ATTACHMENTS TO REPORTS OF THE BLAYNEY SHIRE COUNCIL MEETING
HELD ON TUESDAY 26 MAY 2026

PART ONE

EXECUTIVE SERVICES REPORTS

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POLICY AND PROGRAM OPTIONS REPORT - MINING IMPACTED LGAS IN NSW

December 2025

BLAND SHIRE COUNCIL west wyalong
Blayney Shire Council
Bogan Shire Council Nyngan
BROKEN HILL CITY COUNCIL
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COBAR Shire
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NARRABRI SHIRE DISCOVER THE POTENTIAL
Narromine SHIRE COUNCIL
ORANGE CITY COUNCIL
Parkes Shire Council

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Akarui Mirai is based on Dharawal Country. We acknowledge the traditional owners, and recognise their continuing connection to land, waters and culture. We extend our respect to all Aboriginal Elders, past, present and future.

Buwindja, nangamai gayang, djadja, gama yuwi

Remember: dream big, laugh, speak truth (Dharawal Words)

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1 EXECUTIVE SUMMARY

Mining has contributed to the growth and prosperity of the NSW economy for over 200 years, sustaining thousands of regional jobs and supporting the state's energy security. The mining sector is valued at approximately $22 billion to the NSW economy and supports over 34,00 full-time equivalent jobs (NSW Minerals Council, 2024). For both economic contribution and jobs, coal mining is by far the biggest contributor, making up 92% ($3.2 billion) of royalties in 2024-25 (NSW Resources, 2025a).

Over the coming decade, it is clear that the coal mining industry in NSW will be affected by the global transition to lower-carbon energy production. However, this impact is expected to mostly be in the medium term, with a more concentrated and shorter-term impact on the small number of NSW mining operations that are dependent on supplying coal to nearby domestic power stations.

The overall profile of NSW natural resources sector is expected to shift over time from coal mining towards the mining of resources critical to global investment in renewable energy, electric vehicles and other technologies. The development or extension of metals and critical minerals mining operations are expected to grow and play an essential role in achieving the NSW and Commonwealth governments shared target of net zero emissions.

While the economic contribution to the whole state has been immense, mining's social, environmental and infrastructure impacts fall overwhelmingly on a relatively small group of regional Local Government Areas. These communities experience disproportionate wear on local infrastructure, pressures on housing and local services, and environmental impacts that are not adequately offset by existing local government revenue mechanisms or other government programs. Studies in Australia have shown that mining communities can often face poorer health, social and environmental outcomes than non-mining areas (Sincovich, Gregory, Wilson & Brinkman, 2018).

Local government revenue (land rates and development contributions) accounts for only 2-3% (year-on-year average) of all mining industry payments to government. Mining royalties paid to the NSW government are by far the biggest source of industry payment to government (~86% in 2023-24) however there is no link to this revenue and a distribution of benefits to mining-impacted areas. This structural mismatch is compounded by the significant constraints to local government revenue instruments (mainly rates and development contributions).

The discontinuation of the NSW Government's Resources for Regions program in 2023 removed the only dedicated state government funding source designed to offset the localised impacts of mining. Over a decade, the program delivered about $560 million across 355 projects, addressing essential local infrastructure, community facilities and service improvements. The discontinuation of the program has left a significant policy and funding gap, with clear evidence of localised and unique impacts and cost of mining activity, and no link to the revenue paid to the state government to offset these impacts. No state or Commonwealth program currently provides targeted, recurring or impact-based support to mining-affected communities in NSW.

While it is sensible to plan for the growth of critical mineral and metals mining as well as the global energy transition and related reduction of coal mining in NSW, it is also important for government to consider the 'real and now' impacts of coal and other mining that are occurring in communities across NSW. The energy transition increases the urgency for a strategic and properly funded approach. While coal output will decline over time, NSW has significant opportunities for continued economic development and employment through mining.

The report provides a snapshot of state, national and international mining-related policies and programs, highlighting that many are designed to reinvest in the regions that bear the direct impacts of resource extraction. Across jurisdictions, there is a consistent policy logic: mining generates concentrated social, environmental and infrastructure pressures in host communities, and governments commonly respond by hypothecating, or at least partially redirecting, resource revenues back to those regions to offset impacts and support long-term economic resilience. Australian examples such as Western Australia's Royalties for Regions demonstrate structured reinvestment models, while internationally, there are many examples of revenue-sharing with producing areas.

In the current NSW context, existing programs (such as the Royalties for Rejuvenation Fund and the Regional Development Trust) address only parts of the need and are often limited to coal-transition areas or broad regional development purposes. There remains a clear gap in NSW - mining communities continue to shoulder significant impacts without a dedicated or proportionate return of the mining revenue they help generate - reinforcing the need for a renewed and better-targeted investment framework.

The Report identifies six feasible and evidence-based policy and program options that could be pursued individually or in combination to ensure that communities hosting mining activities receive an appropriate share of mining-related value. These options draw on state, national and international models and are supported by clear mining-impact criteria to guide future program design and decision making. Each option in the report provides an overview, rationale / evidence base, delivery model / governance, funding legislative context, eligibility, advantages and limitations.

Option 1 - Reform the Royalties for Rejuvenation Fund and expand the Future Jobs & Investment Authorities
A statewide model that expands eligibility beyond coal regions, broadens allowable activities, and links mining revenues to transition, diversification and impact offsetting. Would require amendments to the Mining Act.

Option 2 - Establish a dedicated Mining Sustainability Stream under the Regional Development Trust
A ring-fenced stream within the Trust that provides predictable, place-based investment for mining-affected communities, linked to independent governance under the Regional Development Advisory Council.

Option 3 - Create a ClubsGRANTS-style model for mining royalties
A legislated framework enabling a defined portion of royalties to be reinvested directly into local projects through council-led local committees, with a statewide strategic stream for major regional infrastructure.

Option 4 - Increase mining royalties to fund tri-funded Regional Infrastructure Packages
A mechanism to raise and hypothecate additional royalty revenue into multi-region infrastructure packages co-funded by state, federal and industry partners, addressing high-cost, long-term regional infrastructure gaps.

Option 5 - NSW Government support for Special Rate Variations based on a Regional Mining Affectation Guideline
A policy and regulatory framework enabling councils to implement mining-focused Special Rate Variations supported by an evidence-based affectation guideline, with redistribution for corridor LGAs lacking a mining rate base.

Option 6 - A Mining Community Benefit & Employment Fund modelled on the Renewable Energy Zone (REZ) program
A statutory fund mirroring the structure, governance and community benefit model of the REZ program, delivering place-based grants, First Nations investment, employment pathways and legacy infrastructure funded by mining royalties.

2 MINING IN NSW

2.1 BACKGROUND

NSW has a strong history of mining going back more than 200 years. The state has benefited significantly from the mining industry including as a sizable source of revenue and employment, energy production as well as helping shape the culture and identity of many regional towns.

Currently, NSW has a mix of coal, metal and critical mineral mining projects at varying stages of the mine life cycle including operating and expanding mines, those in decline or under care and maintenance, mines under construction or approved but yet to commence, and exploration or assessment-stage proposals. There are approximately 147 large and 153 small mines operating in NSW (NSW Parliamentary Research Service, 2025).

Coal mining

By far the biggest contributor to mining revenue (and impact) in NSW is coal mining. In 2023/24 the coal mining industry employed around 25,800 people, was NSW largest export ($33.1 billion) and paid $2.7 billion in royalties (NSW Parliamentary Research Service, 2025). There are around 35 operational coal mines located across the 5 major NSW coalfields in Gunnedah, Hunter, Newcastle, Southern and Western NSW (NSW Parliamentary Research Service, 2025). The NSW Government Strategic Statement on Coal Exploration and Mining in NSW (2020) establishes the long-term framework for managing coal exploration and mining in NSW. It supports continued responsible coal production while recognising the global transition to cleaner energy sources. The strategy focuses on improving certainty about where mining should occur, reducing impacts, and supporting diversification of coal-reliant regional economies.

Over the coming decade, it is clear that the coal mining industry in NSW will be affected by the global transition to lower-carbon energy production. However, this impact is expected to mostly be in the medium to long term, with a more concentrated and short-term impact on the small number of NSW mining operations that are dependent on supplying coal to nearby domestic power stations. Under current planning approvals, by 2040 all four of the state's coal-fired power stations, and 32 of the state's 39 coal mines are anticipated to significantly reduce production or close (NSW Minister for Natural Resources, 2024).

With around 85-90% of NSW coal being exported overseas and demand in key export markets expected to exist up to 2035 and beyond (NSW Mining 2024), the decline of coal mining in most NSW coal regions will happen in the medium to long term. NSW Mining outlined:

> *"... fifteen Upper Hunter coal mines either have approvals in place or are seeking approvals to continue mining to 2035 or beyond, with several seeking extensions to operate beyond 2040.*
>
> *Beyond the Upper Hunter, another fifteen NSW coal mines either have approvals in place or are seeking approvals to continue mining into the 2030s, with six either approved or seeking approval to operate until 2040, and several seeking extensions to operate well beyond 2040."* - Media release, NSW Mining 28 May 2024.

Critical minerals and metals mining

While demand for coal is expected generally to remain in the medium term, the overall profile of NSW natural resources is expected to shift over time towards the mining of resources critical to global investment in renewable energy, electric vehicles and other technologies. The development or extension of metals and critical minerals mining operations is particularly focused in non-coal mining areas through the Central West and Far West regions of NSW. Indeed, critical minerals are expected to be essential for achieving the NSW and Commonwealth governments shared target of net zero emissions. There are already over 4,000 people directly employed in critical minerals and metals mines across NSW, and potential for more than 2,700 ongoing jobs, and 4,600 construction jobs in if new critical minerals projects can get off the ground (Department of Primary Industries and Regional Development, 2024).

The NSW Government Critical Minerals and High-Tech Metals Strategy (2024-35) sets out the NSW Government framework for NSW to grow critical minerals exploration and mining (and related processing, recycling and manufacturing). With NSW having 21 of the 31 minerals on the Australian Government's Critical Minerals List, and 4 out of 5 of the minerals identified on the Australian Government's Strategic Materials List, the state is well placed to progress significant opportunities to grow mining investment and jobs in regional communities. Importantly the Critical Minerals and High-Tech Metals Strategy also identifies the "the importance of supporting local communities... and addressing social, economic and environmental impacts of mining" (Department of Primary Industries and Regional Development, 2024).

While it is sensible to plan for the growth of critical mineral and metals mining as well as the global energy transition and related reduction of coal mining in NSW, it is also important for government to consider the 'real and now' impacts of coal and other mining that are occurring in communities across NSW. In reference to the mining and energy industries in NSW, the Mining and Energy Related Councils NSW (MERC) submission to the Regional Development Act Review (2024) outlined:

> *"The scale of these industries is enormous compared to the relatively small scale and capacity of host communities. This has given rise, and will continue to give rise, to an array of complex economic, social, and environmental issues."*
>
> *New South Wales mining communities are immensely proud of the contribution they have made to gross State product, energy affordability and reliability, as well as safer industrial work practices over more than 150 years. That pride has often masked, however, underlying stresses in mining communities which typically include poor air quality, an underinvestment in road infrastructure, poor relative social advantage – often with two-speed economies, poor environmental and landscape ecological connectivity and many other impacts."* Mining and Energy Related Councils (MERC) submission to the Regional Development Act Review (2024)

2.2 DISCONTINUATION OF THE RESOURCES FOR REGIONS PROGRAM

Between 2012 – 2023, the NSW Government's *Resources for Regions* (RfR) program allocated around $560 million to 355 projects in 30 mining impacted Local Government Areas (LGAs). The RfR program funding was available for mining impacted LGAs and aimed to support them offset the impacts of mining in their community. Funding was used for projects to revitalise towns, build and improve vital community or economic infrastructure, and support better social outcomes. The RfR program was discontinued in 2023, removing the important support for mining communities in regional NSW (ABC, 2023).

Since 2023, there has not been any NSW government funding available dedicated to help offset the direct and indirect impacts of mining in the communities where mining occurs. This means that while the whole of NSW is benefiting from the immense contribution of the mining royalties to NSW budget revenue, the distinct impacts of mining are only borne by select areas without additional funding or support.

The discontinuation of the NSW Government Resources for Regions program in 2023 has left a policy gap for mining communities in NSW. There is clear evidence of localised and unique impacts of mining activity and no hypothecation of mining royalties paid to the state government to offset the cost of these local impacts. While there are local government revenue sources paid by the mining industry (land rates and development contributions), these only account for approximately 2-3% of all government payment by the mining industry (Drew, Dollery & Blackwell, 2018), are significantly constrained revenue instruments, are inconsistently applied and often misalign with the timing of local impacts that are complex and evolving.

Whilst it is acknowledged the former Resources for Regions program and related policy framing needed to be improved, these issues can be addressed with better policy development and program design. Given 98% of government mining industry payments are made to state government (Drew et al, 2018), there is a case that dedicated funding from the state level (whether tied to mining royalties revenue or not) should be invested in local communities who host mining activities. While some NSW or Commonwealth government programs could potentially be used to fund initiatives that offset local mining impacts (e.g. NSW Government Royalties for Rejuvenation Fund and Regional Development Trust), these programs are constrained by their targeted objectives, location, scope and scale.

2.3 GOVERNMENT STRATEGIES

There are a number of NSW and Commonwealth government policies that are relevant to the consideration of support for mining communities in NSW.

***Table 1**– Summary of key NSW and Commonwealth Government mining-related Strategies*

Policy Title	Policy Description	Context / Relevance
NSW Critical Minerals and High-Tech Metals Strategy (2024–2035)	Sets out the NSW Government's vision for NSW to become a leader in the exploration, mining, processing, recycling, and advanced manufacturing of critical minerals and high-tech metals. The strategy promotes sustainable development and aims to position NSW as a key contributor to the global energy transition through responsible, transparent and innovative industry practices.	Provides a forward-looking framework for diversification of regional economies, aligning with national net zero goals. It underpins opportunities for NSW to develop domestic processing and manufacturing capability while ensuring Environmental, Social and Governance performance and community benefits. The policy set the platform for shaping investment programs and skills planning in resource-transitioning LGAs.
Strategic Statement on Coal Exploration and Mining in NSW (2020)	Establishes the NSW Government's long-term framework for managing coal exploration and mining. It supports continued responsible coal production while recognising the global transition to cleaner energy sources. The strategy focuses on improving certainty about where mining should occur, reducing impacts, and supporting diversification of coal-reliant regional economies.	Provides a transitional policy base for coal regions, balancing ongoing coal exports with planning for post-coal futures. It guides the allocation of coal exploration areas, regulatory reform, and regional diversification programs, forming the policy backdrop for Future Jobs and Investment Authorities and the Royalties for Rejuvenation Fund.

NSW Regional Development Road Map (2024)	Sets out the NSW Government's plan to take a fresh, whole-of-government approach to investing in regional communities. The Road Map has three pillars: an expanded Regional Development Act, establishment of the Regional Development Trust Fund, and creation of a Regional Development Advisory Council to provide independent regional advice.	Provides the overarching framework for how NSW will channel future investment into regional areas, including mining-affected communities. It has a $400 million Regional Development Trust with strong regional-focused governance and established in legislation. Sets the expectation that funding decisions are evidence-based, place-based and aligned with regional priorities identified through consultation.
Future Jobs and Investment Authorities (FJIA) – Issue Paper (NSW Government 2024d)	Outlines the NSW Government's proposal to establish regional "Future Jobs and Investment Authorities" in each coal-reliant area (Hunter, Illawarra, Central West, North West). These bodies will coordinate investment, workforce planning and transition efforts, ensuring locally-led, evidence-based responses to economic change.	Represents a core mechanism to deliver place-based transition for coal communities. It operationalises the state's commitment to coordinated, transparent and accountable regional development during the energy transition - directly relevant for shaping NSW programs supporting mining-impacted LGAs.
Commonwealth Critical Minerals Strategy 2023–2030	Provides the national framework to grow Australia's critical minerals sector, supporting downstream processing, manufacturing and supply chain resilience. Key pillars include strategic project development, First Nations partnerships, ESG leadership, and investment attraction through international cooperation.	Establishes the national policy alignment for NSW's critical minerals initiatives. It emphasises federal funding mechanisms and coordination across jurisdictions - important for NSW to leverage Commonwealth partnerships, align ESG frameworks, and co-invest in regional processing and infrastructure. 2030

2.4 MINING & THE NSW ECONOMY

Mining plays a central role in the NSW economy, contributing significantly to both state revenues and regional livelihoods. It is one of NSW's most globally integrated industries, with exports and supply chains that extend far beyond mine sites and regional economies. According to the NSW Minerals Council's Mining Industry Expenditure Impact Survey (2023–24), the sector directly injected approximately $22 billion into the state economy and supported 34,977 full-time equivalent jobs across NSW, including direct employees and contractors. Of this total expenditure, $14.4 billion was spent on goods and services from more than 7,000 local suppliers, and $2.8 billion on wages and salaries, highlighting the strong flow-on effects for regional communities (NSW Minerals Council, 2024). Since 2011–12, NSW mining companies estimated to have contributed nearly $185 billion in direct spending across the state (NSW Minerals Council, 2024).

Mining's importance is particularly pronounced in regional NSW. In several LGAs, the sector accounts for a substantial share of economic output - up to 45% of Gross Regional Product in the Far West, 29% in the Hunter region, and 19% in the Central West (NSW Mining, 2022). Many communities rely heavily on mining for employment and local business activity. For instance, coal mining comprises 31% of jobs in Muswellbrook and 41% in Singleton (NSW Parliamentary Research Service, 2021). This concentration of economic activity means that fluctuations in global commodity markets or the energy transition can create significant vulnerability for regional communities. The NSW Government's Strategic Statement on

Coal Exploration and Mining (2020) acknowledges the dual challenge of maintaining investor certainty while preparing communities for structural change as coal demand declines.

The mining and minerals sector in NSW is heavily export-oriented, dominating the state's export portfolio. In 2019-20 minerals and metals were around $26 billion, making up 47% of total NSW export revenue (NSW Department of Regional NSW – Mining, Exploration and Geoscience 2021). Of this total, coal remains the largest single contributor. About 85-90 % of the state's coal output is exported to key Asian markets including China, India, Japan, South Korea and Taiwan, where it is primarily used for electricity generation (NSW Parliamentary Research Service, 2025). Despite growing global focus on decarbonisation of electricity generation, coal-fired power generation is expected to remain an important part of power generation in Asian countries longer that in Australia, sustaining demand for exported coal from NSW over the medium term. The high export orientation of mining also underpins an extensive supply chain network encompassing rail freight, port logistics, engineering and other specialist services, which emphasise the interdependence between mining operations and regional development across NSW.

The economic outlook for mining in NSW is being reshaped by the global shift toward renewable energy and advanced technologies, with an expected reduction in coal mining and growth in demand for critical minerals and high-tech metals. The NSW Critical Minerals and High-Tech Metals Strategy 2024–35 identifies the state's strong endowment in copper, cobalt, scandium, and rare earth elements-minerals essential to technologies and advanced manufacturing. This presents opportunities for workforce and skills transfer between coal and non-coal mining operations and further regional jobs and investment, particularly in the Central and Far West where much of the critical mineral potential is located. However, these critical minerals and metals are unlikely to offset coal's economic footprint in the short term, reinforcing the importance of managed transition policies and continued investment in skills, infrastructure, and local capacity.

Mining's deep integration into regional economies also extends to workforce development and community infrastructure. Most NSW mines are 'drive-in, drive-out' operations, meaning local employment and services directly benefit nearby towns. Many operator, trades and supervisory roles share transferable skills across both coal and non-coal operations, offering a foundation for workforce transition as the industry evolves.

2.5 MINING ROYALTIES

Royalties collected from mining in NSW under the Mining Act (1992) represent an important source of public revenue, with $3.2 billion paid to the NSW Government from in FY 2024-25 (NSW Resources, 2025a). The royalty arrangements for coal are different to other metals and minerals. For coal, NSW applies an ad valorem system that varies by mining method - 10.8 % for open-cut operations, 9.8% for underground mines at depths less than 400 metres, and 8.8% for deeper underground mines 25 (NSW Resources, 2025b). Other minerals such as gold, copper and iron ore are generally charged at around 4% of the sale value (NSW Resources, 2025b). All royalties from state-owned minerals are paid into consolidated revenue, which means there is no direct hypothecation or ring-fencing of mining royalties for expenditure in the regions where mining occurs

When compared with other Australian jurisdictions (see Table 2), NSW's royalty structure is relatively consistent but less progressive. Queensland applies a price-linked progressive rate for coal that starts at 7% and rises in steps up to 40% for prices above $300 per tonne, capturing greater returns during high-price periods (Queensland Treasury, 2022). Western Australia has more commodity-specific rates - typically 7.5% for iron ore sold as ore, 5% for concentrate, and 2.5% for metal, while gold attracts 2.5% after the first 2,500 ounces each year (Government of Western Australia, 2025). These differences reflect each state's approach to balancing investor competitiveness, market conditions and fiscal return.

Table 2*: Mining Royalties for NSW, Queensland and Western Australia*

Commodity	NSW	Queensland	Western Australia
Coal	Ad valorem by mining method: Open-cut 10.8%, Underground <400m 9.8%, Deep underground >400 m 8.8%	Progressive ad valorem by price/tonne: starts at 7% (≤ $100/t) then rises stepwise (12.5%, 15%, 20%, 30%) up to 40% for > $300/t.	Royalty rates set under State Agreement Acts (typically equivalent to 5–7% ad valorem on sales value).
Gold	4% ad valorem	Variable (price-based) ad valorem, commonly 5%	2.5% ad valorem of royalty value; first 2,500 oz per FY royalty-free.
Copper	4% ad valorem	Variable (price-based) ad valorem, commonly 5%	7.5 % if sold as crushed or screened ore; 5 % if sold as concentrate; 2.5 % if sold as metal.
Iron ore	4% ad valorem	If average price ≤ A$100/t → A$1.25 per tonne; if > A$100/t → the greater of 1.25% of value or a formula percentage	7.5 % if sold as crushed or screened ore; 5 % if sold as concentrate; 2.5 % if sold as metal.

Sources: NSW Resources (2025b); Queensland Treasury (2022); Government of Western Australia (2025)

Although mining royalties contribute significantly to the state budget, there is no mechanism that links this revenue with a distribution of benefits to mining-impacted region. Earlier programs such as Resources for Regions (2012–2023) provided more than $560 million to mining impacted LGAs to offset the impacts of mining, but this program had no correlation or legislative link to royalties. The current NSW Government Royalties for Rejuvenation Fund allocates $25 million annually, targeted solely to coal-transition areas (NSW Government, 2025a). Section 292W of the NSW Mining Act 1992 establishes the Royalties for Rejuvenation Fund as a Special Deposits Account however the Act does not directly hypothecate coal royalties to the Fund.

The MERC NSW outlined in their 2024 submission to the Review of the NSW Regional Development Act (2004):

> *"There is a strong argument in favour of partial hypothecation of mineral royalties in New South Wales. This is because, unlike other revenue streams, which are more ubiquitously collected and re-distributed, the collection of royalties is dependent on the social license the industry receives in local New South Wales mining regions. Moreover, the direct and distributed impact of the mining activities underpinning the revenue stream is very localised"* (*MERC 2024*)

Hypothecating a share of mining royalties in NSW could address a structural mismatch between where mining impacts are borne and where mining revenues flow (Drew et al, 2018). This structural mismatch is compounded by the constraints to local government revenue instruments outlined in section 2.5 of this Report. A Report by the Grattan Institute recommends that for as long as coal mining lasts, NSW and Queensland governments should direct royalties from coal into supporting the affected regions (Wood, Reeve and Suckling, 2022).

There is International and Australian precedent for earmarking a share of mining royalties for the regions that bear the mining impacts. Other jurisdictions in Australia have had models that have legislated a link a fixed (capped) portion of mining royalty income to regional development expenditure (see Western

Australian Royalties for Regions program in section 3 of this Report). Joint policy work by the Natural Resource Governance Institute and United Nations Development Programme (2016) similarly finds that sharing natural resource revenues with producing areas is the prevailing practice worldwide and is often justified to compensate for local impacts and promote regional development. This strengthens the case for the NSW Government to consider structured hypothecation rather than ad hoc grants programs like the previous Resources for Regions program.

Practical models in comparable jurisdictions show how this can work in practice: Ontario's resource revenue sharing allocates portions of mining taxes and royalties to First Nations for community, education, health and economic development, illustrating place-based gains when a fixed share of revenues is directed to affected communities (Government of Ontario, 2018). Ontario mining industry bodies reportedly also recognise these benefits, noting that government resource revenue sharing enables Indigenous communities to participate more fully in mining economies and helps close socio-economic gaps - further policy support for hypothecation aimed at those most directly impacted (Mining Association of Canada 2025).

2.6 LOCAL GOVERNMENT REVENUE FROM MINING

Mining companies contribute local government revenue through various payments including land rates, developer contributions agreed through the planning approval process, and through other payments such as water usage and specific infrastructure projects. In 2023/24, NSW mining companies reported direct contributions to local councils totalling $94.9 million (NSW Minerals Council 2024). For the same period, payments to the NSW Government reported by mining companies were approximately $3.7 billion, made up of royalties ($3.2 billion), stamp duty ($217.5 million), payroll tax ($145.9 million), other ($28.0 million) and land tax ($21.0 million) (NSW Minerals Council 2024).

Of the total quantum of mining revenue paid to government(s) by mining companies, local councils only receive (on average) around 2-3% (Drew et al, 2018). The 97-98% of revenue paid to the NSW Government is not tied to expenditure in areas that experience local mining impact given royalties are paid into the government's consolidated account. In other words, the NSW state government collects the significant majority of revenue from mining activity but can spend these funds anywhere around the state; Local government collects a minority of the government share of revenue that has to be spent in the area that the mining occurs.

There is evidence that shows councils' with mining in their area experience day-to-day costs that are measurably higher (Drew et al, 2018), and the means by which councils raise revenue from mining (rates, development contributions etc) are constrained by NSW government legislation. The Report by Drew et al also outlines that, in many cases, local government contributions from mining companies do not cover the estimated increased operational expenditure associated with the mine impacts.

Council Rates

In NSW, a council works out a mine's rates by taking the land's unimproved value (set by the NSW Valuer General), multiplying it by the council's 'rate in the dollar' (ad valorem), and then adding a fixed base or minimum amount if the council uses one. The total rates for land categorised as 'mining' is set in the council's annual revenue policy, meaning a mining company's rates bill in NSW largely reflects the value of the rateable mining land, not what the mine produces or the external impacts it creates (e.g. tonnage hauled, traffic generated, blasting, groundwater drawdown, or social impacts etc). The council land rates paid by a mining company can only be raised in the LGA the mine is located, meaning councils adjacent to a major mine are often unable to derive land rates revenue even if there is a substantial impact of the mine (such as heavy vehicle movements or dust).

The total a council can raise from rates each year is limited by the Independent Pricing and Regulatory Tribunal (IPART) 'rate peg'. If a council wishes to increase general rates income above the peg, it must apply for a Special Rate Variation (SRV) and satisfy the criteria set by the Office of Local Government on demonstrated financial need, community engagement, affordability and productivity. Council's capacity (operationally, politically etc) to pursue a SRV varies significantly around the state.

If a Special Rate Variation is approved, it lifts total council rate income for all land categories (residential, business, farmland and mining); it does not let a council lift only the mining category in isolation. Targeting an increase for mining land rates still requires rating-structure choices within the approved total. This framework is set out in IPART's Special Variations guidance (2025) and the NSW Office of Local Government material on rating and special variations.

Because council rates are tied to land value and capped at the whole-of-council level, they can be an ineffective and inconsistently applied instrument to raise funding local mining impacts. Many of the costs linked to mining scale with traffic intensity and axle loads (for example, pavement wear on local roads), compliance and environmental monitoring, or housing and social pressures, none of which are priced through land rates.

As touched on above, research by Drew et al (2018) shows that councils with more mining activity experience statistically significant increases in per-capita operating costs. Table 3 below shows mining land rates revenue (total $ and as % of rates) for a cross section of 10 NSW mining impacted councils and basic mine and economic data.

Across the sample of councils in Table 3, the share of council rates paid by the mining category varies markedly (from 1–55%) and does not consistently track local mining presence, workforce or economic output. While some coal-heavy LGAs such as Muswellbrook (55.28% mining rates; 71% of output; 33.1% of jobs) and Singleton (34.64%; 78%; 36.9%) show alignment, others less so. Narrabri records high mining dependence (64.8% of output; 21.6% of jobs; five active coal mines) yet a low mining-rates share (7.42%); Wollongong has two active coal mines and 10.7% of jobs in mining, but only 1.27% of rates from mining. Lithgow's more moderate mining footprint (43.3% of output; 12.6% of jobs) has a comparatively low 20.88% rates share. Overall, these patterns indicate that mining rates levied by councils are highly variable, more likely reflect land valuation bases, rating categories and council policy settings rather than a consistent measure of mining impact, underscoring that land rates can be an ineffective instrument for raising revenue to address localised mining impacts.

Table 3 – 2025-26 rates and mining data for 10 mining councils (Muswellbrook based on draft revenue policy)

Council	Total Rates $	Mining Rates $	Mining Rates %	Current Major Active Mineral or Metal Mine	Active coal mine	% of mining output of economy	% mining jobs of overall workface
Muswellbrook Shire	$24,085,817	$13,314,820	55.28%	Yes	5	71.00%	33.10%
Blayney Shire	$12,125,978	$5,922,450	48.84%	Yes	No	47.80%	19.60%
Cobar Shire	$4,914,413	$2,182,308	44.41%	Yes	No	76.00%	44.00%
Mid-Western Regional Council	$34,183,008	$13,059,134	38.20%	Yes	3	62.00%	18.90%
Singleton Council	$27,999,000	$9,700,000	34.64%	Yes	10	78.00%	36.90%

Lithgow City	$24,145,991	$5,040,592	20.88%	Yes	4	43.30%	12.60%
Gunnedah Shire	$18,966,589	$2,332,876	12.30%	Yes	No	28.20%	6.20%
Narrabri Shire	$16,070,096	$1,192,503	7.42%	Yes	5	64.80%	21.60%
Wollongong City	$210,637,014	$2,684,752	1.27%	Yes	2	1.80%	10.70%
Upper Hunter Shire	$14,330,141	$174,285	1.22%	No	No	2.70%	0.60%

Source: NSW Council Revenue Policies; NSW Parliamentary Research Service (2025) and Remplan (2025)

Development Contributions

In NSW, mining proponents typically make project-specific payments to councils at the approval stage of a mine project through Voluntary Planning Agreements (VPAs) under s7.4 of the Environmental Planning and Assessment Act and / or local infrastructure contributions under s7.11 (nexus-based contributions) or s7.12 (fixed-levy contributions). VPAs are voluntary, negotiated agreements between a planning authority and a developer that set out contributions, land, or works for public purposes; their use and principles are guided by the Department's Planning Agreements Practice Note and related circulars (NSW Planning Portal, 2025). VPAs are flexible - they can provide monetary contributions, land, or works in kind, and can schedule payments as lump sums, staged amounts, or periodic (including indexed) payments over time. In practice, some VPAs have included periodic/recurrent funding for public purposes where agreed by the parties.

While s.11 and s.12 development contributions can fund defined mining impact mitigations - most commonly local roads, intersections and community facilities - they are intentionally limited (NSW Department of Planning, Housing and Infrastructure 2025). Under current NSW guidance, local infrastructure contributions made under s7.11 and s7.12 may only be used for the 'provision, extension or augmentation' of public amenities and services - that is, capital costs - not for ongoing maintenance, asset management or operations, which must be met from council rates or other sources (NSW Planning Portal 2025). One exception allows recurrent funding for road upkeep where heavy vehicle movements from a specific development, such as a mine, directly cause damage. In addition, s7.11 requires a demonstrable nexus and reasonable apportionment to particular infrastructure items, constraining councils from addressing diffuse, cross-boundary or delayed effects that cannot be directly tied to a single works schedule.

The structural features of development contributions limit how well contributions can track with the long, cumulative and evolving impacts of mining. VPAs are negotiated at a point in time and are not dynamic to allow changes in output, workforce patterns or freight tasks over the multi-decade life of many mines. Any subsequent adjustments to planning agreements generally rely on further approvals or renegotiation. NSW's own assessment framework recognises that communities experience combined and cumulative impacts from multiple activities over time (NSW Government Planning Portal, 2025), but the funding instruments remain local and project-specific rather than regional and adaptive. In practice, this means VPAs and s7.11/s7.12 contributions are useful offsetting early capital costs of impacted infrastructure mitigations and point-in-time projected impacts, but they are not designed to underwrite the recurrent, cumulative or unexpected costs of hosting mining activity over decades. It is also noted that many mines planning approvals pre-date the introduction of VPAs (introduced in the Environmental Planning and Assessment Act in 2005) with many councils having mine historic planning approvals made decades ago and that are not suitable to account for current day impacts.

2.7 IMPACT OF MINING IN NSW COMMUNITIES

Overview

While mining has delivered significant benefits such as jobs, investment, infrastructure and economic growth for many NSW communities, at the same time these communities have experienced concentrated and unique impacts (both direct and indirect) from mining operations. Studies in Australia have shown that mining communities can often face poorer health, social and environmental outcomes than non-mining areas (Sincovich, Gregory, Wilson & Brinkman, 2018).

The scale of mining, mining freight and related industrial activity can place pressure on local road networks and road behaviours (such as speeding, water resources / water consumption, housing, and essential services such as health, education, and emergency response. Environmental impacts, including land disturbance, poorer water and air quality, can affect community health and wellbeing and local ecosystems (World Bank Group, 2007). As NSW transitions toward a lower-carbon economy, mining communities face both challenges and opportunities with the need to manage legacy impacts, rehabilitate mine sites, and diversify local economies to sustain services and employment.

Infrastructure

Mining projects can place significant demands on local infrastructure including roads, water supply and wastewater, housing and workforce accommodation, health and community facilities (NSW Department of Planning, Housing and Infrastructure 2023). Mining-related freight is a major source of pressure on local infrastructure, particularly council-managed roads and bridge and culvert assets, because of heavy-vehicle loads and access requirements (National Heavy Vehicle Regulator 2025).

Population and workforce influxes, including FIFO and contractor workforces, can increase demand on housing and local services in regional areas; this is recognised in NSW's guidance for construction workers' accommodation and related planning material (NSW Department of Planning, Housing and Infrastructure 2024a). The additional capital and operating costs can outpace a council's capacity to raise proportionate rate revenue unless a Special Rate Variation is approved above the annual rate-peg by IPART

Local governments in NSW report growing wear and maintenance pressures on local roads and bridges from heavy freight vehicle movements (including coal and mineral haulage), as regional and local roads increasingly need to accommodate heavier and higher freight transport without commensurate increases in recurrent road funding (Local Government NSW, 2024). Modelling shows coal accounts for a high share of the regional NSW freight task and is forecast to decline over the long term; historically, coal has dominated NSW rail freight activity, particularly in the Hunter Valley (Transport for NSW, 2025). Even though coal's share of the regional NSW freight task is expected to decline over coming decades, other major commodities are projected to take up a larger share of movements, which will continue to place demands on road access and asset condition in regional areas (Transport for NSW 2024; Transport for NSW 2025). Local Government NSW (2024) outline that mining-regions 'generate significant freight movements on council roads yet have some of the largest road deficits and maintenance shortfalls'.

The Local Government NSW submission to Transport for NSW Freight Policy Reform outlined the NSW Roads & Transport Directorate called on government to work with councils local to:

- *Provide a more sustainable long-term funding model for local government with a higher level of base funding support and reduced reliance on individual competitive grants.*

- *Provide a long-term commitment to a funding program designed to improve freight outcomes by addressing first and last-mile challenges on the local and regional road network.*

Source: Local Government NSW (2024)

As mines close, communities can also be left with under-utilised or stranded infrastructure assets such as haul roads, rail spurs and power infrastructure unless land and assets are proactively repurposed for new industries (NSW Parliament Legislative Council, 2025). Communities can also often be left with features such as tailings dam and waste rock impacts, and agricultural production loss.

It will be increasingly important for strategic economic development, investment attraction and appropriate post-mining land use planning to be undertaken early as a partnership with industry, government, community and other stakeholders. The NSW Government's Future Jobs and Investment Authorities will have a critical role in facilitating this activity aligned with leveraging critical infrastructure that has serviced mines that are either facing significant reduction in production or are closing (set out in Section 3).

Local Services

Mining activities, especially in coal and major resource areas, can outpace local capacity and place increased demands on essential services.

Health services:

- Increased dust and particulate exposure in some mining regions (e.g., Hunter Valley, Lithgow) can elevate demand for respiratory and cardiovascular health services (NSW Chief Scientist, 2018)
- NSW Environmental Protection Authority have conducted multiple studies noting higher ambient PM levels near coal-mining clusters, linking to increased local GP and hospital presentations (NSW Environmental Protection Authority, 2021)
- Mental health and wellbeing challenges have been documented in mining communities during both boom and downturn periods, linked to employment instability, cost-of-living pressures and social disruption (Horberry, Harris, Way, Hill, Lim, Dodshon, Lee & Cliff University of Queensland, 2023)

Education and childcare:

- Influxes of short-term or FIFO workforces create sudden population spikes, stressing childcare, schooling and housing availability, particularly in smaller councils such as Narrabri, Cobar and Mid-Western (Whitehaven Coal, 2011).
- Growth in mining regions can significantly increase demand for childcare, while at the same time drawing qualified early-childhood workers into higher-paid mining jobs, reducing the availability of local childcare services (Department for Communities, 2010).

Housing and cost of living:

- Mining-driven demand increases property prices and rents, especially during boom phases (Haslam, McKenzie, and Rowley, 2013)
- The Parliament of New South Wales Legislative Assembly Select Committee on Essential Worker Housing (June 2025) found that many essential workers are unable to afford or find suitable housing near their workplaces, leaving them in rental stress, substandard or unstable accommodation – including sleeping in cars – or commuting long distances. These housing pressures contribute to staffing shortages for teachers, nurses and emergency service workers in both regional areas and major cities.

Social cohesion

Mining development in regional NSW can both strengthen and strain social cohesion. Choice-modelling evidence from the Hunter Valley shows community well-being rises with mining-related employment opportunities but falls with landscape and community disruption, such as clearing of endangered ecological communities, loss of significant Aboriginal sites and displacement of rural families, indicating mixed social outcomes within the same locality (Gillespie and Bennett, 2012). NSW's Social Impact Assessment framework treats cohesion, equity and demographic change as material social impacts to be identified and managed for State significant projects, underscoring that mining can reshape local demographics, community relationships and perceptions of fairness over time (NSW Department of Planning, Housing and Infrastructure, 2023).

Mining operations often fund community infrastructure, events, and social programs, which can foster a sense of pride and shared identity. Programs such as Glencore's Community Investment Program and BHP's Local Buying Program have supported local sports clubs, education initiatives, and community facilities, contributing to local social capital (NSW Minerals Council, 2024). Mining has also helped maintain populations in some regional towns that might otherwise have declined due to limited employment opportunities (Productivity Commission, 2017).

The Commonwealth House of Representatives 2013 inquiry into FIFO and DIDO work practices found that large non-resident workforces have the potential to permanently disrupt the social fabric of host communities, impacting social cohesion and contributing to an 'us versus them' mentality between resident and FIFO workers (Commonwealth House of Representatives, 2013). The inquiry heard that host towns experience reduced volunteering and difficulty sustaining local sporting clubs and community organisations, as well as lower local economic benefits compared with residents. Mining wage premiums and rising housing and service costs in mining regions can contribute to perceived inequalities between those employed in the sector and those who are not (Hunter, Howlett and Gray, 2014).

Health

Mining can have an adverse impact on health outcomes in mining communities. A 2024 study of the coal-mining regions of Singleton in NSW and Clermont in Queensland documented community concerns about coal dust and, drawing on National Pollutant Inventory data, reported that 10 of the 11 operating mines in Singleton are significant sources of PM emissions (Cattonar et al. 2024). PM emissions are fine particulate pollutants that other public health research has identified as contributing factors in a range of health issues, including chronic bronchitis, heart attacks and arrhythmias, and reduced life expectancy.

Cattonar *et al*. (2024) also summarise research on the health impacts of coal dust in Singleton, including survey-based studies where more than 50 per cent of respondents reported coal dust as a factor contributing to asthma, cancer, heart disease and some mental health issues.

Environmental

Mining can place pressure on the local environment in host communities – notably air quality, water resources, land stability and landscape amenity (e.g. tailings dams and waste rock piles). NSW monitors air quality in mining-affected regions through the Upper Hunter Air Quality Monitoring Network and annual statewide air quality statements, which report particle pollution trends for population centres including Muswellbrook and Singleton (NSW Department of Climate Change, Energy, the Environment and Water, 2025).

Risks to water supply can arise where mine dewatering or longwall extraction changes groundwater levels and surface flows. Regional bioregional assessments for the Hunter and Namoi show that coal mining can affect water-dependent assets and identify areas where changes to groundwater and streamflow are more likely, monitoring around towns and agricultural users (Bioregional Assessments, 2018a 2018b). In Greater Sydney's drinking-water catchments, an expert government panel found longwall mining has caused subsidence-related cracking, altered stream flow and water quality, and impacts on groundwater-dependent ecosystems (WaterNSW, 2019).

Subsidence is a distinct environmental hazard for underground coal mining that can cause impacts to the surface - for example, by fracturing creek beds, changing drainage and damaging swamps and wetlands proximate to communities and water storages (Independent Expert Panel for Mining in the Catchment 2019). Visual impacts are also material where open-cut or surface infrastructure changes prominent landscapes, especially nearby to residential areas. There is evidence that shows the NSW Government recognises significant visual and amenity effects in scenic valleys when weighing mine proposals (NSW Land and Environment Court, 2019).

Mining operations in NSW consume substantial amounts of electricity, contributing to higher scope 2 greenhouse gas emissions and placing pressure on both electricity generation and the transmission network. The industrial sector, including mining, remains one of the largest electricity users in the State (NSW Environment Protection Authority, 2024). Supplying power to major mines often requires the construction or upgrading of high-voltage transmission lines, towers, easements and substations, which can lead to land clearing, visual and landscape impacts, and long-term constraints on land uses.

2.8 ENERGY TRANSITION AND RENEWABLE ENERGY ZONES

The NSW Government is embarking on a significant project to transition its electricity network to provide affordable, clean and reliable energy across the state as part of the commitment to reach net zero emissions by 2050. The transition is guided by the Electricity Infrastructure Roadmap which was released in 2020 and is enabled by the Electricity Infrastructure Investment Act 2020.

Under that Roadmap, NSW aims to support the delivery of:

- At least 12 GW of new renewable electricity generation (wind + solar) by 2030.
- At least 2 GW of long-duration storage by 2030.

NSW has legislated emissions-reduction targets of 50% below 2005 levels by 2030, 70% by 2035, with net zero by 2050 (NSW Government 2025b). The NSW Government update on the Roadmap progress in November 2025 indicates that enough projects are signed up to get to more than 70% of the minimum 12 gigawatts of renewable energy generation, and 40% of the 2 gigawatts of long duration storage required by 2030 (EnergyCo, 2025d)

Much of the transition will centre around the retirement of existing coal-fired generators in NSW, currently supplied by about 10-15% of the coal mined in NSW (NSW Minerals Council 2024). While NSW and Australia are transitioning to a lower carbon energy supply, so are the Asian markets (Japan, South Korea, Taiwan etc) that use NSW's exported coal for electricity generation (NSW Government 2020). These Asian markets are transitioning with varied (and in some cases, slower) timelines than Australia's electricity transition plans; with official outlooks show long-run declines in thermal coal demand among key export partners and continued high coal reliance in parts of Asia (Reserve Bank of Australia, 2019).

For mining (especially thermal coal mining) this means:

- A shift in the electricity generation base away from coal reduces demand for new coal-fired generation and will reduce the long-term viability of some coal assets
- Regions with mining and coal generation (such as Lithgow and the Hunter Region) will need to be supported to repurpose infrastructure, land, workforce, and supply chains toward renewable generation, storage, transmission and industrial uses. For example, the Hunter-Central Coast region is being planned on the basis that it can leverage existing power-station sites, rehabilitated mining land, skilled workforce from mining and energy etc.

The major transmission infrastructure upgrades such as the Hunter Transmission Project are designed to enable renewable generation to replace retiring coal-fired plants, maintaining reliability and supporting large-scale renewables. That implies that mining regions may shift from being primarily extraction/coal-based employment centres to broader energy hubs (renewables, storage, transmission, manufacturing of components, etc). This could signal economic opportunity for regional communities and local jobs arising from the transition, with critical minerals and metals expected to play an important role in domestic clean-energy manufacturing inputs and supply chain required to support the NSW and Commonwealth governments shared target of net zero emissions (NSW Government 2024b).

NSW's Electricity Infrastructure Roadmap establishes five Renewable Energy Zones (REZ) in Central-West Orana, New England, South West, Hunter-Central Coast and Illawarra. These are defined as geographic areas with strong wind and solar resources that are supported by planned network infrastructure (high-voltage transmission and substations), generation (wind and solar) and storage (batteries and pumped hydro) to bring large-scale renewables into the grid efficiently (EnergyCo 2025d).

The REZ model concentrates investment in places where projects can connect at scale with coordinated grid access, which helps limit new line builds, reduce community and environmental impacts, and share connection and support infrastructure across multiple projects (EnergyCo 2025c). Several REZs are located in regions that also host coal mining and coal-fired power stations (for example, the Hunter-Central Coast and Illawarra), with REZs intended to help replace ageing coal-fired generation (EnergyCo 2025a).

Large-scale renewable energy development is reshaping many of the same regional landscapes historically influenced by mining, particularly across NSW's REZ. Independent assessments recognise that construction of wind, solar, and transmission projects generates a new wave of localised impacts: heavy-vehicle freight traffic on rural roads, cumulative landscape and visual changes, and pressures on accommodation and community infrastructure caused by large, temporary workforces (NSW Department of Planning, Housing and Infrastructure (2024b). The Australian Energy Infrastructure Commissioner (2023) has similarly reported that communities hosting energy infrastructure experience recurring issues familiar from resource extraction - road damage, noise, land-use conflict, and concern over inadequate local benefit sharing. In effect, there is significant overlap of the footprint of the energy transition with or adjacent to long-established mining districts such as the Central West Orana, New England, Illawarra and Hunter-Central Coast regions.

The Mining and Energy Union noted in its submission to the Department of Regional NSW Future Jobs and Investment Authorities (FJIA) Issue Paper (2024):

> *"Overlap between some of the NSW Renewable Energy Zones and FJIA regions provides an opportunity to direct economic activity generated by the renewable energy buildout towards coal communities, with the Renewable Energy Sector Board's Plan supporting the delivery of community benefits like local apprenticeships and domestic manufacturing"* Mining and Energy Union (2024).

The NSW Government has created a dedicated Community and Economic Benefit Fund for each REZ, designed to return a portion of project revenue to local communities through grants, infrastructure, and benefit-sharing initiatives (EnergyCo NSW, 2024a). The rationale mirrors the principles of impact mitigation used in communities that have mining, acknowledging that while projects deliver long-term decarbonisation and economic gains, their short-term and cumulative impacts fall most heavily on host communities. While VPAs / development contributions apply for large scale renewable generation or transmission projects, the same limitations apply as outlined earlier in this report. It could be considered by government that a Mining Community and Economic Benefit Fund could replicate the Community and Economic Benefit Fund for the REZ, noting that much like mining impact can be experienced by LGAs without a mine physically located in it, so too can impacts of large renewable generation projects outside of the REZ and review of the eligible areas for the REZ Community and Economic Benefit Fund map be appropriate.

Although REZs are intended to concentrate generation and transmission infrastructure within defined geographic areas, the impacts of large-scale renewable projects often extend well beyond REZ boundaries. Many neighbouring or adjacent LGAs experience increased heavy vehicle movements, road degradation, visual changes to landscapes, pressure on housing and accommodation and competition for labour. Despite experiencing these flow-on impacts, LGAs outside the formal REZ footprint are not eligible for REZ-specific community or infrastructure funding programs, creating an inequity between communities hosting or supporting renewable development and those able to access offsetting benefits. This misalignment between where impacts occur and where funding is available has become more pronounced as renewable generation and transmission infrastructure expands across regional NSW.

3 MINING PROGRAM & POLICY LANDSCAPE

3.1 OVERVIEW

Governments across Australia and internationally have historically implemented a range of funding programs and policy mechanisms to support communities affected by mining activities. These programs or policies have usually focused on infrastructure delivery, economic diversification, workforce transition, service support and community resilience. These initiatives vary in their approach, from direct reinvestment of mining royalties to competitive grants and long-term regional development funds. Most of these interventions share the goal of ensuring that mining-impacted regions are provided with additional investment to offset the various impacts of mining and to ensure lasting social and economic benefits in the region where the impacts of the mining are experienced.

Government support for mining communities in Australia and abroad has evolved over time – from a focus on impact mitigation addressing infrastructure strain and social costs to include economic transition and resilience-building. The shifting status of mining in NSW for coal (reducing over medium term) and other minerals (increasing now and future) suggests that government support is still needed in communities for impact mitigation and future planning and transition.

While the previous NSW Government Resources for Regions program was established to directly addressed the consequences of mining activity, newer initiatives such as the NSW Government Royalties for Rejuvenation Fund, Regional Development Trust, and establishment of the Net Zero Economy Authority reflect a forward-looking focus on economic diversification, regional renewal, and transition. However sustained support is still needed via dedicated investment in mining communities, locally led governance, and capacity building support for regional councils to offset the costs of both existing and new mining projects.

The below sets out some examples of previous or current state, federal or international programs or policies that have been implemented to support or offset the impact of mining in communities.

3.2 STATE GOVERNMENT PROGRAMS

Resources for Regions (NSW Government)

The NSW Government introduced the Resources for Regions (R4R) program in 2012 with the original objective of delivering improved local infrastructure and enhancing economic growth and productivity in mining-impacted communities in NSW (NSW Government 2019). The program started with targeting 9 mining impacted LGAs in Round 1, with eligible locations changing across the various rounds (Audit Office, of NSW, 2018). Over 9 rounds between 2012 – 2023, the Program delivered $560 million to around 355 projects across regional NSW to mining-affected communities via grants process that evolved over the years it was delivered (NSW Government 2022b). Early rounds were funded from the Restart NSW Fund governed by the Restart NSW Fund Act, 2011 (NSW Government 2019), with subsequent rounds funded from budget appropriations from the government's Consolidated Fund. The program was never linked to a hypothecated share of mining royalties.

Resources for Regions was initially established as a competitive grant program, with mining impacted councils eligible to apply for funding (NSW Government 2022b). A merit assessment was undertaken, and projects were fund in each round. Through the delivery of Rounds 5 and 6 (2016- 2018), criticism of the program grew as highly impacted mining areas (e.g. Singleton) missed out of securing funding in consecutive Rounds of the competitive grant process (NSW Government 2019).

In 2019 the NSW Government commissioned an independent strategic review to make evidence-based recommendations on how the program could better support mining-impacted communities. Key issues identified in the Review included the need to more clearly target the most mining-impacted councils, improve transparency and predictability of funding, broaden eligible project types beyond hard infrastructure, and reduce complexity in the application process (NSW Government 2019). The review prompted a redesign of the program for Round 7 where new funding criteria were introduced to better align the program with community needs and strategic priorities. Other notable changes included guaranteed base funding allocations for eligible councils to ensure resources reached the areas most affected, and the expansion of eligibility to include community programs alongside traditional infrastructure projects (NSW Government 2021a).

For Rounds 7 – 9, set funding allocations were allocated to each LGAs using a base allocation then loading for the LGAs mining employment location quotient (LQ), the number of active mines and the population size. This ensured those economies that were most reliant on mining derived the highest benefit from the program. The funding source was moved out of the Restart NSW Fund which removed the mandated need for a project to be hard infrastructure, and the threshold Benefit Cost Ratio for a project to make an economic return that had proved a limiting factor for some communities to secure funding (NSW Government 2021c).

The changes ensured that the communities that were most impacted by mining received the highest amount of funding. The revised funding model, which guaranteed a base allocation and weighted additional funds towards the most mining-impacted communities, was generally viewed positively by participating councils and key industry stakeholders, with evaluations reporting high stakeholder satisfaction and buy-in (NSW Government, 2021c; Local Government NSW, 2023).The Program funded many key projects that councils were unable to fund on their own such as road upgrades, bridges, water and waste infrastructure, community amenities, workforce training and community programs (NSW Government 2021a). The last round of R4R was run in 2022. The Resources for Regions program was closed in 2023, with funding reported to have been reprioritised by government to the newly reformed Regional Development Trust.

The discontinuation of the Resources for Regions program left a policy and funding gap for mining communities in NSW being that:

- clear evidence of localised and unique impacts of mining in certain LGAs
- a proven greater cost for councils in mining areas to deliver local infrastructure and services
- constraints, inconsistency and low capacity for councils to meaningfully increase their revenue

- around 98% of mining revenue paid to government was paid to the state government, without a dedicated 'return investment' for the communities that were hosting the mining and experiencing the high costs and local impacts

Despite the positive outcomes and local projects delivered by Resources for Regions program, several design limitations were identified by councils and stakeholders. Some LGAs without mining operations within, but adjacent to, their LGA reported significant mining-related traffic and service impacts were ineligible which created perceived inequities where communities experienced impacts but received no offsetting funding (and no mining land rates payable to them). Further, because the funding allocation formula was loaded on the mining employment location quotient, areas with diversified economies with significant mining-related infrastructure impacts (e.g. LGAs hosting an export port) received lower allocations than less mining-impacted LGAs, despite notable infrastructure and other mining related burdens. The use of Census-based employment data for the funding distribution also meant that allocations could lag rapid changes in mining activity and workforce composition between Census periods. Councils and peak bodies also raised concerns about the relative distribution of funding between LGAs and the transparency of decision making (Mining and Energy Related Councils NSW 2024).

During Rounds 7 to 9 many councils struggled to keep pace with the amount of annual grant funding from both NSW and Federal Governments that was released in response to natural disasters and COVID-19. The unprecedent grant funding put immense pressure on smaller councils to manage the grant administration and project delivery and disruptions to supply of materials and labour (Department of Regional NSW, 2024).

The Round 9 Resources for Regions process evaluation labour (Department of Regional NSW, 2024). identified that the Program:

> *"utilised and communicated an evidenced-based grant funding allocation model that provided applicants certainty and enabled them to prioritise and plan"* and it *"was fit-for-purpose: Objectives were relevant to mining and gas-impacted communities, supporting councils to deliver strategic priorities"*.

The evaluation outlined that:

> *"79% (of participants) felt that the program's objectives were highly aligned to the priority needs of their community, the remainder felt that the program objectives were moderately aligned. The overwhelming response from grantees interviewed was that R4R9 continued to assist councils to deliver on a range of strategic priorities"*.

There was also strong advocacy for the program to continue:

> *"All grantees agreed that there are still a range of projects to progress that align with the overall objectives of R4R, including new projects and further stages of existing projects" (Department of Regional NSW 2024).*

There are some limitations to running a competitive-style grants program to deliver funding to impacted mining communities including:

- fixed timeframes to apply for funding and to deliver the project which may not align to planning approvals and the projects readiness
- the timelapse between obtaining quotes for projects and being awarded funding and commencement of the project led to cost overruns and delivery failure of projects
- the inability to be flexible as projects change due to the requirements of funding deeds
- grant milestone payments do not align to the cashflow requirements of the project placing a financial burden on councils

An economic evaluation of R4R is being prepared by the NSW Government and is expected to provide additional evidence on the long-term effectiveness and value for money of the program.

Resources for Regions Case Studies - MERC - Submission, Review of the Regional Development Act

Upper Hunter Shire

Scenario

- A statistically significant mining workforce.
- Distributed traffic impact associated with mining activity in neighbouring LGAs.
- Approximately 80% of more recent ecological offsetting (associated with neighbouring mining activity) occurs within the LGA.
- Offsets often have conservation agreements placed over them which removes the parcels of land from the application of rating and a Council's rating base (Notional General Income).
- No local coal mining activity.

Consequence

The distributed impacts from mining activity are subsidised by Council's residential, farming and business rating categories. The negotiation of a VPA is not a policy solution because of the distributed nature of the impact from multiple sources of mining activity. This is a significant legislative and policy gap which Resources for Regions partly addressed.

** Resources for Regions Case Studies - MERC - Submission, Review of the Regional Development Act (2024)*

Muswellbrook Shire

Scenario

- Thomas Mitchell Drive is an unclassified (local) road in the Hunter Region.
- Used by four distinct mining operations as well as the mining services industry.
- Assessed to require (n 2012) an approximate $24m in order to safely accommodate predicted traffic.
- The local council was unable to meet the cost of the upgrade from its general revenues (the Council had, at the time, an annual rate-base of $16m).
- Because of the distributed nature of the impact, VPAs were only a partial policy solution – a finding made following a NSW Government contributions study.

Consequence

Had there not been a contribution from the State Government through Resources for Regions, essentially bankrolling the necessary safety upgrades, it is likely that an otherwise logical and orderly planned mining activity would have been refused planning consent. The cost to the people of New South Wales from not recovering the coal and its associated royalties in those circumstances would have been substantial.

** Resources for Regions Case Studies - MERC - Submission, Review of the Regional Development Act (2024)*

Royalites for Rejuvenation Fund / Future Jobs and Investment Authority (NSW Government)

The Royalties for Rejuvenation Fund was established to support the economic transition of coal-mining regions. The Fund is established under section 292W of the Mining Act (1992) as a special-purpose fund within the NSW Special Deposits Account. The Act provides that the Fund may receive Treasurer advances, Parliamentary appropriations, other money directed by law and investment earnings, but it does not legislate any specific hypothecation of coal or mining royalty revenue to the Fund. The NSW Government has committed at least $25 million per year into the Fund with the objective of supporting workers and communities in coal-affected regions to diversify their economies and manage the impacts of declining coal demand over time (NSW Government 2025a). In June 2025 the Government signalled that the Royalties for Rejuvenation Fund would be named the Future Jobs and Investment Fund (FJIF) (NSW Resources, 2025c). At the time of writing this report, the Mining Act still retained the name of Royalties for Rejuvenation Fund.

The Royalties for Rejuvenation Funds are quarantined exclusively for coal-mining regions prescribed in regulation as the Hunter, Central West, Illawarra and North West regions (NSW Government 2025a). The primary objective of the funding is to mitigate the economic and social impacts associated with the reduction of coal-mining activity by promoting economic diversification. The Fund has been established to support activities that facilitate regional renewal, including infrastructure delivery, workforce development, industry attraction, and strategic land-use planning (NSW Government 2025a).

The legislative framework for the Royalties for Rejuvenation Fund commenced in October 2022. Annual allocations to the Fund have been made, however the government established the Fund in the budget (in 2022) without a spending profile until 2028–29, or until the Fund matured to $250 million, whichever occurred sooner (NSW Parliament Legislative Council, 2024).

The Future Jobs and Investment Authority (FJIA) announced by the NSW Government is being established to support the long-term economic future of the four NSW coal-producing regions by guiding their transition from coal production towards new industries and employment opportunities. The FJIA will be a statutory authority with a Chief Executive Officer, an advisory Board and four Local Divisions (one in each coal region) to ensure decisions are informed by local communities and stakeholders (NSW Resources 2025c).

The NSW Government outlines that the Future Jobs and Investment Authority will work across Government to:

- facilitate strategic planning and targeted site activation to enable new and emerging employment-generating industries, including on former mining land
- drive investment attraction activities to support the development of new industries
- develop initiatives to ensure workers are provided with the necessary assistance and opportunities to secure a stable future
- guarantee genuine engagement with local communities to ensure their voices are heard and allow for effective consultation, collaboration and partnerships across all levels of government and with key stakeholders to achieve real outcomes.

The Royalties for Rejuvenation Fund and FJIA could present an established funding instrument, governance and structure to address the policy gap left by the discontinuation of the Resources for Program. Section 4 of this Report includes the option to reform the Royalties for Rejuvenation Fund to include non-coal mining LGAs; Broaden eligible activities to be funded to include support and development of all mining areas; increase the annual funding from 2030 to be hypothecation of an agreed % of Mining royalties; and expand the remit of Future Job and Investment Authorities to cover economic development, jobs and support for all mining areas.

Stakeholders have consistently argued that the current commitment of $25 million per year into the Royalties for Rejuvenation Fund is inadequate. The Hunter Jobs Alliance, representing unions, community and environment groups, has called for the annual allocation to be increased to the greater of $150 million or 5 per cent of total royalties income in successive NSW Budget submissions and in its response to the Future Jobs and Investment Authorities Issue Paper (Hunter Jobs Alliance 2024, 2024a, 2024b). Likewise, the MERC submission to the Review of the Regional Development Act (2024) recommended funding for Royalties for Rejuvenation should be increased, further supported by The Australia Institute (2023) that argued that multi-billion-dollar coal royalty windfalls could be directed to the Royalties for Rejuvenation Fund.

Regional Development Trust (NSW Government)

The Regional Development Trust is a dedicated NSW Government investment instrument established to provide more strategic, transparent and evidence-based investment in regional and rural communities across the state. The Trust sits within the Regional Development Act 2004 framework and is a central pillar of the Regional Development Roadmap, alongside modernising the Act and establishing a Regional Development Advisory Council (NSW Government 2025c).

As part of the 2023-24 and 2024-25 budgets, the NSW Government committed an initial $400 million over 5 years to the Regional Development Trust to support sustainable and strategic investments that deliver benefits to regional communities.

The Trust's investment framework is organised around four key focus areas:

- **Sustainable regional industries** (including emerging and "engine" industries) – enabling growth, adaptation and resilience of regional economic sectors.
- **Aboriginal economic development and enterprise –** supporting Indigenous businesses, organisations and employment opportunities in regional NSW.
- **Community connection & capacity building –** strengthening communities through infrastructure, services, workforce development, and enhancing liveability.
- **Improving regional service delivery –** bolstering access to essential services (health, transport, early-childhood, etc) in regional and remote communities.

These focus areas are set out in the Regional Development Roadmap and associated Trust guidance materials (NSW Government 2025c).

The Regional Development Act 2004 was amended in 2024 to strengthen the governance and accountability framework for the Trust. Key changes included: updating the objects of the Act to reflect contemporary regional development needs; expanding the types of financial assistance that can be provided from the Trust (including different forms of investment and co-investment); mandating publication of an Annual Report, development of an investment strategy and governance framework for the Trust; and requiring the Minister to establish a Regional Development Advisory Council as a standing source of independent expert advice (NSW Government, 2024e).

The Trust is intended to:

- Provide strategic, long-term investment in regional NSW to generate sustainable economic outcomes and community benefits.
- Support diversification of regional industries, promotion of First Nations (Aboriginal) economic enterprise, enhancement of community capacity and infrastructure, and improved regional service delivery.
- Ensure that public funds directed to regional development are governed by transparent criteria, evidence-based investment strategy, and improved accountability mechanisms (NSW Government 2025c)

An independent advisory body, the Regional Development Advisory Council, has been established to provide expert advice to the Minister for Regional NSW on investment decisions under the Trust (NSW Government 2025c). The Trust represents a strategic shift in how NSW government allocates investment to its regional and rural communities, moving from ad-hoc funding towards a more structured, evidence-based and transparent approach.

With clearly defined focus areas, strong governance and dedicated funding, the NSW Government Regional Development Roadmap could be leveraged to address the policy gap left by the discontinuation of the Resources for Program. A dedicated stream of funding (Like the Regional Economic Development & Community Investment Fund below) could be established under the Trust, embedded in the Regional Development Act, and leverages the Regional Development Advisory Council for independent advice and governance. Increased funding into the Regional Development Trust could be via hypothecation of an agreed % of Mining royalties.

Regional Economic Development and Community Investment Fund (NSW Government)

The $50 million Regional Economic Development and Community Investment Program (REDCIP) is a competitive grant initiative administered by the NSW Department of Primary Industries and Regional Development on behalf of the NSW Government. REDCIP is funded under the Regional Development Trust and is designed to promote regional economic development in rural and regional NSW by supporting projects that create or retain jobs and strengthen the economic base and liveability of regional communities (NSW Government 2024c).

The primary purpose of the program is to enable regional economic growth and job creation/retention in rural and regional areas of NSW.

The specific objectives are:

- to support projects aligned with the Trust's key focus areas
- to invest in infrastructure (capital works) and service/program delivery that address regional disadvantage, support workforce development, enhance liveability, and encourage business or industry-growth.
- to ensure projects demonstrate a public benefit and cross LGA impact (NSW Government 2024c)

The program supports two broad project streams:

- **Infrastructure Projects**: Capital works that enable economic opportunities – e.g., enabling infrastructure for business hubs, regional airports, industrial precincts, nature-based tourism infrastructure, Aboriginal cultural centres.
- **Services and Program Delivery:** Initiatives such as workforce skills programs, key worker attraction/retention for regional areas, coordination hubs for community and health services in rural/remote areas (NSW Government 2024c)

While REDCIP is not a mining-specific impact mitigation program, it is an important part of the current NSW regional development landscape for mining and energy transition regions. Councils and regional organisations could apply to support economic diversification projects, workforce transition initiatives, or enabling infrastructure that supports sustainable regional industries. However, because it is a broad, competitive program with wide eligibility and range of project types, mining-affected LGAs compete with other regional priorities and proponents, and there is no dedicated allocation for mining-impacted communities.

Royalties For Regions (Western Australia)

The Royalties for Regions program was a long-term initiative (2008 – 2017) of the Western Australian Government designed to redirect a portion of the royalties generated from mining and onshore petroleum activities back into the State's regional areas. The program was formally launched in December 2008 and subsequently established in legislation (the Royalties for Regions Act 2009) to provide a consistent framework for investment in regional development (Government of Western Australia 2009).

The Royalties for Regions program was underpinned by the following high-level objectives:

- Provide infrastructure and services in regional Western Australia.
- Broaden and develop the economic base of regional areas.
- Maximise job creation and improve career opportunities for people living in regional Western Australia.

Over the years, the program stated six specific objectives: building capacity in regional communities; retaining benefits in regional communities; improving services to regional communities; attaining sustainability; expanding opportunity; and growing prosperity (Government of Western Australia, 2022)

Under the original policy and Act, an amount equal to 25% of the state's forecast annual mining and onshore petroleum royalty income was credited each year to the Royalties for Regions Fund, subject to an end of year balance cap of $1 billion (Office of the Auditor General Western Australia, 2014). The Fund operated program streams including the Regional Community Services Fund, the Regional Infrastructure and Headworks Fund and the Country Local Government Fund (Government of Western Australia 2013).

Between 2008 and 2017, over $6.9 billion of royalties was invested into more than 3,700 infrastructure and community projects across regional WA (Productivity Commission 2020).

Governance was provided via a statutory advisory body, the Western Australian Regional Development Trust, which was established under the Act to provide independent advice to the Minister for Regional Development on the fund's operation.

The Royalties for Regions Fund is the most prominent example in Australia of a hypothecated resource-royalty funding model that linked regional funding investments to mining.

Resources Community Infrastructure Fund (Queensland)

The Resources Community Infrastructure Fund (RCIF) is a Queensland Government grant program that supports community and social infrastructure in mining-affected regions, particularly coal-producing areas. It was originally launched as a partnership between the Queensland Government and major resource companies, with the first round providing $100 million in funding, of which $30 million was contributed by the state and $70 million by participating companies. The initial co-funding model was coordinated in partnership with the Queensland Resources Council (Queensland Government 2021). By Round 3, the $118.2 million announced for 18 community projects was fully funded by the Queensland Government, signalling a shift from the original industry-co-funding model (Queensland Government 2024).

The RCIF funds new community assets or significant upgrades, extensions or replacements of existing facilities that deliver social and economic benefits to communities that host or support major resource operations. Example projects include housing for non-mining workers, health and education facilities, recreational and sporting infrastructure, cultural centres and airport and transport upgrades that directly benefit local residents and service delivery rather than project-specific mine infrastructure (Queensland Government 2024).

The key objectives of the RCIF are to:

- Support construction of new infrastructure or the upgrade/extension/replacement of existing buildings in resource-industry communities.
- Enhance liveability and service provision in communities that host or support major resource developments.
- Deliver social, economic and environmental benefits (for example improved housing, health services, recreation facilities) to resource-communities.

- Foster jobs and local economic activity via infrastructure investment (Queensland Government 2021)

The program delivered key benefits to these communities including:

- Social benefits: Improved community amenities, recreation facilities, housing, health & education infrastructure in resource-regions.
- Economic benefits: Infrastructure investment creates construction jobs, supports local business, enhances attractiveness of communities for workers and families.
- Liveability: By augmenting services in resource-regions, the fund helps make these communities more sustainable and resilient beyond the mining industry.
- Strategic: Supports regional growth, retention of workforce, and improved conditions in areas that underpin Queensland's resources sector (Queensland Government 2024)

The RCIF has become an important mechanism for sharing re-investing revenue from the resources sector back to the communities that host major mining operations. By targeting social and community infrastructure, the program complements other economic development initiatives and provides a relevant reference point for NSW in considering how to design impact mitigation and benefit sharing for mining-affected regions, particularly regarding the balance between industry contributions and state budget funding.

3.3 COMMONWEALTH GOVERNMENT POLICIES / PROGRAMS

The Commonwealth government has a number of relevant programs and policies relevant to mining activity in NSW.

Critical Minerals Strategy 2023-2030

The Critical Minerals Strategy 2023–2030 sets out the Australian Government's long-term policy framework to grow the nation's critical minerals sector, leverage Australia's geology and processing potential, and support the global low-emissions transition (Commonwealth Government 2023). Australia is well placed having rich geological reserves, established mining and extraction expertise, and has a track-record as a reliable exporter and the Strategy sets a vision that by 2030 Australia will have grown the geostrategic and economic benefits of its critical minerals sector, be a globally significant producer of raw and processed critical minerals, and support diverse, resilient and sustainable supply chains (Australian Government 2023).

The Strategy explicitly aims to create new and sustainable economic opportunities in regional and remote Australia areas where most critical mineral deposits are located. Expected outcomes include:

- Job creation across mining, processing, logistics, infrastructure and downstream industries such as battery and renewable-energy manufacturing.
- Support for small and medium enterprises (SMEs) that provide local services to critical minerals projects (engineering, maintenance, transport, accommodation, etc.).
- Economic diversification, helping communities that have traditionally relied on coal or single-commodity mining to transition into more future-oriented industries (Australian Government 2023)

Critical minerals development requires enabling infrastructure, including transport corridors, power supply, water, and workforce housing, much of which benefits local councils and residents (Australian Government 2023)

- Improved regional infrastructure, such as upgraded roads, rail links, and utilities funded jointly by government and industry.
- Enhanced local services, including digital connectivity, workforce housing, and community facilities that support an expanded population base.

- Long-term assets that strengthen local resilience and liveability beyond the life of individual projects (Australian Government 2023)

Through diversification and local capacity building, the Strategy aims to contribute to long-term regional resilience. Expected impacts include:

- Greater economic stability in mining-dependent towns as new industries emerge.
- Reduced vulnerability to global commodity price swings through diversification.
- A stronger platform for transition planning, as communities prepare for shifts in global energy and resource markets (Australian Government 2023)

Net Zero Economy Authority

The Net Zero Economy Authority (NZEA) is an independent statutory authority established by the Australian Government, under the Net Zero Economy Authority Act 2024 (NZEA Act). It commenced in December 2024, with its core remit is to support Australia's transition to a net-zero emissions economy in a way that is orderly, positive and inclusive of workers, communities and region (Australian Government 2024).

NZEA's objective are:

- Promote orderly and positive economic transformation as Australia shifts to a net-zero economy.
- Facilitate the achievement of Australia's greenhouse gas emissions reduction targets.
- Ensure that regions, communities and workers impacted by the transition are supported to manage the effects and share in the benefits (Australian Government, 2024)

The NZEA has identified a number of priority regions that are significantly exposed to the transition (for example: coal and gas communities, heavy-industry regions). This includes the Hunter region which is specifically targeted for new industries, manufacturing, renewables, and construction (Net Zero Economy Authority, 2025a). For regional communities the transformation to net-zero presents both risk and opportunity. NZEA's role is to help ensure regions harness new industries and investments, rather than being left behind (Net Zero Economy Authority, 2025b).

For workers, the Authority recognises that employees in coal, gas and other emissions-intensive sectors face major change; its role is to help enable access to new jobs, reskilling and redeployment, including through the Energy Industry Jobs Plan framework for workers at coal and gas-fired power stations and dependent employers such as coal mines (Department of Employment and Workplace Relations, 2024)

Building Better Regions Fund

The Building Better Regions Fund (BBRF) was an Australian Government grants program designed to support regional economic growth and community development. Established in 2017 under the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, the fund targeted projects that would create jobs, drive economic diversification, and enhance liveability in regional and remote Australia (Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2024a).

The program concluded in 2022, with funding now transitioning to the Growing Regions Program and other regional development initiatives (Australian National Audit Office 2024).

The program objectives were to:

- Stimulate economic growth and job creation in regional and remote communities.

- Fund infrastructure and community investments that improve local amenity, productivity, and connectivity.
- Support industry diversification and strengthen local economies.
- Foster social cohesion and community resilience through improved services and facilities.

The BBRF operated through two main funding streams:

1. **Infrastructure Projects Stream**
    a. Funded new or upgraded local infrastructure, such as transport, tourism, community, or cultural facilities.
    b. Aimed to deliver long-term economic benefits and attract private or state co-investment.
    c. Projects typically required matched funding from applicants.
2. **Community Investments Stream**
    a. Supported non-infrastructure activities such as local events, strategic planning, and leadership or capability-building initiatives.
    b. Aimed to build community capacity and support economic transition in regional areas (Australian National Audit Office, 2022)

Approximately $1.38 billion was allocated across six rounds (2017–2022) with over 1,200 projects funded nationwide (Australian National Audit Office, 2022). Councils were major recipients and partners, leveraging BBRF funding to upgrade local amenities, cultural centres, tourism infrastructure, and community facilities. Community Investment Stream grants helped councils prepare economic development strategies, feasibility studies, and business cases for future investment (Australian National Audit Office, 2022).

Independent evaluation and audits by the Australian National Audit Office (2022) found that:

- It successfully delivered infrastructure that supported local jobs and growth.
- Application and selection processes required greater transparency and consistency.
- Funding distribution was at times influenced by ministerial discretion, leading to recommendations for improved governance and regional needs assessment (Australian National Audit Office, 2022).

The program was regarded as effective in supporting local infrastructure priorities and enabling councils to deliver projects that may not have otherwise been possible (Australian National Audit Office, 2022). Following the closure of BBRF, the Australian Government introduced the Growing Regions Program (2023) to deliver similar place-based investments, with an emphasis on transparency, regional equity, and community engagement in decision-making (Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2024a).

Growing Regions Fund

The Growing Regions Program is an Australian Government grants initiative designed to support regional economic growth, liveability, and resilience through investment in community infrastructure projects. Launched in 2023, the program is administered by the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The Growing Regions Program replaced the former Building Better Regions Fund and forms part of a broader shift toward transparent, equitable, and strategically aligned regional funding under the Australian Government's Regional Investment Framework (Australian National Audit Office, 2024).

$600 million has been allocated over 4 years commencing in 2023/24. In December 2024, the government announced 72 successful projects from Round 1, investing $386 million across Australian communities. Round 2 closed on 10 October 2024 (Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2024b).

The Growing Regions Program:

- Introduces clear governance and reporting mechanisms
- Strengthens regional planning linkages to ensure projects align with broader economic and social priorities
- Provides a consistent national framework for regional investment through the Regional Investment Framework and Regional Precincts and Partnerships Program (RPPP).

The Growing Regions Program represents a modernised and reformed approach focusing on equitable, transparent, and strategic investment in regional communities. For regional councils, the new program offers continued access to Commonwealth funding with strong evidence-based planning, regional collaboration, and alignment with long-term development strategies (Australian National Audit Office 2024).

Regional Precincts and Partnerships Program

The Regional Precincts and Partnerships Program (RPPP) is a national initiative designed to support place-based regional development through collaborative investment in key precincts. It aims to drive economic diversification, liveability, and resilience in regional Australia by funding planning and construction projects that transform local economies and communities. The Government has allocated up to $400 million over four years 2023–2027 (Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2024c).

The objectives of the program are:

- Enable coordinated and collaborative investment in regional precincts and towns.
- Support integrated economic and community infrastructure development.
- Encourage partnerships between governments, industry, and communities.
- Promote sustainable, future-focused regional growth aligned with local priorities.
- Enhance the resilience and liveability of regional centres (Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2024c)

The program provides funding in two streams:

- Stream 1 – Precinct Development and Delivery: Supports construction and implementation of precinct-scale projects that strengthen local economies and deliver long-term social and economic benefits.
- Stream 2 – Precinct Planning: Provides funding for strategic planning, design, and consultation to prepare precincts for future investment and delivery (Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2025a)

In August 2025 the Government announced 15 successful projects, investing $67 million across Australia in the latest round (Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2025b). For regional and rural NSW, the RPPP represents a strategic shift towards integrated precinct development. It complements other funding programs such as the Growing Regions Fund and Regional Investment Framework, aligning regional economic, infrastructure, and social planning priorities.

3.4 INTERNATIONAL PROGRAMS

Minero (Mining Canon) Peru

Peru is rich in natural resources, particularly copper, gold and silver; recent data show it is the world's third-largest producer of both copper and silver and remains one of the top ten gold-producing countries (US Geological Survey 2024; Silver Institute 2024; World Gold Council 2025).

The *Canon Minero* is a national-level funding redistribution mechanism in Peru by which the national government transfers a portion of mining-related revenue (taxes, rents) to the regional and local governments in jurisdictions where mineral resources are extracted (Ministerio de Economía y Finanzas, 2025). In effect, it aims to ensure that communities and regions hosting mining operations receive a share of the economic benefits.

Under this law, the national government shares 50% of the corporate income tax collected from mining companies to sub-national governments (Lasa Aresti, 2016).

The legislated 50% revenue from the Canon Minero is distributed among different tiers of sub-national government according to a formula and funding split below (Natural Resource Governance Institute, 2016):

- 10% goes to the municipal governments of the district where the resource is extracted
- 25% to the provincial/local municipalities of the same area
- 40% to all municipal governments of the department (region) where extraction occurs
- 25% to the regional government of the producing region; and of that regional share, 20% is earmarked for public universities in the region to invest in research and technology

The allocation is intended to be based on production (derivation principle) but also takes into account population and 'basic needs' criteria. Sub-national governments must spend all resource transfers to on investments for the benefit of the community (Natural Resource Governance Institute, 2016). One of the limitations of this model is tracking these investments and the level of governance and information sharing.

The Canon Minero is intended to:

- Support infrastructure development in mining regions (roads, public services, housing etc).
- Contribute to economic development of resource-rich but often remote or under-serviced regions.
- Address the perceived imbalance where resource-rich regions produce wealth but often lag in service-delivery and infrastructure investment.

The program has its own risks and limitations also:

- Under-distribution / legal gap: Although the Canon Minero is defined as 50% of corporate income tax from mining plus a share of royalties and fees, other profit-based instruments remain centralised, so subnational governments in practice receive only part of total mining income (Lasa Aresti 2016)
- Governance and efficiency: Audits and empirical studies show some under-execution of canon and royalty budgets, weak technical capacity, and symptoms of a local 'resource curse' such as low-quality or politically driven projects that limit the development impact of these funds (Crabtree 2014).
- Volatility and dependency: Canon and royalty transfers fluctuate strongly with commodity prices and production, while in many producing municipalities they account for a large share of total

revenue, creating a combination of volatility and dependence that undermines long-term planning, investment and asset maintenance when prices fall (Lasa Aresti 2016; Kreitmeir 2024).

Local Government Code Of 1991 (Philippines)

The 1987 Philippine Constitution states that local governments shall be '*entitled to an equitable share in the proceeds of the utilisation and development of the national wealth within their respective areas, including sharing the same with the inhabitants by way of direct benefits' (Respicio 2025).* The Philippines Local Government Code (LGC) of 1991 (Republic Act No. 7160) implements this principle by giving Local Government Units (LGUs) a defined share of national government revenues derived from natural-resource exploitation in their area. Section 290 of the LGC provides that LGUs shall have a share of 40% of the gross collections derived by the national government in the preceding fiscal year from taxes, royalties, charges, fees, and fines from mining, forestry, fishery, energy-resources and other 'national wealth' within their territorial jurisdiction (Local Government Code Republic Act No. 7160 (Philippines) 1991).

The distribution of the LGU share (40%) of resources mined from an area is retained within the province, with a typical allocation formula of 20% to the province, 45% to the component city or municipality, and 35% to the Village / District (Barangay) (Villaflor and Vallespin, 2018),

The mechanism is meant to give LGUs located where mining or natural-wealth development occurs a share of the benefits, thereby promoting greater economic equity and local development (Respicio 2025). The funding share enables the LGUs to pursue new projects that create employment and livelihood opportunities in mining and energy host areas. While some significant budget allocations have been made in recent years, issues remain around timeliness of remittance of LGU shares, the volatility of resource-based revenues, and the capacity of LGUs to convert these funds into development outcomes (Angara 2019; Respicio 2025).

Table 4: *Summary of government mining assistance programs*

Theme	Approach	Examples	Key Observations
Reinvestment of Royalties	• Dedicate a share of mining royalties to regional funds. • Can be embedded in legislation with caps/floors and paid into dedicated funds rather than consolidated revenue. • Use formula-based regional allocations (e.g. by production, employment, impact indicators) to distribute funding • Use independent advisory bodies to guide project selection and ensure funds align with regional strategies.	WA Royalties for Regions; NSW Royalties for Rejuvenation; Canon Minero (Peru).	• Sustainable funding source, but dependent on commodity prices; timing of disbursements critical. • Hypothecated funds can reduce the structural mismatch between where mining impacts occur and where revenues are spent • Revenue volatility from commodity cycles can make it difficult to sustain long-term infrastructure and service commitments • Strong statutory governance and transparency are required
Targeted Grants for Mining Impact Mitigation	• Fund local infrastructure and community projects in mining-affected LGAs via a grant process • address both physical and social impacts of mining. • Allocate funding using impact-based formulas (e.g. employment LQ, number of mines, output, freight burden)	NSW Resources for Regions; QLD RCIF.	• Can be effective but administratively burdensome. • Competitive grant models can overlook LGAs with lower capacity or limited staff, even where mining impacts are high. • Fixed delivery timeframes and rigid funding deeds can create cost overruns, project delays and

	• Design multi-year funding rounds to allow councils to plan pipelines of projects rather than relying solely on short, one-off grant windows.		administrative pressure for smaller councils. • Program design needs to recognise cross-boundary impacts (e.g. freight corridors, offsets) so that adjacent LGAs without mines are not excluded from support.
Transition & Diversification Funds	• Target investments to economic diversification, new industries, skills pathways and enabling infrastructure in regions exposed to potential significant industry decline • Support locally led transition planning and governance (e.g. Future Jobs and Investment Authorities) that integrate land-use, workforce and investment decisions.	Royalties for Rejuvenation; NZEA; Critical Minerals Strategy.	• Coordinated planning essential to manage transition risks; clear eligibility and governance frameworks required. • Opportunity to coordinate transition of decline of coal mining to increase in mining of critical minerals and metals • Limiting transition funds to coal regions can limit strategic approach and opportunities to Mining development across the whole of NSW
Broad Regional Development Mechanisms	• Support long-term regional growth and resilience. • Use multi-pillar frameworks to guide regional investment choices. • Channel funding through investment strategies • Include annual reporting and independent advisory councils. • Can integrate state and Commonwealth programs to co-fund precincts and strategic projects	NSW Regional Development Trust; Commonwealth GRP and RPPP.	• Broad programs can unlock larger, transformational projects but mining LGAs must compete with many other regional priorities. • Without explicit mining-impact criteria, high-need mining communities may receive only a small share of funding relative to their infrastructure and / or transition pressures.
Revenue Sharing Models	• Legislate fixed sharing rules that allocate a portion of resource revenues (taxes, royalties, fees) to sub-national governments hosting mining • Apply derivation-based formulas with jurisdictional splits to retain a regional share within the producing area. • Earmark revenue for capital investment and development projects (infrastructure, services, livelihoods) rather than recurrent spending where possible	Peru Canon Minero; Philippines LGC 1991.	• Models like Peru's canon Minero and the Philippines LGC an improve economic distribution but can generate disparities between producing and non-producing areas • Volatile commodity prices and production levels can create unstable transfers, making it difficult for local governments to plan and execute long-term investments. • Governance challenges can undermine the development impact of shared revenues, highlighting the need for strong oversight and transparency.

3.5 RENEWABLE ENERGY ZONE COMMUNITY & EMPLOYMENT BENEFIT PROGRAM (NSW GOVERNMENT)

While not a mining program, the Renewable Energy Zone Community and Employment Benefit Program (initially established in the Central West) has funding for communities that are hosting renewable energy and transmission lines. The Program is focused on sharing the financial benefits of the energy transition, bringing new investment, funding and local jobs (EnergyCo 2024a).

The Community and Employment Benefit Program (CEBP) is administered by the Energy Corporation NSW (Energy Co NSW). It forms part of the state's Renewable Energy Zone (REZ) framework, designed to ensure that regional communities hosting renewable energy infrastructure receive tangible, lasting social and economic benefits (EnergyCo 2024a). The program recognises that REZ development - including construction of transmission lines, wind and solar farms - storage and related infrastructure, can impact host communities. The CEBP seeks to share the benefits of the energy transition by investing directly in community infrastructure, employment pathways, and First Nations participation (EnergyCo 2024a).

The key objectives of the program include:

- improve liveability in regional communities by supporting better access to services, housing, connectivity and other public infrastructure
- support regional economic development and long-term legacy projects for host communities
- improve outcomes for First Nations people by increasing the capacity of First Nations organisations and supporting dedicated services and infrastructure
- strengthen community connection through access to quality sport, recreation, arts and cultural facilities and programs
- improve local employment opportunities through training, skills and employment programs, and support community energy and environmental initiatives (EnergyCo 2024a).

The program is being rolled out progressively across the state's five declared Renewable Energy Zones, beginning with the Central-West Orana REZ (EnergyCo 2024a). In the Central-West Orana REZ, a total of $128 million is allocated to the Program up to 2028, and further long-term funding expected as REZ developments proceed across the state (EnergyCo 2024b). The statewide program is intended to allocate hundreds of millions of dollars over coming decades, funded by access fees payable by generators and other projects connecting to REZ network infrastructure (EnergyCo 2025b).

Program Funding Streams:

- Local Community Fund – Supports large projects improving regional liveability (e.g., housing, recreation, health, education infrastructure).
- Local Community Small Grants – Grants for local organisations delivering community-led projects and events.
- First Nations Fund – Dedicated support for Aboriginal organisations to deliver cultural, employment and enterprise initiatives.
- Legacy Infrastructure Fund – For eligible local councils to deliver strategic infrastructure aligned with regional growth and REZ development.

4 PROGRAM & POLICY OPTIONS

4.1 RATIONALE FOR GOVERNMENT INVESTMENT

The below table sets out the rationale for government investment in mining communities.

Table 5: Rationale for government investment in mining communities

Reason	Evidence
Mining presence is associated with higher operating costs for councils	• Study of NSW councils shows councils with more mining activity experience statistically significant increases in per-capita operating costs (Drew et al, 2018) • Councils report struggling to maintain full complement of workers as they leave to work in significantly higher paying mining jobs. • A Report on local government from Queensland (Valle de Souza, Dollery and Blackwell, 2018) found that mining imposes significant costs on local

	government and that there is a mismatch between the costs borne by councils and the revenues they receive, due to royalties being retained at state level.
Revenue raised by councils is inadequate to offset the additional costs of hosting mining related activity.	• Local councils in NSW only receive around 2-3 percent of the total quantum of mining revenue paid to government(s) by mining companies (Drew et al, 2018; NSW Minerals council, 2024). • The 97-98% of mining revenue raised by the NSW Government is not tied to expenditure aligned to offset mining impact in the communities who host the mining activity. • In many cases, the rates revenue or other local government contributions from mining companies does not cover the estimated increased operational expenditure associated with the mine impacts (Drew et al, 2018)
Mining land rates are an inadequate instrument to offset local mining impact (Local Government Act / IPART Act)	• The main source of mining income for local government is land rates which are based on the land's unimproved value (set by the NSW Valuer General), without a link to what the mine produces or the external impacts it creates (e.g. tonnage hauled, traffic generated, blasting, groundwater drawdown, or social impacts etc). • Rates are constrained by the IPART rate-peg and SRV process – council capacity to apply for SRVs highly variable.
Voluntary Planning Agreements or Development contributions are one-off agreements, limited in scope and can lag later-emerging impacts off decade long mining operations (EP&A Act)	• Development contributions under the EP&A Act including VPAs (s7.4) and (LIC S7.11/7.12) are limited by how well long, cumulative, and evolving impacts of mining can be estimated. • There is limited scope to account for diffuse or cross-boundary impacts (e.g. regional housing pressure, health and social services, policing or demographic impacts in LGAs that don't host the mine) • VPA or contributions package agreed years ago can lag the later-emerging impacts (e.g., social change to communities) and often cannot be renegotiated in the timeframe required. • Fixed asset-specific contributions don't track evolving regional effects across LGAs or long period of time. • Many planning approvals for mines pre-date the introduction of VPAs in 2005 with historic planning approvals made decades ago and that are not suitable to account for current day impacts.

A previous mining related program have been discontinued since 2023; the program did not align adequately to impact of mining activity and were poorly targeted.	• The previous NSW Government Resources for Regions was discontinued in 2023 after supporting mining impacts in regional communities since 2012.
	• The program requirements improvements as it did not:
	  ○ account for direct impact on LGAs adjacent to mines
	  ○ adequately correlate mining revenue / mining impact with the government investments, particularly road impact
	  ○ take a region-wide or strategic approach to investments
	  ○ align with the broader impact to mining linked to the energy transition.

NSW Government programs (such as Royalties for Rejuvenation) are constrained by location, scope and scale.	• The NSW Government Royalties for Rejuvenation Fund is limited to coal-mining regions only (when key role of new rare earth / mineral mines are critical to the 'transition' and can support workforce and skill transition from coal sector) • Funding limited to 'alleviate economic impacts caused by a move away from coal mining.' • Funding of $25 million per annum is still a very low potion (<1%) of overall mining revenue in NSW

4.2 OPTION CONSIDERATIONS

A number of high-level considerations have been taken into account when developing the suggested new program options to invest in mining communities set out in the next section.

Mining Impact-focused – clearly targeted to offset local and regional impacts of mining (including host and corridor communities), not just general regional development.

Low to no budget impact – low or neutral short-term budget impact

Flexible but robust definition of mining-impacted – use multi-factor criteria or appropriate assessment to gauge mining impact

Aligned with current government policy and program context – particularly the energy transition and Regional Development reforms.

Evidence-based – grounded in data on mining impacts and lessons from other programs

Leverages existing programs or structures – Look to established funds, advisory bodies and grant systems

Strong local and First Nations voice – ensure meaningful participation of councils, workers and First Nations communities in priority setting, design and governance.

4.3 MINING IMPACT CRITERIA

The significant contribution of Mining communities in NSW has concealed underlying impacts in communities where mines are located as well as along the mining supply and logistics chain. Impacts (as outlined earlier in this report) include stresses on road infrastructure, socio-disadvantage, environmental impacts such as subsidence and poor air quality and many others.

There are many and varied ways that mining impacts can be considered in the context of existing government programs and policies. Previous programs have used a variety of evidence bases as a foundation for their design, including mining employment location quotients, projected cost of road impact, royalites paid, the number of active mines and the level of mining in an LGA as a basis to measure mining impacts.

Attachment A provides a summary of some mining impact indicators at the LGA level as guiding examples. This list is not definitive but are measures that could be used by Government in designing programs and funding allocations for mining impacted communities.

- Previous eligibility for Resources for Regions
- Eligible for Royalties for Rejuvenation
- Covered under the Future Jobs and Investment Authority
- Current active coal mine
- Current active metallurgical mine
- Proposed new mine and proposed new jobs
- Mining employment percentage per LGA
- Mining output percentage per LGA

Additional criteria that could be used include:

- Contribution to NSW Mining royalties
- Key contributor (supply chain, logistic, workforce)
- Mining Employment Location Quotient
- Mining road impact
- Mining rates
- Mining VPA/other local government contributions
- LGA adjacent to an active mine and evidence of impact

Used in isolation, some mining data criteria will only show a small portion of the impacts of mining that may be experienced. For example, a community may not have an active mine in the LGA but is adjacent to one and its roads are still therefore impacted by the freight. An LGA may have a lower percentage of employment in mining that other LGAs, but this demonstrates that it is a diversified economy not that the impacts of mining are less especially where key infrastructure or supply chains rely on their community assets.

Road infrastructure upgrades and maintenance are one of the most important factors when considering mining impact, particularly for councils. These impacts will be felt differently across communities but are consistency identified as the greatest financial burden of hosting a mine. The Mining Energy and Related Councils (MERC) made recommendations in their submission to the NSW Government's Regional Development Act Review (2024) that pertained to the importance of evidence-based assessment of mining impact, with a particular focus on roads. The MERC submission recommended the NSW Government should:

- *'(use) an evidence-based consideration and identification of the optimal regional catchment for all strategic interventions should occur early in the framing and administration of policy.*
- *fund, as a priority, a pilot regional mining impact assessment and the development of a regional mining affectation guideline.*
- *The regional affectation guideline should be developed collaboratively by all mining impacted councils in a region and in close consultation with industry, the Mining and Energy Union and others. The guideline should be developed with reliance on objective, robust and defensible levels of service and metrics (MERC, 2024).'*

It is suggested that the MERC's recommendation to develop a 'Regional Mining Affection Guideline' could be an important evidence base to underpin the design and delivery of any of the Program options set out in the Options in this section 4.4 below. Impact metrics could extend to other infrastructure (water, waste, etc.) using established measurements and soft infrastructure and community impacts (like social services, structural adjustment, and transition costs).

4.4 PROGRAM & POLICY OPTIONS

The six policy options below are not in any order. They have been developed by taking account of the evidence and information in this report, guided by the options considerations.

OPTION #1 Reform the Royalties for Rejuvenation and expand role of Future Job & Investment Authorities

OPTION #2 Establish a dedicated Mining Sustainability Stream under the Regional Development Trust

OPTION #3 ClubsGRANTS model for mining royalties

OPTION #4 Increased mining royalites to fund Regional Infrastructure Packages (tri-funded model)

OPTION #5 NSW Government policy support for councils to seek Special Rate Variations to mitigate the impact of mining, based on a 'Regional Mining Affection Guideline'

OPTION #6 A Mining Community Benefit & Employment Fund modelled of the REZ

<table>
<tr>
<td>OPTION #1
Reform the Royalties for Rejuvenation and expand role of Future Job & Investment Authorities</td>
<td>Overview / Description
• Reform the Royalites for Rejuvenation Fund (Future Job and Investment Fund) and role of the Future Jobs and Investment Authorities (FJIA)
• Changes would include:
o Expanding eligible areas to all mining impacted LGAs
o Broadening eligible activities to include support for existing mining communities and readiness for new mines.
• Funding structured into two streams:
1. Mines facing a significant reduction in production or closure: transition planning, diversification, worker and community adjustment.
2. Operating / fully approved mines: impact offset and community readiness.
• Expand FJIA to drive economic growth, investment and jobs across all mining regions in NSW, including both transitioning coal areas and growing critical minerals and metals regions.</td>
<td>Rationale / Evidence
• NSW entering a period where coal output is expected to decline over time while critical minerals and metals mining expands
• Policy gap for funding that directly offsets local mining impacts
• Critical minerals and rare metals will be needed for global investment in renewable energy, electric vehicles and other advanced technologies (aligned with Net Zero policy)
• Proposed new critical minerals projects in NSW with more than 2,700 ongoing jobs and 4,600 construction jobs could be coordinated with the expected transition of the coal-mining workforce, taking a more strategic whole-of-NSW approach to the mining transition
• Local Divisions of the FJIA could drive local consultation and input on decisions
• Royalties for Rejuvenation Fund can be guided by local FJIA divisions, could provide a single, structured, place-based mechanism that links mining activity and impacts with strategic, locally shaped investments in affected regions.</td>
</tr>
<tr>
<td>Legislation
Would require amendments to the Mining Act (1992) and associated regulations</td>
<td>Funding
• Initial funding drawn from the existing committed Royalties for Rejuvenation Funding - $25m per annum since 2022, available 2028-29
• Funding allocations set at a regional level
• Recommendation to increase funding from 2030 onwards – could increase royalties to coal and non-coal from this time to align with QLD model... Link directly to hypothecate % of mining royalties following end of the NSW royalties deferral scheme in 2030</td>
<td>Delivery model / governance
• Future Job and Investment Authority would oversee funding assessments and investment recommendation from the expanded Royalties for Rejuvenation Fund, with Minister for Natural Resources the decision maker
• Local Divisions of the FJIA to provide place-based governance, coordinating regional strategies, project pipelines and advice on local priorities for all mining impacted areas.</td>
</tr>
<tr>
<td>Eligibility
Determined / scaled by a ‘Regional Mining Affection Guideline’ to be developed using agreed, evidence-based indicators of mining impact across host and corridor LGAs.</td>
<td>Advantages
• Established governance and authority that can be leveraged (FJIA)
• Fund established in legislation providing increased consistency / certainty for mining areas
• Funding already committed in the NSW Government budget
• Creates a clearer link between mining activity, mining impacts and state level investment decisions.
• Provides a vehicle to align coal transition planning with the growth of critical minerals and metals in non-coal regions.</td>
<td>Limitations
• Would reduce initial funding available dedicated just for economic transition of coal regions - could be seen as diluting the original focus
• Under current budget settings, Fund expenditure is delayed until around 2028 29 or until the balance reaches 250 million
• Development of new Regional Mining Affectation Guideline needs time for development</td>
</tr>
</table>

OPTION #2 **Establish a dedicated Mining Sustainability Stream under the Regional Development Trust**	**Overview / Description** • Introduction of a Mining Sustainability Stream under the Regional Development Trust • Ringfenced funding leveraging the Trust governance and structure • Focus on mining activity as a regional development activity prescribed under the Trust • Specific support for mining community investments not covered under development contributions / rates OR other NSW Government or Commonwealth Government $ • New formula to set allocation / contribution to a LGA or region • Biennial investments made on a 5 year forward investment plan set by council(s) or at regional mining 'catchment' level (export logistics / supply chain etc)	**Rationale / Evidence** • Mining is a major driver of regional economies in NSW, but impacts on local infrastructure, environment, services and amenity are often concentrated in a small number of host and corridor LGAs. • Policy gap for funding that directly offsets local mining impacts • The discontinuation of Resources for Regions removed the only program that linked mining activity and local impact with dedicated funding for affected councils. • Existing mining land rates and development contributions are not designed to fully address cumulative or cross-boundary impacts, • A mining specific stream within the Trust would provide a place-based mechanism to reinvest a portion of mining-related value back into communities that host or support mining operations.
Legislation Amend the Regional Development Act (2004) to establish the stream and connect with mining royalties. Not essential to establish the dedicated stream	**Funding** • Initial funding stream drawn from the existing Regional Development Trust funding ($400 million allocated over 5 years, approximately $85 million committed publicly, $315 million uncommitted) • Funding allocations set at a regional level • Recommendation to increase funding from 2030 onwards – Potential to increase royalties at this time to align with QLD model… link directly to hypothecate % of mining royalties	**Delivery model / governance** • The Regional Development Advisory Committee would oversee funding assessments and investment recommendations under the funding stream, with Minster for Regional NSW the final decision maker • Regional priorities would be informed by 5-year investment plans set by council(s)
Eligibility Determined by a 'Regional Mining Affection Guideline' to be developed using agreed, evidence-based indicators of mining impact across host and corridor LGAs.	**Advantages** • Leverages an existing, legislated regional development framework rather than creating a new standalone mining fund. • Funding available and uncommitted under the existing Regional Development Trust • Re-establishes a clear policy link between mining activity, local impact and state investment in affected communities. • Forward 5-year planning and biennial decisions provide more certainty than short term grant rounds and reduces pressure on council delivery timing • Existing Trust governance, assurance and evaluation settings can be leveraged, reducing setup time and overheads. • Could be linked to mining royalty hypothecation in the future	**Limitations** • Government may have plans for uncommitted Trust funding • Funding to offset mining industry impacts may not align strongly to the existing focus areas of the Trust. • The scale of mining impacts in some regions may exceed what can be addressed through the Trust envelope, even with a dedicated stream. • Development of new Regional Mining Affectation Guideline needs time for development • Aligning Stream with other mining related programs (e.g. Royalties for Rejuvenation, development contributions, councils rates) will be complex and may create overlap or gaps • Mining affected regions may perceive limited direct control over final funding decisions unless governance explicitly embeds local government representation and strong consultation requirements.

OPTION #3 **ClubsGRANTS model for mining royalties**	**Overview / Description** • Establish a mining grants scheme modelled on ClubGRANTs where mining companies can receive a 'tax rebate' on royalties paid over a certain %, if they spend a minimum percentage of prescribed profits on local projects (similar to the rebate for Clubs on Gaming Machine Tax) • A statutory 'return ratio' would be set for mining royalties (e.g. say 2% of royalties paid over $1 million) with mining companies receiving a rebate when they fund approved community projects in mining impacted LGAs. • Treasury would set an annual funding envelope and parameters for the rebate each Budget • Two stream approach: 1. **Local Mining Grants**: funding for key local projects in surrounding area of mine – council-led local decision committee that includes mining companies and key community stakeholders. 2. **Statewide Mining Development Program**: administered by NSW Resources, funding for larger regional and cross boundary projects	**Rationale / Evidence** • Mining royalties represent a significant state revenue source but there is no mandated link between royalties and local reinvestment in host and corridor communities • The discontinuation of Resources for Regions removed the only program that linked mining activity and local impact with dedicated funding for affected councils. • Profitable mining companies (like Clubs with profitable poker machines) can reinvest a portion of revenue in local projects, helping with social licence at a local level • A rebate style model can create a clearer and more predictable flow of funding for local projects in mining affected LGAs, with (some) decisions shaped locally rather than only through central grant rounds. • Potential for industry and community be drawn closer together to identify key local needs and find joint resolutions • Model would retain a funding stream for more strategic, regional-level projects via a whole-of-state competitive program stream
Legislation Would require amendments to the Mining Act and related regulations, with supporting Guidelines similar to the ClubGRANTS arrangements	**Funding** • Prescribed funding for the Local Mining Grants stream would be set (e.g. 2% of royalties paid over $1 million) with mining companies receiving a rebate when they fund approved community projects in mining impacted LGAs. • Prescribed funding for the Statewide Mining Development Program would be set (e.g. 2% of all royalties) that are hypothecated for projects in mining areas • The annual funding envelope is set by Treasury in the Budget, based on expected royalty flows, split between: ○ Rebates paid back to mining companies for Local Mining Community Grants ○ Royalties directed towards a Statewide Mining Development	**Delivery model / governance** *Local Committees* • established in each mine LGA to oversee annual Local Mining Grants process • led by Councils and include representatives from mining industry, First Nations community, key local organisations • Projects to be funded are localised project with high community support and focused on offsetting impacts of mining • Councils administer grants and reporting, consistent with NSW Government probity and reporting standards. *Resources NSW* • Administers the Statewide Mining Development Program with open application or invitation based rounds. • Potential to leverage Future Job and Investment Authority as the Assessment Panel for the projects

		• Projects to be funded are larger scale, regional-level projects such as larger roads projects, shared workforce housing, training and diversification initiatives, that are beyond the scope of local committees. • A central unit within NSW Government monitors compliance, publishes annual reports on allocations and outcomes, and undertakes periodic evaluations.
Eligibility Areas with a Mine that is paying over $1 million in royalties would have a Local Mining Grants program established.	**Advantage** • Creates a more direct and visible link between mining royalties and investment in affected communities • Designed off the ClubGRANTS model as an existing and established program model that is familiar in NSW • Provides a relatively predictable stream of funding for councils and community organisations, tied to the scale of local mining activity. • Local committee model strengthens place-based decision making, while the statewide stream can fund more strategic, region-scale projects • The ClubGRANTS experience shows that a legislated return ratio, combined with local committees can generate regular community investment	**Limitations** • Administration burden of Local Mining Grants is on local council • Would have a budget impact for NSW government where royalties income already budgeted for would be redirected. • Would take a longer time to establish than other options, requiring more detailed design, industry consultation and more complex legislative change • Local committees with councils and mining industry may face perceived or real conflicts of interest when prioritising funding for projects • LGAs with smaller or more remote mines that pay lower royalties may receive relatively modest or no funding, even where impacts are significant. • There may be less capacity to fund projects where the impact of mining is further away from the mine (e.g. export port) • Funding levels for local projects may fluctuate from year to year in more volatile mining operations

OPTION #4 **Increased mining royalites to fund Regional Infrastructure Packages (tri-funded model)**	**Overview / Description** • Increase mining royalties by 1% (capped at amount per annum e.g. $30 million), matched with a new annual budget allocation from the NSW government of the same amount, and project-level co-contributions from local or commonwealth government (or other source) of 33% of each project (i.e. totalling $30 million) to have a tri-funded program model • Infrastructure Investment Plans developed at the regional mining 'catchment' level over a 5-10 year horizon with councils, industry, state government and other stakeholders • Plan used as the roadmap for investments so that priority infrastructure can be sequenced with expected mine life, expansion and reduction of production or closure timeframes. • Funding allocations set at the regional level to fund the priority projects set out by the Infrastructure Investment Plans	**Rationale / Evidence** • Mining regions experience concentrated impacts on local and regional infrastructure, particularly roads, bridges, utilities and shared community assets, which often exceed what can be funded through local rates or standard development contributions. • Mining royalties represent a significant state revenue source but there is no mandated link between royalties and strategic infrastructure • Mining royalties in NSW for coal and critical minerals are comparably less than in Queensland • The discontinuation of Resources for Regions removed the only program that linked mining activity and local impact with dedicated funding for affected councils. • A tri-funded model develops a connected model with industry, state government and local councils to solve infrastructure constraints and deliver larger projects • Regional catchment level planning provides a way to address cross boundary impacts

Legislation
Would require amendments to regulations under the Mining Act – could be supported by targeted amendments to the Act to specify hypothecated royalty funding
	Funding
	• Up to $90 million committed per annum made up of:
	  ○ an increase of mining royalties by 1% (capped at $30 million) as the industry contribution
	  ○ matched NSW government funding of $30 million via a new annual budget allocation
	  ○ project-level co-contributions from local or commonwealth government or other source being 33% of each project (i.e. totalling $30 million)
	• Over a 10-year horizon, at least $900 million invested into Regional Infrastructure in mining areas
		Delivery model / governance
		• Administered by Resources NSW to lead development of regional-level mining related Infrastructure Investment Plans and provide administration of the Fund
		• Regional Mining Infrastructure Packages are developed for each mining catchment by partnerships of councils, state agencies and industry, based on agreed regional impact assessments and infrastructure strategies.
		• Potential to leverage Future Job and Investment Authority (and local Divisions, if expanded) as the Assessment Panel for the projects and strategic statewide view

Eligibility Guided by a 'Regional Mining Affection Guideline' to be developed using agreed, evidence-based indicators of mining impact across host and corridor LGAs. Used as basis for developing the Infrastructure Investment Plans	**Advantages** • Tri funded program model leverages total funding available with the potential to align all three tiers of government with industry • Creates a ring-fenced mechanism that links mining royalties to a planned infrastructure investments in the communities that host mining and freight movements. • Enables planning and sequencing over 5 to 10 years, which is better suited to large infrastructure projects than short grant rounds. • Focusing on infrastructure can deliver highly tangible benefits for communities and industry, including safer roads, reduced congestion and stronger foundations for diversification. • The annual cap and matching requirement give Treasury a clear ceiling on budget exposure and help manage volatility in royalty receipts.	**Limitations** • Would require new budget allocation from the NSW Government in a funding constrained environment • Focus on infrastructure means other programs or services to support mining communities are unable to be funded • Increasing mining royalties may face resistance from industry, particularly given recent coal royalties increase of 2.6% on 1 July 2024 • The tri funded requirement may be difficult for councils to meet the 33% co-contribution, particularly smaller or more remote LGAs with limited borrowing capacity or rate base. • Administratively more complex than a program with single funding source, and that infrastructure packages must be negotiated at catchment level, co-funding secured and responsibilities agreed between multiple parties. • Catchment boundaries and allocation formulas may be contested by LGAs and regions, particularly where corridor impacts are significant, but mines are located in neighbouring areas.

OPTION #5 **NSW Government policy support for councils to seek Special Rate Variations to mitigate the impact of mining, based on a 'Regional Mining Affection Guideline'**	**Overview / Description** • NSW Government to provide dedicated policy support for councils in mining regions to apply to IPART for time-limited Special Rate Variations (SRV) to increase the mining category of their general rates to better reflect local mining impacts. • SRV application based on a (newly created) Regional Mining Affectation Guideline, using mining traffic and other impact metrics, • SRVs targeted only to mining rates categories, with conditions that additional revenue is spent in line with the Mining Affectation Guideline • No new fund created – instead a more uniform evidence base of mining impact and clear policy and technical support to make a SRV pathway more feasible	**Rationale / Evidence** • Local government revenue sources paid by the mining industry (land rates and development contributions) only account for approximately 2-3% of all government payment by the mining industry (Drew, et al 2018) are inconsistently applied and often misalign with the timing of local impacts that are complex and evolving. • Despite the strong evidence of localised and unique impacts of mining activity, there is no hypothecation of mining royalties paid to the state government to offset the cost of these local impacts. • Local government contributions from mining companies do not cover the estimated increased operational expenditure associated with the mine impacts (Drew et al 2018).
Legislation No fundamental change to the Local Government Act 1993 is required, as SRVs on rating categories already exist. Potential to embed a 'Mining Affection Guideline' in regulation of Mining Act (1992)	**Funding** • Additional funding generated by councils through approved SRVs on the mining category of their general rates • Funding would be required from NSW Government to establish the Regional Mining Affectation Guideline and provide staffing resources for direct policy and administrative support for councils to undertake the SRV application	**Delivery model / governance** • Regional Mining Affection Guideline to be developed as a collaborative project by Office of Local Government (OLG), NSW Resources and IPART • Guidelines will calculate necessary capital / service funding and apportion across the regional catchment level by LGA and subsequent revenue shortfall by deducting existing available Commonwealth and State government grants, mine category rates, VPAs and other specific purpose agreements. • Councils required to re-distribute part of the additional mining rate revenue to neighbouring LGAs where the Mining Affectation Guideline corridor or offset-related impact but little or no mining rate base • OLG embeds Regional Mining Affection Guideline into the policy and guideline framework for the SRV process • IPART to embed Regional Mining Affection Guideline assessment process

Eligibility The 'Regional Mining Affection Guideline' uses agreed evidence-based indicators of mining impact across host and corridor LGAs.	**Advantages** • Uses existing, well-understood mechanism of council rates / SRV / IPART framework, supported by a regional mining affectation evidence base, • Places councils at forefront of deciding appropriate service and infrastructure levels in agreement with their communities and industry • Underpinned by consistency applied evidence of mining impact via the Regional Mining Affection Guideline' • Increase local government revenue share of total industry payment to government, and therefore increased expenditure linked with local mining impacts • Minimal budget impact on NSW Government	**Limitations** • Fundamentally doesn't establish a hypothecation of state royalty revenues and may face opposition by industry who may argue that hypothecation should be via the royalties that are already paid. • Depends on IPART approval processes, which are technically demanding, time consuming and uncertain, particularly for smaller rural councils • Benefits may be uneven across regions. LGAs with a large mining rate base can raise more, while corridor LGAs without a mining rate category may struggle to achieve a suitable redistribution • Rates may still be unlikely to fund very large regional infrastructure gaps on its own • Politically, councils may be reluctant to pursue mining-only SRVs without very strong backing of NSW government, given concerns about competitiveness, investment signals and potential legal or reputational pushback from industry • Because SRVs are time limited and cannot be permanently built into the rating base, there is no guarantee of long-term continuity.

OPTION #6 **A Mining Community Benefit & Employment Fund modelled of the REZ**	**Overview / Description** • Establish a Mining Community Benefit and Employment Fund (MCBEF) that mirrors the structure and intent of the Renewable Energy Zone Community and Employment Benefit Program, but for mining impacted regions. • The Fund would provide long term, place-based investment in mining host and corridor communities, focusing on community infrastructure, liveability, employment pathways and First Nations participation • Funding would be delivered through several grant streams, modelled on the REZ program: ○ Local Community Fund for larger projects that improve regional liveability and amenity. ○ Local Community Small Grants for community led projects and events. ○ First Nations Fund for Aboriginal controlled initiatives. ○ Legacy Infrastructure Fund for councils to deliver strategic infrastructure aligned with mining activity and transition	**Rationale / Evidence** • The REZ Community and Employment Benefit Program is designed to ensure that communities hosting large scale projects receive lasting benefits, suitable for communities hosting large scale mining projects • Mining regions experience similar patterns of concentrated impact and long-term structural change as REZ host regions, including pressure on housing, roads, services, local amenity and workforce, yet there is no equivalent, system wide community benefit and employment program funded from mining revenues. • There is a structural mismatch between which level of government collects mining industry revenue and where impacts and costs are experienced in communities • The discontinuation of the Resources for Regions program in 2023 removed a targeted funding mechanism that had previously provided about $560 million to mining-impacted councils, leaving no dedicated state program to offset local mining impacts
Legislation Would require amendments to the Mining Act 1992 to create a statutory Mining Community Benefit and Employment Fund and define component of mining royalties or mining related charges to be allocated to Fund.	**Funding** • Program would be forward funded by the NSW Government, recovered by mining royalties or VPAs for State Significant mine developments – would have a budget impact • Potential for a specified percentage of ad valorem mining royalties OR a per unit charge (e.g. per tonne or per dollar value) that includes a minimum component for community and employment purposes, similar to the minimums per megawatt per year in the REZ program • As with the REZ model, funding would be structured to support both early benefits and long-term investment, with an initial multi year allocation brought forward from expected mining revenue and repaid over time as production proceeds, if required.	**Delivery model / governance** • The program would be administered by a dedicated unit within the NSW Resources portfolio, using guidelines and regional advisory structures similar to the REZ approach. • Potential to leverage the Future Jobs and Investment Authority (and local Divisions – with an expanded focus) to administer the program aligned with the Royalties for Rejuvenation Fund • For each mining catchment, a Mining Community Benefit and Employment Plan would be developed in partnership with councils, First Nations organisations, community groups and industry, drawing on impact assessments and local priorities, as EnergyCo has done through consultation and feedback reports for the REZ program (EnergyCo 2024a).

Eligibility 'Regional Mining Affection Guideline' using agreed evidence-based indicators of mining impact across host and corridor LGAs, similar to how geographic REZ boundaries and beneficiary communities are defined	**Advantages** • Builds on an existing, tested REZ policy and program model and legislative architecture • Provides a dedicated, mining specific mechanism that clearly links mining activity and revenues to long term community and employment benefits in host and corridor regions • Offers a structured way to fund both smaller community projects and larger legacy infrastructure • Incorporates dedicated First Nations funding and decision making, supporting stronger First Nations economic and cultural outcomes in mining regions • Help build social licence for both new mining projects and transition processes by making benefits visible and locally directed, rather than relying only on ad hoc corporate social responsibility spending.	**Limitations** • Application based funding program (with regional funding allocation) is similar model to Resources for Regional Program, discontinued by the current government • Administration for existing REZ program is complex and resource intensive involving extensive consultation, multiple funding streams, detailed guidelines and ongoing support for applicants. • There is a risk of overlap or confusion with other programs such as Royalties for Rejuvenation and the Regional Development Trust • If funding is tied to commodity prices and production, annual funding levels may fluctuate, making long term planning harder • Lessons from early REZ implementation include concerns that benefit sharing programs alone cannot resolve broader planning and impact management challenges.

5 ENGAGEMENT AND NEXT STEPS

An engagement plan related to this work will be developed to set out a structured and proactive way forward to seek government support for renewed investment in mining-impacted communities. The evidence and key information in this report will be developed into an executive summary pack. The options can be pursued individually or in combination to ensure that communities hosting mining activities receive an appropriate share of mining-related value.

A clear engagement roadmap will be developed as the proposed next steps and interactions with government, industry and other stakeholders. This will focus on consistent messaging and the way forward as a partnership with government, industry and communities aligned with current NSW Government budget and policy settings.

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ATTACHMENT A – LGA Mining Data Points

Local Government Area	Located in a REZ - Eligible for REZ C&EBP	Eligible for Royalties for Rejuvenation Funding	Covered under Future Jobs and Investment Authority	Eligible for one or more rounds of Resources for Regions	Current Major Active Mineral or Metal Mine	Active coal mine	Active metallurgical mine	New Proposed mine (approved/ Under Assessment / Preparing EIS or MoD report	Estimated Jobs for proposed new mine	% of mining output of economy	% Mining jobs of overall workforce
Armidale Shire	Yes	No	No	No	No	No	No	Hillgrove - Antimony mine	130	2.20%	0.50%
Balranald Shire Council	South West REZ	No	No	No	Yes - Atlas–Campaspe Mineral Sands	No	Yes - titanium, zircon	No	-	4.90%	1.10%
Bathurst	No		No	No	No - none listed in NSW Major Operating Mines.	No	No	Kempfield Silver Project ($60m)	240	1.50%	0.40%
Bland Shire Council	No	No	No	Yes	Yes - Cowal gold operation	No	Yes - Gold	No	-	51.80%	19.80%
Blayney Shire Council	No	No	No	Yes	Yes - Cadia mine	No	Yes - Gold/Copper	Cadia East Continuation	1,800	47.80%	19.60%
Bogan Shire Council	No	No	No	Yes	Yes - Tritton Copper Mine	No	Yes - Copper	Nyngan Scandium Mine $124m; Constellation project $120 million, Tritton Optimisation	805	53.30%	22.80%

Broken Hill City Council	No	No	No	Yes	Yes - Includes zinc–lead–silver operations are active.	No	Yes - silver, lead. zinc	Broken Hill Cobalt $650m	135	42.90%	12.00%
Cabonne Council	No	No	No	Yes	Yes - Cadia East project operates partly in Cabonne Shire.	No	Yes - Gold/Copper	No	-	19.50%	6.60%
Central Coast	Hunter-Central Coast REZ	No	No	No	Mandalong underground coal mine spans Central Coast LGA but not located in	0	No	No	-	0.4%%	0.10%
Cessnock City Council	Hunter-Central Coast REZ	Hunter	Hunter	Yes	No	No	No	No	-	11.90%	2.00%
Cobar Shire Council	No	No	No	Yes	Yes - Multiple base-metal and gold mines	No	Yes - Silver, copper, gold, lead, zinc	No	-	76.00%	44.00%
Dubbo	Central-West Orana REZ	No	No	No	No - none listed in NSW Major Operating Mines (the Dubbo Project is not yet operating).	No	No	Approved Rare Earths $1.4B	650	2.40%	0.60%
Dungog	No	No	No	No	No - none listed in NSW Major Operating Mines.	No	No	No	-	4.40%	0.70%

Forbes Shire Council	No	No	No	No	No - none listed in NSW Major Operating Mines (Northparkes is in Parkes Shire).	No	No	Cowal Extensioon Project $92m	230	0.50%	0.20%
Gilgandra	No	No	No	No	No - none listed in NSW Major Operating Mines.	No	No	No	-	0%	0%
Glen Innes	Yes	No	No	No	No	No	No	Taronga TIn Mine	130		
Goulburn Mulwaree	No	No	No	No	No - Limestone mine	No	No	Woodlawn Mine	100	5%	2%
Gunnedah Shire Council	No	North West	North West	Yes	No - none listed in NSW Major Operating Mines; nearby basin mines are in Narrabri or Liverpool Plains.	No - mines are adjacent	No	No	-	28.20%	6.20%
Lachlan Shire	No	No	No	No	No - none listed in NSW Major Operating Mines (Sunrise Project not operating).	No	No	Sunrise Energy Metals $1.77B; Burra Scandium $125m	1,420	9.10%	2.60%
Lake Macquarie City Council	Hunter-Central REZ	Hunter	Hunter	Yes	Yes - Includes Mandalong, Myuna, Chain Valley & Mannering	4	No	No	-	15.60%	2.60%
Lithgow City Council	No	Central West	Central West	Yes	Yes - Includes Springvale and Clarence mines	4	No	No	-	43.30%	12.60%

Liverpool Plains Shire Council	No	North West	North West	Yes	Yes - Werris Creek coal mine	Yes		No	-	26.20%	6.00%
Maitland City Council	No	Hunter	Hunter	Yes	Yes - Bloomfield mine in Cessnock	1	No	No	-	14.40%	2.50%
MidCoast Council	No		No	No	No - none listed in NSW Major Operating Mines (Duralie ceased in 2022).	No	No	No	-	1.50%	0.80%
Mid-Western Regional Council	Central-West Orana REZ	Central West	Central West	Yes	Yes - Ulan, Moolarben and Wilpinjong	3	No	No	-	62.00%	18.90%
Moree Plains Shire Council	No	No	No	Yes	No - none listed in NSW Major Operating Mines.	No	No	No	-	0.10%	0.10%
Muswellbrook Shire Council	Hunter-Central REZ	Hunter	Hunter	Yes	Yes - Multiple operating coal mines	5	No	No	-	71.00%	33.10%
Narrabri Shire Council	No	North West	North West	Yes	Yes - Includes Maules Creek, Boggabri and Tarrawonga	5	No	No	-	64.80%	21.60%
Narromine Shire Council	No	No	No	Yes	Yes - Tomingley Gold Project	No	Gold	No	-	26.30%	7.80%

Newcastle City Council	Hunter-Central REZ	Hunter	Hunter	Yes	No - none listed in NSW Major Operating Mines (export terminals only).	No	No	No	-	6.00%	1.00%
Orange City Council	No	No	No	Yes	No - Cadia's mine site lies in Cabonne and Blayney, not Orange LGA.	No	No	No	-	23.60%	5.70%
Parkes Shire Council	No	No	No	Yes	Yes - Northparkes copper–gold mine	No	Copper/Gold	Northparkes Extension $90M	500	33.90%	9.60%
Singleton Council	Hunter-Central REZ	Hunter	Hunter	Yes	Yes - several coal mines	10	No	No	-	78.00%	36.90%
Tamworth	No	No	No	No	No - none listed in NSW Major Operating Mines.	No	No	No	-	0.70%	0.20%
Temora	No	No	No	No	No - none listed in NSW Major Operating Mines.	No	Gold	No	-	0.50%	0.10%
Queanbeyan-Palerang	No	No	No	No	No - Dargues Gold Project no longer operating	No	No	No	-	3.30%	1.00%
Upper Hunter Shire Council	Central-West Orana REZ	Hunter	Hunter	Yes	No - Dartbrook is in care and maintenance, so not operating.	No	No	No	-	2.70%	0.60%

Warrumbungle Shire Council	Central-West Orana REZ	No	No	Yes	No - none listed in NSW Major Operating Mines.	No	No	No	-	1.30%	0.20%
Wentworth Shire Council	South West REZ	No	No	Yes	Yes - Snapper mineral sands mine operates in Wentworth Shire.	No	Yes	Copi Mineral Sands ($450m)	300	28.00%	8.10%
Wingecarribee Shire Council	No	No	No	No	No - none listed in NSW Major Operating Mines.	No	No	No	-	2.2%%	0.50%
Wollondilly City Council	No	Illawarra	Illawarra	Yes	Yes - Appin mine - Tahmoor coal operations closed	1	No	No	-	42.70%	11.20%
Wollongong City Council	Illawarra REZ	Illawarra	Illawarra	Yes	Yes - Dendrobium and Metropolitan operate in Wollongong.	2	No	No	-	1.80%	10.70%
SOURCES											
https://app.remplan.com.au/?pt=EconomyProfile											
https://www.parliament.nsw.gov.au/researchpapers/Pages/coal-mining-in-nsw.aspx											
https://www.audit.nsw.gov.au/sites/default/files/pdf-downloads/Website%20Final%20Report%20-%20Regional%20Assistance%20Programs.pdf											

AKARUI MIRAI
SHAPE YOUR FUTURE IMPACT

SHIRE COUNCIL
Blayney

Quarterly Budget Review
2025-2026

Period ending
31 March 2026

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

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Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 1:
Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2021:

31 March 2026

It is my opinion that the Quarterly Budget Review Statement for Blayney Shire Council for the quarter ended 31/03/2026 indicates that Council's projected financial position at 31/03/26 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

However, looking forward it should be noted that there are a number of planned assumptions forecast in the Long Term Financial Plan that have the potential to impact Council's ongoing financial sustainability, particularly around increased mining rates. Whilst the steps listed below including implementation of the Special Variation in 2024/25 have gone a long way to improving Council's forecast position, should the planned assumptions not eventuate and without the presence of an alternate income source, Council would be required to undertake remedial action which could include additional special variations or a reduction in services.

There are also a number of unknown factors particularly around additional compliance and upgrade works at Council's waste facility and sewerage treatment plant which could not only impact Council's forecast expenditure but also future annual charges required to sustain each of the respective business units. This work is in progress and more will be known in the coming months.

Action taken to address future financial sustainability includes:

a.	In June 2022 Council engaged LG Solutions to undertake an independent strategic financial review of Council's financial position and sustainability which identified 45 recommendations.
b.	Council formed a working group comprising Councillors and senior management to develop an action plan. Council was able to action 25 of the recommendations during preparation of the 2023/24 Operational Plan however this was not enough to address the ongoing projected deficits within the Long Term Financial Plan.
c.	Following decision for Council to proceed with an SV, Council engaged Morrison Low, who specialise in providing financial modelling to local government, to undertake a further independent financial assessment and to assist Council with commencing the Special Rate Variation process.
d.	Council's SV application was approved by IPART in May 2024 and the SV was endorsed by Council following adoption of the 2024/25 Operational Plan and 2024/25 - 2027/28 Delivery Plan. Council is also working on implementation of the recommendations from the independent financial assessment that were conditional on
e.	In the Long Term Financial Plan assumptions were made on receipt of revenue streams from the McPhillamy's mine, as recommended for inclusion by IPART, and will need to be reassessed on an ongoing basis with annual reviews of the Long Term Financial Plan.
f.	Council approved an internal allocation of funds with the purpose of future proofing financial sustainability

Signed: Tiffaney Irlam **date:** 20/05/2026

Tiffaney Irlam
Responsible Accounting Officer

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Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Financial Overview

Budget review for the quarter ended 31 March 2026
($000's)

		Prior Year Actuals 2024/25	**Current Year Original Budget 2025/26**	**Revised budget**	**Other than by QBRS Mar Qtr**	**Approved Changes Review Q2**	**Projected year end result**	**Actual YTD figures**
Net Operating Result before grants and contributions provided for capital purposes	General Fund	*(165)*	(1,108)	(1,259)	(50)	(536)	**(1,845)**	2,308
	Sewer Fund	*267*	231	87	-	126	**213**	730
	Consolidated	***102***	**(877)**	**(1,172)**	**(50)**	**(410)**	**(1,632)**	**3,038**
Operating Result from continuing operations (with capital grants and contributions) excluding depreciation, amortisation and impairment of non financial assets	**Consolidated**	***15,100***	**7,654**	**10,501**	**191**	**(1,461)**	**9,231**	**11,375**
Borrowings	**Total Borrowings**	***4,910***	**4,453**	**4,453**	**-**	**-**	**4,453**	**4,569**
Liquidity	External Restrictions	*14,619*	11,991	11,686	(60)		**11,626**	14,537
	Internal Allocations	*16,064*	6,557	11,820	-		**11,820**	13,966
	Unallocated	*2,359*	4,582	4,582			**-**	6,402
	Total Cash and Cash Equivalents	***33,042***	**23,130**	**28,088**	**(60)**	**-**	**23,446**	**34,905**
Capital	Capital Funding	*9,885*	12,838	19,205	300	(1,047)	**18,458**	6,465
	Capital Expenditure	*9,885*	12,838	19,205	300	(1,047)	**18,458**	6,465
	Net Capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Opening Balance As at 1 July 2025 $000's	Total Cash Contributions at EOQ $000's	Total Interest Earned at EOQ $000's	Total Expended at EOQ $000's	Total internal Borrowings to/from at EOQ $000's	Held as Restricted asset at EOQ $000's	**Cumulative Balance of Int Borrowings at EOQ $000's**
Total Developer Contributions*	3,956	*299*	139	-	-	(4,394)	-

*Details shown are year to date as at 31/03/2026. Further detail for developer contributions, including committed funds, can be found on page 22.

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/03/2026 and should be read in conjuction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/01/26 to 31/03/26

PART 2:

Income & expenses budget review statement

Budget review for the quarter ended 31 March 2026

Income & expenses - Council Consolidated

($000's)	*Actual YTD 2024/25*	Original budget 2025/26	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures *	*% Budget Remaining*
Income									
Rates and annual charges	*14,136*	15,581	15,581	-	(2)	h	15,579	15,536	*0%*
User charges and fees	*1,884*	1,873	1,983	-	10	h	1,993	1,594	*20%*
Other revenues	*316*	242	281	-	73	a,g,h	354	333	*6%*
Grants and contributions - operating	*4,926*	5,356	5,791	(194)	1,057	b,h	6,654	2,416	*64%*
Grants and contributions - capital	*5,872*	540	3,682	241	(1,051)	b	2,872	2,607	*9%*
Interest and investment revenue	*1,663*	1,064	1,064	-	407	e,h	1,471	1,118	*24%*
Net gain from disposal of assets		68	84	-	(84)	f	-	-	*0%*
Share of interests in joint ventures	*929*	25	25	-	-		25	-	*100%*
Total income from continuing operations	***29,726***	**24,749**	**28,491**	**47**	**410**		**28,948**	**23,604**	***18%***
Expenses									
Employee benefits and on-costs	*7,312*	8,689	8,677	-	3	h	8,680	6,178	*29%*
Borrowing costs	*163*	157	157	-	-		157	100	*36%*
Materials and services	*5,979*	7,038	7,944	(144)	1,087	b,c,d,h	8,887	4,254	*52%*
Net loss from disposal of assets	*157*	-	-	-	782	f	782	782	*0%*
Other expenses	*1,015*	1,211	1,212	-	(1)	h	1,211	915	*24%*
Total expenses from continuing operations	***14,626***	**17,095**	**17,990**	**(144)**	**1,871**		**19,717**	**12,229**	***38%***
Net operating result from continuing operations	***15,100***	**7,654**	**10,501**	**191**	**(1,461)**		**9,231**	**11,375**	
Depreciation and amortisation	*9,126*	7,991	7,991	-	-		7,991	5,730	*28%*
Net operating result from all operations	***5,974***	**(337)**	**2,510**	**191**	**(1,461)**		**1,240**	**5,645**	
Net Operating Result before Capital Items	***102***	**(877)**	**(1,172)**	**(50)**	**(410)**		**(1,632)**	**3,038**	

* Rates and annual charges are levied in full in July with minor variations made throughout the year. There are other income and expenditure items that vary in timing when paid or received (e.g. weekly, monthly or annually).

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 2a:
Income & expenses budget review statement

Budget review for the quarter ended 31 March 2026
Income & expenses - General Fund

($000's)	*Actual YTD 2024/25*	Original budget 2025/26	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures*	*% Budget Remaining*
Income									
Rates and annual charges	*12,426*	13,813	13,813		(2)	i	13,811	13,840	*0%*
User charges and fees	*1,628*	1,589	1,699		10	i	1,709	1,321	*23%*
Other revenues	*316*	242	281		73	a,g,i	354	333	*6%*
Grants and contributions - operating	*4,857*	5,356	5,706	(194)	1,057	b,h,i	6,569	2,360	*64%*
Grants and contributions - capital	*5,759*	391	3,533	241	(1,051)	b,h	2,723	2,405	*12%*
Interest and investment revenue	*1,272*	745	745		276	e,i	1,021	776	*24%*
Net gain from disposal of assets	*-*	68	84		(84)	f	-	-	*0%*
Share of interests in joint ventures	*929*	25	25				25	-	*100%*
Total income from continuing operations	***27,187***	**22,229**	**25,886**	**47**	**279**		**26,212**	**21,035**	***20%***
Expenses									
Employee benefits and on-costs	*6,985*	8,359	8,341		(2)	i	8,339	5,902	*29%*
Borrowing costs	*142*	141	141				141	89	*37%*
Materials and services	*4,979*	6,057	6,740	(144)	1,087	b,c,d,h,i	7,683	3,486	*55%*
Net loss from disposal of assets	*127*	-	-		782	f	782	782	*0%*
Other expenses	*1,012*	1,209	1,210		(1)	i	1,209	913	*24%*
Total expenses from continuing operations	***13,245***	**15,766**	**16,432**	**(144)**	**1,866**		**18,154**	**11,172**	***38%***
Net operating result from continuing operations	***13,942***	**6,463**	**9,454**	**191**	**(1,587)**		**8,058**	**9,863**	
Depreciation and amortisation	*8,348*	7,180	7,180		-		7,180	5,150	*28%*
Net operating result from all operations	***5,594***	**(717)**	**2,274**	**191**	**(1,587)**		**878**	**4,713**	
Net Operating Result before Capital Items	***(165)***	**(1,108)**	**(1,259)**	**(50)**	**(536)**		**(1,845)**	**2,308**	

* Rates and annual charges are levied in full in July with minor variations made throughout the year. There are other income and expenditure items that vary in timing when paid or received (e.g. weekly, monthly or annually).

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 2b:

Income & expenses budget review statement

Budget review for the quarter ended 31 March 2026

Income & expenses - Sewer Fund

($000's)	*Actual YTD 2024/25*	Original budget 2025/26	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures*	*% Budget Remaining*
Income									
Rates and annual charges	*1,710*	1,768	1,768				1,768	1,696	4%
User charges and fees	*256*	284	284				284	273	4%
Other revenues	*-*	-	-				-	-	0%
Grants and contributions - operating	*69*	-	85				85	56	34%
Grants and contributions - capital	*113*	149	149				149	202	-36%
Interest and investment revenue	*391*	319	319		131	e	450	342	24%
Net gain from disposal of assets	*-*	-	-				-		0%
Share of interests in joint ventures	*-*	-	-				-		0%
Total income from continuing operations	***2,539***	**2,520**	**2,605**	**-**	**131**		**2,736**	**2,569**	**6%**
Expenses									
Employee benefits and on-costs	*327*	330	336		5	i	341	276	19%
Borrowing costs	*21*	16	16				16	11	31%
Materials and services	*1,000*	981	1,204				1,204	768	36%
Net loss from disposal of assets	*30*	-	-				-	-	0%
Other expenses	*3*	2	2				2	2	0%
Total expenses from continuing operations	***1,381***	**1,329**	**1,558**	**-**	**5**		**1,563**	**1,057**	**32%**
Net operating result from continuing operations	***1,158***	**1,191**	**1,047**	**-**	**126**		**1,173**	**1,512**	
Depreciation and amortisation	*778*	811	811				811	580	28%
Net operating result from all operations	***380***	**380**	**236**	**-**	**126**		**362**	**932**	
Net Operating Result before Capital Items	***267***	**231**	**87**	**-**	**126**		**213**	**730**	

* Rates and annual charges are levied in full in July with minor variations made throughout the year. There are other income and expenditure items that vary in timing when paid or received (e.g. weekly, monthly or annually).

NO:

Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/01/26 to 31/03/26

PART 4:

Income & expenses budget review statement

Budget review for the quarter ended 31 March 2026

Income & expenses - Council Consolidated

($000's)	*Actual YTD 2024/25*	Original budget 2025/26	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures
Income								
Governance	*16*	90	122				122	81
Administration	*426*	488	492		(29)	a,f,g,i	463	394
Public order & safety	*452*	66	22		3	i	25	24
Health	*18*	12	12				12	6
Environment	*2,269*	2,460	2,262		78	b,i	2,340	2,272
Community services & education	*3*	3	3				3	3
Housing & community amenities	*326*	323	375		(18)	b,i	357	284
Sewer supplies	*2,539*	2,520	2,605		131	e	2,736	2,569
Recreation & culture	*289*	175	1,008		9	i	1,017	632
Manufacturing & construction	*459*	627	643		(16)	f	627	510
Transport & communication	*7,837*	2,361	5,223	47	(26)	b,f	5,244	2,928
Economic affairs	*188*	154	254		5	i	259	65
General purpose revenue	*13,975*	15,445	15,445		273	e,h,i	15,718	13,836
Share of Interest in Joint Ventures	*929*	25	25				25	-
Total income from continuing operations	***29,726***	**24,749**	**28,491**	**47**	**410**		**28,948**	**23,604**
Expenses								
Governance	*652*	687	719				719	472
Administration	*4,467*	5,748	5,806		(37)	f,i	5,769	3,731
Public order & safety	*826*	918	919		2	i	921	655
Health	*20*	20	20				20	15
Environment	*2,511*	3,017	3,040		114	b,c,d,f	3,154	2,099
Community services & education	*20*	14	25				25	17
Housing & community amenities	*596*	744	816		(19)	b	797	438
Sewer supplies	*2,159*	2,140	2,369		5	i	2,374	1,637
Recreation & culture	*3,669*	3,807	3,915	(64)	6	f	3,857	2,643
Manufacturing & construction	*532*	566	566	50	40	f	656	347
Transport & communication	*7,828*	6,962	7,202	(130)	1,762	f	8,834	5,578
Economic affairs	*472*	463	584		(2)	i	582	327
Total expenses from continuing operations (including depreciation and amortisation)	***23,752***	**25,086**	**25,981**	**(144)**	**1,871**		**27,708**	**17,959**
Net operating result from continuing operations	***5,974***	**(337)**	**2,510**	**191**	**(1,461)**		**1,240**	**5,645**
Net operating result before capital items	***102***	**(877)**	(1,172)	**(50)**	**(410)**		(1,632)	**3,038**

NO:

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/03/2026 and should be read in conjuction with the total QBRS report

Blayney Siire Council
PART 4a:

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Operating Income & Expenses Budget Review Statement (By Function/Activity - Detailed)

Budget review for the quarter ended 31 March 2026
Operating Income & Expenses - Council Consolidated (Excludes Capital Grants and Contributions)

($000's)	Operating Income									Operating Expenditure								
	Actual YTD 2024/25	Original Budget 2025/26	Revised Budget $ 000	Otier tian by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%	*Actual YTD 2024/25*	Original Budget 2025/26	Revised Budget 2025/26	Otier tian by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Governance																		
Council	***16***	**90**	**32**				**32**	81	*-153.1%*	***652***	**687**	**719**				**719**	472	*34.4%*
Administration																		
Executive Services	*10*	7	-		6	i	6	10	*-66.7%*	*704*	783	783		6	i	789	586	*25.7%*
Corporate Services	*235*	255	4		6	i	10	227	*-2170.0%*	*2,376*	2,107	2,116				2,116	1,715	*19.0%*
Engineering & Works	*176*	220	-		(41)	a,f,g	(41)	153	*473.2%*	*1,006*	2,434	2,464		(43)	f,i	2,421	1,178	*51.3%*
Environmental	*5*	6	-				-	4	*#DIV/0!*	*381*	424	443				443	252	*43.1%*
	426	**-**	**4**	**-**	**(29)**		**(25)**	**394**	*1676.0%*	***4,467***	**5,748**	**5,806**	**(37)**	**(37)**		**5,769**	**3,731**	*35.3%*
Public Order & Safety																		
Rural Fire Service	*24*	50	(45)				(45)	5	*111.1%*	*635*	716	716		2	i	718	527	*26.6%*
Animal Control	*10*	16	1		3	i	4	19	*-375.0%*	*132*	144	145				145	85	*41.4%*
Emergency Services	*-*	-	-				-		*0.0%*	*58*	58	58				58	43	*25.9%*
Otier Public Order & Safety	*-*	-	-				-		*0.0%*	*1*	-	-				-		*0.0%*
	34	**-**	**(44)**	**-**	**3**		**(41)**	**24**	*158.5%*	***826***	**918**	**919**	**2**	**2**		**921**	**655**	*28.9%*
iealti																		
Administration/Food Control	*18*	12	-				-	6	*#DIV/0!*	*20*	20	20				20	15	*25.0%*
	18	**-**	**-**	**-**	**-**		**-**	**6**	*#DIV/0!*	***20***	**20**	**20**	**-**	**-**		**20**	**15**	*25.0%*
Environment																		
Noxious Plants	*-*	-	-				-		*0.0%*	*174*	174	174				174	174	*0.0%*
Domestic Waste Management	*1,212*	1,352	20		8	i	28	1,371	*-4796.4%*	*1,029*	1,595	1,615		(100)	c	1,515	1,005	*33.7%*
Otier Waste Management	*849*	859	-				-	843	*#DIV/0!*	*803*	726	726		100	c	826	505	*38.9%*
Street Cleaning	*-*	-	-				-		*0.0%*	*168*	212	212				212	153	*27.8%*
Otier Environmental Protection	*-*	-	-				-		*0.0%*	*-*	-	-				-		*0.0%*
Urban Stormwater Drainage	*62*	-	32		70	b	102	57	*44.1%*	*337*	310	318		114	b,d,f	432	262	*39.4%*
	2,123	**47**	**52**	**-**	**78**		**130**	**2,271**	*-1646.9%*	***2,511***	**3,017**	**3,045**	**114**	**114**		**3,159**	**2,099**	*33.6%*
Community Services & Education																		
Community Services Administration	*-*	-	-				-	-	*0.0%*	*9*	-	11				11	8	*27.3%*
Ciild Care	*-*	-	-				-	-	*0.0%*	*5*	9	9				9	9	*0.0%*
Youti Services	*3*	3	-				-	3	*#DIV/0!*	*6*	5	5				5		*100.0%*
	3	**-**	**-**	**-**	**-**		**-**	**3**	*#DIV/0!*	***20***	**14**	**25**	**-**	**-**		**25**	**17**	*32.0%*
iousing & Community Amenities																		
Public Cemeteries	*102*	81	5				5	73	*-1360.0%*	*67*	102	102				102	55	*46.1%*
Public Conveniences	*4*	7	-				-	4	*#DIV/0!*	*155*	179	199				199	105	*47.2%*
Street Ligiting	*23*	23	-		1	i	1	24	*-2300.0%*	*79*	87	87				87	52	*40.2%*
Town Planning	*143*	212	47		(19)	b	28	183	*-553.6%*	*295*	376	423		(19)	b	404	226	*44.1%*
	272	**47**	**52**	**-**	**(18)**		**34**	**284**	*-735.3%*	***596***	**744**	**811**	**(19)**	**(19)**		**792**	**438**	*44.7%*

NO:

Blayney Siire Council

PART 4a:

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Operating Income & Expenses Budget Review Statement (By Function/Activity - Detailed)

Budget review for the quarter ended 31 March 2026

Operating Income & Expenses - Council Consolidated (Excludes Capital Grants and Contributions)

Operating Income

($000's)	Actual YTD 2024/25	Original Budget 2025/26	Revised Budget $ 000	Otier tian by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Recreation & Culture									
Public Libraries	84	85	(2)		1	i	(1)	84	8500.0%
Public ialls	21	22	-				-	19	#DIV/0!
Otier Cultural Services	-	-	-				-		0.0%
Centrepoint Sport & Leisure	-	-	-		4	i	4	4	0.0%
Sporting Grounds	35	23	-				-	23	#DIV/0!
Parks & Gardens	-	-	4				4	2	50.0%
Blayney Siowground	34	25	64	(64)	4	i	4	27	-575.0%
	174	**64**	**66**	**(64)**	**9**		**11**	**159**	-1345.5%
Mining Manufacturing & Construction									
Building Control	196	278	16		(16)	f	-	237	#DIV/0!
Quarries & Pits	263	349	-				-	273	#DIV/0!
	459	**-**	**16**	**-**	**(16)**		**-**	**510**	#DIV/0!
Transport & Communication									
Local Roads	2,206	1,739	-		1,025	h,f	1,025	459	55.2%
Regional Roads	360	362	5				5	367	-7240.0%
Local Bridges	-	-	-				-		0.0%
Footpatis	-	-	-				-		0.0%
Kerb and Gutter	-	-	-				-		0.0%
Otier Transport and Communication	245	139	232	(130)			102	171	-67.6%
	2,811	**232**	**237**	**(130)**	**1,025**		**1,132**	**997**	11.9%
Economic Affairs									
Tourism & Area Promotion	42	35	-		7	i	7	37	-428.6%
Industrial Development & Promotion	12	13	-		(2)	i	(2)	11	650.0%
Real Estate	-	-	-				-		0.0%
Otier Business - Private Works	134	105	100				100	17	83.0%
	188	**-**	**100**	**-**	**5**		**105**	**65**	38.1%
General Purpose Revenue									
General Purpose Revenues	**14,904**	**15,470**	**-**		**273**	e,i	**273**	**13,836**	-4968.1%
Sewerage Services	**2,426**	**2,371**	**-**		**131**	e	**131**	**2,367**	-1706.9%
Surplus/(Deficit) From Ordinary Activities Before Capital Grants & Contributions	**23,854**	**390**	**515**	**(194)**	**1,461**		**1,782**	**20,997**	-1078.3%

Operating Expenditure

($000's)	Actual YTD 2024/25	Original Budget 2025/26	Revised Budget 2025/26	Otier tian by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Recreation & Culture									
Public Libraries	269	300	354				354	202	42.9%
Public ialls	227	272	261				261	179	31.4%
Otier Cultural Services	7	6	7				7	7	0.0%
Centrepoint Sport & Leisure	1,234	1,263	1,263				1,263	905	28.3%
Sporting Grounds	490	519	519				519	395	23.9%
Parks & Gardens	1,231	1,192	1,192		2	f	1,194	801	32.9%
Blayney Siowground	211	255	319		4	f	323	154	52.3%
	3,669	**3,807**	**3,915**	**6**	**6**		**3,921**	**2,643**	32.6%
Mining Manufacturing & Construction									
Building Control	201	219	219				219	190	13.2%
Quarries & Pits	331	347	347	50	40	f	437	157	64.1%
	532	**566**	**566**	**40**	**40**		**656**	**347**	47.1%
Transport & Communication									
Local Roads	6,045	5,630	5,630		1,748	f,h,i	7,378	4,482	39.3%
Regional Roads	163	125	130		3	i	133	133	0.0%
Local Bridges	902	548	551				551	376	31.8%
Footpatis	189	184	184		5	f	189	124	34.4%
Kerb and Gutter	211	208	208				208	152	26.9%
Otier Transport and Communication	318	267	499	(194)	6	i	311	311	0.0%
	7,828	**6,962**	**7,202**	**1,762**	**1,762**		**8,770**	**5,578**	36.4%
Economic Affairs									
Tourism & Area Promotion	283	327	343		(1)	i	342	258	24.6%
Industrial Development & Promotion	101	40	45		(1)	i	44	25	43.2%
Real Estate	9	11	11				11	8	27.3%
Otier Business - Private Works	79	85	185				185	36	80.5%
	472	**463**	**584**	**(2)**	**(2)**		**582**	**327**	43.8%
General Purpose Revenue									
General Purpose Revenues	**-**		**-**				**-**	**-**	0.0%
Sewerage Services	**2,159**	**2,140**	**2,369**		**5**	i	**2,374**	**1,637**	31.0%
Surplus/(Deficit) From Ordinary Activities Before Capital Grants & Contributions	**23,752**	**25,086**	**25,981**	**1,871**	**1,871**		**27,708**	**17,959**	35.2%

NO:

Blayney Shire Council
PART 6:

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Income & expenses budget review statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	Income Variations $000	Expenditure Variations $000
a	Additional budget for unforeseen apprenticeship subsidy income.	22	
		22	**-**
b	Adjust budgets for projects within the Flood Recovery Grant program per the new schedule of works:		
	- Stormwater investigation for Blayney industrial area	30	30
	- Strategic planning resilience and DCP review	(19)	(19)
	- Blayney flood study	40	40
	- Newbridge Road culvert works	(34)	
	- Coombing Street crossing design works	(17)	
		-	**51**
c	Allocate budget for kerbside waste collection between domestic and other waste management in line with actual expenditure:		
	- Domestic waste management		(100)
	- Other waste management		100
		-	**-**
d	Allocate budget to complete the stormwater design works on Gerty St funded partially from the NSW Flood Recovery Grant and the Property Account.		18
		-	**18**
e	Adjust interest revenue budgets based on year to date projections.		
	- General fund	269	
	- Sewer fund	131	
		400	**-**
f	Additional budget for loss of disposal on infrastructure assets upon finalisation of the transport revaluation.	(84)	782
		(84)	**782**
g	Adjust budget for sale of land due to road closure	30	
		30	**-**
h	Reallocate portion of Richards Lane project budget for the State Road intersection from capital to operational.		1,000
		-	**1,000**
i	Minor budget adjustments	42	20
		42	**20**
		410	**1,871**
	Net adjustment to operating result		**(1,461)**

Approved changes to revised budget since the last QBRS

Budget Variations approved other than by QBRS by resolution of Council

Date	Resolution	Item	Income $000	Expenditure $000
24/02/2026	**2602/021**	All remaining R4R9 grant funding to be allocated towards the completion of the Richards Lane project:		
		- Masterplan projects		(194)
			-	**(194)**
24/02/2026	**2602/023**	Budget allocated for the completion of the Carcoar Dam boat ramp partially funded from the NSW Boat Infrastructure grant	47	
			47	**-**
24/03/2026	**2603/012**	Bring forward quarry expenditure allocation from 2026/27 to undertake crushing in the 2025/26 year.		50
			-	**50**
		TOTAL	**47**	**(144)**

Blayney Shire Council

PART 3:

Capital budget review statement

Quarterly Budget Review Statement

for the period 01/01/26 to 31/03/26

Budget review for the quarter ended 31 March 2026

Capital budget - Council Consolidated

($000's)	*Actual YTD 2024/25*	Original budget 2025/26	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures
Capital expenditure								
New assets								
- Plant & equipment	*1,503*	4,062	4,879	-	8	2	4,887	745
- Land & buildings	-	20	760	-	-		760	11
- Sewer	*80*	15	99	-	-		99	38
- Roads, Bridges, Footpaths	*895*	121	321	-	(2)	1	319	55
- Other	*180*	657	739	(16)	(4)	4	719	252
Renewal assets (replacement)								
- Plant & equipment	-	-	-	-	-		-	-
- Land & buildings	*113*	648	600	(50)	-		550	68
- Sewer	*573*	781	914	-	-		914	205
- Roads, bridges, footpaths	*6,508*	6,045	10,338	253	(1,049)	1,3	9,542	4,688
- Other	*33*	32	98	113	-		211	62
Loan repayments (principal)	-	457	457				457	341
Total capital expenditure	**9,885**	**12,838**	**19,205**	**300**	**(1,047)**		**18,458**	**6,465**
Capital funding								
Rates & other untied funding	*2,670*	3,765	4,101	(16)			4,085	1,939
Capital grants & contributions	*5,872*	3,623	8,150	256	(1,051)	1,3	7,355	3,266
Reserves:								
External restrictions	*283*	1,304	1,764	60	-		1,824	429
Internal allocations	*262*	2,972	4,090	-	4	2	4,094	678
New loans			-				-	-
Receipts from sale of assets								
- Plant & equipment	*798*	1,174	1,100				1,100	154
- Land & buildings		-	-				-	-
Total capital funding	**9,885**	**12,838**	**19,205**	**300**	**(1,047)**		**18,458**	**6,465**
Net capital funding - surplus/(deficit)	**-**	**-**	**-**	**-**	**-**		**-**	**-**

NO:

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/03/2026 and should be read in conjuction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/01/26 to 31/03/26

PART 5:

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	**Project ID**		**Original Budget 2025/26**	**Revised Budget 2025/26**	**Other than by QBRS Mar Qtr**	**Variations for Mar Qtr**	Notes	**Projected Year End Result**	**Actual YTD figures**	%
LAND & BUILDINGS										
Building Renewal Work	11401630	R	333	285	(50)			235	51	*78%*
Building Renewal Work - Depot Cationic Tank	CX0213	R	200	200				200	-	*100%*
Renewable Energy - CentrePoint Battery	CX0203	N	20	756				756	7	*99%*
Blayney Community Centre - Carpark	CX0206	R	65	65				65	11	*83%*
Admin Building - Front Desk Security Screen	CX0210	N	-	4				4	4	*0%*
Animals Shelter Design & Investigation	CX0215	R	50	50				50	6	*88%*
TOTAL LAND & BUILDINGS			**668**	**1,360**	**(50)**	**-**		**1,310**	**79**	*94%*
OTHER STRUCTURES										
Public Cemeteries - Infrastructure Works	12202610	R	12	12				12	1	*92%*
Bore - Waste Facility	11902610	N	20	20				20	-	*100%*
Waste Facility - Leachate Collection Preliminary Costs Stage 2	CX0195	N	413	431				431	133	*69%*
Newbridge Rec Ground Covered Walkway	CX0170	N	-	39				39	39	*0%*
Blayney Rotary Lookout	CX0186	R	-	33				33	32	*3%*
Carcoar Dam - Boat Ramp Upgrades	CX0218	R	-	-	63			63	-	*100%*
Blayney Showground Amenities Upgrade	CX0205	R	-	8				8	4	*50%*
Heritage Park - Shade Sail Renewal Various	CX0209	N	25	50				50	42	*16%*
Heritage Park Basketball Ring Investigation	VEP105	N	1	1				1	-	*100%*
Community Centre Fire Panel Replacement	CX0214	R	-	25				25	25	*0%*
Park Street London Plane Trees	VEP100	N	20	-				-	-	*0%*
Dakers Oval Cricket Pitch	CX0212	R	20	20				20	-	*100%*
KGO Irrigation Renewal	CX0216	R	-	-	50			50	-	*100%*
Waste Facility - Environmental Improvement Works		N	20	20				20	-	*100%*
Village Enhancement Program		N	158	178	(16)	(4)	4	158	38	*76%*
TOTAL OTHER STRUCTURES			**689**	**837**	**97**	**(4)**		**930**	**314**	*66%*

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/03/2026 and should be read in conjuction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 5:
Capital Budget Review Statement
Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	Project ID		Original Budget 2025/26	Revised Budget 2025/26	Other than by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%
INFRASTRUCTURE										
Local Roads - Construction										
DIWG Mandurama carpark (Mandurama Hall)		N	3	3				3	-	0%
Beaufort St Kerb & Gutter Renewal	341469	R	-	16				16	-	100%
DIWG Accessible spaces line marking renewal	341968	R	16	16				16	-	100%
DIWG Mandurama carpark (Rec Ground)	341969	N	20	20				20	9	55%
DIWG Carcoar carpark	341970	N	23	23				23	5	78%
Spring Hill Road - Preliminary Design	340360	N	-	60				60	20	67%
DIWG Lyndhurst carpark and bus stop area	341971	N	49	49				49	1	98%
R4R9 - Browns Creek Road	340247	R	-	157	(155)			2	2	0%
Forest Reefs Road - Carcoar Road to Eucalyptus Close	340392	R	781	361				361	210	42%
R4R9 - Richards Lane	340257	R	-	2,588	484	(1,000)	3	2,072	563	73%
Garland Road - Leabeater Street to Shire Boundary	340391	R	761	761				761	496	35%
Tallwood Road - Slatteries Creek to Dicksons Lane		R	761	761				761	-	100%
Tallwood Road Pavement Renewal	340390	R	812	812				812	428	47%
Land acquisitions relating to historic road projects		N	-	140		(2)	4	138	-	100%
Gravel Resheeting Program	340075	R	668	668				668	643	4%
Heavy Patching Program	340064	R	768	768				768	75	90%
Reseal Program	340063	R	728	728				728	502	31%
TOTAL LOCAL ROADS CONSTRUCTION			**5,390**	**7,931**	**329**	**(1,002)**		**7,258**	**2,954**	59%
Regional Roads										
R4R9 - Hobbys Yard Road	340324	R	377	-				-	-	0%
R4R9 - Hobbys Yard Road Ch8900-10700	340283	R	-	3				3	3	0%
R4R9 - Hobbys Yard Road Ch6900-7700	340281	R	-	1,007	(136)			871	843	3%
TOTAL REGIONAL ROADS			**377**	**1,010**	**(136)**	**-**		**874**	**846**	3%

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 5:
Capital Budget Review Statement
Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	**Project ID**		**Original Budget 2025/26**	**Revised Budget 2025/26**	**Other than by QBRS Mar Qtr**	**Variations for Mar Qtr**	Notes	**Projected Year End Result**	**Actual YTD figures**	%
Bridges										
Garland Road Culvert	340924	R	-	31				31	31	0%
Newbridge Road Evans Plains Creek	340884	R	-	6		2	4	8	-	0%
Leabeater St Grubbenbun Creek	340889	R	-	5				5	5	0%
FRG Coombing Street Crossing	340879	R	-	44		(17)	1	27	27	0%
Greghamstown Rd Culvert	340927	R	-	40				40	17	58%
Brady Road Culvert Investigation	340925	R	-	34				34	8	76%
Carcoar Dam Road Culvert	340926	R	-	50				50	-	100%
Newbridge Road Bridge over Liscombes Creek investigation	340928	R	-	-	60			60	-	100%
AGRN1034 - Rodd Street Culvert	340288	R	-	408				408	335	18%
FRG Newbridge Road Culvert	340245	R	-	276		(34)	1	242	224	7%
TOTAL BRIDGES			**-**	**894**	**60**	**(49)**		**905**	**647**	29%
Footpaths										
Investigation & Design - Pram Ramps - Queen/Stillingfleet St	341374	N	6	6				6	1	83%
Design Works - Three Brothers Road to Accessible Amenities at Newbridge Recreation Ground	341361	N	20	20				20	19	5%
Heritage Pavement for Millthorpe Village	341362	R	-	221				221	19	91%
Footpath Renewals	13412610	R	172	172				172	150	13%
TOTAL FOOTPATHS			**198**	**419**	**-**	**-**		**419**	**189**	55%
Stormwater										
Stormwater Drainage Renewals	190661	R	201	300				300	2	99%
Hawke Street Drainage Improvements	190682	R	-	105				105	105	0%
TOTAL STORMWATER			**201**	**405**	**-**	**-**		**405**	**107**	74%
TOTAL INFRASTRUCTURE			**6,166**	**10,659**	**253**	**(1,051)**		**9,861**	**4,743**	52%

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 5:
Capital Budget Review Statement
Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	**Project ID**		**Original Budget 2025/26**	**Revised Budget 2025/26**	**Other than by QBRS Mar Qtr**	**Variations for Mar Qtr**	Notes	**Projected Year End Result**	**Actual YTD figures**	%
PLANT & EQUIPMENT										
Light Vehicle*										
Light Vehicle Replacement		N	871	983		4	8	987	360	64%
TOTAL LIGHT VEHICLE*			**871**	**983**	**-**	**4**		**987**	**360**	64%
Minor Plant*										
Small Plant & Tools	140506	N	35	35				35	-	100%
LC007 - Kubota Flail mower	140506	N	24	25				25	25	0%
LC008 - Kubota Flail mower	140506	N	24	25		1	8	26	26	0%
P89 Trimax Mower - Winged	140506	N	30	35		(1)	8	34	-	100%
Road broom Sewell TB2000E	140506	N	67	65				65	-	100%
P72 - John Deere 5725 AWD bucket	140506	N	165	135				135	-	100%
Sewer Jetting Trailer	140506	N	153	-				-	-	0%
TOTAL MINOR PLANT*			**498**	**320**	**-**	**-**		**320**	**51**	84%
Major Plant										
P601 - Hino 500 Series	140561	N	-	187				187	-	100%
P602 - Hino 500 Series	140561	N	-	187				187	-	100%
P603 - Hino 500 Series	140561	N	-	110				110	110	0%
PLC011 - Toro GM 3310 Front Deck Mower RD	140561	N	-	68				68	68	0%
PLC012 - Toro GM 3310 Front Deck Mower RD	140561	N	-	68				68	68	0%
PLC013 - Toro GM 3310 Front Deck Mower RD	140561	N	-	68				68	68	0%
P44 - Isuzu NPR55-155 Tabletop w/Crane	140561	N	110	160		50	2	210	-	100%
P43 - Isuzu NPR55-155 MWB Amenities Truck	140561	N	122	205				205	-	100%
P630 - Isuzu Watercart	140561	N	376	350		(20)	2	330	-	100%
HV003 - Mack Tipper	140561	N	408	380		(28)	2	352	-	100%
P660 - Dynapac CA3500	140561	N	-	200		4	2	204	-	100%
P661 - Dynapac CA3500	140561	N	-	200		4	2	204	-	100%
PSV001 - Isuzu Streetsweeper	140561	N	422	-				-	-	0%
PSV002 - Isuzu Patching Truck	140561	N	428	550		102	2	652	-	100%
Remaining 2024/25 Plant Replacements	140561	N	-	100		(100)	2	-	-	0%
952 - Grader Cat 12M	140561	N	657	550		(12)	2	538	-	100%
TR001 - Sloanebuilt Dog Trailer	140561	N	118	160				160	-	100%
TOTAL MAJOR PLANT			**2,641**	**3,543**	**-**	**-**		**3,543**	**314**	91%

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 5:
Capital Budget Review Statement
Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	Project ID		Original Budget 2025/26	Revised Budget 2025/26	Other than by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Information Technology										
Intramaps to Pozi Migration	CX0208	N	11	11				11	11	0%
AssetFinda Cloud Hosting Migration	CX0207	N	2	2				2	2	0%
Mobile Devices	CX0163	N	3	2				2	1	50%
Councillors- Ipad Replacement/Accessories	CX0179	N	2	2				2	-	100%
Communication Tower Climbing Ladder - Church Hill (CX0186)	140063	N	-	-		4	4	4	-	100%
Mobile Phones	CX0164	N	5	6				6	6	0%
TOTAL INFORMATION TECHNOLOGY			**23**	**23**	**-**	**4**		**27**	**20**	26%
Other Plant & Equipment Purchases										
Administration Office - Minor Asset Purchases	11400610	N	4	4				4	-	100%
Blayney Community Centre - Minor Assets	12803610	N	6	6				6	-	100%
Blayney Library - Minor Asset Purchases	12802610	N	19	-				-	-	0%
TOTAL OTHER PLANT & EQUIPMENT PURCHASES			**29**	**10**	**-**	**-**		**10**	**-**	100%
TOTAL PLANT & EQUIPMENT			**4,062**	**4,879**	**-**	**8**		**4,887**	**745**	85%
Sewerage Services										
Recycled Water Treatment Plant	32600810	N	15	30				30	28	7%
Sludge Lagoon Pump Replacment	32600840	R	-	2				2	-	100%
Pump Replacement Program	32600640	R	-	34				34	27	21%
Manhole Rectification	32600630	R	-	25				25	3	88%
Step Screen Replacement	32600620	N	-	69				69	10	86%
Electrical replacements	32600720	R	218	216				216	67	69%
Treatment Plant Renewals	32600610	R	328	304				304	90	70%
Lining/Replacement of Sewer Mains	32600650	R	235	333				333	18	95%
TOTAL SEWERAGE SERVICES			**796**	**1,013**	**-**	**-**		**1,013**	**243**	76%

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 5:
Capital Budget Review Statement
Budget review for the quarter ended 31 March 2026

Capital Budget - Council Consolidated ($000's)	**Project ID**	**Original Budget 2025/26**	**Revised Budget 2025/26**	**Other than by QBRS Mar Qtr**	**Variations for Mar Qtr**	Notes	**Projected Year End Result**	**Actual YTD figures**	%
Principal Loan Repayments									
Bridge Replacement Program		156	156				156	117	*25%*
Millthorpe Sewer		75	75				75	56	*26%*
Residential Land Development		136	136				136	102	*25%*
CentrePoint Major Upgrade		90	90				90	67	*26%*
		457	**457**	**-**	**-**		**457**	**341**	*25%*
Total Capital Expenditure		**12,838**	**19,205**	**300**	**(1,047)**		**18,458**	**6,465**	
Asset Sales/ Trades-Ins									
Light Vehicle Replacement		417	343				343	128	*63%*
Major Plant Sales		757	757				757	26	*97%*
Net Capital Expenditure		**11,664**	**18,105**	**300**	**(1,047)**		**17,358**	**6,311**	

* Light vehicle and plant replacements are budgeted at full cost in the Capital Expenditure Program but are offset by trade in value on existing vehicles/plant as detailed on page 12

NO:

Blayney Shire Council
PART 7:

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Capital budget review statement
Recommended changes to revised budget

Budget variations being recommended include the following material items:

Notes	Details	Variations to: Expenditure $000
1	Adjust budgets for projects within the Flood Recovery Grant program per the new schedule of works:	
	- Newbridge Road culvert works	(34)
	- Coombing Street crossing design works	(17)
		(51)
2	Minor adjustments for fleet based on quotes and actual spend:	
	- PHV003 Mack Tipper Truck	(28)
	- P952 Caterpillar 12M Grader	(12)
	- P44 Isuzu NPR55-155 Truck	50
	- PSV002 - Isuzu Patching Truck	102
	- P630 Isuzu Watercart	(20)
	- P660 Dynapac Roller	4
	- P661 Dynapac Roller	4
	- Remaining 2024/25 plant replacements	(100)
		-
3	Reallocate portion of Richards Lane project budget for the State Road intersection from *capital to operational.*	(1,000)
		(1,000)
4	Minor budget adjustments	4
		4
	TOTAL	**(1,047)**

Approved changes to revised budget since the last QBRS

Budget Variations approved other than by QBRS by resolution of Council

Date	Resolution	Item	Expenditure $000
24/02/2026	**2602/021**	All remaining R4R9 grant funding to be allocated towards the completion of the Richards Lane project:	
		- 340257 Richards Lane	499
		- 340247 Browns Creek Road	(150)
		- 340281 Hobbys Yard	(155)
			194
24/02/2026	**2602/023**	Approve budget allocation for design works for Newbridge Road over Liscombes Creek funded from developer contributions.	60
			60
24/02/2026	**2602/023**	Approve budget allocation for the renewal of the KGO main irrigation line funded from the SRV building renewal fund:	
		- CX0216 KGO Irrigation Renewal	50
		- 11401630 Building Renewal Work	(50)
			-
24/02/2026	**2602/023**	Approve budget allocation for repairs and renewal of the Carcoar Boat Ramp funded from grant funding and VEP.	
		- CX0218 Carcoar Dam Boat Ramp Upgrades	63
		- Village Enhancement Program	(16)
			47
		TOTAL	**301**

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Cash & investments budget review statement

Budget review for the quarter ended 31 March 2026
PART 8:
Cash & investments - Council Consolidated

($000's)	*Actual YTD 2024/25*	Opening balance 1/07/2025	Revised budget 2025/26	Other than by QBRS Mar Qtr	Variations for Mar Qtr	Notes	Projected year end result	Actual YTD figures
Externally restricted [(1)]								
Developer Contributions - General	1,684	1,684	838	(60)			778	1,902
Developer Contributions - Sewer	2,272	2,272	2,272				2,272	2,492
Specific Purpose Unexpended Grants	2,621	2,621	1,549				1,549	1,880
Sewerage Services	6,795	6,795	6,433				6,433	6,887
Domestic Waste Management	553	553	285				285	553
Voluntary Planning Agreements	694	694	309				309	823
Total externally restricted	**14,619**	**14,619**	**11,686**	**(60)**	**-**		**11,626**	**14,537**
(1) Funds that must be spent for a specific purpose								
Internally allocated [(2)]								
Plant and Vehicle Replacement	3,082	3,082	1,482				1,482	3,600
Employees Leave Entitlement	1,307	1,307	1,307				1,307	1,307
Asset Renewals - Buildings	533	533	524				524	533
Asset Renewals - Stormwater	99	99	-				-	99
CentrePoint	35	35	35				35	35
Emergency Works / Natural Disaster	70	70	70				70	25
Election Reserve	25	25	25				25	70
Environmental Projects – Belubula River	27	27	27				27	27
Future Financial Sustainability	4,063	4,063	4,063				4,063	4,063
I.T Reserve	394	394	394				394	394
Property Account	1,671	1,671	1,658		(18)	i	1,640	1,709
Property Account - Borrowings	586	586	586				586	476
Quarry	896	896	896				896	896
Village Enhancement Program	357	357	296				296	357
Security bonds, deposits & retentions	375	375	375				375	375
Financial Assistance Grant	1,953	1,953	-				-	-
Carryover Works	591	591	82				82	-
Total internally allocated	**16,064**	**16,064**	**11,820**	**-**	**(18)**		**11,802**	**13,966**
(2) Funds that Council has earmarked for a specific purpose								
Unrestricted (ie. available after the above Restrictions)				-	-		2,359	6,402
Total Cash & investments		**33,042**	**25,865**	**(60)**	**(18)**		**25,787**	**34,905**

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/03/2026 and should be read in conjuction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 9:
Cash & investments budget review statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/03/26

Reconciliation status

The YTD cash & investment figure reconciles to the actual balances held as follows:		**$ 000's**
Cash at bank (as per bank statements)		4,405
Investments on hand		30,500
less: unpresented payments	(Timing Difference)	
add: undeposited funds	(Timing Difference)	
less: identified deposits (not yet accounted in ledger)	(Require Actioning)	
add: identified outflows (not yet accounted in ledger)	(Require Actioning)	
less: unidentified deposits (not yet actioned)	(Require Investigation)	
add: unidentified outflows (not yet actioned)	(Require Investigation)	
Reconciled cash at bank & investments		34,905
Balance as per QBRS review statement:		34,905

Recommended changes to revised budget

Budget variations being recommended include the following material items:

Notes	**Details**	**Variations** $000
i	Budget allocation for stormwater drainage works on Gerty Street partially funded by the NSW Flood Recovery Grant.	(18)
		(18)
	TOTAL	**(18)**

Approved changes to revised budget since the last QBRS

Budget Variations approved other than by QBRS by resolution of Council

Date	**Resolution**	**Item**	**Variations** $000
24/02/2026	**2602/023**	Approve budget allocation for design works for Newbridge Road over Liscombes Creek funded from developer contributions.	(60)
			(60)
		TOTAL	**(60)**

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Developer Contribution Summary

($000's)	Opening Balance 2025/26	Contributions Received: Total Cash Actual Q1 - Q3	Total Non-Cash Land Q1 - Q3	Total Non-Non-Cash Other Q1 - Q3	Total Actual Interest Q1 - Q3	Total Amounts Expended Q1 - Q3	Total Internal Borrowings (to)/From Q1-3	Notes	Held As Restricted Asset Q1 - Q3
Local Infrastructure Fund	1,684	159			59	-			1,902
Total S7.11 Under Plans	**1,684**	**159**	**-**	**-**	**59**	**-**	**-**		**1,902**
Future Sewerage Infrastructure	575	109			23	-			707
S64 Contributions	1,697	31			57	-			1,785
Total Sewer Contributions	**2,272**	**140**	**-**	**-**	**80**	**-**	**-**		**2,492**
Total Contributions									**4,394**

Less: Committed developer contributions from Council resolutions - YTD

Date	Resolution	Item	Expenditure $000
26/08/2025	**2508/028**	Budget approval for Richards Lane tender major contract	600
			600
26/08/2025	**2508/015**	Budget approval for Heritage Pavement Millthorpe held within the carryover works	221
			221
24/02/2026	**2602/023**	Approve budget allocation for design works for Newbridge Road over Liscombes Creek funded from developer contributions.	60
			60
		TOTAL	**881**
		TOTAL DEVELOPER CONTRIBUTIONS HELD AS RESTRICTED LESS COMMITTED TO DATE	**3,513**

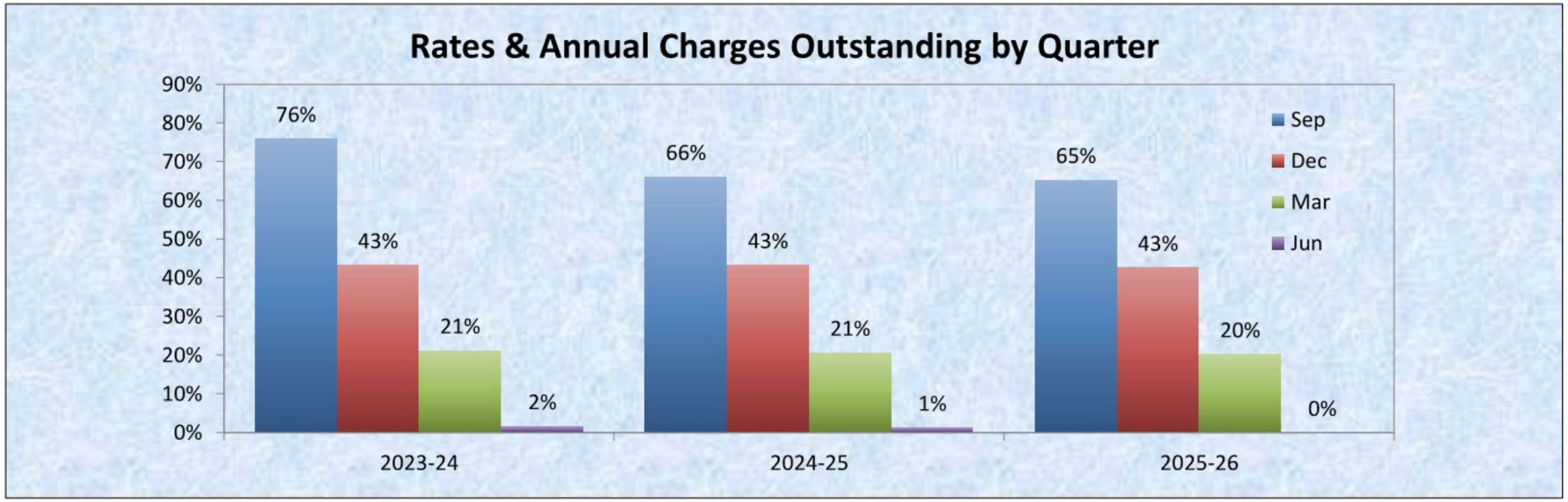
NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 10:
Key performance indicators budget review statement - Industry KPI's (OLG)

Budget review for the quarter ended 31 March 2026



Blayney Shire Council
PART 11a:
Contracts budget review statement

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

Budget review for the quarter ended 31 March 2026
Part A - Contracts listing - contracts entered into during the quarter > $150,000

Contractor	Project ID	Contract detail & purpose	Contract Value GST Incl	Total Budget GST Excl**
WESTRAC P/L	11405610	RFT 19/2025 Fleet Replacement Program - Cat Grader	591,800	550,000
STABILCORP PTY LTD	13400640	RFQ 45/2025 Heavy Patching Program	585,564	767,946
VCV AUSTRALIA	11405610	RFT 13/2025 Fleet Replacement Program - Truck + Tipper	562,890	526,455
CFC HOLDINGS T/AS CEA, JCB CEA AND DYNAPAC CEA	11405610	RFT 6/2025 Fleet Replacement Program - 2 x Dynapac Rollers	449,020	408,200
SOUTHERN TRUCK CENTRE WOLLONGONG PTY LTD	11405610	RFT 14/2025 Fleet Replacement Program - Burrows Watercart	363,150	350,000
FULTON HOGAN INDUSTRIES PTY LTD	13400630	T7/2023 Resealing Program - Forest Reefs Rd	241,195	323,661
PETRO NATIONAL P/L T/AS OILSPLUS HOLDINGS	11405010	S1/2025 Supply of fuel	152,410	450,000

Notes:
1. Minimum reporting level is 1% of estimated income from continuing operations of Council or $150,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.
4. Figures shown include GST.
5. Total budgets are not disclosed where the order is applied across multiple project numbers.

Blayney Shire Council

Quarterly Budget Review Statement

PART 11b:

for the period 01/01/26 to 31/03/26

Contracts budget review statement

Budget review for the quarter ended 31 March 2026

Part B - Contracts listing - contracts paid during the quarter > $150,000

Contractor	Project ID	Contract detail & purpose	Contract Value GST Incl	Total Budget GST Excl**
AITKEN CIVIL ENGINEERING PTY LTD	340257	T40/2025 Richards Lane (R4R9)	358,516	3,087,848
FULTON HOGAN INDUSTRIES PTY LTD	13400630	T7/2023 Reseal Program	603,470	728,070
HADLOW EARTHMOVING PTY LTD	11902030 & 11903040	T5/2018 Management of waste facility	187,208	773,596
PETRO NATIONAL P/L T/AS OILSPLUS HOLDINGS	11405010	S1/2025 Supply of bulk fuel and oil	154,282	450,000

Notes:
1. Minimum reporting level is 1% of estimated income from continuing operations of Council or $150,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.
4. Figures shown include GST.
5. Total budgets are not disclosed where the order is applied across multiple project numbers.

NO:

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 13:
Consultancy & legal expenses budget review statement

Consultancy & legal expenses overview

Expense	**Revised Budget** (actual dollars)	**YTD expenditure** (actual dollars)	**Bugeted (Y/N)**
Consultancies	658,348	133,236	Y
Legal Fees	106,223	29,798	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/01/26 to 31/03/26

PART 14:
Loans Summary
Budget review for the quarter ended 31 March 2026

LOAN DETAILS	Loan Term	Original Principal	Int %**	Opening Balance	Year to date Interest	Year to date Principal	Year to date Repayments	Closing Balance	Scheduled Completion date
Millthorpe Sewer	20	900,000	8.05%	222,297	12,415	55,796	68,210	166,501	**26-Feb-28**
Residential Land Development*	10	1,320,000	2.09%	561,220	8,268	101,695	109,963	459,525	**28-Jun-29**
Bridge Replacement Program	20	3,000,000	3.97%	2,173,387	63,728	99,812	163,541	2,073,575	**15-Feb-38**
CentrePoint	20	2,000,000	2.36%	1,562,409	27,261	67,044	94,304	1,495,365	**13-Feb-40**
Cowriga Creek Bridge	20	500,000	2.36%	390,602	6,815	16,761	23,576	373,841	**13-Feb-40**
		7,720,000	**3.60%**	**4,909,915**	**118,486**	**341,108**	**459,595**	**4,568,807**	

** Residential Land Development loan is funded under the Low Cost Loans Initiative (LCLI) subsidising 50% of the interest payable*

*** Weighted average interest rate*