Item 11: Community

11.1 Glen Willow Stage Two Funding - Department of Planning, Industry and Environment - Regional NSW

REPORT BY THE DIRECTOR COMMUNITY
TO 15 APRIL 2020 ORDINARY MEETING
GOV400087, PAR300584

RECOMMENDATION

That Council:

1. receive the report by the Director Community on the Glen Willow Stage Two Funding - Department of Planning, Industry and Environment - Regional NSW;

2. accept the funding from the Department of Planning, Industry and Environment - Regional NSW for Glen Willow Regional Sports Complex Stage 2;

3. authorise the General Manager to negotiate any outstanding terms, and sign and finalise any required paperwork for the funding arrangement;

4. amend the 2019/20 budget for Glen Willow Upgrades as follows:
   4.1 increase grant funding received by $1,400,440
   4.2 with the balance of funds returning to unrestricted cash;

5. amend the 2020/21 budget for Glen Willow Upgrades as follows:
   5.1 increase grant funding received by $8,599,560
   5.2 reduce proceeds from new borrowings of $3,000,000
   5.3 increase expenditure by $3,450,000
   5.4 with $2,149,560 returning to unrestricted cash

Executive summary

The Department of Planning, Industry and Environment Regional NSW has committed funding of $10,000,000 towards Glen Willow Regional Sports Complex Stage 2. This funding was announced by Member for Dubbo, Dugald Saunders on 20 February 2020. This report seeks to amend Council’s budget to allow for the acceptance of this funding.

Disclosure of Interest

Nil
Detailed report

This report seeks to inform Council of the formal letter of offer for funding provided by the State Government for the Glen Willow Stage 2 project. This relates to an application made by Council under the Regional Growth – Environment and Tourism Fund. This relates to Stage 2 works at Glen Willow and covers funding for the same projects as previously communicated to Council and the community. The project includes the following components:

- New Rugby Union change rooms and clubroom
- New Junior Rugby League amenities building
- 2 new Rugby Union Fields
- 2 new Junior Rugby Union fields with additional area for younger players
- 2 new multi-purpose fields suitable for a multitude of sports, including touch football, soccer and hockey
- Services upgrade
- New road and car parking infrastructure
- Fencing
- Field lighting
- Additional pathways
- Additional shedding

This funding will be combined with the $6.95 million of Federal funding to deliver the $17 million Glen Willow Stage 2 works. As Council is aware, these works will provide a major boost for the local economy and be a driver in securing a range of major events at Glen Willow, including major junior sporting carnivals across a range of sports. These carnivals provide the opportunity to access the mid-week market that has the potential to provide tremendous support for accommodation providers and retail outlets throughout the region.

To have secured this amount of funding from Federal and State Governments is a fantastic achievement for the Mid-Western Region and all who have been part of the long process of securing the funds should be congratulated. Particular reference is made to Council’s Economic Development team and the work that has gone into another successful funding application. The support from local sporting groups and bodies has also been extremely important in being successful with this funding.

The works will be competed throughout 2020 and 2021 and will also provide a new home for Mudgee Rugby Union and Mudgee Junior Rugby League.

It is noted that while the funding application was made under the Regional Growth – Environment and Tourism Fund, this allocation of funding from the State Government has come from the Drought Stimulus Package.

Community Plan implications

<table>
<thead>
<tr>
<th>Theme</th>
<th>Looking After Our Community</th>
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</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Effective and efficient delivery of infrastructure</td>
</tr>
<tr>
<td>Strategy</td>
<td>Provide infrastructure and services to cater for the current and future needs of our community</td>
</tr>
</tbody>
</table>

Strategic implications

**Council Strategies**
Recreation Strategy
Glen Willow Master Plan
Operational Plan and Delivery Program

Council Policies
Not Applicable

Legislation
Not Applicable

Financial implications

The grant funding has increased the scope of works on this project, adding an additional $3.45m. This is a great result for the community, but results in a deterioration to future Building & Infrastructure Renewal ratio (though increased depreciation). Additional grant funding has also resulted in a deterioration of Own Source Revenue, however it has also seen an improvement to Operating Performance Ratio in both years, with 3.55m returned to unrestricted cash to be used on other Council activities.

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Operating Performance Ratio</th>
<th>Own Source Revenue</th>
<th>Building &amp; Infrastructure Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>✓</td>
<td>☒</td>
<td>-</td>
</tr>
<tr>
<td>Future Years</td>
<td>✓</td>
<td>☒</td>
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</tbody>
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Associated Risks

There are a number of risks associated with this project. However, the delivery of this project is a priority of Council and this funding provides Council with the opportunity to complete works with the funding being provided by Federal and State Governments. It will lead to increased operational costs, however, the economic benefit to the region of the Glen Willow Complex has been demonstrated on a regular basis.

The current climate provides some other concerning risks regarding the potential to complete construction projects in a reasonable timeframe, the ability to source materials, to obtain competitive quotes and to ensure that the key personnel working on the project remain able to continue. The support given by the Federal and State Governments to the continuation of construction projects provides some mitigation to these risks. Other risks will be managed through the project process.

SIMON JONES
DIRECTOR COMMUNITY

1 April 2020

Attachments: 1. Letter of Offer - Glen Willow Regional Sports Complex - Stage Two.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER
Mr Brad Cam
General Manager
Mid-Western Regional Council
PO BOX 155
MUDGEE NSW 2850

RE: Glen Willow Regional Sports Complex – Stage 2

Dear Mr Cam

I am pleased to advise that funding of $10,000,000 for the above project has been committed from the Drought Stimulus Package.

The funding has been allocated to your project on the basis of the attached application and documentation submitted under the Regional Growth – Environment and Tourism Fund.

Project timeframe
The Drought Stimulus Package has been designed to fund shovel-ready infrastructure projects with the objective of delivering economic stimulus for local economies experiencing the flow-on effects of drought.

We ask that Council review the projected timeframes for your project and consider resetting these with the view to delivering an injection of funding into your local economy as soon as possible. We are committed to supporting Council to do this, with the Department of Planning, Industry and Environment Regional NSW team available to work with your Council to complete the milestone schedule for your project that is attached with this letter.

Local procurement
A key aim of economic stimulus is for an injection of money to be spent quickly, but also locally. We ask Council to consider all options to ensure local trades, professional services and other businesses in your Local Government Area are able to tender and work on this project. NSW Public Works Advisory (PWA) can provide assistance to develop a local procurement plan if required. Council will be asked to report on the estimated per cent of local procurement as an outcome of this program.

Project delivery support
The NSW Government is committed to supporting Councils deliver projects funded under the Drought Stimulus Package. PWA is available to provide a range of services to assist with the delivery of individual infrastructure projects and larger programs of work. This could range from PWA managing the entire project, or providing specific services to supplement Council’s own capabilities and resources as and when they are required. PWA can utilise regionally based teams, or can integrate individual resources as part of a broader collaborative team within Council.
PWA services include:

- Project and Program Management
- Project Advice and Assurance
- Peer review and technical support
- Design Management
- Procurement and Contract Administration
- Construction Management

To discuss your requirements for assistance in the management of this project with PWA, please contact Geoff Baker at geoff.baker@finance.nsw.gov.au or (02) 4226 8550.

Next steps
To ensure that your project can commence as soon as possible, please complete the below actions by 10 April 2020:

1. Confirm that you are able to deliver this project with the funding that has been allocated.
2. Confirm co-contribution funding amounts and sources.
3. Review the attached documentation that was submitted as part of your application, to ensure the project scope, project plan and timeframe to identify the earliest possible commencement date for the project.
4. Complete the attached Milestone Schedule in consultation with your allocated Business Development Manager to ensure the payment schedule is aligned with key milestones and timeframes of your project. Please consider any opportunities to fast-track any components of the project.
5. Provide the authorised project contact officer and contact details for this project.
6. Confirm the details outlined in steps 1 and 2 above and return the completed Milestone Schedule and project contact person details via email to regionalnsw.business@dpc.nsw.gov.au

Following the return and finalisation of the Milestone Schedule, the Department of Planning, Industry and Environment will issue a Funding Deed to you for signature. We look forward to working together with your Council to achieve this in a timely manner.

If you wish to discuss any aspect of this project and the Milestone Schedule, please contact Ben Morgan at ben.morgan@dpc.nsw.gov.au or 0428 842 282.

Congratulations on receiving funding for this important project.

Yours sincerely

Chris Hanger
Executive Director
Regional Cabinet, Infrastructure & Programs

19/03/2020