

Business Paper

LATE REPORTS ORDINARY COUNCIL MEETING

**ALBY SCHULTZ MEETING CENTRE,
COOTAMUNDRA**

6:00PM, Tuesday 24th June, 2025

Administration Centres: 1300 459 689

LATE REPORTS

Order Of Business

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8 GENERAL MANAGER'S REPORT

8.1 GENERAL MANAGER OFFICE

8.1.1 STRONGER COMMUNITIES FUND ROUND 1

| | |
|---------------------------------------|--|
| DOCUMENT NUMBER | 440841 |
| REPORTING OFFICER | Roger Bailey, Interim General Manager |
| AUTHORISING OFFICER | Roger Bailey, Interim General Manager |
| RELEVANCE TO COMMUNITY STRATEGIC PLAN | 4. Collaborative and progressive leadership 4.4 Recognised as a premier local government Council that represents and advocates for community needs |
| FINANCIAL IMPLICATIONS | There are no Financial implications associated with this report. |
| LEGISLATIVE IMPLICATIONS | There are no Legislative implications associated with this report. |
| POLICY IMPLICATIONS | There are no Policy implications associated with this report. |
| ATTACHMENTS | 1. NCIF SCF - 2025 Variation Outcome Letter - SCF Round 1 ↓ 2. SCF R1 project funding reallocations 18.06.25 ↓ |

RECOMMENDATION

That Council:

1. Note the correspondence from the NSW Office of Local Government (OLG) advising that its variation requests (extensions of time) under the Stronger Communities Fund (SCF) Round 1 for the Nangus Water Supply Works and the Gundagai Water Supply Extension Project (Dog on the Tuckerbox site) have been declined.
2. Seek approval from the NSW Office of Local Government to reallocate the SCF grant funds among remaining eligible SCF projects to cover over-expenditures.
3. Should point 2 above not be accepted by the NSW Office of Local Government, authorise the Mayor, Deputy Mayor, and one other councillor to determine an alternative allocation to avoid returning any grant funds.

Introduction

Council has received correspondence from the NSW Office of Local Government advising that its variation requests (extensions of time) for the Nangus Water Supply Works and the Gundagai Water Supply Extension Project have been declined.

Council is now required to reallocate the remaining unspent project funding. A detailed reallocation breakdown and risk management plan must be submitted to the OLG by 30 June 2025, with any uncommitted funds to be returned to the OLG by 30 September 2025.

Discussion

Cootamundra-Gundagai Regional Council received \$10 million under the Stronger Communities Fund (SCF) to deliver priority infrastructure and services following the 2016 merger of the former Councils.

The program included:

- Community Grant Program: Up to \$1 million in grants of up to \$50,000 for not-for-profit community groups.
- Major Projects Program: \$9 million for large-scale infrastructure and services delivering long-term economic and social benefits.

The original program required SCF funds to be committed by 30 June 2019 and fully acquitted by 31 December 2019. Council was approved to fund the following projects:

- Gundagai pool tiling and disabled ramp
- Gundagai Pool refurb
- Gundagai Visitors Information Centre redevelopment - disabled ramp and disabled toilet
- Gundagai Netball Courts Masterplan - construction of lighting, storage & shelter
- Stephen Ward Rooms Outdoor Area construction
- Rathmells Lane - Bitumen seal from Temora St to end
- Footpath renewal
- Cootamundra pool - water park
- Fisher Park Cootamundra sports ground lighting installation
- Pool shade Cloth - Cootamundra
- Extension of Gundagai Water Supply to the Dog on the Tuckerbox site
- Nangus water supply works
- Stormwater mitigation works
- Cootamundra saleyards lighting and electrical upgrade
- Adjungbilly Road reconstruction for B-Doubles
- Cootamundra water mains replacement project
- Investment into Department of Education
- Construct public toilets - Sheridan St Gundagai
- Gundagai large scale adventure playground
- Cootamundra Rugby Club
- Community Grants

Important Note: SCF Round 1 must be acquitted as a whole, meaning Council cannot close out the program until all funded projects are completed.

The following projects remain incomplete:

- Gundagai Visitor Information Centre – accessibility upgrades
- Gundagai Water Supply Extension – Dog on the Tuckerbox site
- Nangus Water Supply Works

The first project listed above is nearing completion. However, the water supply projects remain substantially incomplete with no physical works having commenced, and Council cannot demonstrate that the funds are committed.

Council is now required to reallocate the unspent funds or be required to hand the monies back. In addition, Council is to provide a risk management plan for these two projects. These Risk Management Plans would include:

Risk Management Plans

Dog on the Tuckerbox – Water Supply Extension

Council has identified alternative funding sources for this project, which will allow it to proceed. Engineering designs are currently under review by NSW Public Works.

Nangus Water Supply Works

Nangus is a small village with 27 existing dwellings and a forecast to grow to 79. While the community has long desired a reticulated water supply, investigations indicate that the cost of providing treated water significantly exceeds the available funding, thus making the project unachievable.

Options investigated include:

- Cardno's 2021 Report: Pipeline from GWCC water supply from Oura Road
- Treatment at the Town – Reservoir at location waste transfer station Location 1
- Treatment at the Town – Reservoir at elevation Location 2
- Intake – Reservoir at Location waste transfer station Location 1
- Option supplied by Goldenfields Water

All options exceed available funding, and even with adequate funding, construction would not be achievable within the required timeframe.

Financial

Council must now submit a revised funding allocation plan to the OLG by 30 June 2025. Any funds uncommitted by 30 September 2025 must be returned.

A number of SCF-funded projects have exceeded their original budgets. It is proposed that the unspent funds be reallocated from incomplete projects to cover these over-expenditures.

Council staff have consulted the OLG, who have verbally advised that this reallocation approach will be acceptable.

The *attached* spreadsheet outlines the proposed reallocation and includes:

- The original grant amounts
- Council's original contributions
- Total project values
- Proposed reallocations (highlighted in yellow)

OLG 23a Guideline consideration

Does not conflict with guidelines.

Department of Planning, Housing and Infrastructure
Office of Local Government



Cootamundra-Gundagai Regional Council

Ref: A959072

Via email: mail@cgrc.nsw.gov.au

Re SCF Round 1 Variation Request Outcome

Dear Mr Bailey,

I'm writing to you regarding Council's request for variations to projects under the Stronger Communities Fund (SCF) Round 1 grant program.

The Office of Local Government (OLG) has implemented a centralised process to assess variation requests, to support the finalisation of the NCIF / SCF grant programs. We apologise for the delay in responding to your variation request and appreciate your patience.

OLG has reviewed your variation request in accordance with the Program Guidelines, and amendments required due to the passage of time. Recommended outcomes were provided by an OLG Assessment Team which were presented to, and endorsed by a cross-agency panel.

The outcome of your variation requests is outlined below

| Project | Variation Sought | Outcome | Council Actions |
|---------------------------|-------------------------------|--|---|
| Nangus water supply works | Extension of time – 12 months | <p>Request declined due to proposed extension length of time, limited progression of project since funding was received and need for additional funding sources.</p> <p>OLG proposes alternative variation as outlined in <i>Council Actions</i> column.</p> | <p>Council is to reallocate project funding across NCIF-SCF Round 1 projects. Council is to submit a detailed reallocation breakdown to OLG by 30 June 2025..</p> <p>Council is to submit a detailed risk management plan outlining the</p> |

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| | | | actions for mitigating reputational risk, with the project not proceeding by 30 June 2025. |
| Extension of Gundagai Water Supply to the Dog on the Tuckerbox site | Extension of time – 15 months | <p>Request declined due to proposed extension length of time, limited progression of project since funding was received and need for additional funding sources.</p> <p>OLG proposes alternative variation as outlined in <i>Council Actions</i> column.</p> | <p>Council is to reallocate project funding across NCIF-SCF Round 1 projects. Council is to submit a detailed reallocation breakdown to OLG by 30 June 2025.</p> <p>Council is to submit a detailed risk management plan outlining the actions for mitigating reputational risk, with the project not proceeding by 30 June 2025.</p> |

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To reflect the outcomes above, pursuant to clause 10 of the Funding Agreement dated 10 June 2016 (Attachment 1), OLG proposes the following variations:

| Clause as per funding agreement (Attachment 1) | Vary from | Vary to |
|--|--|--|
| 4. How Council must deal with the Grant Funding Clause 4.1 – Use of Funding | <p>Council must:</p> <p>(a) use the Funding solely for the purposes authorised by the relevant Guidelines;</p> <p>(b) only use the Funding within the Funding Period; and</p> <p>(c) not enter into any arrangements or commitments in relation to the Grant Funding that are incompatible or inconsistent with the relevant Guidelines.</p> | <p>Council must:</p> <p>(a) use the Funding solely for the purposes authorised by the relevant Guidelines;</p> <p>(b) only use the Funding within the Funding Period; and</p> <p>(c) not enter into any arrangements or commitments in relation to the Grant Funding that are incompatible or inconsistent with the relevant Guidelines.</p> <p>(d) fully acquit the funding by 30 September 2025.</p> |
| 4. How Council must deal with the Grant Funding Clause 4.2 (b)– Unspent funding | Any uncommitted funds by 30 June 2019 must be returned to OLG by 30 March 2020; | Any uncommitted funds by 30 September 2025 must be returned to OLG by 31 December 2025. |
| 8. Reports Clause 8.1 Required Reports | <p>Council will:</p> <p>(a) submit to OLG the Reports set out in the relevant Guidelines at the times and</p> | <p>(a) Submit six monthly progress reports by 31 August and 28 February to OLG via email to NCIF-SCF@olg.nsw.gov.au for</p> |

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| | <p>in the manner specified in the Guidelines; and</p> <p>(b) as required by OLG, submit within the timeframe stipulated by OLG, any other information that may be necessary to establish to OLG satisfaction that the terms of this Agreement have been or are being satisfied by Council.</p> | <p>projects where full expenditure of funding has not yet been completed and funding period end date has not expired</p> <p>(b) as required by OLG, submit within the timeframe stipulated by OLG, any other information that may be necessary to establish to OLG satisfaction that the terms of this Agreement have been or are being satisfied by Council.</p> <p>(c) A final report is to be submitted on the completion of individual project/s, including photos and description of the benefits and outcomes achieved</p> |
| <p>13. When the Funding Period ends</p> <p>Clause 13.1 Delivery of Reports and Return of Confidential Information</p> | <p>Council must provide to OLG:</p> <p>(a) All final reports due to OLG under the relevant Guidelines or otherwise requested by OLG; and</p> <p>(b) Deliver to OLG the Acquittal Certificate in the form supplied as Attachment 2.</p> | <p>Council must provide to OLG:</p> <p>(a) All final reports due to OLG under the relevant Guidelines or otherwise requested by OLG; and</p> <p>(b) Deliver to OLG via NCIF-SCF@olg.nsw.gov.au the</p> |

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| | | Acquittal Certificate in the form supplied as Attachment 2. (c) Complete acquittal certificate per funding stream |
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Variation Conditions

Adopting the variation request is contingent on the following conditions being met:

- Council is required to reallocate remaining SCF Round 1 project funding and submit a detailed reallocation breakdown to OLG by 30 June 2025.
- Council is to provide OLG a detailed plan outlining the actions for mitigating reputational risk for *Nangus water supply works* and *Extension of Gundagai Water Supply to the Dog on the Tuckerbox site* not proceeding as originally funded.
- Council is required to retain records during the revised funding period and for 7 years after the revised funding period end date, or on termination of the Funding Agreement (7.1(b))
- Council will submit an acquittal certificate for SCF Round 1 Funding Stream to OLG by 30 September 2025 via ncif-scf@olg.nsw.gov.au

As per Clause 10.1 of the Funding Agreement, written agreement between Council and OLG for any variation to the Funding Agreement must be obtained. Council is requested to confirm its agreement to the variation proposals and conditions in writing. Council's written response can be emailed to ncif-scf@olg.nsw.gov.au.

OLG notifies the council that no further extensions of time will be considered for the funding period beyond 31/07/2026. Definition of funding period end date is as per clause 12.1c of the Funding Agreement. The funding period will end upon the submission of an Acquittal Certificate acceptable to OLG.

OLG notifies Council that extensions of time to commit funds will be considered on a case-by-case basis, noting the funding period will not be extended beyond 31/07/2026.

OLG notifies Council that extensions for acquittal of funds will be considered on a case-by-case basis, noting the funding period will not be extended beyond 31/07/2026.

Department of Planning, Housing and Infrastructure
Office of Local Government



If you have any further enquiries regarding this matter, please contact Mr Stephen Walker, Manager, Program Delivery Team, at OLG on 02 4428 4100 or email ncif-scf@olg.nsw.gov.au.

Yours sincerely,

Brett Whitworth
Deputy Secretary
Office of Local Government
2 June 2025

SCF Round 1 - Untied Funding

| Project Name | Project Objectives | Grant Funding Stream | Original Grant Funding Amount | Original Council Contribution | Original Total Project Amount | Status | Reallocated Grant Funding Amount | Original Council Contribution Amount | Additional Council Contribution Amount | Project Expenditure | % project completion |
|--|---|-------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------------|----------------------------------|--------------------------------------|--|---------------------|----------------------|
| Gundagai pool tiling and disabled ramp | Re-tile the Gundagai Pool and install a disabled ramp | SCF R1 Major Projects | \$ 300,000.00 | | \$ 300,000.00 | Pending Final Report | \$ 508,110.72 | | | \$ 508,110.72 | 100% |
| Gundagai Pool refurb | Funds transferred from Investment into Dept of Ed - upgrades to pool kiosk, toilets and accessibility | SCF R1 Major Projects | \$ 439,915.00 | | \$ 439,915.00 | Pending Final Report | \$ 439,915.00 | | | \$ 439,915.00 | 100% |
| Gundagai Visitors Information Centre redevelopment - disabled ramp and disabled toilet | Installation of disabled ramp and toilets at the Gundagai VIC | SCF R1 Major Projects | \$ 300,000.00 | | \$ 300,000.00 | Pending Final Report | \$ 343,955.23 | | | \$ 343,955.23 | 80% |
| Gundagai Netball Courts Masterplan - construction of lighting, storage & shelter | Construction of lighting, storage and shelter in line with the Gundagai Netball Courts Masterplan | SCF R1 Major Projects | \$ 200,000.00 | | \$ 200,000.00 | Pending Final Report | \$ 200,000.00 | | | \$ 200,000.00 | 100% |
| Stephen Ward Rooms Outdoor Area construction | Construction of an outdoor area next to the Stephen Ward rooms | SCF R1 Major Projects | \$ 200,000.00 | | \$ 200,000.00 | Pending Final Report | \$ 197,384.00 | | | \$ 197,384.00 | 100% |
| Rathmells Lane - Bitumin seal from Temora St to end | Upgrade of Rathmells Lane to bitumin seal | SCF R1 Major Projects | \$ 200,000.00 | \$ 47,115.45 | \$ 247,115.45 | Pending Final Report | \$ 200,000.00 | \$ 47,115.45 | | \$ 247,115.45 | 100% |
| Footpath renewal | Renewal of footpaths across the shire in accordance with asset management plans | SCF R1 Major Projects | \$ 500,000.00 | | \$ 500,000.00 | Pending Final Report | \$ 531,776.04 | | | \$ 531,776.04 | 100% |
| Cootamundra pool - water park | Installation of a water park at Cootamundra pool | SCF R1 Major Projects | \$ 400,000.00 | | \$ 400,000.00 | Pending Final Report | \$ 398,430.72 | | | \$ 398,430.72 | 100% |
| Fisher Park Cootamundra sports ground lighting installation | Installation of lighting at Fisher Park | SCF R1 Major Projects | \$ 250,000.00 | | \$ 250,000.00 | Pending Final Report | \$ 255,451.19 | | | \$ 255,451.19 | 100% |
| Pool shade Cloth - Cootamundra | Installation of shade cloth at Cootamundra pool | SCF R1 Major Projects | \$ 100,000.00 | | \$ 100,000.00 | Pending Final Report | \$ 97,626.00 | | | \$ 97,626.00 | 100% |
| Extension of Gundagai Water Supply to the Dog on the Tuckerbox site | Extension of Gundagai Water Supply to the Dog on the Tuckerbox site | SCF R1 Major Projects | \$ 600,000.00 | | \$ 600,000.00 | Project Cancelled / funds re-directed | \$ 288,759.87 | | | \$ 288,759.87 | 25% |
| Nangus water supply works | Contribution to on ground works to connect the village to a mains water supply. (Contingent on outcomes of feasibility study) | SCF R1 Major Projects | \$ 647,500.00 | | \$ 647,500.00 | Project Cancelled / funds re-directed | \$ 182,868.76 | | | \$ 182,868.76 | 25% |
| Stormwater mitigation works | Upgrade of storm water infrastructure in line with asset management plans across Cootamundra and Gundagai | SCF R1 Major Projects | \$ 1,000,000.00 | | \$ 1,000,000.00 | Pending Final Report | \$ 959,068.51 | | | \$ 959,068.51 | 100% |
| Cootamundra saleyards lighting and electrical upgrade | Upgrade to Cootamundra saleyards electrical systems and lighting | SCF R1 Major Projects | \$ 300,000.00 | | \$ 300,000.00 | Pending Final Report | \$ 259,020.73 | | | \$ 259,020.73 | 100% |
| Adjungbilly Road reconstruction for B'Doubles | Upgrade of Adjungbilly Road to better cope with B double trucks | SCF R1 Major Projects | \$ 200,000.00 | \$ 1,900,000.00 | \$ 2,100,000.00 | Pending Final Report | \$ 701,288.16 | \$ 1,900,000.00 | | \$ 2,601,288.16 | 100% |
| Cootamundra water mains replacement project | Upgrade of Cootamundra water mains replacing old mains | SCF R1 Major Projects | \$ 2,000,000.00 | \$ 4,000,000.00 | \$ 6,000,000.00 | Pending Final Report | \$ 2,318,198.67 | \$ 4,000,000.00 | \$ 1,104,516.48 | \$ 7,422,715.15 | 100% |
| Investment into Department of Education | Original funding amount \$672,759.00 - \$439,915.00 moved to Gundagai Pool Buildings Upgrade. \$203,394.00 remaining. | SCF R1 Major Projects | \$ 203,394.00 | | \$ 203,394.00 | Project Cancelled / funds re-directed | | | | \$ - | 100% |
| Construct public toilets - Sheridan St Gundagai | Construction of new public toilets in Sheridan Street Gundagai | SCF R1 Major Projects | \$ 150,000.00 | | \$ 150,000.00 | Pending Final Report | \$ 152,910.63 | | | \$ 152,910.63 | 100% |
| Gundagai large scale adventure playground | Construction of large scale adventure playground in Carberry Park Gundagai | SCF R1 Major Projects | \$ 700,000.00 | \$ 300,000.00 | \$ 1,000,000.00 | Pending Final Report | \$ 656,044.77 | \$ 300,000.00 | | \$ 956,044.77 | 100% |
| Cootamundra Rugby Club | Construction of new dressing room facilities and club room | SCF R1 Major Projects | \$ 200,000.00 | \$ 80,000.00 | \$ 280,000.00 | Pending Final Report | \$ 200,000.00 | \$ 80,000.00 | | \$ 280,000.00 | 100% |
| Community Grants | Community grants administered by CGRC. | SCF R1 Community Grants | \$ 1,109,191.00 | | \$ 1,109,191.00 | Pending Final Report | \$ 1,109,191.00 | | | \$ 1,109,191.00 | 100% |
| Total Grant Funding | | | \$ 10,000,000.00 | \$ 6,327,115.45 | \$ 16,327,115.45 | | \$ 10,000,000.00 | \$6,327,115.45 | \$1,104,516.48 | \$17,431,631.93 | |
| | | | | | | | | | | \$ - | |