

AGENDA

MEETING OF THE **HORSHAM RURAL CITY COUNCIL**

To be held on

4 April 2022

At 5.00pm

In the

Council Chamber, Civic Centre

18 Roberts Avenue, HORSHAM

PUBLIC ATTENDANCE IS PERMITTED BUT NUMBERS WILL BE LIMITED IN LINE WITH COVIDSAFE GUIDELINES.

THE COUNCIL MEETING WILL BE ACCESSIBLE ONLINE TO THE PUBLIC AND WILL BE LIVE STREAMED



Horsham Rural City
Council urban rural balance

**COUNCILLORS are respectfully requested to attend the Council Meeting
of the Horsham Rural City Council to be held on 4 April 2022
in the Council Chamber, Civic Centre, Horsham at 5.00pm
and livestreamed at www.hrcc.vic.gov.au**

Order of Business

PRESENT

ALSO IN ATTENDANCE

1. PRAYER

Almighty God, we pledge ourselves to work in harmony for, the social, cultural and economic well-being of our Rural City. Help us to be wise in our deliberations and fair in our actions, so that prosperity and happiness shall be the lot of our people. AMEN

2. ACKNOWLEDGEMENT OF COUNTRY STATEMENT

The Horsham Rural City Council acknowledges the five Traditional Owner groups of this land; the Wotjobaluk, Wergaia, Jupagulk, Jaadwa and Jadawadjali people. We recognise the important and ongoing place that all Indigenous people hold in our community.

We pay our respects to the Elders, both past and present, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.

3. OPENING AND WELCOME

Chairman, Cr Penny Flynn formally welcomed those in attendance to the meeting. The Chair advised that the meeting will be recorded to maintain a video archive, which will be available on the Horsham Rural City Council website as soon as possible.

4. APOLOGIES

5. CONFLICTS OF INTEREST

Declarations of Interest

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.

Members of Staff

Under Section 130 of the *Local Government Act 2020*, officers or people engaged under contract to the Council providing a report or advice to Council must disclose any conflicts of interests in the matter, including the type of interest.

6. OFFICERS REPORTS 4

6.1 MEMORANDUM OF UNDERSTANDING BETWEEN HORSHAM RURAL CITY COUNCIL AND WIM RESOURCE PTY LTD. FOR THE AVONBANK PROJECT..... 4

CLOSE



SUNIL BHALLA
Chief Executive Officer

6. OFFICERS REPORTS

6.1 MEMORANDUM OF UNDERSTANDING BETWEEN HORSHAM RURAL CITY COUNCIL AND WIM RESOURCE PTY LTD. FOR THE AVONBANK PROJECT

Author's Name:	Fiona Gormann	Director:	Kevin O'Brien
Author's Title:	Manager Investment Attraction and Growth	Directorate:	Communities and Place
Department:	Investment Attraction and Growth	File Number:	F15/A07/000024

Officer Conflict of Interest

Officer disclosure in accordance with *Local Government Act 2020* – Section 130:

☐ Yes ☒ No

Reason: Nil

Status

Defined as confidential information in accordance with *Local Government Act 2020* – Section 3(1):

☐ Yes ☒ No

Reason: Nil

Appendix

Memorandum of Understanding between Horsham Rural City Council and WIM Resource (**Appendix 6.1A**)

Purpose

To endorse the proposed Memorandum of Understanding (MoU) between Council and WIM Resource, which seeks to confirm the principles of a collaborative approach, recognising the specific roles and obligations of each of the parties.

Summary

- The aims of this MoU is to ensure that:
 - the roles of each party are clearly understood and respected by both parties
 - processes are developed that will assist the parties to facilitate positive local economic and social outcomes associated with the project
 - processes and mechanisms are in place to support clear communication, collaboration and support, and these mechanisms are understood and supported by both parties
 - both parties understand and commit to providing the capacity necessary to deliver the intent of this MoU.
- WIM is a privately owned Australian heavy mineral sands (HMS) resource development company, with one of the largest portfolios of HMS projects in the world.
- The Avonbank Project is WIM's flagship project and is located 15km north of the City of Horsham.
- WIM anticipates mining the mineral sands ore body over a period of thirty-six years.

Recommendation

That Council endorse the proposed MoU between Council and WIM Resource as presented in **Appendix 6.1A** and authorise the Chief Executive Officer to sign the MoU on its behalf.

REPORT

Background

The MoU seeks to confirm the principles of a collaborative approach, recognising the specific roles and obligations of each of the parties.

Discussion

WIM is a privately owned Australian heavy mineral sands (HMS) resource development company, with one of the largest portfolios of HMS projects in the world. WIM's vision is to become a long-term producer of zircon, titanium, and rare earth minerals, these minerals are critical to everyday living. WIM's corporate and technical team have a proven tracked record of mine development having been involved in the development of several Australian HMS mines.

The Avonbank Project is WIM's flagship project and is located 15km north of the City of Horsham. WIM anticipates mining the mineral sands ore body over a period of thirty-six years. It will supply mineral concentrate containing zircon, ilmenite, and minor rare earth by products to offshore markets.

WIM has invested heavily in the project over the past nine years and recently completed a test pit, pilot plant, which represented a major commitment and investment by WIM shareholders to move the project into full scale development.

In addition, there are ongoing environmental and socio-economic related studies as the project moves towards the construction stage. The project is currently at a Bankable Feasibility Study (BFS) or Definitive Feasibility Study (DFS) stage. This advanced stage of development will enable WIM to commence a fund raising exercise from 2022.

For the Environmental Effects Statement (EES) related studies, WIM expects to complete this process in late 2021 –mid 2022. Subject to final approvals and finance, WIM plans to commence construction within the next three years.

The Avonbank Project is one of the most significant investments likely to occur in the Southern Wimmera region in the past twenty years. Economic modelling has found that there will be substantial net positive economic impacts for Horsham Rural City, the Wimmera Southern Mallee region, and the State of Victoria generally.

Options to Consider

1. Council can choose to resolve to sign the MoU
2. Council can choose not to resolve to sign the MoU

Sustainability Implications

Not applicable

Community Engagement

Not applicable

Innovation and Continuous Improvement

Not applicable

Collaboration

Not applicable

Financial Implications

Not applicable

Regional, State and National Plans and Policies

Not applicable

Council Plans, Strategies and Policies

2021-2025 Council Plan: Theme 3 – Sustainability

3.2. A sustainable economy where local business, agriculture, tourism and other diverse industries thrive

3.4. A region that attracts new investment, technologies and opportunities

Risk Implications

Not applicable

Conclusion

The MoU seeks to confirm the principles of a collaborative approach, recognising the specific roles and obligations of each of the parties. The purpose of this agreement is for parties to develop processes to support working cooperatively and collaboratively, to maximise mutually beneficial community and economic outcomes, and ensure best environmental practice from the development and operation of the Avonbank Mineral Sands Project within the Rural City of Horsham.

MEMORANDUM OF UNDERSTANDING

between

HORSHAM RURAL CITY COUNCIL

and

WIM RESOURCE PTY LTD

for the **AVONBANK PROJECT**

1. PURPOSE OF AGREEMENT

This is a Memorandum of Understanding (MOU) between

WIM Resource Pty Ltd (WIM) and

Horsham Rural City Council (HRCC).

The MOU seeks to confirm the principles of a collaborative approach, recognising the specific roles and obligations of each of the parties.

The purpose of this agreement is for parties to develop processes to support working cooperatively and collaboratively, to maximise mutually beneficial community and economic outcomes, and ensure best environmental practice from the development and operation of the Avonbank Mineral Sands Project (Avonbank Project), within the Rural City of Horsham.

Both parties recognise that the MOU will be appended to the documentation WIM is required to provide to the Victorian Government's Environment Effects Statement (EES) process for assessment of the potential environmental, social, and economic impacts of the Avonbank Project.

2. AVONBANK PROJECT OVERVIEW

WIM is a privately owned Australian heavy mineral sands (HMS) resource development company, with one of the largest portfolios of HMS projects in the world. WIM's vision is to become a long-term producer of zircon, titanium, and rare earth minerals, these minerals are critical to everyday living. WIM's corporate and technical team have a proven tracked record of mine development having been involved in the development of several Australian HMS mines.

The Avonbank Project is WIM's flagship project and is located 15km north of the City of Horsham. WIM anticipates mining the mineral sands ore body over a period of thirty-six years. It will supply mineral concentrate containing zircon, ilmenite, and minor rare earth by products to offshore markets.

WIM has invested heavily in the project over the past nine years and recently completed a test pit and demonstration processing plant, which represented a major commitment and investment by WIM shareholders to move the project into full scale development.

In addition, there are ongoing environmental and socio-economic EES related studies as the project moves towards the construction stage. The project is currently at a Bankable Feasibility Study (BFS) or Definitive Feasibility Study (DFS) stage. This advanced stage of development will enable WIM to commence a funds raising exercise from 2022.

For the EES related studies, WIM expects to complete this process in 2022. Subject to final approvals and finance WIM plans to commence construction within the next three years.

The Avonbank Project is one of the most significant investments likely to occur in the Wimmera region in the past twenty years. Economic modelling for the company has found that there will be substantial net positive economic impacts for Horsham Rural City (RC), the Wimmera Southern Mallee (WSM) region, and the State of Victoria generally.

3. SHARED VISION AND ASPIRATIONS FOR THE AVONBANK PROJECT

The parties aim to maximise potential benefits for Horsham RC and WSM region by working towards WIM's corporate vision to 'Think Ahead, Move Ahead' and Council's vision, that states:

In 2041, Horsham region is a vibrant, liveable hub that thrives on strong economic growth and social connectedness. Empowering people to live, work and access opportunities for recreation and culture, now and into the future.

These Visions are underpinned by a commitment to:

- ◆ regular and open communication between the parties on all matters relating to the project
- ◆ joint advocacy processes to pursue commitments to the project and the region that will generate lasting benefits for both the project and the region
- ◆ consider community outcomes in all aspects of the planning and delivery of the project
- ◆ acknowledge that the best outcomes for the company and the community will flow from an efficient and financially robust project
- ◆ building on each party's core strength, skills, and attributes
- ◆ sharing information that will facilitate positive outcomes for the Avonbank Project
- ◆ acknowledging the cooperation will generate the most significant outcomes for both the region and the project.
- ◆ managing the mine in an environmentally responsible manner

The MoU does not preclude Council making a submission on the social, environment and economic impacts of the EES proposal.

Whilst the content of this MOU focuses on maximising local social and economic opportunities associated with the project, both parties also acknowledge the importance of ensuring that the impacts on the physical environment of the project are minimised as far as reasonably practical and managed to a high standard that reflects industry standard practices. This area is not addressed in detail within the MOU as other processes exist to consider and protect the physical environment.

4. STRATEGIC ASPIRATIONS

The Avonbank project aims to deliver the aspirations of Council's Investment Attraction Policy by having a strong commitment to creating a high-quality business environment that develops new jobs, fosters innovation in technology and diversifies the economic base.

Both WIM and the HRCC share the Victorian Government aspiration for successful development in regional Victoria.

5. AIMS AND OBJECTIVES OF THIS AGREEMENT

Both parties are committed to working in collaboration to identify and progress opportunities that will deliver social and economic development benefits for the region whilst, through endeavouring to maximise the

efficiency and robustness of the Avonbank Project's operations, not compromising or placing an unnecessary financial burden on WIM as a company with obligations to its shareholders.

The aims of this MOU are therefore to ensure that:

- ◆ the roles of each party are clearly understood and respected by both parties;
- ◆ processes are developed that will assist the parties to facilitate positive local economic and social outcomes associated with the project;
- ◆ processes and mechanisms are in place to support clear communication, collaboration and support, and these mechanisms are understood and supported by both parties; and
- ◆ both parties understand and commit to providing the capacity necessary to deliver the intent of this MOU.

6. DELIVERY OF THIS AGREEMENT

Two key areas of collaboration and joint focus were identified as necessary to fulfill the obligations and intent of this agreement. They are detailed below and are also subject of more detailed action intentions, outlined in Schedules One and Two.

The schedules appended to this document are intended to be regularly reviewed and updated to ensure ongoing currency and relevance to the overarching MOU. A diagram of the relationship between the schedules and this MOU is provided as Appendix One.

6.1. Key Areas of Focus

Two key areas have been identified as the core areas for collaboration between the two parties;

6.1.1. *Optimising Economic and Social Outcomes*

To work cooperatively and in good faith to facilitate as many positive outcomes from the Avonbank Project as possible whilst also working jointly to minimise and mitigate any potential negative economic or social outcomes associated with the project.

6.1.2. *Building Relationships to Support the Project*

To work cooperatively and in good faith to develop an advocacy and relationship management program which will aid both the project's timely delivery and the delivery of wider community benefits.

6.2. Mechanisms for Implementation and Review

Both parties commit to attending regular working party meetings that will be used as the core mechanism for ensuring timely implementation, reviewing and updating as necessary the delivery schedules associated with this agreement.

7. ROLES OF THE PARTIES WITHIN THIS AGREEMENT:

Both parties have roles and obligations that cannot be compromised or impacted upon by entering into this agreement.

Importantly, HRCC is a conduit to the local community and provides a point of direct liaison on all community matters.

The role of WIM as the developer and operator of the proposed Avonbank Project is to meet its obligations to corporate regulators and its shareholders, through good governance and reporting requirements.

It is agreed WIM is a stimulator of regional benefits rather than a direct deliverer of benefits.

8. LIAISON AND COMMUNICATION

Both parties acknowledge the key role that effective communication plays in implementing the MOU aims. To aid the building and maintenance of effective communication channels and protocols the following will be undertaken:

8.1. Liaison Protocols

Both parties agree to liaise on a regular basis using the Principal Contacts (Schedule 3) as the working party for the primary interface between the two organisations.

Principle contact points for the two organisations are nominated in Schedule Three, as modified from time to time, as the liaison points for each organisation.

8.2. Communication Protocols

Recognising the importance of common key messages both parties agree to the following:

- ◆ nominating a set of agreed key spokespersons for the project's regional benefits who can present a series of common key messages about the benefits the project can deliver for the region;
- ◆ neither party to this MOU has the authority to speak publicly on behalf of the other party without prior consent; and
- ◆ where one of party wishes to issue a public statement about the MOU, including the cooperation arrangements between the two parties via press release, newsletter or other communications means, any such statements will be approved by both parties, prior to release.

9. RESOURCING

Wherever possible both parties agree to use resources in a manner that will best benefit the region.

This resource sharing includes information and knowledge, databases, and other resources when available. The sharing of resources is governed by relevant legal obligations (Privacy, Confidentiality, Intellectual Property, etc.).

10. CONFLICT RESOLUTION

Both parties will work cooperatively in the spirit of goodwill, recognising that the position of each might at times differ. If one party believes the substance of the MOU is not being fulfilled it will initiate discussions with the other party to resolve the issue of concern.

If the parties are unable to reach a satisfactory resolution of a dispute, the matters may be referred to a specifically convened meeting if appropriate, mediated by an independent party acceptable to all.

11. LIFE OF AGREEMENT AND REVIEW

This agreement shall be continuous from the date of signing and shall be reviewed each year. The schedules to this agreement can be changed by agreement, between the parties.

12. REPRESENTATIONS

This MOU does not permit the use of copyright materials (including logos) and dissemination of confidential information or allow staff from either of the parties to represent each other without prior written agreement.

13. NATURE OF THE MOU

This MOU outlines the framework of the working relationship between the parties. It does not constitute a contract and is based upon goodwill and is bound in honour only.

This MOU does not constitute a partnership or joint venture and neither of the parties can commit the other parties financially or otherwise to third parties.

The MOU does not replace the Community Reference Group (CRG) established by WIM. The CRG will continue to function in its current format until the State Government establishes the Environmental Review Committee (ERC) in accordance with the Mining Work Plan for the Avonbank Project. Once the ERC has been established, the scope and purpose of the CRG will be reviewed by WIM in conjunction with the HRCC.

14. STATUTORY OBLIGATIONS

This MOU does not negate or replace any of the statutory obligations that HRCC has as a local government authority, nor does it replace any of the obligations that the HRCC has under the *Planning and Environment Act 1987* and *Road Management Act 2004*, or the *Local Government Act 1989* or WIM has as a private company.

This MoU does not negate WIM's obligation to manage the mine in accordance within any approved work plan.

15. TERMINATION

Either of the parties may terminate their participation in this Memorandum of Understanding by providing ninety (90) days written notice. In the event of a breach of any of the terms of the agreement, it may be terminated without notice.

16. SIGNATURES

Sunil Bhalla
Chief Executive Officer
Horsham Rural City Council

Michael Winternitz
Director of Projects
WIM Resource Pty Ltd

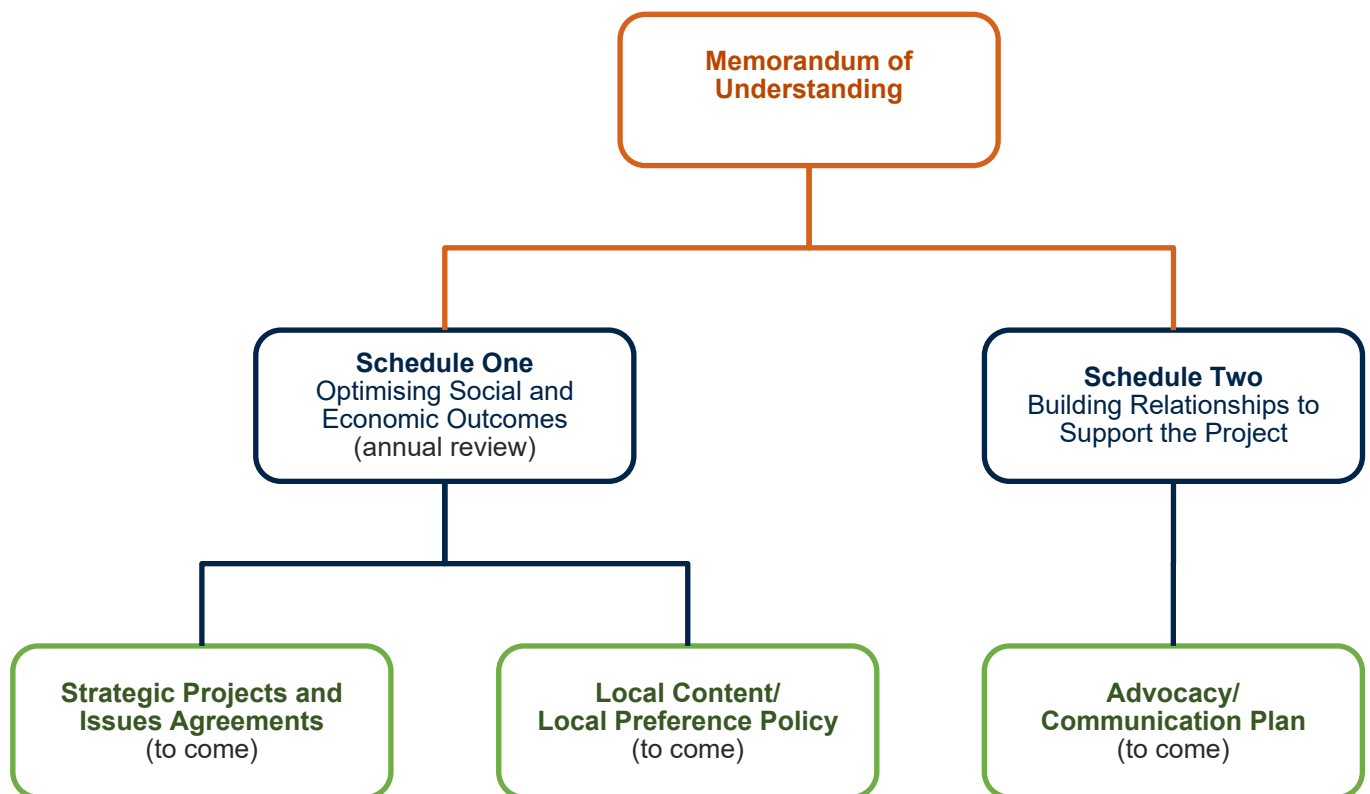
Dated this day, [00th] of [month] 2022

APPENDIX ONE

SCHEDULES TO THE AGREEMENT

- ◆ Schedule One: Optimising Economic and Social Outcomes
- ◆ Schedule Two: Building Relationships to Support the Project
- ◆ Schedule Three: Principal Contacts

MODEL OF AGREEMENTS HIERARCHY



SCHEDULE ONE: OPTIMISING ECONOMIC AND SOCIAL OUTCOMES

1. PURPOSE

The purpose of Schedule One is to develop a set of agreed principles and actions for both the Horsham Rural City Council (HRCC) and WIM Resource Pty Ltd (WIM) with the objective of maximising the economic and social benefits delivered locally by the project without negatively impacting the operations of the Avonbank Mineral Sands Project (Avonbank Project).

2. DURATION OF THE SCHEDULE AND REVIEW

Schedule One shall apply for a twelve (12) month period from the date of signing the Memorandum of Understanding (MOU). At the end of this period, both parties agree to review the commitments detailed in the schedule, with a view to updating, refining, and adding to them to reflect the Avonbank Project's current status and the requirements for the forthcoming year. This review should be done on an annual basis for the duration of the MOU.

3. INTENTIONS

As detailed in Section 6.1.1 of this MOU, both parties have agreed to work cooperatively and in good faith to facilitate as many positive outcomes from the Avonbank Project as possible whilst also working jointly as practicable to minimise negative economic, employment or social outcomes which may be associated with the project.

To achieve this the following actions will be undertaken:

3.1. Joint Actions

Both parties agree to the following:

- 3.1.1. Facilitate training strategies with the Wimmera Southern Mallee community to generate sufficient lead time for training.
- 3.1.2. Work with local education providers to undertake advanced planning for and advocate to ensure resources are allocated to meet demand stimulated by the Avonbank Project.
- 3.1.3. Work with local health service providers to undertake advanced planning for and advocate to ensure resources are allocated to meet demand stimulated by the Avonbank Project.
- 3.1.4. To work with the existing communities in the Horsham Rural City and Wimmera Southern Mallee region, to develop an ongoing program of community interaction and combined events to facilitate the positive integration of the Avonbank Project workforce and the community.
- 3.1.5. To commit to the investigating the use of rail as a mode for transport of materials to the Port, subject to Clause 3.38 of this MOU. It is acknowledged that WIM is currently proposing road transport for product haulage.

3.2. Horsham Rural City Council Actions

HRCC agrees to the following:

- 3.2.1. Work with industries within the region to:
 - a. help understand the likely impact on their workforce; and
 - b. understand the WIM business model and the requirements this places on businesses and contractors so they are well placed to bid for WIM work.
 - c. promote planning & infrastructure development pathways

- 3.2.2. Work with WIM to develop local content clauses in contract tenders related to mining.
- 3.2.3. Facilitate cooperation and discussion between the project and other projects to enhance collaboration and minimise conflict.
- 3.2.4. To support WIM's recruitment processes with information and specific programs aimed at encouraging new employees to relocate to the Wimmera.
- 3.2.5. Commit to advocate and support applications for funding to the State and Federal Governments for improvements to rail infrastructure to enable transport of materials to the ports.
- 3.2.6. Continue to advocate for improvements to the arterial road network to facilitate efficient freight operations.

3.3. WIM Resource Actions

WIM agrees to the following:

- 3.3.1. Have a clearly articulated local preference policy for both employees and suppliers/contractors that is capable of being monitored.
- 3.3.2. Proactively work with locally based Registered Training Organisations to deliver appropriate and affordable mining related training within the region.
- 3.3.3. Where training provider gaps exist, work with Registered Training Organisations to develop new, mining related training capacity.
- 3.3.4. Support mining related apprenticeships, traineeships, and cadetships in the Project Area.
- 3.3.5. To liaise with HRCC with regards to potential sponsorships and align as far as practically possible.
- 3.3.6. To work with HRCC to develop a proactive approach to encourage new employees to relocate to Horsham and District as new residents
- 3.3.7. To include an allowance within engineering related planning, provision of required ancillary rail infrastructure to enable use of rail as a mode of transport to the ports, subject to Clause 3.3.8.
- 3.3.8. WIM will commit to continue to investigate rail as a mode of transport taking into account the triple bottom line, and contingent on necessary infrastructure upgrades

Schedule Two: Building Relationships to Support the Project

1. PURPOSE

The purpose of Schedule Two is to develop a set of agreed principles and actions for both Horsham Rural City Council (HRCC) and WIM Resource Pty Ltd (WIM) to build relationships, agreements, and processes with third parties that will facilitate achievement of the area of key focus outlined in Section Six of the Memorandum of Understanding (MOU).

2. DURATION OF THE SCHEDULE AND REVIEW

Schedule Two shall apply for a twelve (12) month period from the date of signing the MOU. At the end of this period, both parties agree to review the commitments detailed in the schedule, with a view to updating, refining, and adding to them to reflect the project's current status and the requirements for the forthcoming year.

3. INTENTIONS

As detailed in Section 6.1.2 of the MOU, both parties have agreed to work cooperatively and in good faith to where practical, legislatively possible and in both organisation's best interests, develop an advocacy and relationship management program which will aid both the project's timely delivery and the provision of wider community benefits.

To do this, the following actions are agreed to:

3.1. Joint Actions:

Both parties agree to the following:

- 3.1.1. Develop and implement an advocacy program to support Schedule One that includes use of agreed key messages and priorities for advocacy effort.
- 3.1.2. Develop a joint position on approval requirements where possible.
- 3.1.3. Work to ensure that the community is provided with opportunities to articulate their vision during and following the Environment Effects Statement (EES) process, for how Avonbank Mineral Sands Project (Avonbank Project) can be embraced and act as a catalyst for development in the Horsham council area and how social opportunities can be maximised and negative impacts mitigated.

SCHEDULE THREE: PRINCIPAL CONTACTS

CONTACT DETAILS FOR LIAISON AND COMMUNICATION

1. PURPOSE

The purpose of Schedule Three is to list the appropriate contact details for liaison and communications with respect to the Memorandum of Understanding (MOU) and attached Schedules.

2. DURATION OF THE SCHEDULE AND REVIEW

Schedule Three shall apply for the duration of the MOU and be updated as required by either party to maintain current contact information.

3. INTENTIONS

As detailed in Section 8.1 of the MOU both parties have agreed to liaise on a regular basis using the officer level working party as the primary interface between the two organisations.

3.1. Horsham Rural City Council (HRCC) Details

Title Name Surname 1	[Position] [Email] [Telephone] [Mobile]
Title Name Surname 2	[Position] [Email] [Telephone] [Mobile]
HRCC Street Address:	Horsham Rural City Council Civic Centre 18 Roberts Avenue Horsham Victoria 3400
HRCC Postal Address:	Horsham Rural City Council P.O. Box 511 Horsham VIC 3402

3.2. WIM Resource Pty Ltd (WIM) Details

Mr Michael Winternitz	Director of Projects mwinternitz@wimresource.com.au 02 9264 1990 0467 515 100
Mr Murray Wilson	Community & Land Liaison Officer mwilson@wimresource.com.au 1800 959 298
WIM Street Address:	WIM Resource Pty Ltd Suite 2004, Level 20 201 Elizabeth Street Sydney New South Wales 2000
WIM Postal Address:	WIM Resource Pty Ltd 62 Darlot St Horsham, 3400, VIC