods, which allow large trucks to productively and efficiently transport a greater volume of stock over longer distances.
- Despite a high concentration of saleyards in the region, the Deniliquin Saleyards remains attractive to buyers (particularly of sheep) due to the favourable location and a high quality reputation for price, presentation and quality of infrastructure and assets, coupled with the competitive advantage of the unique tree coverage over the sheep yards.
- Saleyards in larger regional centres/cities such as Wagga Wagga, Wodonga, Shepparton and Bendigo are higher order facilities that achieve a much higher annual throughput. Given the level of throughput of these facilities and the ongoing investment into improvements/upgrades, their position within the regional saleyards hierarchy is expected to strengthen. This places further pressure on smaller facilities to continually invest into providing a high-quality facility that meets the needs of its users and be a viable proposition.
- Annual sheep throughput at the Deniliquin Saleyards has been consistent over the past 5 years, with a minor increase in recent years. Recording consistent annual sheep throughput is critical to Deniliquin's long term viability.
- Cattle throughput has experienced a significant year-on-year decline over the past 5 years, and as a result, the frequency of cattle sales held at Deniliquin has been reduced from fortnightly to monthly. Cattle throughput at nearby saleyards such as Echuca, Swan Hill and Finley has increased in recent years, likely absorbing the loss of throughput at Deniliquin, Kerang and Hay. The ongoing decline in cattle throughput is placing financial pressures on, and threatening the viability of the cattle yards.
- The Saleyards industry is experiencing significant changes that are placing pressure on the viability of day-to-day operations of Saleyards across the country. Some of the key challenges facing Saleyards relate to environmental factors, farming and land use trends, regulatory compliance, technological advancements, regionalisation and privatisation.
- The most relevant risks and challenges for the Deniliquin Saleyards are environmental (e.g. drought conditions, rainfall patterns) impacting livestock farming and regulatory compliance for ageing infrastructure, which impacts work, health and safety for users, and animal safety and welfare.
  - **Environmental** - The region is likely to be adversely impacted by climate change, primarily from increasing temperatures, changes in the volume and distribution of rainfall and decreases in river flows. The latter is particularly important given the dependence in this region on irrigation.

Access to a secure and consistent supply of water for agricultural producers is an ongoing issue that fluctuates considerably over time. The predicted decline in rainfall volumes may impact the regional agriculture industry through supply of forage from dryland pastures and a reduction in sustainable stocking rate.

A constrained water supply is also expected to impact the operations of Deniliquin Saleyards facility. In order to adapt to a less consistent supply of water, the Deniliquin Saleyards could investigate ways in which the facility can more efficiently use and/or capture water, particularly for maintaining the trees, dust suppression leading up to sale days, providing drinking water for stock and cleaning (e.g. washing down the pens, walkways).

- **Regulatory Compliance** – Whilst the infrastructure at the Deniliquin cattle yards is currently functional, much of it is ageing and outdated. Upgrades and replacements of this infrastructure will be costly. However, without short-term investment to replace and/or upgrade the facility to regulatory standards/compliance and to meet user expectations, the facility risks further decline in throughput which would further threaten its viability.

## 5. DENILIQIN SALEYARDS

### 5.1. INTRODUCTION

This section provides an overview of the existing Saleyards site having regard to land area, access, layout and functionality, interface areas and topography.

This section also provides an overview of the infrastructure and amenity, as well as general operations including sale days, throughput, property ownership and tenure.

### 5.2. SALEYARDS PRECINCT

The subject site is located at 2 Saleyards Road Deniliquin, New South Wales in the Edward River municipality. Deniliquin sits within the central part of the Riverina Murray region and is located approximately 80 km (60 mins) north of Echuca, 127 km (1-hr 30 mins) north west of Yarrowonga/Mulwala and 90 km (60 mins) north east of Koondrook/Barham.

The site is located in close proximity to Cobb Highway, which is the key transport route north and south into Victoria. It is also situated relatively close to Barham Road, which connects to the key eastern transport route of Riverina Highway, and also acts as the major transport road heading west.

The Deniliquin Saleyards is situated approximately 3 km south east west of the town centre and sits within a broader industrial precinct that has good separation from residential and urban uses. The site is approximately 26.22 hectares, including 18.62 ha dedicated to the saleyards, 7.4 ha dedicated to the truck wash and the balance of the site (0.2 ha) dedicated to the dog pound.

Saleyards Road dissects the site, providing good access to both the stock selling areas (sheep and cattle yards) on the northern parcel and the truck wash area on the southern parcel.

#### F11. DENILIQIN SALEYARDS SITE



Source: Edward River Shire Council, 2019

### 5.3. ON-SITE INFRASTRUCTURE & AMENITY

The 100,000 capacity sheep yards are covered by 800 claret Ash trees, providing shade in the summer months. The cattle yards has a capacity of 10,000 with National Quality Assurance Scales and an undercover selling ring. Other facilities include a four-bay truck wash, canteen and showers<sup>1</sup>.

The truck wash is owned and operated by Edward River Council. The use of the truck wash is based on the AVdata access system, with users requiring an AVdata fob to gain access to the washdown equipment. The truck wash was refurbished approximately 10 years ago to incorporate the AVdata controls and pump set-up.

Discharges to the effluent ponds are located behind the dog pound. The ponds directly behind the truck wash are currently unused and are included in Council's EPA license for the Saleyards facility. The ponds act as evaporation ponds and there have not been any discharges from the ponds to the environment for a number of years.

Beyond the truck wash bays, the truck wash precinct is largely underutilised.

### 5.4. OPERATIONS

Council have operated a saleyards at the site since approximately 1970. Since 2010, the Saleyards has been operated and managed by Scanclear Pty Ltd under a lease agreement.

The Deniliquin Saleyards operate fortnightly sales, conducting sheep sales on Tuesdays and cattle sales on Wednesdays. However, cattle sales have recently been rescheduled to conduct monthly sales as opposed to fortnightly sales, largely due to declining throughput.

Given that the Finley Saleyards are located 60 km (40-min drive) from Deniliquin and operated by Scanclear, the Finley sale days were scheduled to dovetail the Deniliquin sale days, attracting more buyers from across the region.

### 5.5. OWNERSHIP & TENURE

Both land parcels that make up the Deniliquin Saleyards are freehold and owned by Edward River Council.

The operation and management of the Saleyards is undertaken by Scanclear Pty Ltd via a lease. The current lease agreement is a 5 year term that will cease in June 2021. At the end of the demised term, the Lessor (Council) will determine whether and what option for a further lease of the Leased Premises will be made available to the Lessee.

As stated in the current lease, Scanclear are required to contribute 6% of gross revenue per annum to Edward River Council.

### REPAIRS AND MAINTENANCE

According to the lease, in regard to the maintenance of facilities in the leased premises, Scanclear are expected to:

- Supply all equipment including hoses, reels, nozzles and attachments, and other ancillary equipment considered necessary to maintain the facilities;
- Maintain the buildings contained on the Leased Premises continuously and at its own expense;
- Maintain all yards and ancillary facilities on the Leased Premises continuously and at its own expense;
- Maintain all ancillary facilities such as water troughs, fencing, lighting and the like continuously and at its own expense;
- Maintain the yard flooring, water, sprinkler, effluent and drainage systems continuously and at its own expense; and
- Water the sheep yards for store sales to prevent dust nuisance.

<sup>1</sup> Edward River Council website



In terms of capital works, the lease states that *"the parties agree that during the Lease Term and any renewal thereof the Lessor's General Manager and the Lessee may negotiate any Capital Works Program to be carried out by the Lessee at the Lessee's expense for the purpose of improvements to the Demised Premises."*

#### INSURANCES

According to the lease, the lessor has an obligation to insure the facility. The Lessor shall affect and maintain throughout the term of this Lease a comprehensive insurance policy:

- For the full insurable and replacement value of the Building and the Lessor's plant, equipment, Facilities and property in the Building;
- Including for the costs of demolition, site clearance, removal of debris, professional and other costs of planning and other approvals and for reinstating or replacing the Building, and Services and Facilities to the Building;
- Against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, and other risks usually covered under a comprehensive insurance policy for fire and related risks.

According to the lease, the Lessee shall affect and maintain throughout the term of this Lease the following insurances:

- Public risk;
- A comprehensive insurance policy for the lessee's property; and
- Worker's compensation.

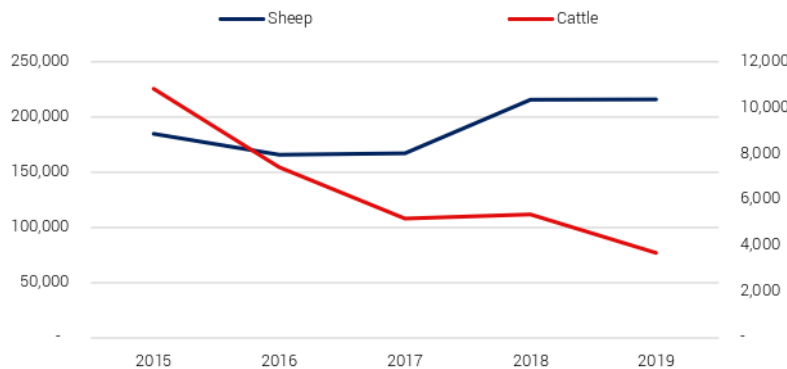
**5.6. THROUGHPUT**

**5.6.1. DENILIQVIN SALEYARDS**

On average, the Deniliquin Saleyards accommodates 190,000 sheep sales and 6,500 cattle sales per annum. Figure 12 shows the trend in cattle and sheep throughput over the past 5 years (FY). Sheep sales have been relatively consistent, with an upward trend in 2018 and 2019; recording sales in excess of 215,000.

Cattle sales at Deniliquin Saleyards have been declining consistently, recording a total decline of over 7,000 head of cattle between 2015 and 2019 (-66%). The decline in cattle throughput across the region is also likely to be caused by the lower availability of water, which is impacting pasture.

F12. DENILIQVIN SALEYARDS THROUGHPUT, 2015 TO 2019



Source: Saleyard Survey, Meat and Livestock Australia, 2015 to 2019

**5.6.2. COMPETING SALEYARDS**

**SHEEP THROUGHPUT**

Competing saleyards in NSW and Victoria are experiencing variable throughput figures for both sheep and cattle. The regional centres of Wagga Wagga and Bendigo are the highest order Saleyard facilities for sheep sales, both recording over 1 million in throughput in 2019, with Wagga Wagga recording 1.75 million head of sheep.

Finley, Corowa, Swan Hill and Hay are the closest Saleyard facilities to Deniliquin and represent the key competitors. Corowa has recorded strong growth in sheep sales in the past five years, increasing by approximately 170,000 head of sheep per annum to achieve an annual sheep throughput in the order of 795,000 in 2019.

Swan Hill has recorded comparable sheep throughput to Deniliquin, with approximately 240,000 head of sheep in 2019, and achieving a 13% increase compared with 2017 figures.

Sheep throughput figures in Hay have declined significantly in the past five years, with a 64% reduction since 2015. Hay recorded approximately 37,000 head of sheep in 2019, which is significantly less when compared with 2015 (103,000).

Table 5 indicates that saleyards in the region such as Corowa, Swan Hill and Finley are strengthening their role through an increase in throughput, which is reducing throughput figures in facilities such as Hay and Shepparton.

Deniliquin has recorded consistent growth and an upward trend in 2018 and 2019 for sheep throughput, highlighting that the facility may be capturing throughput from rural areas further north which would typically utilise the facility at Hay.

## T5. SHEEP THROUGHPUT, COMPETING SALEYARDS

Name	State	2015	2016	2017	2018	2019	Change 2015 - 2019	Change 2015 - 2019
Wagga Wagga Livestock Marketing Centre	NSW	1,852,667	1,931,882	1,658,162	1,815,559	1,753,571	-99,096	-5.3%
Bendigo Livestock Exchange	VIC	Unlisted	Unlisted	877,445	1,024,000	1,154,017	+276,572*	+32%
Corowa Saleyards	NSW	624,055	633,791	616,971	625,000	794,268	+170,213	+27%
Swan Hill Regional Livestock Exchange	VIC			213,919	204,121	241,607	+27,688*	+13%
<b>Deniliquin Saleyards</b>	<b>NSW</b>	<b>184,852</b>	<b>165,887</b>	<b>167,119</b>	<b>215,690</b>	<b>215,948</b>	<b>+31,096</b>	<b>+17%</b>
Finley Livestock Exchange	NSW	72,811	71,196	89,687	79,754	109,849	+37,038	+51%
Shepparton Regional Saleyards	VIC	Unlisted	Unlisted	96,765	103,027	79,809	-16,956*	-18%
Hay Saleyards	NSW	102,995	80,000	Unlisted	53,340	37,163	-65,832	-64%
Jerilderie Saleyards	NSW	21,520	23,138	7,905	Unlisted	20,728	-792	-3.7%
Urana Saleyards	NSW	7,000	10,000	Unlisted	Unlisted	Unlisted	n/a	n/a

Source: Saleyard Survey, Meat and Livestock Australia, 2015 to 2019

## CATTLE THROUGHPUT

Generally, cattle throughput is declining across the region. Wagga Wagga, Wodonga, Wangaratta and Bendigo all recorded notable declines.

The Echuca and Finley Saleyards are the closest facilities to Deniliquin and are unique examples of facilities that recorded an increase in cattle throughput. This suggests that these facilities are capturing throughput that would have previously been captured by Deniliquin and could be a contributing factor to the recent decline in cattle throughput at Deniliquin.

## T6. CATTLE THROUGHPUT

Name	State	2015	2016	2017	2018	2019	Change 2015 - 2019	Change 2015 - 2019
Wagga Wagga Livestock Marketing Centre	NSW	224,644	187,105	168,725	178,357	193,788	-30,856	-13.7%
NVLX (Northern Victoria Livestock Exchange) Wodonga	VIC	245,978	215,308	184,588	200,000	175,993	-69,985	-28.5%
Shepparton Regional Saleyards	VIC	Unlisted	Unlisted	96,662	89,436	106,342	+9,680*	+10.0%
Echuca and District Livestock Exchange	VIC	Unlisted	Unlisted	31,875	29,042	37,370	+5,495*	+17.2%
Wangaratta Livestock Exchange	VIC	45,674	32,913	30,311	26,785	30,335	-15,339	-33.6%
Swan Hill Regional Livestock Exchange	VIC	27,091	40,139	16,710	23,652	24,976	-2,115	-7.8%
Finley Livestock Exchange	NSW	13,777	14,963	11,851	13,367	16,223	+2,446	+17.8%
Bendigo Livestock Exchange	VIC	20,861	16,007	8,111	15,000	9,524	-11,337	-54.3%
<b>Deniliquin Saleyards</b>	<b>NSW</b>	<b>10,827</b>	<b>7,417</b>	<b>5,189</b>	<b>5,369</b>	<b>3,699</b>	<b>-7,128</b>	<b>-65.8%</b>
Hay Saleyards	NSW	3023	Unlisted	Unlisted	1800	Unlisted	n/a	n/a
Kerang Saleyards	VIC	8468	7,112	4,761	3,232	Unlisted	n/a	n/a

Source: Saleyard Survey, Meat and Livestock Australia, 2015 to 2019

\* Trend is calculated for 2017 to 2019

## 5.7. FINANCIAL PERFORMANCE

The financial information presented in this section is categorised as follows:

- Operating results from the saleyards facility (i.e. sheep yards and cattle yards) – operated by Scanclear; and
- Operating results from the truck wash – operated by Edward River Council.

The financial assessment of the Saleyards is based on indicative financial information provided by Scanclear. The operating financial figures presented in Table 7 are indicative and were provided for broad analysis purposes only.

The financial information relating to the truck wash is based on information provided by Edward River Council.

### 5.7.1. SALEYARDS OPERATIONS

Based on figures provided by Scanclear for the past 5 financial years, the Deniliquin Saleyards has recorded an average gross margin of approximately \$70,000 per annum. Whilst the gross margin for the facility fluctuates year on year and generally reflects the level of revenue (gross income) achieved from sales, it is also impacted by the variability of expenses such as wages, rent, rates, water and power.

Whilst the facility records a modest operating profit, variable expenses such as water and power have notably increased in the past 2 financial years. According to Scanclear, this is a result of higher water and power charges, predominantly driven by an increase in water use across the yards for dust suppression before sale days.

Any efficiency gains in water and power supply would contribute to cost savings and improve the overall profitability of the facility.

T7. DENILIKUIN SALEYARDS, FINANCIALS, 2015 TO 2019 (FY)

Financial Year	14/15	15/16	16/17	17/18	18/19	AVE	Change (15 - 19)
Gross Income	\$266,862	\$231,178	\$244,203	\$287,079	\$275,463	\$260,957	+\$8,601
Wages	\$130,156	\$129,468	\$130,000	\$160,000	\$140,000	\$137,925	+\$9,844
Rent, Rates, Water, Power	\$25,161	\$24,373	\$25,723	\$32,179	\$36,093	\$28,706	+\$10,932
Repairs	\$23,187	\$24,850	\$23,000	\$24,870	\$28,000	\$24,781	+\$4,813
Gross Margin	\$71,082	\$70,030	\$65,480	\$52,487	\$88,358	\$69,487	+\$17,276

Source: Scanclear Pty Ltd, 2020

### 5.7.2. TRUCK WASH

Edward River Council exclusively operates and maintains the truck wash facility. In 2019 (FY), the truck wash recorded an annual operating income of approximately \$85,000.

### 5.8. KEY FINDINGS

- The site and locational attributes of the Deniliquin Saleyards are favourable for a livestock exchange. The site is large enough to accommodate both the cattle and sheep yards, as well as larger trucks to access, load/unload and manoeuvre. The saleyards is located in an industrial estate, with good separation from other businesses, the town centre and residential uses. This minimises the potential impact of unwanted noise and odour pollution and stock safety risks.
- The competitive advantage of this facility is the tree coverage over the sheep yards. The 100,000 capacity sheep yards are covered by 800 claret Ash trees, providing shade in the summer months. This is a unique feature that is attractive for buyers, sellers and agents.
- Despite declining sheep numbers in the region, sheep throughput has remained consistent and has increased in recent years, indicating that the Deniliquin Saleyards remains attractive to buyers and sellers.
- The current financial position is relatively stable, with operations generating a modest net operating surplus. In 2019, the saleyards achieved a profit of approximately \$88,000 at a gross profit margin of 32%. Whilst this profit margin is adequate, the gross income of the facility only averages \$260,000 per annum (excluding the truck wash) and costs are increasing.
- In 2019, the truck wash recorded an income of approximately \$85,000. Anecdotally, the truck wash is well-utilised and operates efficiently. It has the potential to achieve higher usage if ancillary facilities were provided for transporters such as a formal truck stop (i.e. toilets, showers etc).
- The current lease identifies the responsible parties who are required to carry out regular maintenance compared with replacement, defects and structural repair. Based on a review of the lease and discussions with users of the saleyards, there is some confusion around maintenance responsibilities.
- Whilst the operators undertake maintenance of the yards, it is apparent that the conditions of the lease aren't completely being upheld. This is particularly relevant for maintaining yard flooring (i.e. clearing sheep pens), maintaining yard facilities such as water troughs, fencing and lighting, as well as some general precinct presentation tasks (e.g. weed removal, clearing branches etc).

### 5.9. CONSULTATION FINDINGS

Consultation with key user groups was undertaken at the saleyards over two days (the day before, and the day of the special sheep sale in January 2020).

Informal drop-in sessions and one-on-one meetings were undertaken with management, producers, buyers, drovers, transporters and stock agents. The purpose of the sessions were to understand any precinct and site specific issues and opportunities relating to the following:

- Animal welfare;
- Access, functionality and manoeuvrability;
- Safety and compliance;
- Presentation and maintenance;
- Asset condition;
- Infrastructure gaps and shortfalls; and
- Potential Infrastructure and service upgrades.

#### 5.9.1. SITE/PRECINCT LOCATION & LAYOUT

- The consensus amongst users is that the site is well-located. For transport access, a key advantage is the proximity to Cobb Highway, which is the key north-south transport route into Victoria. It is also situated relatively close to Barham Road, which connects to the key eastern transport route of Riverina Highway, and also acts as the major transport road heading west.
- The facility itself has good separation from the town centre, businesses and residential areas, making it an ideal location for a livestock exchange. In its current location, it is unlikely that amenity impacts will affect nearby residential and urban uses (e.g. odour, noise and dust etc.).
- Users expressed a concern relating to Saleyards Road that dissects the site (separating the canteen/admin building and the yards). Currently no speed limit signs exist along the road and there is no formal motor vehicle and pedestrian separation. This is a safety concern, particularly when there is a high volume of pedestrians on sale days (and days either side). To improve safety for pedestrians and users of the facility, there is an opportunity to erect speed limit signs and reduce the speed limits on, and either side of sale days.
- There is also a safety concern with the cattle ramps that front Saleyards Road, particularly when heavy vehicles are required to use these ramps to load and unload stock. This can cause safety concerns with through traffic using Saleyards Road. A formalised separation between the road and the ramps could help address this issue and/or clear signage erected to caution motorists.
- The southern portion of the site is currently underutilised, particularly the inactive effluent ponds behind the truck wash bays and the parcel of land on the corner of Saleyards Road and Abattoir Road. There is an opportunity to explore opportunities to better utilise vacant land within the precinct.

#### 5.9.2. SHEEP YARDS

- Regular users of the sheep yards indicated that the yards are of a good standard, and are unique given the tree coverage, which is attractive to buyers and sellers.
- Sheep sales at Deniliquin are well known and reputed across the country, attracting buyers and sellers from a very wide catchment, especially for special sales.
- The main concern of the users is the frequency and standard of maintenance that is being undertaken at the sheep yards. Agents and producers expressed the need to maintain the facility at a higher standard and on a more regular basis. Specific issues that were raised:
  - Pen floors – regularly cleared to ensure that sheep cannot escape the pens.
  - Tree maintenance – regularly water the trees and clear branches out of pens and walkways.
  - Pen rails/gates – replace and repair damaged fence straps and gate hinges on an 'as needs' basis.
  - Yard walkways/stock races – On occasion, water can pool in the walkways and stock races, which can cause issues when transporting stock, as sheep typically won't walk across water.

#### 5.9.3. CATTLE YARDS

- The infrastructure and assets at the cattle yards have deteriorated over a long period of time. Based on a visual inspection and anecdotally, much of the infrastructure is ageing, outdated and potentially unsafe for users and stock. This is a result of little to no investment that has been made in to upgrading or replacing ageing infrastructure.
- Saleyards are typically high risk facilities, particularly for handling, loading/unloading stock. To ensure a minimisation of risk to Council and the operators, necessary precautions should be put in place at the facility. This includes a regular review of asset condition to ensure it is fit-for-purpose, regular work, health and safety reports, signage and user safety measures.
- Regular users of the cattle yards were of the view that the deterioration of the yards is a key factor in the declining throughput of the facility and one of the reasons that cattle sale days have been re-scheduled from fortnightly to monthly.

- Users of the yards expressed concerns with the overall quality and presentation of the cattle yards and are of the view that capital works are required (as a base case) to improve the yards to an acceptable standard, and a complete renewal would ensure that the facility remains competitive and fit-for-purpose. Given that little to no investment has been made into upgrading or replacing infrastructure at the cattle yards, it is apparent that a substantial capital investment is required to address safety, compliance, efficiency and presentation issues.
- Many users raised the issue of the need to replace the existing software system used on cattle sale days. This is a major frustration to users and has resulted in inefficient sales and flow on effects to the competitiveness of the facility relative to other yards.
- Regional cattle producers indicated that stock numbers in the region are cyclical and fluctuate year-on-year, and that numbers may increase when conditions improve. Most acknowledged that stock numbers are in decline due to the lower availability of water for pasture.

#### 5.9.4. OTHER FACILITIES

- A common issue raised was the under-utilisation and very poor quality of the supporting facilities, including the canteen, toilets and showers. The canteen is very rarely used, and the other facilities are well below minimum community standards in terms of quality, safety and presentation. A number of mentions were made to the opportunity to rebuild or substantially renovate the facility which could present the opportunity for other uses to take place in the building, such as truck stop, events or community uses.
- A number of references were made to the opportunity to formalise the truck parking / rest area for large vehicle drivers at the Saleyards which could alleviate the impacts of these vehicles parking in town and provide better safety and services to the drivers. This could also generate economic benefits to the town if more drivers stop in the town.
- Few comments were made regarding the truck wash, other than to say that the facility was generally meeting needs.

#### 5.9.5. STRATEGIC DIRECTION FOR THE FACILITY

- A range of views were expressed regarding the future of the facility.
- When asked to consider the long term direction for the facility, the most common response from consultees was that the yards are generally performing well and that no major overhaul was required, but that the lack of capital investment and maintenance over recent years warrants prioritisation of an ongoing reinvestment program as the focus of any strategic plan, with a particular focus on maintaining the quality and competitiveness of the sheep yards.
- Several mentions of the close relationship between Deniliquin and Finley yards were made, including suggestions to consolidate or differentiate between the two (for example by offering cattle sales at Finley and Sheep at Deniliquin to avoid direct competition).
- Some suggestions were made to comprehensively redevelop the cattle yards to modernise the facility, while one suggestion was to find a new greenfield site to rebuild the Finley and Deniliquin yards in a new location.
- Some doubts were raised about the medium to long term future of the cattle yards given the declining use and declining quality of the infrastructure.
- Many consultees noted the economic benefits to the town of Deniliquin of the facility and suggested that even if the yards are not profitable, there are considerable benefits to the region of maintaining sales in the town.

## 6. ENGINEERING REVIEW

### 6.1. INTRODUCTION

Cardno assessed the existing conditions of the site facilities and service infrastructure for the Deniliquin Saleyards. As a part of the assessment, Cardno inspected the site, reviewed existing services asset information and liaised with the relevant authorities regarding servicing strategies to cater for the development of the Saleyards.

Cardno's assessment considers civil infrastructure upgrades / new infrastructure required to meet user needs and increase efficiency, as well as provide recommendations for potential improvements to infrastructure required to support ongoing use of the Saleyards, such as road network upgrades, drainage and wastewater.

Cardno's Infrastructure Services Report is provided in Appendix A.

Please note that information relating to precinct service documentation for sewer, water, electrical and drainage was unavailable. The findings that relate to the condition of assets and infrastructure and services (i.e. sewer, water, electrical, drainage) are based on anecdotal information and information obtained through consultation and site inspections. Council should consider undertaking a comprehensive asset and infrastructure audit and condition assessment.

### 6.2. ROAD INFRASTRUCTURE

Edward River Council is the responsible authority for the provision and management of road within the subject site.

The main access points to the site are via Saleyards Road and are located to the east off Ricemill Road, to the north off Barham Road and to the south off Abattoir Road. Both Ricemill Road and Barham Road are asphalt pavements and are in good condition. Abattoir Road appears to be an informal property access spray sealed road. Saleyards Road divides the north and south of the site. The pavement appears to be full depth asphalt with good trafficable width. The pavement surface has degraded in numerous areas and appears to be poorly maintained. Road drainage appears informal with surface runoff conveyed to the edge of road table drains or via a kerb and channel device. No formal roadside drainage was sighted, nor information provided to verify existence. No formal road markings (centreline, turning lanes etc.) were sighted during site inspection.

Delivery areas to the east and west of the sheep yards are unsealed gravel pavements, and the western delivery area services both the sheep yards and cattle yards. No significant pavement depressions or wheel rutting to the delivery areas were sighted during inspection and the pavement appears to be in good condition. There are no formal pavement line markings, nor any safety devices in either location, nor adherence to AS2359.2 and AS2890.2.

During the site inspection, it was identified that the southern edge of the cattle yard receives deliveries. Anecdotally, there are safety concerns with the loading treatment and layout of this area, as it is adjacent to Saleyards Road with trucks manoeuvring within the roadway to enter the loading bays. With no formal road line markings, loading area pavement markings nor safety devices apparent, this area is high risk for conflict or collision.

No site management system, truck holding bays, loading/marshalling point, and designated site entry for delivery vehicles was identified with operation of the site largely undertaken ad hoc and by historic movements/management.

During the site inspection, no significant parking areas were identified. During sales events, loading areas are used for informal car parking.

A minor truck turning point at the front of the canteen was also investigated. Pavement appears to be full depth asphalt in very poor condition with notable surface cracking, significant depressions and poor surface grading (pavement holding water). Pavement drains towards kerb and channel, however no stormwater pits were identified, and it is assumed that there is no underground drainage system within the area. Again, no formal line marking, parking areas, signage nor safety devices were identified.



It is important to note that whilst traffic volumes would increase around sale days, with increased frequency of delivery vehicles prior to, post and during sale days, it is unlikely that this area receives high daily traffic volumes.

Pedestrian movement throughout the area appears informal with no pavement markings, pedestrian paths or designated road crossings. Site management advised that during sale days, food trucks and other services set up within or in front of the canteen. With no designated pathway or road crossing, pedestrian movements to these areas is informal and presents a safety concern during sale days or periods of peak usage.

### 6.3. DRAINAGE

Edward River Council is the responsible authority for drainage facilities servicing the site. The average annual rainfall for Deniliquin is approximately 406 mm (bom.gov.au) with an average monthly rainfall of 30mm adjusting seasonally. This would classify the region as a low rainfall area. The subject site is extremely flat with the site grading from the southwest to northeast corner at an approximate grade of 1:300.

Three roadside stormwater pits were identified on site along Saleyards Road (adjacent to the cattle yards). All three pits were poorly maintained. Two of the pits were crushed with the last filled with debris. It is apparent that if there is a storm drain network servicing the site, it is either blocked or poorly maintained to the point where it is not functional.

The roof drainage from the metal clad structure adjacent to the cattle yards and the brick canteen appears to discharge to an underground drainage system. No evidence of where roof drainage is picked up by stormwater system has been identified. In some cases, remote structures that have direct sewage connections are allowed to connect to roof drainage systems directly to discharging pipes to assist with maintenance flushing pipes. Further consultation with Edward River Council is required to determine if this arrangement is in place for the two structures.

It was identified that pavements drained either to kerb and channel or table drains adjacent to the pavement. Kerb and channels showed discharge into roadside table drains.

Site investigation identified two property dams on site; the first in the southwest corner, the second to the north east. Both dams were dry at the time of inspection. Two effluent ponds were sighted in the paddock behind the canteen to the southeast. These ponds are filled via a pump system from the truck wash and are used to separate heavy solids from water, not as a drainage/detention device.

Advice provided by site management identified poor surface drainage to the concrete areas within the sheep yards, with areas experiencing water pooling, which can create challenges for stock management. The pavement throughout this area was identified to be in poor condition during site investigation. Significant pavement cracking and heaving was sighted and believed to be caused by tree root growth. This coupled with significant differential settlement has created unnatural low spots within the pavement surface that results in poor surface drainage and ponding within the pavement.

It is assumed that the site is drained via overland flow to the northeast of the site and is discharged overland to the Mulwala canal located further to the northeast.

Further consultation with Edward River Council is required to confirm existence of underground drainage assets (both operational and disused/unmaintained) from as-built information provided after implementation of roadway, stock yards and structures (if this is available).

Site water treatment devices or water sensitive urban design arrangements are the responsibility of site management and Edward River Council.

Site investigation identified two property dams on site; the first in the southwest corner, the second to the north east which aligns with natural surface fall of the property. Both dams were dry at the time of inspection. It is assumed that these dams were/have been used in the past to assist with rainfall harvesting. The system is not optimal when considering the average annual rainfall would yield insignificant opportunity to obtain a sufficient water depth in the ponds. Overland flow would be insignificant through peak events as the majority of subject site

exhibits a low impervious fraction (i.e. loss to groundwater would be significant). Finally there would be high losses through evapotranspiration from water surface given the subject site's location.

Two effluent ponds were sighted in the paddock behind the canteen to the southeast. These ponds are filled via pump system from the truck wash and are used to separate heavy solids from water and are not used for water harvesting. Due to the treatment system relying on evapotranspiration to remove the contaminated solids from the water, there is no opportunity to harvest water from these ponds.

Three water tanks were identified during site investigation. The first, and major tank is located adjacent to the truck wash down facility and appears to be supplied directly from the water mains. The other two water tanks are located adjacent to the stock yards. Site management conformed that both of these tanks are no longer in use.

#### **6.4. SEWERAGE RETICULATION**

Edward River Council is the responsible authority for the provision and management of sewerage reticulation service for the subject site.

The main sewage trunk is provided from the north east and runs approximately parallel with Saleyards Road. The sewer trunk runs to the south of the dog pound and branches to the South to service the southern lot. A stub is provided off the main at this branch, servicing the canteen structure. Shower and bathroom amenities/facilities are located within the canteen and appear in good working order.

During site investigation, toilet amenities were identified in the structure directly north of the cattle yards. Sewerage service plans indicate that this structure is not connected to the main sewerage line, however no septic system was identified near the structure.

Pipe sizing was not provided on the service plan, however anecdotal evidence provided during site inspection noted that there was no significant concerns with supply and ongoing maintenance of this service.

Further consultation with Edward River Council is required to confirm existence of underground sewerage assets (both operational and disused/unmaintained) from as-built information provided after implementation of roadway, stock yards and structures (if this is available).

#### **6.5. WATER SUPPLY**

Edward River Council is the responsible authority for the provision of water supply reticulation facilities for the subject site. There are three catchments for Edward River water supply: The Edward river, a standalone bore site and the Mulwala canal. The authority has advised that reticulation connection for potable water supply has been recently connected through the precinct.

The Saleyards site has two property connections to the main. The first is located to the east of the brick "canteen" building and the second to the east of the sheep yards, in the open grassland area. Site management advised that the water supply through one of the property connections has been severed and there has been a significant reduction in pressure. This was rectified with re-establishment of the connection; however management were unable to identify which of the property connections was severed.

Previous advice would suggest that the property connections are different to the water supply as this would support differing mains water pressures in connection points within close proximity. It is acknowledged that one of the mains connections is to the Mulwala canal (non-potable).

It appears that water mains supply four areas of the subject site:

- The water tank located adjacent to the truck wash down facility;
- The canteen building;
- The metal clad structure to the north of the cattle yards; and
- Throughout both stock yards via branch placed centrally through both yards.

It was identified that the branch servicing the stock yards was located within the root ball area of many of the trees within the sheep yards. It is believed that the water pipe was laid prior to tree planting and consideration of growth and root size was not taken into account. Site management has advised that this line requires constant maintenance as continued root growth causes the pipe to buckle and rupture.

Further advice received from site management identified that supply for stock watering within the cattle yard was poor with insignificant troughs supplied or inadequate hose connections supplied throughout the pens.

Pipe sizing was not provided on the service plan, however advice received on site was that supply is generally good (ignoring the one occurrence wherein supply was severed through one of the property connections).

Further consultation with Edward River Council is required to confirm information obtained during site investigation and to gain a detailed understanding of the water supply servicing the property (mains sizing, draw location etc.).

## 6.6. ELECTRICITY SUPPLY

Essential Energy is the responsible authority for the provision of electricity supply facilities for the subject site.

Supply to the subject site is via overhead cables along Saleyards Road. Site connection is located approximately midway along Saleyards Road, between the canteen and sheep yards. The site's connection point is located on one of the sites internal power poles and the switchboard is in poor condition. This is an unusual arrangement as it is typically standard to expect High Voltage (HV)/electrical supply and control to be connected to, and operated out of a site office.

**Internal electrical infrastructure requires general maintenance.** Throughout the sheep yards, Low Voltage (LV) cables are slung overhead via "major" power poles, with overhead lighting connected directly to this supply. Internal lighting and power supply is via overhead cables slung on guidewires. **In many locations the electrical cabling has slipped the wires restrains and now hang lower than guiding wires. This presents a significant safety concern.**

Cardno was unable to provide advice as to compliance of design against relevant Australian standards. Relevant subject site information (as-built documentation of electrical assets) was unavailable.

## 6.7. TELECOMMUNICATIONS

Telstra is the responsible authority for the provision of telecommunications facilities to the subject site. Asset information provided by Telstra indicates that there is a main cable network along Saleyards Road and Ricemill Road providing telecommunication services into the saleyards area and canteen area.

The existing infrastructure appears to be in good condition and well maintained.

## 6.8. CATTLE YARDS

The cattle yards occupy approximately 1.8 hectares in the north west corner of the site. Visual inspection was undertaken from the boundary of the yards and limited internal access. Additional information was provided by site management.

The cattle yards fencing consists primarily of timber railings supported by metal uprights. The majority of the external fencing is open railing (no solid sheeting on fencing). It appears that the timber used for the railing is either reclaimed material or historic with the metal uprights. In places, the timbers has been replaced with hollow core steel sections of similar sizing to railing. **The timber railings are generally in poor condition throughout the yard and in many cases, railings were rotting, weathered and/or coming free of their fixings to the metal supports.**

It is assumed that the fencing posts have been reclaimed from the railway adjacent and are historic iron rails. Posts appear to have a high level of corrosion. Site management indicated that the posts require regular maintenance due to corrosion occurring underground at the interface of the post and footing. If corrosion continues, the posts could potentially come free from the footing when lateral force is applied to the fence, presenting safety concerns for stock and users.

Gates throughout the yard are typical hollow tubular steel cattle gates of approximate 2.5m length. Gates appear to be well used and generally in good condition. Potential repair/replacement may be required in some areas.

The pen floors appear to be a mix of dirt and grooved concrete pavement. Main walkways and cattle runs are a similar concrete pavement.

Sprinkler systems for dust depression were not identified during the site inspection and **water supply throughout appeared poor or inadequately located.**

The majority of the cattle yards are outdoors with minimal areas covered or enclosed areas to assist in protecting stock and users from the climate.

Pen layout and stock access appears functional and accessible.

**The raised walkway (selling platform)** extends throughout the cattle yards. The walkway appears to have been constructed from hollow steel sections, eye bar supports and steel grating for the walking platform. Visual inspection of the walkway suggests that it **is in poor condition with corrosion visible throughout.**

## 6.9. SHEEP YARDS

The sheep yards occupies approximately 5 hectares and is centrally located to the north of the subject site. Internal access was provided to visually inspect the yard, with additional information provided by site management.

The sheep yard fencing is primarily hollow core tubular steel approximately 1m high. Fencing is open railed throughout with no sheeting for stock runs or loading/unloading areas. Fence sections are approximately 3m in length and fixed to the steel posts. The fencing throughout the yards are generally in good condition, with minor defects/damage sighted during inspection; mostly relating to the central steel straps becoming unfixed from the fence.

The gates throughout the yards are also hollow core tubular steel and are approximately 2m length. The gates are generally in good condition, with minor repairs/replacement required in some areas.

The floors/surface of the pens are a mix of smooth surface concrete pavement and/or dirt. The main walkways consist of grooved concrete pavement. The pavement is generally in poor condition, with ponding and surface cracking sighted throughout some of the paved areas. More extensive pavement cracking and heaving was sighted in particular areas and is believed to be caused by tree root growth. This has led to unnatural low spots in the pavement surface that has resulted in **poor surface drainage and ponding** across the pavement.

Sprinkler systems for dust depression were not identified during site inspection. Water supply points (taps) and access were well located throughout the yards. The branch servicing the stock yards appears to be located within the root ball area of the trees across the sheep yards. It is apparent that the water pipe was installed prior to tree planting and consideration of growth and root size was not taken into account. Site management has advised that this line now requires regular maintenance due to ongoing root growth causing the pipe to buckle and rupture.

Shade and shelter from the claret ash trees is well considered and provides an active canopy throughout the yards, providing good protection for stock and users.

Pen layout and stock access appears functional.

The raised walkways appear to be in good condition. **Concerns regarding safety through access and operation were identified, as currently no steps or handrails exist.**

## 6.10. KEY FINDINGS

### ROAD INFRASTRUCTURE

The subject sites road infrastructure is generally in poor condition but receives very low vehicle movements (apart from sale days). Site safety and devices to assist operational management are not provided, which presents a safety risk for continued site use. Specific issues are as follows:

- All loading/unloading areas are informal with no delineation between relevant traffic zones (pedestrian, car, truck).
- No "marshalling" zone or management area to assist in directing truck traffic through delivery and pickup periods.
- No safety devices are provided throughout all loading areas:
  - Bollard protection to service assets directly adjacent to loading/unloading areas.
  - Line marking/signage
  - Crash/bash padding to unloading "docks" to yards.
  - Barrier fencing to loading/unloading areas.
- Loading/unloading area directly adjacent to open to public road space with no clear delineation between use and no safety management devices employed.
- Informal nature (i.e. gravel road, no line markings) of Saleyards Road presents a safety risk when general use coincides with peak site usage. As previously mentioned, Saleyards Road receives very low vehicle movements apart from sale days.
- No road safety signage throughout the precinct.
- No formal surface line marking.
- Informal waiting bays along Saleyards Road when loading areas are full.
- No formalised pedestrian paths, pavement marking, or road crossings are provided throughout the precinct.

It is recommended that Council consider engaging a suitably qualified traffic consultant to undertake a site safety report/road safety audit, with recommendations to address the above issues.

### DRAINAGE

- Drainage infrastructure throughout the area appears informal with roadway and pavements designed to grade towards table drains or similar devices.
- Formalised drainage devices (pits and pipes, culverts under driveways etc.) are in poor condition and should be removed where not in use or remediated where required. Specifically, the pit and pipe network towards the cattle yards where pits were either collapsed or full of debris should be formally investigated to determine suitability of retention or designated for removal.
- Culverts underneath driveways, specifically through the loading/unloading area between the cattle and sheep yards requires maintenance/upgrade with the channel adjacent to both yards cleaned and cleared, invert re-established (formalising the channel to concrete ideally).
- Kerb and channels employed throughout the area are of poor grade shown holding water in multiple areas and poorly maintained with sections of both kerb and tray cracked and damaged. Recommendation would be to either replace all kerbing to establish minimum longitudinal grades or remove all devices to convey surface water to roadside table drains providing property crossovers with drainage culverts (where required).
- Confirmation on building drainage (if available) is yet to be provided and recommendations for these items are unable to be provided at this time.

**WATER SUPPLY/HARVESTING**

- As the subject site is relatively underdeveloped with a majority of the site being either open grassland or stock yard, the fraction impervious is relatively low. Due to low rainfall yield, the harvesting potential is relatively low with significant losses to seepage and evapotranspiration occurring prior to collection. Harvesting off already established structures would yield also insignificant water volumes due in part to the small roof areas and also due to the low rainfall area wherein the subject site is situated.
- An opportunity exists to harvest water directly from Mulwala Canal, with water to be stored in the established dams located in the southwest and the northeast corners of the subject site. Storage quantities will need to be assessed and established and viability of harvest volumes requires negotiation with the relevant authority. A pump station with associated supply pipes (approx. 300m to north east dam, 1km to southwest dam) to one or both storage locations will need to be established. To assist in maintaining water quality, it is recommended that the relevant flora be planted within dams. Additionally, planting tree species with extended canopies to the edge of these storage ponds would be recommended to assist with reducing potential storage losses through surface evaporation.
- Further to the above point, site stormwater drainage could be amended to divert runoff to the lower of the two storage ponds to assist with harvesting however note that yield will be low and should not be incorporated as the primary supply source.
- To reduce/remove ongoing maintenance for the main water supply line running through the sheep yard it is recommended that this water line be relocated clear of tree roots. The current water pipe has been established directly adjacent to tree line causing significant ongoing maintenance costs when tree roots establish around the water pipe causing it to buckle and rupture. Relocating this line at an appropriate offset from established trees could significantly reduce potential maintenance costs.
- Further consultation with Edward River Council is required to confirm information obtained during site investigation and to gain detailed understanding of the water supply servicing the property (mains sizing, draw location etc.).

**ELECTRICAL SUPPLY**

- Internal electrical infrastructure requires general maintenance. Throughout the sheep yards, LV cables are slung overhead via "major" power poles, with overhead lighting connected directly to this supply. Internal lighting and power supply is via overhead cables slung on guidewires. In many locations the electrical cabling has slipped the wires restrains and now hangs lower than guiding wires. This presents a significant safety concern and should be addressed.
- Cardno was unable to provide advice as to compliance of design against relevant Australian standards. Relevant subject site information (as-built documentation of electrical assets) is not available.

**SALEYARDS**

Recommendations for livestock saleyard facilities have been informed from the following documents:

- Australian Animal Welfare Standards and Guidelines – Livestock at Saleyards and Depots (2018)
- Guide For Safe Design of Livestock Loading Ramps and Forcing Yards (2015)

The AAWSG – Livestock at Saleyards and Depots advises that the flooring should minimise likelihood of livestock slipping or falling. The non-textured concrete (with poor drainage) throughout the sheep yard increases the likelihood of slips. Additionally, ponding on concrete pavement reduces the stock movement through stock races and into pens as it can be difficult to herd sheep through water.

In holding and selling pens, it is recommended a gate of minimum width is implemented. A number of gates that would not meet this guideline were identified on site and it is recommended that these either be replaced with an appropriate width or removed where possible.

Fencing should be high enough to deter animals from jumping over rails. This is achieved through the cattle yard however the sheep pens appear short which presents a low likelihood of escape or mixing. It is apparent that clearing the pens floors from soil build up may address this issue.

Cattle yard fencing is in poor condition with posts that are unsuitable material. It is recommended that the fencing be replaced throughout with a more suitable and durable material (recommend hollow core square steel sections for both posts and railings). Replacement can be undertaken gradually; whereby high risk areas are addressed in the short term. Relevance of guideline should be reviewed against historic evidence of occurrence with replacement required should occurrence be likely or high.

Laneways and fences should be sheeted where appropriate to avoid animals being disturbed by outside activity and to direct them along the desired pathways. Application of sheeting is relevant for both cattle and sheep yards where no sheeting is in place. It is recommended that sheeting be provided to all races/laneways and to the exterior fence in full.

Separate walkways for users and livestock is recommended. The overhead walkway throughout the cattle yards adheres to this guideline, however it is generally in poor condition and it is recommended that the walkway be replaced in sections (where heavy corrosion has occurred).

The raised walkways across the sheep yards requires improved accessibility. This includes ladder rungs or step irons to be installed with a protective railing or catch bar throughout.

The AAWSG – Livestock at Saleyards and Depots provides advice as to the loading/unloading facilities, more specifically on site management and marshalling of trucks carrying livestock. No site management system, truck holding bays, loading/marshalling point, and designated site entry for delivery vehicles was identified with operation of the site largely undertaken ad hoc and by historic movements/management. It is recommended that installing a more formal delivery system is investigated, and progress to implementation.

Dust suppression devices throughout the soft soil section of the cattle yards are required. It is recommended that a remote sprinkler system is installed.

The provision of shade or cooling systems in hot climates and shelter from excessive cold for animals in holding facilities is desirable. With no facilities currently in place, it is recommended that a general solution be applied to the cattle yards. However, it is acknowledged that these guidelines have practical and economic limitations.

## 7. ISSUES AND OPPORTUNITIES

### 7.1. INTRODUCTION

This section provides a summary of the issues and opportunities that emerged throughout research and analysis, consultation with stakeholders and a review and assessment of infrastructure within the saleyards precinct.

Table 8 provides a summary of issues and opportunities, but the central issues and opportunities for Council that should be addressed through strategic and asset planning include the following:

- Protect and enhance the sheep yards, which is the facility's clear competitive advantage.
- Improve the general safety standards across the precinct to ensure that the facility is compliant and high quality safety standards and practices are implemented and adhered to.
- Ensure all infrastructure and assets are compliant to improve stock and user safety, and reduce the risk of work, health and safety incidents.
- Consider the future use and utilisation of the cattle yards, given that the infrastructure is aging, throughput and regional stock numbers are declining, and the competition across the region is strengthening.
- Significant investment will be required to upgrade and improve the cattle yards to a standard that satisfies general safety standards and compliances (e.g. rails, ramps, pens, walkways).
- Improve infrastructure, services and resources across the facility to realise operational and cost efficiencies (e.g. water, waste, software).
- Investigate the opportunity to consolidate the Deniliquin Saleyards and the Finley Livestock Exchange into one sub-regional facility at Deniliquin.
- Consider the use of underutilised land, buildings and amenities across the site to explore additional commercial opportunities and additional incomes streams.
- Clearly delineate and define maintenance responsibilities between the owner and the operator. Uphold maintenance conditions of the lease to ensure that regular maintenance of the saleyards is undertaken to maintain and enhance competitiveness and meet user expectations.

T8. SUMMARY OF ISSUES & OPPORTUNITIES, DENILIQUN SALEYARDS

Issues	Priority	Opportunities	Priority
Maintenance of sheep and cattle yards is inadequate, including clearing pen floors, maintaining fences, rails and gates, and maintaining the trees.	High	Undertake regular maintenance to improve stock safety, meet user expectations and improve functionality and presentation of the yards.	High
The sheep raceways flood and water pools, creating issues when moving/loading stock onto trucks.	Medium	Generally improve user and stock safety in the precinct by investigating the following: <ul style="list-style-type: none"> <li>- Create formal road separation;</li> <li>- Erecting speed limit signs on Saleyards Road;</li> <li>- Reducing the speed limit during, and either side of sale days.</li> <li>- Create formal separation and erect caution signs for the cattle ramps that front Saleyards Road.</li> </ul>	High
General presentation of the precinct, including weeding and other landscaping maintenance.	High	Investigate ways in which water stability and efficiency can be improved across the precinct (e.g. access the water channel directly to supply the precinct for general water use).	High



Issues	Priority	Opportunities	Priority
Improve pedestrian safety across the precinct.	High	Prepare an asset renewal plan for the cattle yards to understand specific needs for infrastructure improvements and upgrades.	High
Water pressure and stability of supply for general use across the yards is an ongoing issue (e.g. tree watering, dust suppression, troughs).	High	Investigate avenues for funding to support larger infrastructure improvements and upgrades to the yards (e.g. ramps, lighting).	High
Ageing and deteriorating assets and infrastructure in the cattle yards (e.g. timber pen rails, walkways, selling ring).	High	Investigate opportunities for underutilised land within the precinct, including the land behind the canteen, truck wash and dog pound.	Medium
Based on a visual inspection, the cattle yards seem to be risky and need to be closely assessed. They present an insurance risk if short term investment/intervention is not undertaken.	High	Undertake a complete asset register and conditions report for the cattle yards to identify what needs immediate replacement/renewal.	High
A mix of concrete and soft floor materials in the cattle yards can cause issues for cattle.	Medium	Address minor issues at the canteen/administration building that relate to water proofing and general maintenance. Consider re-purposing parts of the building to increase utilisation (e.g. a formal truck stop to complement the truck wash).	Low
Cattle yard software used for the selling ring is unreliable and outdated.	Medium	Undertake a review of work, health and safety requirements to ensure that the saleyards complies with standards and Council's liability is minimised.	High
Some of the ramps at the sheep yards require replacing. This is due to outdated technology (i.e. manual ramps) or the need to accommodate larger trucks (double deck loading/unloading).	Medium	Revenue collected by Council could be re-invested into the maintenance and repair of the yards.	Medium
Some of the ramps at the cattle yards require replacing. This is due to outdated technology (i.e. manual ramps) or the need to accommodate larger trucks (double deck loading/unloading).	Low	Support the creation of a Saleyards Committee with representatives from key user groups (e.g. agents, producers, operators) to provide strategic input and advice regarding the facility.	Medium
The yard lighting is ageing and may need replacement in the short to medium term.	Low	Investigate the removal/relocation or remediation of formalised drainage devices (pits and pipes, culverts under driveways etc.) as they are in poor condition. Remove where not in use or remediated where required. The pit and pipe network towards the cattle yards where pits were either collapsed or full of debris should be formally investigated to determine suitability of retention or designated for removal.	High
There is a significant amount of land that is underutilised in the precinct.	Medium	Potential to replace all kerbing to establish minimum longitudinal grades or remove all devices to convey surface water to roadside table drains providing property crossovers with drainage culverts (where required).	Medium
The canteen and administration building is ageing.	Low	To reduce/remove ongoing maintenance for the main water supply line running through the sheep yard it is recommended that this water line be relocated clear of	High

Issues	Priority	Opportunities	Priority
		tree roots. The current water pipe has been established directly adjacent to tree line causing significant ongoing maintenance costs when tree roots establish around the water pipe causing it to buckle and rupture. Relocating this line at an appropriate offset from established trees could significantly reduce potential maintenance costs.	
The location of the canteen building is unsafe on sale days, given that there is a high volume of pedestrians crossing Saleyards Road.	Low	To ensure a minimisation of risk to Council and the operators, necessary precautions should be put in place at the facility. This includes a regular review of asset condition to ensure it is fit-for-purpose, regular work, health and safety reports, signage and user safety measures.	High
The threat to the cattle yards is linked to the declining stock numbers due to scarcity of water.	High	Berrigan Shire Council may be permanently closing Finley Livestock Exchange. This presents a potential opportunity to consolidate the Finley and Deniliquin facilities.	High
The increasing number of selling/buying methods available is threatening saleyards (e.g. direct, online, OTH).	High		

Source: Urban Enterprise 2020

## 8. OPTIONS

Four options are proposed for the Deniliquin Saleyards.

### Options:

1. Business as usual for the saleyards;
2. Improvements and upgrades to infrastructure and services at the sheep yards, and:
  - a. Minor upgrades to the cattle yards to ensure a compliant and safe facility; or
  - b. More substantial upgrades to the cattle yards in an attempt to improve competitiveness and increase viability.
3. Major re-investment and renewal in the cattle yards and sheep yards.
4. Divest and close the cattle yards and re-invest into the sheep yards and ancillary facilities.

The options are outlined and discussed in-turn. Preliminary and high-level cost estimates are provided (where possible). Please note that these are opinions only, and further in depth investigations, feature survey and concept design would be required to confirm and finalise costs.

### 8.1.1. OPTION 1 - BUSINESS AS USUAL

Option 1 consists of maintaining the status quo, whereby the operation of the facility continues under the current arrangement (i.e. leased to an independent operator). The current lease will cease in 2021, and provides an opportune time to review the conditions of the contract to ensure that specific conditions relating to maintenance, capital works and insurances are clearly defined and upheld.

#### Indicative Cost

With no minor or major upgrades or improvements proposed, the costs associated with a business as usual decision are minimal.

#### Discussion

The current financial position of the saleyards is relatively stable, with operations generating a modest net operating surplus. However, the majority of annual income is being generated from sheep sales. Cattle throughput and income continues to decline.

The prospect of a further aging and decline in the cattle yards infrastructure without investment to upgrade the facility is concerning, both from a user and stock safety perspective, but also the threat of a further decline in throughput and viability. Further, strong regional competition and alternative selling methods will continue to challenge the ongoing viability of the cattle yards under current settings.

The estimated cost to pursue option 1 will be low, given that it consists of operating under the current settings, which the facility has endured a long period of time with very limited investment.

Without investment into the cattle yards in the short term, the ongoing safety risks for users and stock, and the declining trend in throughput will continue. The risks associated with a business as usual decision are considered to be high.

### 8.1.2. OPTION 2 - IMPROVEMENTS AND UPGRADES TO INFRASTRUCTURE AND SERVICES

This option is a combination of option 2 for the sheep yards and two separate options for the cattle yards (option 2a or 2b).

#### OPTION 2 (SHEEP YARDS)

Option 2 involves a deliberate and strategic approach to reinvesting in the sheep yards and the broader precinct to ensure competitiveness and sustainability of the facility. Option 2 would involve improvements and compliance measures for the sheep yards, including:

- Replacing ageing pen rails;
- Replacing raised walkways;
- Replacing ageing ramps; and
- Upgrade lighting.

#### Indicative cost

Cardno Engineers provided an opinion on costs, and provided estimated unit costs for some of the key upgrades and improvements. These include:

- \$300/sqm to repave sheep walkways;
- \$50,000 per sheep ramp;
- \$25,000 per light pole upgrade;
- \$800/metre for raised walkways with handrails.

Note that costs include removal, disposal, supply and installation.

Based on the above estimates, the indicative cost to deliver option 2 is in the order of \$0.75 to \$1.5 million. This is a broad estimate based on costs of other facilities and would need to be refined through a broad concept design and quantity surveying exercise. Given that the full capacity of the sheep yards are rarely used, a more deliberate investment plan could be applied to selected areas of the yards, which would reduce the overall capital cost.

#### OPTION 2A (CATTLE YARDS – MINIMAL INVESTMENT)

Option 2a involves the minimum investment required to ensure a safe and compliant facility, and to mitigate risks associated with a business as usual decision. It is anticipated that infrastructure improvements required to deliver this option would include the following:

- Replace timber rails with steel rails in selected areas of the yards (i.e. the pens that are actively being used);
- Replace raised walkways in selected areas of the yards;
- Replace the minimum number of ageing cattle ramps; and
- Upgrade pen floors in selected areas of the yards.

#### Estimated cost

Cardno Engineers provided estimated unit costs for some of the key upgrades and improvements. These include:

- \$500/metre to replace timber rails with steel rails (includes removal, disposal, supply and installation);
- \$50,000 per cattle ramp;
- \$1,500/metre for raised walkways with handrails.

Note that costs include removal, disposal, supply and installation.

Based on the above estimates and assuming that one row of pens and walkways within the cattle yards are replaced and upgraded, the indicative cost to deliver option 2a in the order of \$0.5 to \$1 million.

**OPTION 2B (CATTLE YARDS – SUBSTANTIAL INVESTMENT)**

Option 2b involves more substantial upgrades that would require significant investment in an attempt to create a more competitive facility and encourage growth in throughput.

It is anticipated that infrastructure improvements required to deliver this option would include the following:

- Upgrade, replace and improve aging infrastructure in the cattle yards, including timber rails, pen floors the selling ring and software system.
- Replace raised walkways across the yards;
- Replace ageing ramps;
- Re-pave the stock and user walkways.

**Indicative cost**

Based on the above cost estimates, as well as comparable case examples of Saleyards upgrades (e.g. Swan Hill, Yea), the estimated cost to deliver option 2b would be in the order of \$1.5 to \$2 million. This is a broad estimate based on costs of other facilities and would need to be refined through a broad concept design and quantity surveying exercise.

**Discussion**

It is apparent that the current income to Council generated from the saleyards is not enough to deliver a capital works program at the cattle yards that would be required to action option 2a or 2b. There is a significant risk involved with maintaining the status quo of the yards, due to ageing infrastructure and the safety and compliance risks that follow, and therefore it is recommended that investment, divestment or closure of the cattle yards must be pursued.

The financial risk of option 2b is that even a substantial investment into the cattle yards is unlikely to generate a substantial increase in throughput. Cattle sales have been declining consistently year on year, recording a total decline of over 7,000 head of cattle between 2015 and 2019 (-66%), with the lowest throughput recorded in 2019 (approx. 3,700).

It is apparent that delivering major upgrades is unlikely to generate the required increase in throughput and income to justify the investment due to:

- The reduction of cattle sales from fortnightly to monthly, making it difficult to revert back to fortnightly sales;
- Declining cattle numbers in the region;
- Volatile climate conditions that are resulting in changing rainfall patterns and threatening water security;
- Strong competition from nearby Saleyards such as Echuca and Swan Hill and ongoing competition at Finley (where capital improvements are proposed);
- Competing selling methods that are becoming more common and have a growing market share (e.g. online sales); and
- Consolidation of farms in the area and a reducing agricultural workforce.

**8.1.3. OPTION 3 - MAJOR RE-INVESTMENT AND RENEWAL**

Option 3 consists of undertaking a wholesale reconstruction of the cattle yards and ongoing improvements to the sheep yards. This option would take advantage of the opportunity to construct a modern cattle yards that includes all features necessary to compete with other regional saleyards in an efficient, safe and comfortable layout, including:

- Roof and soft floors;
- New multi-use pens, walkways and loading ramps;
- New selling ring;

- Water harvesting; and
- New administration buildings.

This option would also involve major re-investment into the sheep yards (as per option 2), including the replacement of aging ramps, upgrade lighting, upgrade pens and replace water/drainage infrastructure (e.g. water pipes).

#### Indicative cost

The construction of a new cattle yards facility would require detailed design and cost estimates that are not within the scope of this study. However, based on case examples, it is estimated that the construction of a new cattle yards with comparable capacity would cost in the order of \$6 to \$10 million. This is a broad estimate based on costs of other facilities and would need to be refined through a broad concept design and quantity surveying exercise.

The indicative cost to deliver significant improvements to the sheep yards would largely reflect costs outlined in option 2, but with added costs for more substantial upgrades.

#### Discussion

It is acknowledged that a full reconstruction of the cattle yards would require far greater investment compared with option 2, and would therefore require a significant and sustained increase in throughput and revenue in order to justify the investment. Given that throughput at the cattle yards is declining, and sales have been reduced from fortnightly to monthly, the increase in throughput and income at the cattle yards that is required to justify this level of investment is highly unlikely to materialise.

### 8.1.4. OPTION 4 - DIVEST AND CLOSE THE CATTLE YARDS AND RE-INVEST INTO THE SHEEP YARDS AND ANCILLARY FACILITIES

Option 4 consists of divesting and closing the cattle yards and re-investing into the sheep yards and ancillary facilities to protect and improve the saleyards core competitive advantage.

Given that much of the infrastructure and assets at the cattle yards is ageing and has seen little investment over time, divesting and closing the cattle yards is unlikely to generate a level of income that is required to re-invest into the sheep yards. This option is more focused around cost and risk prevention, particularly with the degraded state of the facility and the declining throughput.

#### Indicative cost

The indicative cost of option 4 is split between the cattle yards and sheep yards. Given that this option involves closing the cattle yards, the cost is anticipated to be minimal. However, if Council wish to pursue demolition of the yards, the indicative cost would be in the order of \$120 per sqm (estimates provided by Cardno).

For the sheep yards, the cost to pursue option 4 would reflect the estimates provided for option 2 (i.e. \$0.75 to \$1.5 million). This is a broad estimate based on costs of other facilities and would need to be refined through a broad concept design and quantity surveying exercise.

#### Discussion

This option is more focused around cost and risk prevention, particularly with the degrading state of the facility and the declining throughput. The key benefits of this option are:

- The cost savings by removing the requirement to upgrade and improve the cattle yards;
- Eliminating the threat of financial and safety risks that are presented by an ageing and degrading cattle yards; and
- Focusing on re-investing into the sheep yards and ancillary facilities to maintain competitiveness, increase throughput and viability.

## 8.2. PREFERRED OPTION

Based on the above analysis, the most appropriate options for the Deniliquin Saleyards are Option 2/2b and Option 4.

The sheep yards is the clear competitive advantage, indicated by the:

- Consistent throughput and income;
- Stable sheep numbers in the region;
- Benefits of the sunk investment in infrastructure that has a useful economic life, and
- The natural shade offered through widespread tree coverage.

The sheep yards is an area of specialisation. This should be protected and enhanced through a deliberate investment strategy that improves competitiveness, grows market share (throughput), encourages operational efficiencies, and satisfies user expectations. Comparatively, the cattle yards are at a point where either substantial investment is required to upgrade the facility in an attempt to improve competitiveness and increase throughput (option 2b), or divest and close the facility (option 4).

At the time the Issues and Options Report was completed and issued (June 2020), Berrigan Shire Council was considering permanent closure of the Finley Saleyards. If this eventuated, the Deniliquin cattle yards could leverage that opportunity to capture a share of Finley's annual cattle throughput (approx. 16,000 in 2019). At that time, option 2a was the preferred option, which would involve the minimum investment required to ensure a safe and compliant facility. This was recommended in order to keep the cattle yards open and monitor the situation at Finley. Berrigan Shire Council have since decided to re-commence sales and invest into the facility.

Given the change in circumstances, the opportunity for Deniliquin to pursue option 2b has diminished. Without Finley closing, growth in cattle throughput could only come by increasing market share in a reducing and increasingly competitive market. This is highly unlikely, due to:

- Declining cattle numbers in the region;
- Volatile climate conditions - changing rainfall patterns and projections of ongoing decreases in rainfall, threatening water security;
- Strong competition from nearby Saleyards such as Echuca, Swan Hill and Finley; and
- Competing selling methods that are becoming more common and have an increasing market share (e.g. online sales).

**Edward River Council has previously resolved to pursue option 4: divest and close the cattle yards, and re-invest into the sheep yards and ancillary facilities. Given the decision by Berrigan to reinvest at Finley, this is supported.**

Edward River Council should investigate potential divestment options at the cattle yards, and pursue the option with the lowest financial risk. Divestment option could include:

- Cease operations – Demolish, and sell or reutilise on-site assets; or
- Privatisation - Sell the cattle yards to a private operator.

If Council wish to sell the cattle yards, there is an opportunity to sell both the cattle yards, sheep yards and ancillary facilities to completely withdraw Council's involvement with the Deniliquin Saleyards.

### 8.3. SUB-OPTIONS

In addition to the three main options identified, the following sub-options are proposed for consideration:

1. Water harvesting and service upgrades;
2. Develop a truck stop and revitalise/repurpose existing buildings (e.g. multipurpose administration building);
3. Re-purpose underutilised areas within the Saleyards precinct (e.g. municipal uses); or
4. Divest and sell/lease underutilised sites.

The sub-options are outlined and discussed in-turn.

#### 1. WATER HARVESTING AND SERVICE UPGRADES

There is an opportunity to harvest water directly from Mulwala Canal, with water to be stored in the established dams located in the southwest and the northeast corners of the saleyards precinct. Storage quantities would need to be assessed and established and viability of harvest volumes requires negotiation with the relevant authority. A pump station with associated supply pipes (approx. 300m to north east dam, 1km to southwest dam) to one or both storage locations would need to be established.

To assist in maintaining water quality, relevant flora be planted within dams. Planting tree species with extended canopies to the edge of these storage ponds would assist with reducing potential storage losses through surface evaporation.

Further to the above point, site stormwater drainage could be amended to divert runoff to the lower of the two storage ponds to assist with harvesting however note that yield will be low and should not be incorporated as the primary supply source.

Clearly the saleyards would benefit from water harvesting and service upgrades across the precinct, which would encourage efficient and sustainable use of water. The benefits of improving water harvesting relate to water access and security and the potential to realise cost savings over time through operational efficiencies.

For the water harvesting and service upgrades, Cardno provided the following opinion on costs:

- \$100,000 for a pump station at the canal;
- \$500/metre for a new water pipe;
- \$400,000 to bore under the rail line at two locations;
- \$500,000 for water storage tanks and a treatment system;
- \$200/metre for an internal recycled water network; and
- \$200/metre to relocate the existing water main.

Based on the above estimates, the indicative cost to deliver the water servicing upgrades is in the order of \$1.5 to \$2 million for the whole precinct. This is a broad estimate based on costs of other facilities and would need to be refined through a broad concept design and quantity surveying exercise.

It is unlikely that water servicing upgrades would be required for the entire saleyards precinct, given that much of the site is underutilised. Therefore, it is anticipated that delivering these upgrades for a selected area of the saleyards precinct could be delivered at a lower cost.

#### 2. DEVELOP A TRUCK STOP AND REVITALISE/REPURPOSE UNDERUTILISED BUILDINGS

The location of the Deniliquin Saleyards is favourable for a truck stop, given that it is in close proximity to the Cobb Highway (the key transport route north and south into Victoria) and Barham Road, which connects to the key eastern transport route of Riverina Highway.

In addition, there is a statutory obligation for heavy vehicle transporters to not drive a vehicle while fatigued. Drivers are required to comply with maximum work and minimum rest limits. The Heavy Vehicle National Law outlines three work and rest accreditations that drivers must attain and observe:



- Standard hours;
- Basic Fatigue Management (BFM); or
- Advanced Fatigue Management (AFM) - This accreditation relates to livestock transporters and is designed to give them the flexibility to respond to the dynamic, uncertain and complex livestock transport task.

The maximum work and minimum rest requirements are different for each accreditation. The guidelines have been created to ensure that the risk of driver fatigue incidents are reduced. As a result, drivers are required to rest more frequently, presenting opportunities for more formalised truck stops in strategic locations such as highly utilised transport routes.

The four bay truck wash at the Deniliquin Saleyards is well utilised and is achieving an annual operating income of approximately \$85,000. Currently, many users of the truck stop are also using the casual toilet and shower amenities in the adjoining administration building. There is an opportunity to create a formalised truck stop through improved integration with the truck wash and the adjacent administration building and further capitalise on the regular use of the truck wash.

The administration building is currently underutilised and based on a visual inspection, needs significant repair and maintenance work in order to improve the appearance and functionality. If the building were upgraded, improved and maintained on a regular basis, the facility could also be used as a multi-purpose venue for community or commercial use. Commercial uses such as venue hire would also create an additional income stream for the saleyards / council.

### 3. RE-PURPOSE UNDERUTILISED AREAS

The broader Deniliquin Saleyards precinct encompasses land to the south and east of the canteen and truck wash area. This land is largely underutilised and has the potential to be re-purposed for other complementary or compatible uses. Much of this land is recognised as surplus to the needs of the Saleyards and alternative uses could be considered (e.g. other municipal uses).

### 4. DIVEST AND SELL/LEASE UNDERUTILISED SITES

An option for Council to consider is to partially divest some landholdings within the precinct. As previously stated, much of the land to the south and east is considered to be surplus to the needs of the Saleyards and is largely underutilised. Council could explore options to subdivide the landholding and sell or lease parcels for commercial uses.

All sub-options would provide an opportunity to generate income to assist in financing saleyard improvements through re-investment, and are recommended.

## 9. ACTION PLAN

### 9.1. INTRODUCTION

The action plan has been prepared to support the implementation of the preferred option for the Deniliquin saleyards over the next 5 years (i.e. 2021 – 2026). Actions are categorised as follows:

- Sheep yards;
- Saleyards precinct; and
- Cattle yards;

An indicative timeframe and relevant stakeholders are identified for each action. Timeframes are categorised as follows:

- Short term (year 1);
- Medium term (year 1 to 3);
- Long term (year 3 to 5); and
- Ongoing.

The action plan will be implemented over time in partnership with key users of the saleyards (e.g. lessee, buyers, sellers, agents, transporters), agriculture representatives, government authorities, and other relevant stakeholders.

The implementation of the action plan should be regularly monitored and evaluated, and an annual progress report should be considered.

### 9.2. OBJECTIVES

Strategic objectives have been formulated to guide the implementation of the action plan:

- **A safe and compliant facility** – Ensure the Deniliquin Saleyards is a safe precinct for stock and users, and ensure regulatory compliance, including animal welfare and user safety.
- **A competitive facility** – Deliver a high-quality Saleyards Precinct that is attractive to buyers, sellers and other regular users of the yards, encouraging an increase in activity and throughput.
- **A viable and financially sustainable facility** – Increase the viability of the Saleyards over time and ensure the facility is profitable.
- **An efficient and productive facility** – Deliver operational efficiencies to realise cost savings and mitigate environmental uncertainty.

The action plan is outlined on the following pages.

**9.3. ACTION PLAN****9.3.1. SHEEP YARDS**

Action	Lead and partners	Indicative Timing
<p><b>Action 1.1</b></p> <p>Complete an asset register and condition report for the sheep yards. Use the findings to identify specific assets that that require immediate replacement or repair.</p>	Lead: Edward River Council	Short term (year 1)
<p><b>Action 1.2</b></p> <p>Use the recommendations in this plan and the findings of the asset register and condition report to compile a list of infrastructure improvements and upgrades for the sheep yards. These are expected to include:</p> <ul style="list-style-type: none"> <li>- Replace ageing pen rails;</li> <li>- Replace raised walkways;</li> <li>- Replacing ageing ramps;</li> <li>- Upgrade lighting.</li> </ul>	Lead: Edward River Council	Short term (year 1)
<p><b>Action 1.3</b></p> <p>Conduct a round table with key user groups of the saleyards (buyers, producers, agents, transporters) to confirm the list of improvements and upgrades. Refine the list of improvements and finalise.</p>	Lead: Edward River Council  Partners: producers, agents, transporters	Short term (year 1)
<p><b>Action 1.4</b></p> <p>Progress to detailed design and costings for the recommended upgrades at the sheep yards.</p>	Lead: Edward River Council	Medium term (year 1 to 3)
<p><b>Action 1.5</b></p> <p>Prepare a Business Case for the proposed upgrades and improvements. Seek funding to deliver the works through state and federal government funding avenues.</p>	Lead: Edward River Council	Medium term (year 1 to 3)
<p><b>Action 1.6</b></p> <p>Secure funding, and progress to delivering the works.</p>	Lead: Edward River Council	Medium term (year 1 to 3)

## 9.3.2. SALEYARDS PRECINCT

Action		Indicative Timing
<p><b>Action 2.1</b></p> <p>At the completion of the current lease term, ensure that specific conditions of the lease are upheld and honoured. Require that the lessee:</p> <ul style="list-style-type: none"> <li>- Undertake regular maintenance to improve stock safety, meet users' expectations;</li> <li>- Improve functionality and presentation of the facility; and</li> <li>- Regularly report on throughput and financial performance (in detail).</li> </ul>	<p>Lead: Edward River Council</p> <p>Partners: Lessee</p>	<p>Short term (year 1)</p>
<p><b>Action 2.2.</b></p> <p>Investigate the potential to deliver water harvesting and service upgrades at the precinct to improve water supply and security and encourage operational efficiencies.</p> <p>This could be delivered alongside Action 1.2</p>	<p>Lead: Edward River Council</p>	
<p><b>Action 2.3</b></p> <p>Improve user and stock safety in the precinct by investigating the following works:</p> <ul style="list-style-type: none"> <li>- Creating formal road separation;</li> <li>- Erecting speed limit signs on Saleyards Road;</li> <li>- Reducing the speed limit during, and either side of sale days; and</li> <li>- Create formal separation and erect caution signs for the cattle ramps that front Saleyards Road.</li> </ul>	<p>Lead: Edward River Council</p>	<p>Ongoing</p>
<p><b>Action 2.4</b></p> <p>Address issues at the canteen/administration building that relate to water proofing and general maintenance. Consider re-purposing parts of the building to increase utilisation (see action 2.5).</p>	<p>Lead: Edward River Council</p>	<p>Medium term (year 1 to 3)</p>
<p><b>Action 2.5</b></p> <p>Investigate the potential to establish a truck stop in the precinct to complement the truck wash. Consider repurposing a part of the canteen/administration building to accommodate truck stop amenities.</p>	<p>Lead: Edward River Council</p> <p>Partners: transporters</p>	<p>Medium term (year 1 to 3)</p>
<p><b>Action 2.6</b></p> <p>Investigate potential options to repurpose underutilised land that is considered surplus to the needs of the Saleyards (e.g. municipal uses, sell, lease).</p>	<p>Lead: Edward River Council</p>	<p>Ongoing</p>

9.3.3. CATTLE YARDS

Action		Indicative Timing
<p><b>Action 3.1</b></p> <p>At the conclusion of the current lease, notify the lessee and key user groups that Edward River Council will move to divest and close the cattle yards.</p> <p>Once the lessee and key stakeholders are notified, cease cattle sales at the cattle yards.</p>	<p>Lead: Edward River Council</p> <p>Partners: Lessee</p>	<p>Short term (year 1)</p>
<p><b>Action 3.2</b></p> <p>Investigate potential divestment options at the cattle yards, and determine the option that is the most viable and provides the lowest financial risk.</p>	<p>Lead: Edward River Council</p>	<p>Long term (year 3 to 5)</p>



[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)



Edward  
River  
COUNCIL

## Memorandum

---

**DATE:** 8 July 2021

---

**TO:** Councillors

---

**CC:** Phil Stone – General Manager

---

**FROM:** Mark Dalzell – Director Infrastructure

---

**SUBJECT:** **Financial Modelling for Saleyards Operation**

---

Dear Councillors,

Please find below information regarding financial modelling regarding the Saleyards operations. This modelling was included in a report to Council's 1 July 2021 workshop.

### **CURRENT OPERATIONS AND LEASE OF THE SALEYARDS**

#### Status of the Lease

As noted in the draft Strategic Plan, the Saleyards are currently operated by Scanclear Pty Ltd. This agreement commenced in 2011 and has been going for 10 years (initial five-year lease with a five-year extension). The current lease finishes on 30 June 2021 has an allowance for the lease to be extended on a periodic, month by month basis upon agreement by both parties. Council has received verbal agreement from the lessee that they wish to enter a periodic lease until such time as the draft Strategic Plan has been finalised and a new lease tendered.

#### Rent

Item 6 of the reference schedule included in the lease states that rent payable to the Council by the lessee is 6% of the gross revenue derived from sales at the Saleyards.

Concerns have been raised that the amount Council receives, between \$12,000 and \$15,000 per annum, is too low and should be higher. Issues relating to this include:

- Calculating the gross revenue. Council relies on information from the lessee regarding the gross revenue value and it can be questioned whether the amount the lessee has reported is accurate. Council has endeavoured to check this information from other sources; however, any future leases must include a more transparent and verifiable way of dealing with gross revenue if this is used as a measure for determining the rent payable to Council,
- Revenue derived from Sales. This is not further clarified in the lease document and leads to more detail needing to be provided regarding what is revenue received from the Sales and what is overall revenue. For example, gross revenue from sales may be taken as being the amount from the number of stock sold x the selling fee and not include other fees that the lessee may charge.

In summary, the concerns raised by the community regarding the income Council receives is acknowledge and staff has given an undertaking to review the terms of the next lease so that it is

more beneficial to Council. It should be noted, that at the time the current lease was originally implemented, there was only one company, Scanclear, who were interested in taking on the lease. This lack of competition in the market may impact how beneficial the terms of the lease can be for Council. A balance must be reached between what income Council can achieve and a profit margin for the lessee.

#### Maintenance

Clause 23A of the lease discussed the Lessee's repair obligations. This clause includes the Lessee's general obligations as well as limitations on the Lessee's responsibility. It seems from community discussion and feedback that the main points of concern regarding maintenance under the lease relate to these limitations.

Under the terms of the lease, the Lessee is not responsible for:

- Latent defects. There are defects that were present before the lease commenced and therefore inherited by the Lessee. This would include the compliance of the ramps and walkways,
- Structural repairs not attributable to neglect by the Lessee,
- Fair wear and tear since the commencement of the lease,
- Natural disasters, deliberate damage and the like.

The main point noted above is regarding fair wear and tear. The lease agreement makes allowance that the facility will degrade over time and that the Lessee is not responsible for what would be considered fair wear and tear. Any such degradation would be addressed by Council as part of renewal works at the facility.

Regarding maintenance requirements in general, it is noted that the lease document seems to be based on standard lease documents for the buildings and facilities, especially in a commercial sense. It is therefore understood that the clauses regarding maintenance and fair wear and tear are considered normal practice. It is likely that any future lease will include similar conditions regarding maintenance and asset renewal.

#### **VIABILITY OF THE YARDS**

As discussed by general manager at the community meeting, and in other forums, the viability of the Saleyards and any investment by Council into the facility, needs to be based on a business case around the facility. Business cases for Council and community projects are generally assessed on a triple bottom line basis, including consideration of the following:

- Financial outcomes,
- Social or community outcomes, and
- Environmental outcomes.

It is noted that the Saleyards currently operates under an EPA licence and that there is no discharge to the environment outside the facility. Therefore, there will be negligible difference to the environmental outcomes whether the cattle yards are refurbished or closed and that a triple bottom line analysis would be focusing on the financial and community outcomes.





Council Income from the Operation of the Saleyards

Financial outcomes are based on the development and expenditure being able to pay for itself and provide a return to Council. In determining the financial outcomes several assumptions will need to be made. One of these assumptions is regarding the revenue and expenditure for operating for Saleyards. The draft Strategic Plan includes data for the five-year period between 2014/15 and 2018/19 as provided by Scanclear. This information is shown below:

Item	Average per Year over a Five-Year Period
Gross Income	\$260,957
Wages	\$137,925
Rent (payment to Council), Rates, Water, Power	\$28,706
Maintenance and repairs	\$24,781
Gross Margin	\$69,487
Cattle sales	6,500
Sheep sales	190,000

Regarding the above information:

- The gross income figure of approximately \$260,000 (ranging from \$230,000 to \$290,000 over the five years) is consistent with the information provided from the stock agents,
- Council's rent of \$12,000 to \$15,000, which is 6% of the gross income derived from sales, equates to sales of \$200,000 to \$250,000. This raises the issue of income that is derived not from sales and therefore is not included in the rent calculation as previously noted, and
- A margin amount of \$70,000 out of the \$260,000 gross income is approximately 27%. The draft Strategic Plan notes this as a modest return based on the commercial arrangements of the agreement.

Part of any consideration is whether Council's income could be increased by using a different model. Whilst it is noted that there is currently a \$70,000 margin for a commercial operator, there is no guarantee that Council could achieve this due to such factors as:

- Operating under the local government award as opposed to a private business arrangement,
- Casual nature of the operation of the Saleyards, and
- A commercial operator may have economies of scale when operating several facilities, whereas Council would be operating the facility as a one-off.



To investigate the financial impacts, three models have been prepared. These are:

- Model 1: Business as Usual based on the provided information,
- Model 2: Increased revenue to Council based on the same gross income and increased rent percentage,
- Model 3: Increased revenue to Council based on increased cattle sales and increased rent percentage,
- Model 4: Council revenue increased to \$70,000 per year through increased sheep and cattle sales.

A summary of these models is shown in the table below:

Model	Gross Revenue	Estimated Margin	Margin as Percentage of Revenue	Council Rent
1	\$260,000	\$70,000	27%	\$13,100
2	\$260,000	\$57,000	22%	\$26,200
3	\$340,000	\$100,000	29%	\$35,500
4	\$640,000	\$190,000	30%	\$70,000

To achieve a \$70,000 return from sales back to Council, based on rent being set at 12% of revenue, the throughput at the yards would need to be at or above:

- Sheep: 230,000 per year (an increase from 190,000 per year over the 2015-19 period), and
- Cattle: 43,000 per year (an increase from 6,500 per year over the 2015-19 period).

#### Operation of the Truck Wash

During the recent community meeting Council was requested to include the operation of the truck wash into the overall operation of the Saleyards. The truck wash does operate at a surplus as noted below from the 2020/21 budget:

- Estimated revenue: \$100,000,
- Estimated expenditure: \$55,000, and
- Depreciation: \$10,000.

This results in an estimated surplus from the operation of the truck wash of \$35,000. This figure will be included in the investment option modelling.



Investment into the Saleyards

The draft Strategic Plan includes indicative costs for the development of the cattle and sheep yards based on Options 2a, 2b and 4 as noted below:

Option	Cattle Yards	Sheep Yards	Total Estimate
Option 2a + Sheep Yard	\$0.75M (\$0.5M to \$1.0M)	\$1.1M (\$0.75M to \$1.5M)	\$1.85M (\$1.25M to \$2.5M)
Option 2b + Sheep Yard	\$1.75M (\$1.5M to \$2.0M)	\$1.1M (\$0.75M to \$1.5M)	\$2.85M (\$2.25M to \$3.5M)
Option 4 + Sheep Yard	\$0.3M (\$0.1M to \$0.5M)	\$1.1M (\$0.75M to \$1.5M)	\$1.4M (\$0.85M to \$2.0M)

Consideration of the financial models and investment options for the Saleyards complex, including the cattle yards, sheep yards and the truck wash, is shown in the table below and are based on the following assumptions:

- Investment Option 2a would provide suitable facilities for cattle sales up to 15,000 per year,
- Cattle sales above 15,000 per year would require Investment Option 4, being the refurbishment of the whole cattle yards,
- Income from the Truck Wash remains the same irrespective of the development of the cattle yards. This is a conservative position and reflects the fact that a significant proportion of the use of the truck wash is from vehicles not linked to a sale,
- Council income is derived from the Financial Model as well as the income from the truck wash, and
- Repayment terms are for a 20-year loan with an interest rate of 2% p.a. calculated monthly.



Financial Model	Sheep and Cattle Numbers	Investment Option	Capital Expenditure	Annual Loan Repayment	Council Income from Saleyards
1	Sheep: 190,000 Cattle: 6,500	2a	\$1.85M	\$112,300	\$48,100
2	Sheep: 190,000 Cattle: 6,500	2a	\$1.85M	\$112,300	\$61,200
3	Sheep: 190,000 Cattle: 15,000	2a	\$1.85M	\$112,300	\$70,500
4	Sheep: 230,000 Cattle: 43,000	2b	\$2.85M	\$173,000	\$105,000

Based on the above information, there would need to be significant investment from Council to pay back any loans or investment from reserves over a 20-year period. It has been noted that Council may be able to obtain grant funding from the state or federal governments to assist with this. The table below notes the grant funding that would need to be obtained by Council for the anticipated revenue from Financial Models 3 and 4 to re-pay the investment without additional capital funds from Council.

Financial Model	Capital Investment	Grant Funding	Council Capital Investment	Annual Loan Repayment
3	\$1.85M	\$0.7M	\$1.15M	\$70,500
4	\$2.85M	\$1.1M	\$1.75M	\$105,000

The grant funding amounts noted above are based on all the revenue received by Council being used to cover Council's capital investment repayments. It would be in Council's interest to try and obtain grant funding to at least 50% of the capital investment.

**Mark Dalzell**

**Director Infrastructure**



**10.10 OPERATIONS DEPARTMENT UPDATE****Author: Mike Burger, Manager Operations****Authoriser: Mark Dalzell, Director Infrastructure****RECOMMENDATION**

That Council receive and note the June 2021 Operations Department Update.

**BACKGROUND**

This Report provides an update to Council of operational highlights over the past month and in upcoming months.

**ROADS**

Works undertaken during June 2021 in the Roads Section:

**Major Works**

- Deniliquin Industrial Estate – June/July – Jane Street kerb and gutter 50% complete and stormwater pits largely completed,
- Maude Road Construction and Seal – Sealing for the 3<sup>rd</sup> km planned for July 2021 dependant on weather,
- Gravel road re-sheeting – Moonbria Road re-sheeting ongoing. Gravel being pushed up in pits in preparation for 2021/22 program.

**RMS Works**

- Completed pothole and minor patching works on the state road network,
- 2 x Inspection Cycles

**Maintenance**

- Road Maintenance Grading – Four maintenance teams operating with grading work undertaken along Lehmans, Lindifferon, Aratula, Willurah, Cowies and Lower Finley Roads.
- Footpath, Kerb and Gutter,
- Inspections – ongoing,
- General defects – signage, lines, drainage,
- 4,500t of rock delivered to stockpiles for use on Regional Roads in 2021/22,

**Emergency Response**

- Nil Report for June,

**Staff**

- Recruitment Team Leader Roads underway – Interviews in July,
- Training – Leadership Training/Project Fundamentals,
- Hearing tests on 30<sup>th</sup> June

**WATER & SEWER**

Works Completed for the month of June 2021 in the Water and Sewer Section:

**Maintenance**

- 13 Sewer Chokes/complaints,
- 6 Water Meter issues,
- 1 Burst/leaks on Water Mains.

**Sewerage Treatment Plant (STP) and Pump Stations**

- New Pump Impellers installed at Ochtertyre Street and Hyde Street,
- All Testing and basic Maintenance is up to date,
- 45 ML pumped to reuse.

**Water Treatment Plant (WTP)**

- 91 ML of Water pumped,
- Installation of new Electrical Fuses and Contacts for River Pumps,
- All Testing and basic Maintenance is up to date.

**Capital Works**

- George Street Water upgrade 100% complete.

**PARKS & GARDENS**

Works undertaken during June 2021 in the Parks and Gardens Section:

**General**

- Waring Gardens Arrowhead control:  
Weed removal work undertaken on 2 and 9 June 2021. Local group now finished and awaiting Contractor specialist, which is programmed to commence on 27 July 2021. This work will be funded from an external grant that Council has received from LLS.

**Maintenance**

- Inspections – Playgrounds complete,
- Ongoing – Parks and Gardens, Toilets, Playgrounds, Cemeteries,
- Village Maintenance undertaken in conjunction with Local and P&G Staff,
- Maintenance issues with leaking roofs at Basketball Stadium and Old Tourist Office (Quotes for replacement sought – only 1 Quote received by June 30<sup>th</sup>),
- Street Tree Maintenance ongoing with stump grinding and top dressing various locations,
- Maintenance and Burials/Ashes Interment General & Lawn Cemetery,
- Fencing removed for upgrade Deniliquin Cemetery,
- Temp Fencing removed from Wanganella Tip for installation of new Monument Fencing by Contractor,
- CBD Furniture Maintenance ongoing with refurbishment of bin surrounds and change-overs,
- Mouse Baiting at various Council Buildings and Village Halls – plague proportion in evidence in some areas,

- Calls to Blighty Recreational Ground on game days for toilet problems in new building, water and sewer team to install camera and investigate,
- Capital Works installation of Play Equipment at Wanganella,
- Maintenance at Rural Buildings Blighty/Pretty Pine/ Booorooban,
- **Vandalism** – Scotts Park (repeat attack), with NSW Fire and Rescue extinguishing Toilet. Baby Change Table set on fire in Toilets along with Cressy St. Police investigating,

### **Weeds**

- 345 km Roadway Spraying of Invasive Species under the Weed Action Plan,
- 212 km High Risk Pathway Inspections as per the Weed Action Plan,
- Khaki program in and around Deniliquin is continuing. This program is partially funded by LLS,
- Weed Action Plan budget is tracking to be within target variance.

### **Waste**

- Newly constructed Cells in use at Deniliquin Landfill, additional Cells constructed in July as fill received,
- Push up by Contractor at Wanganella and Pretty Pine landfills for Transfer Stations to be built,
- Kerbside collections all at target.

### **Public Support**

- Breast Screen Van last day in Deniliquin July 1<sup>st</sup> at Harrison Street Toilet Block, to be removed by Contractor Friday July 2<sup>nd</sup>
- Traffic Control Plan for Pony Club initiated
- Traffic Control Plan for monthly market to be on Harrison Street initiated.

### **Emergency Response**

- Nil Report for June

### **Staff**

- One staff resignation in Parks and Gardens. A replacement for this position has been advertised.

### **FLEET**

Works undertaken during June 2021 in the Plant and Fleet Section:

- Fleet Capital Plant ordered in June – Nil
- Plant Delivered in June – 1 x Excavator with Plant Trailer
- Plant sold at Auction in June – FM283 XLT Ranger Ute sold for \$40,500
- Construction Plant major expenses: Currently undertaking Winter Roadworthy and Servicing of all RFS Trucks and Equipment
- TechOne Fleet Module Development ongoing – date to be advised for going 'Live'

### **Staff**

- Recruitment for Apprentice Mechanic in progress

**STRATEGIC IMPLICATIONS**

N/A

**COMMUNITY STRATEGIC PLAN**

N/A

**FINANCIAL IMPLICATIONS**

N/A

**LEGISLATIVE IMPLICATIONS**

N/A

**ATTACHMENTS**

Nil



**10.11 MAJOR PROJECTS PROGRAM - JULY 2021 - PROGRESS REPORT**

**Author:** Nicole Rogers, Project Coordinator

**Authoriser:** Mark Dalzell, Director Infrastructure

**RECOMMENDATION**

That Council note the Major Projects Program from various funding sources - Progress Report for July 2021.

**BACKGROUND**

Since amalgamation in 2016, Council has received over \$40,000,000 in funding from State and Federal Government bodies. A breakdown of the funding received is as follows:

<b>Government Funding Body</b>	<b>Funding Amount</b>
<b>Stronger Communities - Round 1 and New Council Implementation Funding R1</b> (Original merger funding)	\$15,000,000
<b>Stronger Communities - Round 2</b> (Additional merger funding)	\$3,990,000
<b>Stronger Country Communities – Round 1</b> (State funding)	\$1,269,841
<b>Stronger Country Communities - Round 2</b> (State funding)	\$3,371,750
<b>Stronger Country Communities – Round 3</b> (State funding)	\$1,264,500
<b>Building Better Regions</b> (Federal Funding)	\$630,883
<b>Our Rivers Our Region</b> (Federal funding)	\$1,673,080
<b>Drought Communities Program – Round 1</b> (Federal funding)	\$1,000,000
<b>Drought Communities Program – Round 2</b> (Federal Funding)	\$1,000,000
<b>Murray Darling Diversification Funding</b> (State funding)	\$750,000
<b>Local Roads and Community Infrastructure Program</b> (State funding)	\$963,190
<b>Local Roads and Community Infrastructure Program R2</b> (State funding)	\$880,903
<b>NSW Showground Stimulus Funding – Memorial Park Showground</b> (State Funding)	\$312,190
<b>HSVPP (Federal Funding), Fixing Country Roads, TfNSW (State Funding) for Maude Road Construction</b>	\$2,917,568
<b>Commonwealth Regional Airport Program</b> (Federal Funding)	\$2,500,000

<b>Fixing Local Roads (TfNSW) Round 1</b> (State Govt)	\$1,052,055
<b>Fixing Local Roads (TfNSW) Round 2</b> (State Govt)	\$910,000
<b>Environmental Trust NSW</b> Landfill Consolidation	\$200,000
<b>NSW Showground Stimulus Funding R2 – Memorial Park Showground</b> (State Funding)	\$1,650,775
<b>Local Roads and Community Infrastructure Program R3</b> (State funding)	\$1,926,340
<b>NSW Emergency Operations Centres (EOCS) Critical Upgrade Program</b> (State Funding)	\$125,080
<b>Murray Darling Diversification Funding</b> (State Funding)	\$1,000,000
<b>Total Funding Received</b>	<b>\$44,388,155</b>

Funding under the **Fixing Local Roads** Program is now open and receiving applications for Round 3. Councillors recently supported a recommendation from staff to lodge an application for the reconstruction of Saleyards Road from Cobb Highway to Cemetery Road under this funding program. An application for \$1,077,023 will be submitted prior to 16 July 2021.

## ISSUE/DISCUSSION

Details regarding the status of current projects are included in Attachment 1 of this report.

### Project Updates

#### Maude Road Sealing

Sealing on the third kilometre of Maude Road has been delayed due to recent Covid-19 restrictions upon returning to Victoria. Sealing will take place as soon as these restrictions are lifted. Once sealing is complete, work will commence on the fourth kilometre. Contractors have completed four culvert replacements.

The current spend on this project is \$1,032,586.00 of the \$2,980,568 project budget.

#### Civic Precinct

Progress during June/July has predominantly taken place on the Estates Building due to a significant delay in delivery of structural steel required to complete demolition within the Town Hall.

Works included the installation of electrical wiring, air conditioning ducting and cabling throughout the Estates Building and the completion of air conditioning ducting into the Town Hall. The easement for the new sub-station location is being registered, with the sub-station on order well in advance of proposed installation.

Current spend on this project is \$1,163,684.00 of the \$6,978,272 project budget.

### Memorial Park – Changerooms and Amenities

Recent construction works included internal installation of plumbing fittings, wall tiling, and toilet partitions are complete in the public toilet area. The sewer line has been installed and is ready for testing. Boxing up and pouring for concrete pavement will be complete first week of July. Power has been redirected from the old change rooms to the new change rooms and on to the D.N.A building. Slatted screen for hot water unit has been installed.

Current spend on this project is \$561,168.00 of the \$786,000 project budget.

### Urban and Rural Cemeteries

Boooroban & Wanganella cemetery fencing is complete.

All tree removals/trimming is complete in the Deniliquin General Cemetery. The southern end boundary fence (approx. 310m) has been replaced. The replacement of 100m of General Cemetery boundary fence fronting Cemetery Road has been awarded to a local contractor and will commence and finish by the end of July 2021.

Current spend on this project is \$38,535.00 of the \$180,000 project budget. It is anticipated that there will be saving in this project that will be able to be re-allocated to other projects in the Local Roads and Community Infrastructure program.

### North Deni Rest Area

A Request for Quote has been distributed to local contractors and advertised through the TenderLink website for construction to commence on this project. This will close on 20 July 2021 for construction to commence in August 2021.

There have been several delays to the commencement of this project including revised scope, change of project managers and discussions with TfNSW around the entrance to the car parking area. New designs have been received.

Current spend on this project is \$19,100.00 of the \$400,000 project budget.

## **COMMUNITY STRATEGIC PLAN**

This report aligns with outcome 1 – *A great place to live* and outcome 4 – *A region with quality and sustainable infrastructure* of the Community Strategic plan

## **FINANCIAL IMPLICATIONS**

Projects funded through these programs include costs for the design, documentation, and supervision costs for each project.

## **LEGISLATIVE IMPLICATIONS**

Council must ensure that these projects are completed within the timeframes set out within the funding agreements.

## **ATTACHMENTS**

### **1. Major Projects Summary - July 2021**

Funded Projects - Summary Report – July 2021						
Time, Cost & Quality	Task/Activity – Completed ✓ or Progressing - on Time, Cost and Quality					
Time, Cost & Quality	Task/Activity – Progressing - requires monitoring and or action to minimise risk of not meeting performance targets					
Time, Cost & Quality	Task/Activity – Stalled/Stopped - High Risk or will not meet Performance Target.					
Time, Cost & Quality	Task/Activity- Pending - is currently not commenced					
<b>Project Phase</b>						
Project Description	Initiation and Communication	Design, Documentation and Approvals	Quotes and Tendering	Delivery and Handover	Code	Comments/Milestones
<b>STRONGER COMMUNITIES GRANT FUNDING (ORIGINAL)</b>						
Riverfront Masterplans and Initial Works <b>\$750,000 + \$700,000 +</b> (Stronger Communities Round 2) <b>\$550,000</b> (Regional Growth Fund)	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Contract for Pontoons has been awarded</li> <li>Pontoon in detailed design – User Group have provided preferences</li> <li>Waiting for river velocity information</li> </ul>
Town Hall Revitalisation <b>\$435,000 + \$1,315,170</b> (Stronger Country Communities Round 2) <b>+-\$329,000</b> (Unallocated Funding), <b>+\$630,883</b> (Building Better Regions Fund), <b>\$964,500</b> (Stronger Country Communities Round 3)	Complete	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>Air Con ducts fitted to Town Hall</li> <li>Electrical and Air Con fit out to Estates Building</li> </ul>
<b>Stronger Community Grant Funding (Original) - Sub-Total \$8,600,000</b>						
<b>STRONGER COMMUNITIES GRANT FUNDING (ROUND 2)</b>						
Riverfront Enhancement <b>\$750,000 + \$550,000</b> (Regional Growth Fund) <b>+ \$750,000</b> (Stronger Communities Original)	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Contract for Pontoons has been awarded</li> <li>Pontoon in detailed design – User Group have provided preferences</li> <li>Waiting for river velocity information</li> </ul>
Waring Gardens Upgrade <b>\$640,000</b>	Complete	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>Complete</li> </ul>
Truck Stop Strategic Plan <b>\$10,000</b>	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> <li>Discussions with stakeholders to be coordinated</li> </ul>
Civic Plaza <b>\$390,000</b>	Completed	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>See comments above.</li> </ul>
<b>Stronger Communities Grant Funding (Round 2) – Sub-Total \$3,390,000</b>						
<b>Environmental Trust NSW</b>						
Landfill Consolidation (Pretty Pine & Conargo) <b>\$200,000</b>	Complete	Complete	In Progress	Pending		<ul style="list-style-type: none"> <li>RFQ reissued through tenderlink with revised specifications</li> </ul>
<b>Environmental Trust NSW - Sub-Total \$200,000</b>						

Project Description	Initiation and Communication	Design, Documentation and Approvals	Quotes and Tendering	Delivery and Handover	Code	Comments/Milestones
<b>REGIONAL GROWTH FUND</b>						
Riverfront Revitalisation <b>\$550,000 + \$750,000</b> (Stronger Communities Original), + <b>\$700,000</b> (Stronger Communities Round 3)	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>See comments above</li> </ul>
<b>Regional Growth Fund – Sub-Total \$1,673,080</b>						
<b>STRONGER COUNTRY COMMUNITIES GRANT FUNDING (ROUND 2)</b>						
Deniliquin Town Hall & Arts & Cultural Precinct <b>\$1,315,170 + \$435,000</b> (Stronger Communities Grant Funding Original) +- <b>\$329,000</b> (Unallocated Funding), + <b>\$630,883</b> (Building Better Regions Fund), <b>\$964,500</b> (Stronger Country Communities Round 3)	Complete	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>See comments above</li> </ul>
Memorial Park <b>\$786,000</b>	Complete	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>Week 15 – internal fit out, landscaping and concreting</li> </ul>
<b>Stronger Country Communities Grant Funding (Round 2) – Sub-Total \$3,371,750</b>						
<b>STRONGER COUNTRY COMMUNITIES GRANT FUNDING (ROUND 3)</b>						
Town Hall <b>\$964,500, + \$1,315,170</b> (Stronger Country Communities Round 2) + <b>\$435,000</b> (Stronger Communities Grant Funding Original) +- <b>\$329,000</b> (Unallocated Funding), + <b>\$630,883</b> (Building Better Regions Fund)	Complete	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>See comments above</li> </ul>
North Deni Rest Stop <b>\$300,000</b>	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>RFQ distributed for construction of car park, amenities, and BBQ area</li> </ul>
<b>Stronger Country Communities Grant Funding (Round 3) – Sub-Total \$1,264,500</b>						
<b>DROUGHT COMMUNITIES PROGRAMME FUNDING (ROUND 2)</b>						
Visit Deni Tourism Campaign <b>\$50,000</b>	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Campaign in market</li> </ul>
Rural Villages Business Painting <b>\$100,000</b>	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>50% of works complete</li> <li>Wanganella to commence 15 June</li> </ul>
Waring Gardens Upgrade <b>\$200,000</b>	Complete	In Progress	In Progress	In Progress		<ul style="list-style-type: none"> <li>Awaiting completion of designs for DDA compliant amenities for both amenities (Cressy and Harrison Street)</li> <li>Waiting on quotes for works to the Rotunda</li> <li>Confirming Heritage and DA requirements</li> </ul>
Signage Strategy Implementation <b>\$140,000</b>	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Signage is on order</li> </ul>
Rotary Park (clubrooms and pitches) <b>\$200,000</b>	Completed	Complete	In Progress	In Progress		<ul style="list-style-type: none"> <li>Clubrooms nearing completion</li> <li>Carpark and drainage work complete</li> </ul>

Project Description	Initiation and Communication	Design, Documentation and Approvals	Quotes and Tendering	Delivery and Handover	Code	Comments/Milestones
Deniliquin Town Hall – Civic Plaza <b>\$210,000</b>	Completed	Complete	Complete	Complete		<ul style="list-style-type: none"> <li>See comments above</li> </ul>
North Tennis Court Redevelopment (Rest Stop) <b>\$100,000</b>	Completed	Complete	In Progress	In Progress		<ul style="list-style-type: none"> <li>RFQ distributed for construction of car park, amenities, and BBQ area</li> </ul>
<b>Drought Communities Programme Funding (Round 2) – Sub-Total \$1,000,000</b>						
<b>BUILDING BETTER REGIONS FUND</b>						
Town Hall <b>\$630,883 + \$964,500</b> (Stronger Country Communities Round 3), <b>+ \$1,315,170</b> (Stronger Country Communities Round 2) <b>+ \$435,000</b> (Stronger Communities Grant Funding Original) <b>+-\$329,000</b> (Unallocated Funding),	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>See comments above</li> </ul>
<b>Building Better Regions Fund – Sub-Total \$630,883</b>						
<b>Local Roads and Community Infrastructure Program Funding R1</b>						
Community Facilities Refurbishment ( <b>\$350,000</b> )	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>Works to Halls have commenced</li> <li>DA has been submitted due to State Heritage significance for the Peppin Heritage Centre component</li> </ul>
Deni Visitor Information Centre & V+CS area ( <b>\$200,000</b> )	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>DA has been submitted due to State Heritage significance for the Peppin Heritage Centre component</li> </ul>
Airport Hangar Refurb ( <b>\$100,000</b> )	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Waiting on quotes for sky lights</li> </ul>
Urban & Rural Cemeteries ( <b>\$180,000</b> )	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Rural fencing complete</li> <li>Urban fencing commenced</li> </ul>
Memorial Park Amenities Upgrade ( <b>\$153,170</b> )	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>Revised scope to be discussed due to additional funding received under the Showground Stimulus Funding.</li> </ul>
Off Leash Dog Park ( <b>\$80,000</b> )	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>Works commenced</li> </ul>
<b>Sub-Total \$963,170</b>						
<b>Infrastructure NSW</b>						
Maude Road Reconstruction	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Council staff due to commence 4<sup>th</sup> km</li> </ul>
<b>Restart NSW - Sub-Total \$3.2M</b>						

Project Description	Initiation and Communication	Design, Documentation and Approvals	Quotes and Tendering	Delivery and Handover	Code	Comments/Milestones
<b>Commonwealth Regional Airport Program – Round 1</b>						
Deniliquin Aerodrome Upgrade (loan by ERC to source additional \$2.5m for 50:50) 20/21 - \$1,250,000 21/22 - \$1,250,000	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>Design RFQ awarded to CAF Consulting</li> </ul>
<b>Commonwealth Regional Airport Program Fund – Sub-Total \$2,500,000</b>						
<b>Infrastructure NSW</b>						
Fixing Local Roads – Poitiers Street	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> <li>Construction on schedule</li> </ul>
<b>Restart NSW - Sub-Total \$1,052,055M</b>						
<b>Infrastructure NSW</b>						
Fixing Local Roads R2 – North Deni Industrial Area (Augustus Street)	In Progress	Pending	Pending	Pending		<ul style="list-style-type: none"> <li>Funding agreement returned</li> <li>Project in design</li> </ul>
<b>Restart NSW - Sub-Total \$910,000M</b>						
<b>Local Roads and Community Infrastructure Program Funding Round 2</b>						
Shortfall in Funding from Round 1, LRCI <b>(\$100,000)</b>	In Progress	Pending	Pending	Pending		<ul style="list-style-type: none"> <li>See above Community Facilities – LRCI1</li> </ul>
Footpath replacement and upgrade <b>(\$380,000)</b>	In Progress	Pending	Pending	Pending		<ul style="list-style-type: none"> <li>List of footpaths/PAMS being collated</li> </ul>
Skatepark Renewal Work <b>(\$60,000)</b>	In Progress	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>In design</li> </ul>
Fencing Island Sanctuary <b>(\$60,000)</b>	In Progress	In progress	In Progress	Pending		<ul style="list-style-type: none"> <li>Work to commence end of July 21</li> </ul>
Rural Gravel Road Renewal and Upgrade	In Progress	Pending	Pending	Pending		<ul style="list-style-type: none"> <li>List of roads being collated</li> </ul>
<b>Sub-Total \$880,903</b>						
<b>Local Roads and Community Infrastructure R3</b>						
Yet to be determined	Pending	Pending	Pending	Pending		
<b>Sub Total \$1,926,340</b>						
<b>NSW Emergency Operations Centre (EOCs) Critical Upgrade</b>						
RFS FCC emergency line	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> <li>Funding agreement received</li> </ul>
<b>Sub Total \$125,080</b>						

Showground Stimulus Funding					
Construction of a new designated sealed access roads, kerb and gutter and carparks between ovals - \$792,000	Pending	Pending	Pending	Pending	
Construction of new access roadway and formal carparking to the Eastern side of the reserve - \$276,925	Pending	Pending	Pending	Pending	
Demolition and construction of anew toilet block and facilities - \$168,850	Pending	Pending	Pending	Pending	
Construction of an extension to the cub rooms utilised by the Netball association and cricket clubs adjacent to oval 3 - \$413,000	Pending	Pending	Pending	Pending	
<b>Sub Total \$1,650,775</b>					

Murray Darling Diversification Funding					
Senior Living Precinct	Pending	Pending	Pending	Pending	
<b>Sub-Total \$1,000,000</b>					

PROJECT SUMMARY NOTES
<p>Summary, most projects are progressing well with only a few highlighted in <b>Red</b> that will require stringent management and action to bring them under control.</p> <p>The projects in <b>Yellow</b> will need attention to detail to ensure that they progress to the agreed Time, Quality &amp; Cost outcomes.</p> <p>Other challenges that face council staff and project delivery is access to quality project managers that will be required to complete all Stronger Community grants by the agreed timelines. Staff are currently in discussion with managers to source the required resources. All costs will be recovered as part of the project delivery costs. Existing council staff and contractors are working extremely well in keeping most projects on Time, Cost and Quality.</p>





**11 NOTICES OF MOTIONS**

Nil

**12 QUESTIONS WITH NOTICE**

Nil

**13 CONFIDENTIAL MATTERS****RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

**13.1 Ute Muster Festival Outstanding Debts**

This matter is considered to be confidential under Section 10A(2) - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors).

**13.2 Appointment of Code of Conduct Review Panel**

This matter is considered to be confidential under Section 10A(2) - f of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property.

**13.3 Minor Organisational restructure**

This matter is considered to be confidential under Section 10A(2) - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors).

**14 CLOSE OF MEETING**