



18 February 2026

ORDINARY MEETING OF COUNCIL

WEDNESDAY, 18 FEBRUARY 2026

RELATED INFORMATION

Responses to questions raised by Councillors in relation to agenda items.

PRE-MEETING PUBLICATION

CORPORATE AND COMMUNITY

CC4/2026 Authorisation for sale of surplus Council land - Part Lot 378 DP 1002112

Response to questions _ Councillors Dixon and Harrington

CC5/2026 Minutes of the Aboriginal and Torres Strait Islander Advisory Committee
Meeting held 5 December 2025

Response to questions _ Councillor Harrington

CC8/2026 Quarterly Budget Review Statement - Quarter 2, 31 December 2025

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WORKS AND INFRASTRUCTURE

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BUSINESS OF WHICH WRITTEN NOTICE HAS BEEN GIVEN

BN7/2026 Audit and Improvement of Public Toilet Facilities

Response to questions _ Councillor Hill



Memo to: Councillors Dixon and Harrington

Copy to: Mayor Watton, all Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Robert Maginnity, Director Corporate and Community Services

Subject: CC4/2026 - Authorisation for sale of surplus Council land - Part Lot 378 DP 1002112

Date: 18 February 2026

Reference: DOC2026/032726

Councillors Dixon and Harrington

I refer to your requests for information in relation to CC4/2026 - Authorisation for sale of surplus Council land - Part Lot 378 DP 1002112 and provide responses as follows;

Councillor Dixon:

*“Why is the council giving the proponent a discount of \$7760 to remove the shed when it was agreed that the proponent is responsible for the removal of the shed?
How can someone get a building permit to erect a shed on a property without the consent of the owner?
In what year did council take ownership the land in question Lot 378 DP 1002112?”*

The current proponent did not construct the shed. As the structure is located on Council owned land, responsibility for its removal ultimately rests with Council. For this reason, an agreement was reached that a condition of sale is that the proponent will arrange the removal of the shed for an agreed amount, with any excess over that being met by the proponent. Council acknowledges its responsibility for the structure and has agreed that the sale price will reflect the cost of removal accordingly.

As noted in paragraph two of the report, the shed was constructed by a previous owner prior to the introduction of the legal requirement for landowner consent. The shed predates Council's ownership of the land.

As part of a review by the former state NSW water authority (now Hunter Water Corporation) of land forming part of and/or adjoining the Black Creek channel, a number of subdivisions were created. DP 1002112 was registered on 7 June 1999, dedicating lot 378 to Council as drainage reserve.

Councillor Harrington:

"I am writing to request a copy of all documentation relating to the quote for the removal of the shed located on the Council-owned parcel of land adjacent to 51 Mills Crescent, which is currently surplus to Council's needs and proposed for sale.

Specifically, I would like to review:

- The detailed quote or cost estimate for the shed removal*
- Any associated reports or assessments that informed the quote"*

The cost estimate to remove the shed is included as a table within the report. Council officers requested and reviewed the purchaser's quote which was provided by a licensed builder. Council is not party to the contract between the purchaser and builder and we are unable to provide the reports or assessments that formed the quote. It is confirmed that the quote is for removal of the shed and fencing, not any of the trees on the site.

Internal asset owners were consulted and, as part of their endorsement of the sale, required the removal of the shed due to the drainage area being prone to flooding. The cost is considered reasonable and represents a more efficient allocation of Council resources than undertaking the work internally.

Provision of the detailed quote information as part of the Council report is not required as probity for this matter has met Council requirements.. Operational matters, such as evaluating a quote sit within the legislative and delegated functions of the General Manager and sub-delegations.

Please note a copy of this memo will be uploaded to Council's website.



Memo to: Councillor Harrington

Copy to: Mayor Watton, all Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Robert Maginnity, Director Corporate and Community Services

Subject: CC5/2026 - Minutes of the Aboriginal and Torres Strait Islander Advisory Committee meeting held 5 December 2025

Date: 18 February 2026

Reference: CRM 3670/2026

Councillor Harrington

I refer to your request for information in relation to Council Report CC5/2026 as follows;

I am writing in relation to Item CC5/2026 – Minutes of the Aboriginal and Torres Strait Islander Advisory Committee meeting held 5 December 2025.

While I recognise that this motion is primarily procedural in nature and relates to governance and consultation, I would appreciate clarification regarding the reference to parcels of land that are subject to undetermined Aboriginal land claim applications.

Specifically, can you please confirm whether adoption of these minutes — or any actions flowing from them, including progression of the Draft Generic Parks Plan of Management — would in any way prejudice or compromise those undetermined land claims?

I understand that planning or management decisions made prior to the determination of a claim must not adversely affect the outcome of that process, and I would like reassurance that Council's consideration of this item remains consistent with that requirement.

Thank you in advance for your clarification.

In response, the following information is provided:

- The recommendation to Council for Report CC5/2026 is 'That the Minutes of the Aboriginal and Torres Strait Islander Advisory Committee meeting held 5 December 2025 be adopted as a resolution of the Ordinary Council'.
- At the 5 December 2025 Committee meeting, report 'Draft Generic Parks Plan of Management – Public Exhibition' (Draft POM) was considered. That report noted that within the Draft POM five sites were affected by an undetermined Aboriginal land claim.
- Additional information regarding the Aboriginal land claims were provided to the committee via email on 12 January 2026 which confirmed that as of December 2025, four sites in the Draft POM had undetermined Aboriginal land claims. The Draft POM was updated accordingly.

- An Aboriginal land claim does not prevent the preparation or adoption of a Plan of Management.
- The sites subject to undetermined Aboriginal land claims are Crown land reserves that Council has been appointed to manage as community land under the *Crown Land Management Act 2016* and the *Local Government Act 1993*. The Draft POM does not propose any change to land classification, ownership or tenure, and no site-specific development is identified or prioritised. All land is to be managed in accordance with each site's identified Reserve Purpose (e.g. Public Recreation), relevant planning and environmental legislation. The Draft POM details how Council intends to consider the *Native Title Act 1993* and *Aboriginal Land Rights Act 1983* in the ongoing management of Crown land to uphold the rights and interests of Aboriginal people.
- The Draft POM has not yet progressed to the final stage of seeking adoption. The adoption of the Plan of Management will not prejudice or compromise undetermined Aboriginal land claims.
- A Council resolution to adopt the Committee Meeting minutes would not prejudice or compromise the undetermined Aboriginal land claims.

Please note a copy of this memo will be uploaded to Council's website.



Memo to: Mayor Watton, Councillors Dixon and Harrington

Copy to: Mayor Watton, all Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Robert Maginnity, Director Corporate and Community Services

Subject: CC8/2026 - Quarterly Budget Review Statement - Quarter 2, 31 December 2025

Date: 18 February 2026

Reference: DOC2026/032420

Dear Mayor Watton, Councillors Dixon and Harrington

I refer to your request for information in relation to CC8/2026 - Quarterly Budget Review Statement - Quarter 2, 31 December 2025 and provide responses as follows;

Mayor Watton:

"Could council please provide further clarity as to why there has been such a steep variation between the original budget + revised budget for the Branxton Town Centre Program? From page 84 of the enclosures."

The original 2025/26 budget allocation for the Branxton Town Centre Project was funded from developer contributions. The increase reflected in the carry forwards and Q1 revision relate to the remaining balance of funding under the Resources for Regions (Round 9) grant program.

The Resources for Regions Round 9 grant encompasses multiple projects across the LGA. Council has received approval to transfer unspent grant funding from completed projects within the program to the Branxton Town Centre Project, resulting in the revised budget increase.

Councillor Dixon:

"In the enclosures page 84, Capital Expenditure by program, can you please tell me where the funds from the carry forward column originated from?"

The carry forward amounts shown on page 84 under "Capital Expenditure by Program" relate to projects that were approved in prior years and remained in progress at 30 June 2025. Council formally adopted the 2025–26 Carry Forwards and Revotes in August 2025 (Report CC50/2025). As capital projects often span multiple financial years, these amounts represent the continuation of previously approved works rather than new expenditure commitments.

The total capital expenditure carried forward was \$8,453,393. This comprises \$4.1 million funded from the Waste Reserve, \$2.43 million from grant funding, \$821,000 from internal reserves, \$289,000 from the Stormwater Levy, \$218,000 from developer contributions and \$597,000 from general funds.

A high-level summary of the capital funding sources is also provided on Page 8 of the QBRS within the Capital Budget Review Statement table.

Councillor Harrington:

1. *The RAO statement notes that the satisfactory financial position is dependent on a successful Special Rate Variation.
What is the projected position if the SRV is not approved?*

The Q2 QBRS for 2025/26 projects an operating surplus of \$53 million for the year ending 30 June 2026; however, when capital grants and contributions are excluded, the forecast reflects a net operating deficit of approximately \$26 million. This underlying result highlights the ongoing structural imbalance between operating revenue and operating expenditure.

If the Special Variation (SV) is not approved, Council's position would align with the Base Case scenario in the Long Term Financial Plan (LTFP). As outlined in the LTFP (page 45), Council has not consistently achieved a positive Operating Performance Ratio and is not generating sufficient operating revenue to fund operating costs and asset renewal requirements. Under this scenario, operating deficits persist, asset renewal funding remains insufficient and infrastructure backlog continues to grow.

The RAO statement reflects that for 2025/26, Council remains financially stable in the short term, the Base Case is not sustainable over the longer term as outlined in the financial sustainability review.

2. *What contingency measures has management identified if the SRV application is unsuccessful or reduced?*

The LTFP Base Case effectively models Council's position in the absence of an SV. If the SV were reduced, capital expenditure would be adjusted proportionately to reflect the reduced revenue capacity. This would likely result in further rephasing or reduction of non-essential or discretionary capital works, with priority given to critical asset renewals.

The Q2 QBRS already demonstrates prudent financial management, with a net \$6.8 million reduction in the capital works program, primarily through rephasing of projects to align with funding and delivery capacity. Further capital rationalisation would be required under a reduced SRV scenario. However, as outlined in the LTFP, efficiency measures alone are insufficient to eliminate the structural operating deficit.

3. *Employee costs are currently trending above budget.
What measures are being implemented to manage labour costs without compromising service delivery?*

The Q2 QBRS identifies a risk that employee costs may remain above budget at year end. The current variance is driven by several factors, including reduced salary capitalisation within the capital works program, timing differences associated with employee leave entitlements, vacancy movements (including the departure of the General Manager in July 2025), and other budget phasing impacts. Refer to QBRS attachment (page 81 of enclosures). These drivers do not necessarily indicate structural growth in staffing levels but reflect a combination of accounting treatment and timing movements.

Management is undertaking detailed analysis to determine the extent to which the variance represents genuine budget pressure versus phasing differences.

This includes reviewing leave entitlement accrual impacts, validating wage allocations between operating and capital expenditure, and assessing vacancy and workforce movements. Further clarification and, if required, corrective measures will be reported in the March QBRs. The focus remains on maintaining service delivery while ensuring employee expenditure is appropriately managed within the adopted budget framework.

4. *The capital works program has been reduced by \$6.8 million. Which projects have been deferred, and are they being rephased or removed entirely?*

The list of projects deferred are in Page 10 of the QBRs (refer to page 85 of enclosure):

Waste Cell – Capping of Existing Cell	\$4,450	Deferred to 2026/27	Funded from Waste Reserves & Loans
Road Rehab program	\$1,859	Deferred to 2026/27 – to align with cash flow requirements	General Fund
Oakey Creek – Ingles – O’Connors Road upgrade	\$750	On Hold – Awaiting grant application outcome	Grant funded

5. *While unallocated reserves are positive, the report notes monthly cash pressures prior to rate instalments. Are there any anticipated short-term borrowing requirements within this financial year?*

Council’s cashflow profile is inherently uneven, with the majority of rate revenue received during the quarterly instalment periods in August, November, February and May. Outside these peak collection windows, Council relies on available cash reserves to meet ongoing operational and capital expenditure commitments. While year-to-date unallocated reserves remain positive, it is important to note that a significant portion of Council’s total cash holdings relates to externally restricted funds, including grants, developer contributions and specific reserves. These funds must be applied in accordance with their designated purpose and are not available to support general operations. Accordingly, the reported cash balance at any point in time does not represent unrestricted liquidity available for day-to-day service delivery.

This timing mismatch between revenue receipt and expenditure is a normal feature of local government financial management and is actively managed through detailed cashflow forecasting and reserve planning.

Council’s adopted 2025/26 Operational Plan includes planned long-term borrowings of \$5.525 million to fund the Bridge Construction Program and landfill capital works, consistent with approved capital delivery. These borrowings relate to capital financing rather than short-term liquidity management. At this stage, no short-term borrowing facility is anticipated in 2025/26; however, liquidity will continue to be closely monitored throughout the financial year.

6. *Beyond the Special Rate Variation, what structural reforms or efficiency measures are being considered to reduce the operating deficit over time?*

As part of the SV process and LTFP development, Council has incorporated efficiency initiatives delivering approximately \$2.4 million in recurring savings in the first year, comprising both additional revenue and expenditure reductions. Over the ten-year LTFP horizon, these measures equate to an estimated cumulative impact of approximately \$28 million.

In addition to these efficiencies already incorporated into the LTFP, Council is progressing further reform initiatives to reduce the structural deficit over time.

These include:

- The LTFP incorporates an assumption of a five-year headcount freeze (FTE stabilisation), limiting workforce growth over the initial period of the Plan.
- Complementing this, vacancies are subject to critical review as they arise to ensure positions are aligned with organisational priorities and financial capacity.
- A Continuous Improvement and “Quick Wins” program is currently being developed, empowering all employees to propose initiatives focused on revenue generation, cost savings and genuine efficiency gains. This initiative is designed to further embed a culture of accountability and innovation across the organisation.
- Service reviews are continuing to be undertaken across Council to assess service levels, identify potential cost containment opportunities and explore sustainable revenue growth options.

While these reforms strengthen Council’s financial discipline, the LTFP demonstrates that efficiency measures alone are insufficient to fully address the structural operating deficit without broader revenue reform.

Please note a copy of this memo will be uploaded to Council’s website.



Memo to: Councillor Hill

Copy to: Mayor Watton, all Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Paul McLachlan, Director Works and Infrastructure

Subject: W11/2026 - Investigate Options to Remove the Shared Zone within Cooper & Charlton Street Intersection

Date: 18 February 2026

Reference: DOC2026/033073

Dear Councillor Hill

I refer to your request for information in relation to W11/2026 as follows;

Please see below for question(s) on the report W11/2026, set to be discussed at our council meeting this month:

- *Was any consultation undertaken with smaller businesses in the area surrounding the intersection, noting that only Coles and Woolworths were mentioned directly in the report.*
- *Are any of the three options presented in line with existing plans within the Cessnock CDB plan or with draft plans being worked on for the updated plan yet to be seen at council? Are changes to this intersection as presented likely to lock council in to a particular outcome in the CBD plan if enacted prior to that plan being finalised?*
- *Was any feedback given/received by the major supermarket complexes surrounding any likely impacts on traffic movements or recommended changes to their internal carpark organisation following the possible implementation of one of the options put forward?*

In response, the following information is provided:

- No. A desktop assessment of smaller retailers in the area indicates deliveries are generally made in smaller vehicles and a majority of these premises do not have heavy vehicle loading/unloading docks. The report proposes to implement a comprehensive communications plan if Council endorse an option for the intersection. The communication plan will include directly impacted retailers and public consultation to facilitate feedback from affected CBD retailers.
- All three options have been developed considering the objectives within the existing Public Domain Plan to ensure they align as much as possible and provide equivalent functionality as intended by the plan. The two principles these options may lock Council into with the development of a future plan is maintaining access for businesses and retailers and, maintaining safety for pedestrians.

- The major retailers have been consulted however, no formal feedback has been provided. They did highlight retaining existing access to their car parks for customers and maintaining effective deliveries were their main concerns. The major retailers were also advised that no firm decision has been made around the intersection until Council has endorsed a proposed solution. At which time Council is committed to re-engage with the major retailers through public consultation and a proposed communications plan.

Please note a copy of this memo will be uploaded to Council's website.



Memo to: Councillor Hill

Copy to: Mayor Watton, all Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Paul McLachlan, Director Works and Infrastructure

Subject: BN7/2026 – Audit and Improvement of Public Toilet Facilities

Date: 18 February 2026

Reference: DOC2026/033266

Dear Councillor Hill

I refer to your request for information in relation to Council Report number – BN7/2026 as follows;

Are staff able to advise as to whether an increase in resourcing or staff in the amenities management area is planned for if a special variation is approved for our LGA? Noting the information provided in director commentary, it seems continued growth in our facilities has not been able to be supported by expanded resourcing for these cleaning/maintenance services?

In response, the following information is provided:

- The special variation seeks to secure current resourcing to maintain existing Council service levels in the short to medium term. Open Spaces & Community Facilities are committed to a detailed service review for its cleaning staff. As part of the outcome/recommendations from this review, future resourcing needs may be highlighted to keep up with continued growth of Council facilities, with options at that time as to how any additional resourcing requirements can be implemented.

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