

## 8.3 Bowdens Silver Voluntary Planning Agreement

REPORT BY THE DIRECTOR DEVELOPMENT  
TO 03 NOVEMBER 2021 ORDINARY MEETING  
GOV400088, LAN900122

### RECOMMENDATION

#### That Council:

1. **receive the report by the Director Development on the Bowdens Silver Voluntary Planning Agreement;**
2. **place the draft Voluntary Planning Agreement and Explanatory Note on public exhibition for 28 days;**
3. **authorise the General Manager to finalise and execute the Voluntary Planning Agreement if no objections are received during the exhibition period; and**
4. **receive a further report following the exhibition period if objections are received.**

### Executive summary

The purpose of this report is to provide a copy of the draft Voluntary Planning Agreement (VPA) and Explanatory Note for the Bowdens Silver project which is to be placed on public exhibition for a period of 28 days in accordance with the requirements of the *Environmental Planning and Assessment Act 1979*.

### Disclosure of Interest

Nil.

### Detailed report

Bowdens Silver Pty Ltd is the proponent for the state significant Bowdens Silver Mine project. The project is currently under assessment by the NSW Department of Planning, Industry and Environment.

Council received a report in August 2021 to consider a proposal from Bowdens Silver to enter into a VPA for this project.

The key terms of the proposed VPA include:

- A contribution of 1% of the Initial Capital Cost (\$246 million) of the project towards Community Infrastructure - \$2.46 million;
- A contribution of 1% of the Additional Annual Capital Expenditure (\$54 million) of the project towards Community Infrastructure - \$0.54 million; and
- A contribution of \$1.705 million as a Road Maintenance Contribution towards Lue Road.

The proposed payment terms are:

1. Lump Sum Upfront Payments (as portions of the ICC contribution) including:
  - \$500,000 within one month of construction commencement; and
  - \$500,000 within one month of production commencement.
2. Annual Payments (subject to CPI) for the 15.5 years of the project including:

- Balance of ICC contribution (\$1.46 million over 15.5 years);
- AACE contribution (\$0.54 million over 15.5 years); and
- Road maintenance contribution (\$1.705 million over 15.5 years).

The annual payments will be received for 15.5 years of the project with the Community Infrastructure funds to be used for community infrastructure projects identified in Council's Delivery Program and Operational Plan. The road maintenance contributions will be used on Lue Road and ancillary roads impacted by the project.

In August, Council provided in-principle support for the proposed VPA and resolved to commence preparation of a draft VPA and Explanatory Note on these terms. Council has now received a copy of the draft VPA and Explanatory Note (as attached to this report) to be placed on public exhibition for a period of 28 days in accordance with the *Environmental Planning and Assessment Act 1979*.

It is noted that the proposed VPA is separate to any payments required for the upgrade of local roads or construction of new roads associated with the project. Any upgrades and/or improvements to the local road network required for the project will need to be undertaken by the proponent at its own expense prior to the commencement of construction and in accordance with conditions of consent.

## Community Plan implications

<b>Theme</b>	<b>Looking After Our Community</b>
Goal	Vibrant towns and villages
Strategy	Maintain and promote the aesthetic appeal of the towns and villages within the Region

## Strategic implications

### Council Strategies

Towards 2030 Community Plan.

### Legislation

NSW Environmental Planning and Assessment Act 1979.

## Financial implications

Should Council agree to enter into a VPA with Bowdens Silver Pty Ltd, this would result in two upfront lump sum payments of \$500,000, and estimated annual contributions of \$239,040 per annum for the life of the project.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2021/22	-	-	-
Future Years	✓	✗	✓

## Associated Risks

If Council does not accept the VPA offer made by Bowdens Silver Pty Ltd, there is a risk that Bowdens Silver Pty Ltd could withdraw the offer altogether.

JULIE ROBERTSON  
DIRECTOR DEVELOPMENT

19 October 2021

*Attachments:* 1. Draft Voluntary Planning Agreement. (separately attached)  
2. Draft Explanatory Note. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER