

MINUTES 27 NOVEMBER 2012



Minutes of Ordinary meeting of the Port Stephens Council held in the Council Chambers, Raymond Terrace on Tuesday 27 November 2012, commencing at 6.00pm.

PRESENT: Mayor, B MacKenzie, Councillors G. Dingle; C. Doohan; S. Dover; K. Jordan; P. Kafer; P. Le Mottee;; J. Morello; J Nell; S. Tucker; General Manager; Corporate Services Group Manager; Facilities and Services Group Manager; Development Services Group Manager and Executive Officer.

	No apologies were received.

297	Councillor Ken Jordan Councillor Steve Tucker
	It was resolved that the Minutes of the Ordinary Meeting of Port Stephens Council held on 23 October 2012 be confirmed.

	Cr Paul Le Mottee declared a pecuniary conflict of interest in Item 1. The nature of the interest is that he is associated with the company which is the applicant.

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MAYORAL MINUTES

MAYORAL MINUTE

ITEM NO. 1

FILE NO: PSC2012-04021

DRAFT LEP 2012

THAT COUNCIL:

- 1) Extend the exhibition period of the Draft LEP 2012 by two weeks to 14 December.
-

BACKGROUND

The Mayor has received a number of requests directly from the community and from Councillors to extend the exhibition period to allow submissions to be finalised.

The current exhibition period is scheduled to finish by Friday 30 November 2012.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

MOTION

	Councillor Bruce MacKenzie
	There being no objection the Mayoral Minute was adopted.

	Councillor Steve Tucker Councillor Sally Dover
298	It was resolved that Council move into Committee of the Whole.

COUNCIL REPORTS

299	Councillor John Nell Councillor Steve Tucker
	It was resolved that Council bring Item 3 of the Information Paper report and Item 15_0/12 of the Local Traffic Committee contained in Item 15 of the business paper forward and be dealt with prior to Item 1.

ITEM NO. 1

FILE NO: 16-2011-430-1

DEVELOPMENT APPLICATION FOR SEVEN (7) LOT SUBDIVISION AT NO.8-10 REES JAMES ROAD RAYMOND TERRACE.

REPORT OF: MATTHEW BROWN – MANAGER DEVELOPMENT ASSESSMENT AND COMPLIANCE

GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

1. Refuse Development Application 16-2011-430-1 for the following reasons:
 - a) The proposal does not comply with the Port Stephens Development Control Plan 2007 Clause B1.C30, exceeding the standard access way and infrastructure requirements;
 - b) The proposal is considered an over-development of the site resulting in unacceptable amenity impacts inconsistent with the streetscape and amenity of a Torrens Title subdivision and an orderly built environment;
 - c) The proposal does not comply with the Port Stephens Development Control Plan 2007, Clause B2.C3 as it fails to address standard water quality requirements;
 - d) The proposal presents an unacceptable impact on stormwater volumes with the potential to increase nuisance flooding into neighbouring properties; and
 - e) The proposal has not provided preliminary engineering plans in regards to stormwater, water quality and access as per the requirements of Schedule 1 of the Environmental Planning and Assessment Regulation 2000.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

Cr Paul Le Mottee left the meeting at 6.14pm prior to Item 1.

	<p>Councillor Ken Jordan Councillor Chris Doohan</p>
	<p>That Council:</p> <ol style="list-style-type: none"> 1. Instruct the General Manager to approve the subject development application under delegation with appropriate conditions and 2. One such condition is to include provision of suitable documentation prior to the issue of the construction certificate to address all stormwater matters.

In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

Those for the Motion: Crs Bruce MacKenzie, Peter Kafer, Ken Jordan, Chris Doohan, Steve Tucker, John Morello and Sally Dover.

Those against the Motion: Crs Geoff Dingle and John Nell.

MOTION

	Councillor Ken Jordan Councillor Chris Doohan
300	It was resolved that Council: 1. Instruct the General Manager to approve the subject development application under delegation with appropriate conditions and; 2. One such condition is to include provision of suitable documentation prior to the issue of the construction certificate to address all stormwater matters.

In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

Those for the Motion: Crs Bruce MacKenzie, Peter Kafer, Ken Jordan, Chris Doohan, Steve Tucker, John Morello and Sally Dover.

Those against the Motion: Crs Geoff Dingle and John Nell.

Cr Paul Le Mottee returned to the meeting at 7.26pm.

BACKGROUND

The purpose of this report is to present a development application to Council for determination as requested by Mayor MacKenzie.

The development application as submitted proposes the subdivision of two (2) lots into seven (7) Torrens Title allotments.

It is proposed that Lots 2, 3, 4, 5, and 7 all be accessed via a 6.5m wide Right of Carriageway with a 5.5m road width. Proposed Lots 1 and 6 will have direct frontage to Rees James Road.

The main issues associated with the proposal and discussed in the report are:

Compliance with DCP 2007; and
Residential amenity and orderly development.

It is important to note in meetings with the applicant that Council have advised 'in principle' support for the development of the site, however the current design is considered non compliant with Council's Development Control Plan 2007 (DCP) and unlikely to function well. Councils adopted principles outlined within the DCP provide a useful guide for development proposals of this nature.

The application was notified in accordance with Councils policy and no submissions were received.

Timeline:

28/06/2011 – application lodged with Council
30/06/2011 – application allocated
08/07/2011 – site inspection
20/07/2011 – stop the clock letter issued
21/07/2011 – additional information received
26/07/2011 – application called to Council by Cr MacKenzie
01/08/2011 – meeting with applicant
03/08/2011 – additional information provided in response to meeting
26/08/2011 – applicant requested the application be determined with information submitted
13/01/2012 – building referral received
23/01/2012 – wastewater referral received
01/02/2012 – notification completed
29/05/2012 – reported to Council
18/06/2012 – Correspondence from applicant with respect to road widths.

At the Council meeting of 29 May 2012:

"It was resolved that Council indicates its support in principle, for the development application for seven (7) lot subdivision at no. 8-10 Rees James Road, Raymond Terrace, and the applicant be advised of the need to provide a stormwater drainage study and the inclusion of a public road."

This was conveyed to the applicant with the request that the applicant provide a drainage study and amended plans depicting a public road to the required public road standards. To date no formal modification of the proposal has been received by Council for assessment.

The applicant has however emailed Council on the 18th June stating that the public road design is unworkable due to the areas of land required to accommodate a public road, road verge and turning circle.

In response to this concern Council (have on numerous occasions) advised the applicant that concessions would be considered to both the verge width of a public road and to the potential building line setbacks of the newly created allotments.

No revised plans have been received from the applicant. However at a meeting with the Applicant on 13/11/2012, it was discussed that the matter was being put back before elected Council as requested.

FINANCIAL/RESOURCE IMPLICATIONS

It is important to note that staff met with the applicant on a number of occasions with the aim of facilitating a negotiated outcome for the site.

Should Council adopt the recommendation and refuse the development application, the applicant may appeal to the Land and Environment Court. Defending the Councils determination would have financial implications.

The development as proposed may have an unacceptable impact on receiving waters. The cost and burden of retrofitting a system to Council standards will likely be passed onto the Council at a later stage of development. Failure to address this issue may result in Council needing to acquire land and/or construct a detention system in the future at cost to Council. This issue has not been costed at this time.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	(0)	Existing legal budgets may be required to represent Council.
Reserve Funds	No	(0)	
Section 94	No	(0)	
External Grants	No	(0)	
Other	No	(0)	

LEGAL, POLICY AND RISK IMPLICATIONS

The development application is inconsistent with Council's DCP 2007 as it relates to subdivision. It is considered that the application will impact on the residential amenity for the future occupants of the proposed lots and surrounding properties. Specifically, the application fails to meet DCP standards relating to streetscape appeal, connectivity, drainage provision and the location and collection of garbage bins.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Applicant appeal against refusal	Medium	Adopt recommendation to refuse	Yes
Cost burden to Council having to retrofit drainage system	High	Adopt recommendation to refuse	Yes
Cost / liability burden to Council to acquire land	High	Adopt recommendation to	Yes

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and/or construct a detention system in the future		refuse	
Poor streetscape and amenity outcome for occupants of lots and broader community	Medium	Adopt recommendation to refuse	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The proposal will assist in creating additional building allotments and associated housing stock for the Port Stephens market which is a distinct socio economic positive for the region.

It is considered however that impacts associated with the poor residential amenity of the allotments, created by the access arrangements, along with the issues of drainage and garbage collection result in the development in its current form having adverse social and economic impacts.

CONSULTATION

The application was exhibited in accordance with Council policy and no submissions were received.

OPTIONS

- 1) Adopt the recommendation; or
- 2) Reject or amend the recommendation.

ATTACHMENTS

- 1) Locality Plan;
- 2) Assessment Report from Council Meeting 29 May 2012; and
- 3) Supplementary Report from Council Meeting 29 May 2012.

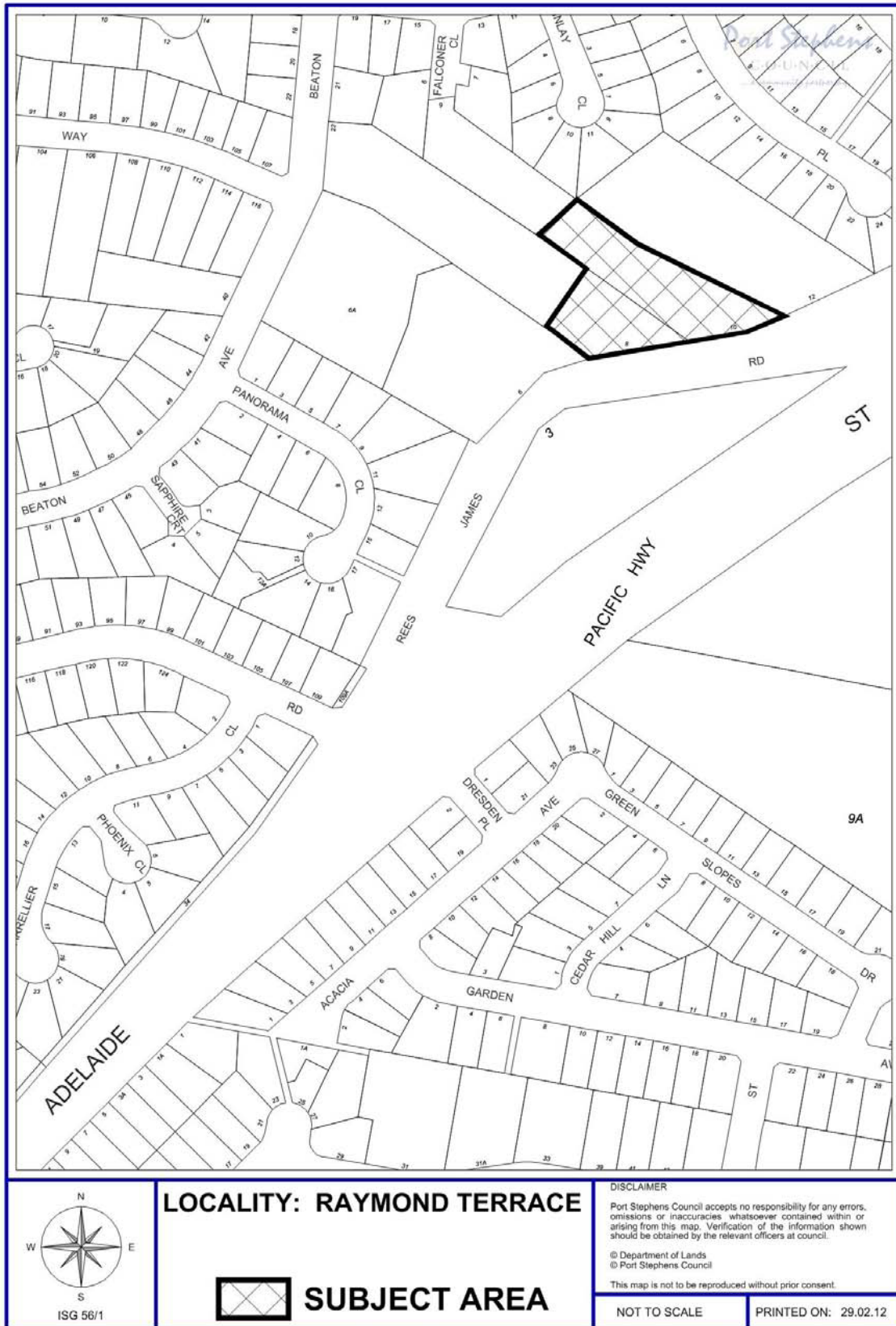
COUNCILLORS ROOM

- 1) Subdivision Plan; and
- 2) Statement of Environmental Effects.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1
LOCALITY PLAN



ATTACHMENT 2

ASSESSMENT REPORT FROM COUNCIL MEETING OF 29TH MAY 2012

The application has been assessed pursuant to Section 79C of the *Environmental Planning and Assessment Act 1979* and the following is a summary of those matters considered relevant in this instance.

THE PROPOSAL

The development application as submitted proposes the subdivision of two (2) lots into seven (7) Torrens Title allotments.

It is proposed that Lots 2, 3, 4, 5 and 7 all be accessed via a 6.5m wide Right of Carriageway. Proposed Lots 1 and 6 will have direct frontage to Rees James Road.

THE APPLICATION

Owner	Mr B R Statham
Applicant	LeMottee Group Pty Ltd
Detail Submitted	Statement of Environmental Effects Plan of Proposed Subdivision Draft 88B Instrument

THE LAND

Property Description	Lot: 3 DP: 617626, Lot: 10 DP: 1034741
Address	8-10 Rees James Road, RAYMOND TERRACE
Area	6712m ²
Dimensions	The development site is irregular in shape, having a frontage to Rees James Road of approximately 120m
Characteristics	The site is generally clear, containing two residential dwellings. The site has gentle undulations with the site falling slightly to the rear and west.

THE ASSESSMENT

1. Planning Provisions

LEP 2000 – Zoning	2(a) – Residential 'A' Zone
Relevant Clauses	16 – Residential Zones 17 – Subdivision in Residential Zones 47 – Services 51A – Acid Sulfate Soils
Development Control Plan	Section B1 – Subdivision and Streets Section B2 – Environment and Construction

State Environmental Planning Policies Nil

Discussion

Port Stephens Local Environmental Plan 2000

Clause 16 – Residential Zones

Clause 16 states;

(1) Description of the zone

The Residential "A" Zone is characterised by one and two storey dwelling-houses and dual occupancy housing. Townhouses, flats and units up to two storeys may occur throughout the zone. Dwellings may also be erected on small lots in specially designed subdivisions. Small-scale commercial activities compatible with a residential neighbourhood and a variety of community uses may also be present in this zone.

Comment: The development is considered to be consistent with the 2(a) – Residential Zone description.

(2) Objectives of the zone

The objectives of the Residential "A" Zone are:

(a) to encourage a range of residential development providing for a variety of housing types and designs, densities and associated land uses, with adequate levels of privacy, solar access, open space, visual amenity and services, and

(b) to ensure that infill development has regard to the character of the area in which it is proposed and does not have an unacceptable effect on adjoining land by way of shading, invasion of privacy, noise and the like, and

(c) to provide for non-residential uses that are compatible with the area and service local residents, and

(d) to facilitate an ecologically sustainable approach to residential development by minimising fossil fuel use, protecting environmental assets and providing for a more efficient use of existing infrastructure and services, and

(e) to ensure that the design of residential areas takes into account environmental constraints including soil erosion, flooding and bushfire risk.

Comment: The development is generally consistent with the zone objectives, however significant concern is raised over the potential amenity of the allotments.

With all allotments exceeding the 600m² threshold for dual occupancy in the 2(a) – Residential zone, there is the potential for the subdivision to be carried out so as to contain 14 dwellings. Further the proposed access way, with a 5m width has the potential for 1.8m fences to be built to the boundary creating a narrow fence lined corridor as an access and frontage for the allotments. In terms of residential amenity, it is considered that this level of amenity is not acceptable and the subdivision should be redesigned.

Further the requirements for garbage collection pose significant amenity issues with the potential for up to 28 bins to be located at the Rees James Road frontage for collection. The bins will be required to be placed at the Rees James Road frontage as garbage collection trucks will not traverse the private right of carriageway. These bins would occupy large portions of the frontages of proposed lots 1 and 6. The lot layout as proposed would also require Lot 5 to transport bins up to 90m for collection.

It is considered for these amenity reasons that the development should be redesigned.

Clause 17 – Subdivision in Residential Zones

Clause 17 states;

(1) A person shall not subdivide land in a residential zone except with the consent of the consent authority.

(2) Consent for the subdivision of land (other than land to which subclause (3) applies) to create an allotment with an area of less than 500m² that is, in the opinion of the consent authority, intended to be used for the purpose of residential housing is to be granted only if consent has been granted, or is granted at the same time, for the erection of a dwelling on that allotment.

(3) Consent for the subdivision of land in the Hill Tops precinct of the Nelson Bay (West) Area to create an allotment with an area of less than 600m² that is, in the opinion of the consent authority, intended to be used for the purpose of residential housing, is to be granted only if consent has been granted for the erection of a dwelling on that allotment.

Comment: The proposed subdivision is compliant with clause 17, having allotments that exceed the minimum 500m² requirement for vacant allotments.

Clause 47 – Services

Clause 47 states;

The consent authority shall not grant its consent to the carrying out of any development on any land unless:

(a) a water supply and facilities for the removal or disposal of sewage and drainage are available to that land, or

(b) arrangements satisfactory to it have been made for the provision of that supply and those facilities.

Comment: The development site can be serviced with reticulated water and sewer.

Clause 51A – Acid Sulfate Soils

Clause 51A sets the requirements of development in regards to Acid Sulfate Soils. The development is situated on land classified as class 5 Acid Sulfate Soils. It is considered that the development as proposed will not lower the water table of adjoining classes' of Acid Sulfate Soils by more than 1m and as such no further consideration is required.

Port Stephens Development Control Plan 2007

Section B2.13 – Aircraft Noise

At the time of lodgement of the application, section B2.13 was in effect.

The development site is located within the following aircraft noise zones

Noise Map	Noise Contour	Acceptable Development (subdivision of residential land and dwellings)
ANEF 2025	20-25	Conditionally Acceptable
ANEF 2012	20-25	Conditionally Acceptable

The provisions of Australian Standard 2021-2000 do not expressly discuss development for the purposes of subdivision, however they do define dwellings in the 20-25 noise contour as "conditionally acceptable". Further more, B2.3 – Building Site Acceptability Based on ANEF Zones, notes subdivision on the 20-25 ANEF contour to be "conditionally acceptable" development.

Given the development is noted as being "conditionally acceptable", it is required that an aircraft noise report be submitted to accompany the application and demonstrate that the site is suitable for the development proposed.

The application was submitted without an acoustic report which was subsequently requested by Council staff. The applicant responded;

The undersigned has no intention of recommending to the client that they spend in excess of \$3000 to obtain an Acoustic Report when it is well documented that the site is within the 20-25 ANEC Contours and it would take about 8 years to get any more information than that as the aircraft that forms the basis of noise mapping will not be available until at least 2019.

Accordingly, sending an acoustic engineer to the site with sound measuring and recording equipment would be an utter waste of time.

The application has failed to adequately consider either the 2012 ANEF Noise Maps or the 2025 ANEF Noise Maps and is considered to be inconsistent with the provisions of Section B2.13 – Aircraft Noise.

Section B1 – Subdivision and Streets

The application has been assessed against the applicable provisions of *Port Stephens Development Control Plan, 2007* – Subdivision and Streets,

The application is considered unsatisfactory with regards to B1 – Subdivision and Streets. Inconsistencies with the provisions of the Development Control Plan are engineering based and discussed in the Engineering Section below.

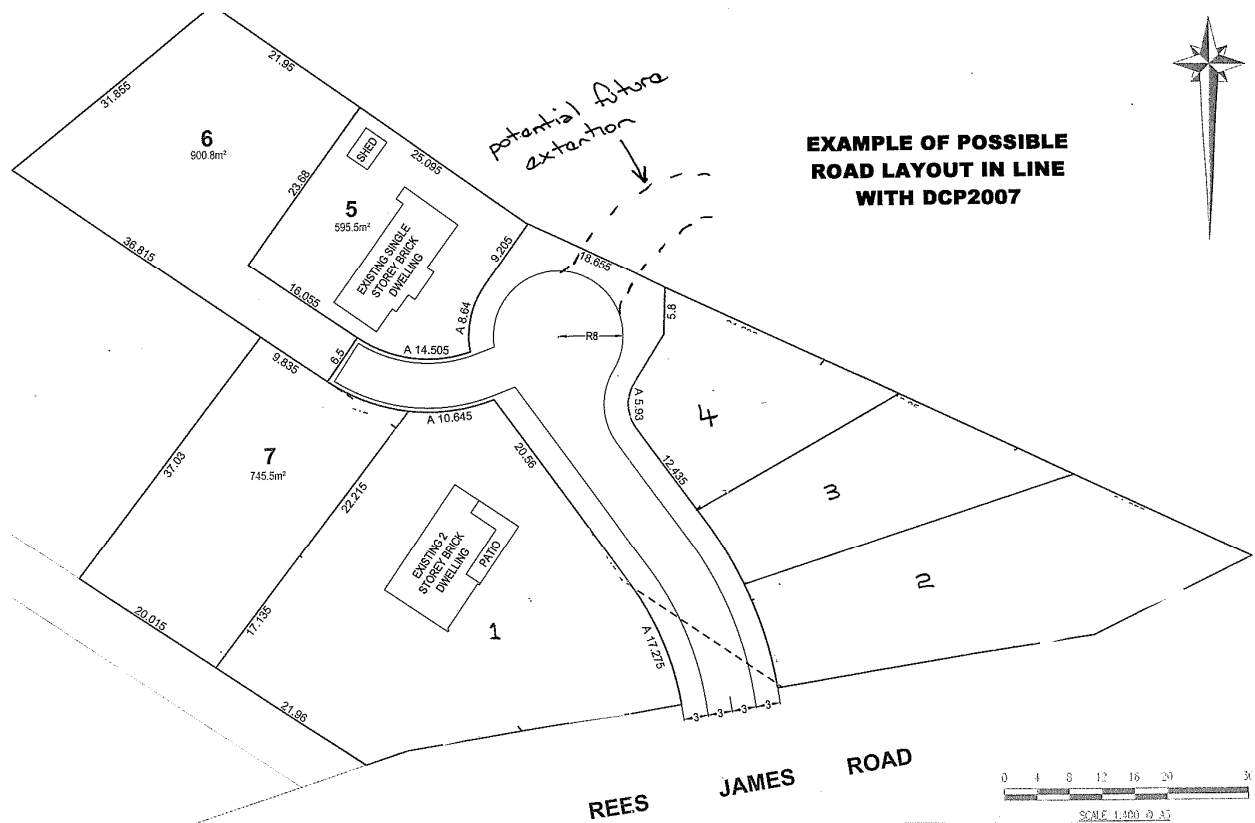
Engineering Referral

Council staff wrote to the applicant in July 2011 and again in September 2011 seeking that the proposal be modified to comply with Council's DCP. The proposal was insufficient in supplying documentation and also does not meet the requirements of the DCP 2007. The following is a list of the considerations:

The major issue was the extreme number of potential dwellings that would be created on the right of carriageway combined with the lack of supporting documentation to address drainage and water quality issues. It was suggested by staff that the Right of Carriageway be amended to a road way. Staff in an attempt to facilitate an outcome suggested a relaxation of the road width and verge width requirements given the short length of the road and its ultimate low volume function.

To assist the applicant, a sketch similar to the one below was provided to the applicant to demonstrate that a road could be accommodated on the site to address the access, garbage and residential amenity issues that are of concern with the right of carriageway as proposed. The sketch was provided with the recommendation that the applicant explores and refines the concept further. Refinement can occur to the road alignment, lot sizes, etc to suit the servicing and site specific constraints of the site. It is likely that a small amount of land would also need to be put aside to accommodate stormwater detention facilities however this was considered achievable without compromising lot yield.

The development as submitted by the applicant proposes a lot yield of 7 allotments while the sketch with a roadway as provided by staff also contains a 7 lot yield and potential for connection into future subdivision of adjoining land.



The applicant refused to explore the provision of a road within the development and asked that the application be determined based on the information as already provided and their preference for a Right of Carriageway.

It should be noted that stormwater concept, water quality concept and preliminary engineering plans (access, drainage and water quality) all remain outstanding for the proposal as submitted to Council.

The following is the detail associated with each issue of concern:

Traffic and Access

B1P3 – *Subdivision should provide street connections for future subdivision on adjacent land.*

The proposed Right of carriageway does not provide connectivity. The development engineers provided a sketch demonstrating that a road layout can be produced to create future connectivity, garbage services, and access to existing dwellings and not create sterilised portions of land. The applicant refused to try and explore this option further and asked that the application be determined as submitted.

B1C14 – *streets must be designed to enable each lot to front a street*

The proposed right of carriageway does not provide street frontage to lots. Rights of carriageway with large numbers of dwellings/lots are considered to create poor amenity and urban design outcomes primarily due to fencing being erected against

rights of carriageway, the lack of separation between dwellings due to a lack of road reserve width which creates the amenity of space and streetscape that is desirable.

B1C30 – No more than three lots on a right of carriageway

The proposal is for 7 lots with 5 not having direct access to Rees James Road. The lot sizes have the potential for 20 dwellings to be developed on the site. A total of 12 dwellings would be a realistic expectation of the overall yield using the 161 – 183A Benjamin Lee Drive, Raymond Terrace development as a yard stick of dual occupancy take-up rates. It should be noted that the control B1C30 was written into the 2007 DCP in response to the poor visual and social outcomes achieved at 161 – 183A Benjamin Lee Drive development and others of this nature. The gun barrel driveways which resulted in the 'colorbond canyon' style of fencing were considered undesirable from a streetscape and amenity perspective.

The applicant expressed that a cul-de-sac could not be created without sterilising significant parts of the site. A conceptual sketch was then provided by council staff demonstrating that a suitable road could be achieved and that with further refinement of the lot sizing and shapes an optimum solution could be achieved without a drop in the developments yield. The applicant chose not to pursue this option, and requested that the application be determined based on the information submitted.

Garbage Pick-up

Council's Waste Services section has confirmed that garbage trucks will not be able to provide services along the right of carriageway. This will result in 24 to 40 garbage bins being placed in front of the two lots fronting Rees James Road. It is not standard practice to have such an impost on lots which are not part of strata or integrated housing development. It will also result in bins needing to be transported a distance of up to 85 metres to place on Reese James Road frontage.

Stormwater and Water Quality

The applicant has failed to provide a stormwater concept plan to address the volumes and runoff for the site. Part of the site will discharge to Rees James Road and part will discharge to the North West where an interallotment drainage easement exists. However no attempt has been provided to address the detention of increased flows and volume that will arise from the development of the proposed lots. Should the detention not be provided by the developer it is likely that council may have to spend council funds at some point in the future to retrofit drainage solutions due to problems arising from this development.

A subdivision of this scale is required to provide computer modelling of the water quality impacts that the future development of the site will impose. The applicant has suggested that this impost be handled when development of the lots occurs in the future. The significant runoff that the proposed (but not supported) 5.5m wide by 85m long right of carriageway will create needs to be addressed at subdivision stage to determine what area of land is needed to provide suitable stormwater treatment. Otherwise there may not be sufficient land available and set aside to cater for the

system without the need to reconfigure the subdivision lots in a later modification of the consent.

2. Likely Impact of the Development

It is considered that the development as proposed will not result in adverse impacts to adjoining properties, but it will create allotments of low residential amenity. Further the issue of garbage storage on street during collection will result in adverse impacts on both the streetscape and residential amenity.

It is considered that the proposal can be amended to resolve the issues raised in this report and consideration should be given to amending the subdivision design.

3. Suitability of the Site

It is considered that the site is suitable for residential subdivision. The form of the subdivision as proposed however is considered to be inappropriate.

4. Submissions

The application was notified in accordance with Council policy and no submissions were received.

5. Public Interest

Given the likely low residential amenity of the allotments and the issues resulting from the collection and storage of garbage bins, it is considered to not be in the public interest to approve the residential subdivision of the subject site in its current form.

ATTACHMENT 3
SUPPLEMENTARY REPORT OF COUNCIL MEETING OF 29 MAY 2012

Supplementary Information



TO: All Councillors & Executive Team

FROM: Matthew Brown
Manager Development Assessment and Compliance

DATE: 14 / 5 / 2012

RE: Supplementary information for 29 May 2012 Ordinary Council meeting.

FILE No: 16-2011-430-1

ITEM No: 1

REPORT TITLE: Development Application for Seven (7) lot subdivision at No.8-10 Rees James Road, Raymond Terrace.

PURPOSE

The purpose of this report is to provide additional details to Council subsequent to the public access and committee discussions on 8 May 2012. This report both summarises and addresses the issues raised and provides further clarity as requested by Council on the plans under assessment.

BACKGROUND

Council has been assessing a Seven (7) lot residential subdivision at No. 8-10 Rees James Road, Raymond Terrace. Development of the site for residential purposes is supported conceptually. The land is zoned accordingly, close to essential services and an important infill development site to contribute in meeting housing demand in the locality. However, the central issue is the design, layout, amenity impacts and overall functionality of the proposed subdivision.

The Development Application was deferred by Council at the March 2012 meeting pending a site inspection. The site inspection was carried out on 17 April 2012. Hard copy plans were viewed by Councillors at the site meeting.

This report is to be read in conjunction with the report – Item No. 1 – Development Application For Seven (7) Lot Subdivision At No. 8-10 Rees James Road Raymond Terrace - tabled at Committee on 8 May 2012.

ISSUES

The proposal

During the committee discussions on 8 May 2012, Councillors expressed concern/confusion in regards to the actual plans under assessment. This is attributed to the plan that Council staff had drafted, being included in the report whereas the proposed plans provided by the Applicant were only provided in the Councillors room due to copyright issues.

The committee report of 8 May 2012 clearly states that – "To assist the applicant, a sketch similar to the one below was provided to the applicant" and that as per normal process, the statement of environmental effects and proposed subdivision plans were provided in the Councillors room.

By way of background and as discussed with Councillors on prior occasions, Council is subject to the *Copyright Act 1968*, and therefore is not permitted to reproduce materials that would breach this legislation, without the copyright owners consent. As Councillors may appreciate Council would not wish to breach this legislation and potentially incur costs through any legal action from any party involved. Even with the copyright owners consent, Councils legal advice is that such documents are not able to be included in reports and become public documents. This is consistent with the various legal advice Council has obtained on this topic.

This is an ongoing issue for all Councils and we have been working to resolve this matter at the State and Federal levels of government without success to date. A key issue is the inconsistencies with the Government Information (Public Access) Act 2009, the Environmental Planning and Assessment Act 1979 and the Copyright Act 1968. This has implications to development assessment and longer term, E-Planning, hence it is an important matter staff continue to work through.

As part of normal business Councillors are provided with a copy in the Councillors Room at Council, however Council now has the copyright owners consent to include this plan as an attachment to the report and although not able to be included in the public Council report itself is included as **Attachment A**. The only difference now to the current approach is that rather than placing a copy in the Councillors room, an attachment is also being provided.

Councillors will be aware that this is consistent practice at PSC, in regards to all development application related matters, where the plans are not included in the reports.

Further clarity in regards to the proposed plans under assessment is explained below;

The Applicant proposes the subdivision of two (2) lots into seven (7) Torrens Title allotments. It is proposed that Lots 2, 3, 4, 5 and 7 all be accessed via a 6.5m wide Right of Carriageway. Proposed Lots 1 and 6 will have direct frontage to Rees James Road. These plans show a right of way 6.5 wide in total; however the actual driveway formation is depicted as 5.5 metres wide.

Various correspondence and meetings occurred between the Applicant and Council staff. The submitted checklist style statement of environmental effects incorrectly states 'all relevant DCP controls are met or minor departures justified'. Council staff suggested the Applicant consider amending the design to meet more of the DCP requirements. It is considered standard practice for development application information to illustrate a range of design options and an evaluation of such; however this information was not submitted with the DA. Whilst, ultimately it's the applicant's role to design the subdivision, to assist the applicant, a sketch was provided to the Applicant of an alternate design. The sketch in the Council report was this alternate design, simply updating and tidying the hand drawn plan previously provided to the applicant. The sketch was provided with the recommendation that the applicant explores and refines the concept further and to illustrate that rather than simply dismissing all other design options they were worthy of detailed consideration.

On 2 August 2011 a discussion with the Applicant was file noted as follows;

"After much discussion with the applicant it was agreed that there may be an option to redesign access to the site so as to achieve compliance with Council's DCP requirements, whilst maintain the development yield for the applicant. The applicant will prepare a revised design to this effect, and Council has conceptually agreed that there may be scope for variations to the numerical DCP controls including; minor variations to road widths, and provisions of cul-de-sac heads. The applicant shall consult further with Development Engineering staff so as to reach an agreed outcome. If needed another meeting with the applicant and Council staff shall be organised so as to continue to facilitate the progression of the application."

The above file note confirms the fact that, it was not a surprise for the Applicant to first hear of the alternate design in the Council report, rather was a collaborative and dynamic process known by all parties.

Both plans were also examined, compared and considered in hard copy by Councillors, the Applicant and Council staff in attendance at the site meeting. The Applicant advised Councillors verbally onsite, he had never seen the Council sketch plan, this is not the case.

This concept is provided as **Attachment B**. The two attachments are able to be compared as needed by Councillors.

Consideration of concept and the proposal

	Plan as submitted – attachment B	Concept – attachment C (can be further refined by Applicant)
Benefits	<ul style="list-style-type: none"> • ROW cost effective for construction • Maximises lot size and yield • More regular shaped blocks • Relationship between road and existing dwellings 	<ul style="list-style-type: none"> • Increased streetscape / amenity impacts • Suitable road width for traffic movements • Suitable room for garage truck servicing • Connectivity to adjoining vacant land • Still maintains same yield • Social benefit of public road
Detriments	<ul style="list-style-type: none"> • Streetscape / amenity impacts • Traffic / Parking issues – narrow ROW • No Connectivity to adjoining vacant land • Cant be serviced by a garbage truck, amenity with bins • Servicing difficult in narrow ROW e.g. stormwater • Issues with ownership and management of ROW • ROW extremely close to existing dwellings 	<ul style="list-style-type: none"> • Lot size - some lots may be too small for dual occupancy if the same number of lots remains • Inequitable arrangement re property ownership • Lots 8 and 9 harder to service for sewer due to topography • Public cost to maintain public road

The above table is a merits assessment based upon the information submitted and the Applicants continued information. Notwithstanding this, the plan under assessment is the plan formally submitted included as **Attachment A**.

Public Access matters

A number of the comments/statements by the Applicant during the public access session on 8 May 2012 are rejected and refuted strongly. It is the view of the author of this report; such statements were simply inaccurate, generally out of context and lacked an understanding of accepted town planning principles, logic or reasoning.

The mere fact a differing professional view exists does not make a report 'bias or borderline liable', rather a merits assessment as required by the Environmental Planning and Assessment Act 1979 based on the information submitted. It is the view of the author of this report and as illustrated by factual information within this report, ironically the comments made during public access, given their inaccuracy are more so akin to bias from the Applicant with a direct interest, rather than an independent, impartial and balanced consent authority. To this end, this supplementary report has been prepared to provide Councillors with a balanced set of information at their disposal in making a decision on the subject Development Application. The following are factual and professional planning based responses to some of the issues discussed on the night.

The Applicant did not receive a copy of the suggested sketch plan

Various correspondence and meetings occurred between the Applicant and Council staff where alternate designs were discussed that were more in line with DCP requirements. A sketch was provided in council's Stop the clock letter dated 26 September 2011. The sketch at the time was hand drawn as a concept for the Applicant to explore further.

The Applicant digitised Council's sketch and sent back a formal response on 8 November 2011 confirming receipt of the sketch. The correspondence raised reasons why the sketch wouldn't work and sought to undermine the detail within the sketch rather than working through the road issues as was the purpose of providing the sketch in a productive fashion seeking a good planning and amenity outcome.

The plan provided in the report on 8 May 2012 is simply the Applicants drawing after the Council sketch to show that an alternate design could be considered. Council suggested and provided an alternate design to the applicant, they digitised it and this is in essence the plan in the business paper. The applicant's claims to have never cited this plan or any version thereof is simply incorrect and reinforced by his own correspondence. It is rather ironic that the public authority increases its service level to assist in the comprehension/understanding of a particular issue, almost to the extent to assist in the capacity as an informal design assistant, and the response from the Applicant perplexing.

It is fundamental that the intent and purpose of the sketch plan that was kindly provided to the Applicant is appreciated, accordingly this point is reinforced as follows. In order to assist the Applicant and seek to facilitate an outcome on the site, staff went 'over and above' in terms of trying to assist in showing that an alternate design could work. It wasn't Council's role to design the proposal that complies more

so with the DCP for the Applicant, however, on balance, staff decided to be proactive and assist in this regard. The original submitted statement of environmental effects should have articulated design options, however the checklist style document was (even when applying a very pragmatic view) deficient in this regard. As part of the further information request Council issued, such information was forthcoming in a sporadic and piece meal fashion.

Ultimately, the Applicant voluntarily decided to cease negotiations in respect to achieving a design that professional officers deemed appropriate.

The Applicant throughout the assessment process, in the view of assessment staff did not provide sufficient reasons or justification as to why a non conforming DCP design should be entertained at the wider public interest expense. The Applicant did not formally amend any aspects of the submitted plans throughout the assessment period. Staff also suggested the Applicant seek further assistance from qualified specialist disciplines if needed.

The Applicant formally requested in his letter of 8 November 2011 '*the undersigned requests that you move to determine the application*'. As the matter was called to Council, this meant the preparation of a Council report and the subsequent process that followed. The strong inference from the Applicant during public access and statements of 'utter surprise in regards to the report' during the site inspection, are bizarre at best given the Applicants formal request for Council to determine the Application.

In summary, the applicant was aware of the plan and/or various versions thereof as they digitised such, confirmed this on their own letterhead and requested the negotiations cease, accordingly the comments made in the public forum are not factual.

Suggested alternate concept doesn't comply with the DCP either

Given the unique nature of the site and specifics of the scenario, it was considered it would be difficult for any design to be fully compliant with the DCP. However, staff determined that the key or paramount issue was the right of way vs. the public road and the associated impacts. Therefore, it was considered the best outcome onsite would be such that maintains suitable public road access, however varied from the DCP in other smaller and more appropriate areas.

For example, Council's letter of 26 September 2011 states in relation to the public road standards– '*that 3.5m verge would be acceptable for such a short cul-de-sac, and that further reductions could be considered if you gain some feedback from the utility organisations about service allocation provisions. That offer to review the width and utility advice still stands.*'

Engineering staff clearly offered a lower standard to the Applicant for the public road with a chance of even further reductions, in the interests of achieving an overall better result. Furthermore, planning staff offered the consideration of a reduction in

the building setback in the same correspondence stating given the relatively short nature of the potential road, it is considered that a variation to the 6m building line may be of merit in the proposed subdivision to the new road. To this end, any amended plan of subdivision may depict building envelopes with a reduced setback to that required by Councils Development Control Plan.

The DCP doesn't allow Cul-de-sacs

This comment by the Applicant during public access is not correct and highlights a lack of planning understanding in regards to the DCP. Despite the DCP suggesting the street and block layout should form an interconnected street network and subdivision to provide street connections for future subdivision on adjacent land, it does not restrict cul-de-sacs. DCP B1.C10 clearly states that "Council **may** permit cul-de-sac access to proposed lots where the existing topography or street network does not permit a through street, and if the proposed cul-de-sac is a maximum of 75 metres in length and its design allows a clear line of sight from the nearest intersection to the head of the cul-de-sac". The proposed alternate concept compiled by Council staff complies with the DCP in this regard as although a cul-de-sac it is designed in a manner that encourages and provides for connectivity.

Council's asset owners indicated that the cul-de-sac option provided is acceptable from an asset management point of view.

Preliminary Engineering Plans.

The Applicant disputes Councils interpretation of preliminary Engineering plans.

Schedule 1 – Forms, of the *Environmental Planning and Assessment Regulation 2000* states,

2 Documents to accompany development application

(g) if the development involves any subdivision work, preliminary engineering drawings of the work to be carried out,

However, there is no definition of preliminary engineering plans and there are differing views in this regard. Questioning the extent of and definition of preliminary engineering plans is a very valid question and one that has triggered considerable and robust debate internally at Council and within the wider industry. Whilst these alternate views in regards to preliminary engineering plans do exist, ultimately the issue in this instance is that preliminary engineering plans have not been submitted. Therefore, it's not a question of to what detail or quality/extent etc, rather, that such plans simply don't exist. Whilst it is fully appreciated and recognised that the development application and construction certificate processes are distinct and separate, Council, as the consent authority, needs to be satisfied at the DA conceptual stage, that there is functionality and that Council has some form of "in principle" or conceptual idea about what is proposed with the engineering works, in this particular instance the key issue is the drainage. This information has not been

provided, how, where, when will the storm water run off be treated or captured? What are the impacts on the adjoining properties etc? Refer to the original assessment report for more information in this regard.

It is important to note on this basis, the application in accordance with the Council adopted Application Determination Policy could have been not accepted and rejected on lodgement due to the inadequate information in particular the lack of preliminary engineering plans. However, to assist in 'getting an outcome on the ground' Council officers used their discretion and sought to keep the application in the system.

Flooding

The Applicant's perception on the flooding consideration as cited in the assessment report is incorrect. The statement that because the property is on top of a hill, flooding is not an issue is naive and lacks substance from a technical perspective. The report specifically references an unacceptable impact on stormwater volumes with the potential to increase nuisance flooding to neighbouring properties. This relates to localised stormwater events as a result of the increased impermeable areas, not typical hydrological/river flooding as inferred by the Applicant. The Applicants public statement about being on top of a hill and the incorrect reading of the contours by Council officers, actually reinforces the point about impacts upon adjoining properties and the need for further clarity to be known at DA stage.

Councillors would be aware of a number of ongoing and significant legal issues associated with localised stormwater and subsequent impacts on adjoining properties as a result of developments. This greatly reinforces the need for such at the DA stage from a risk management and public interest perspective.

Suggested demolition of dwelling onsite

The Applicant mentioned at public access the suggested demolition of the existing house on site, by a Council staff member. Again, this statement was incorrect and taken out of context significantly. The author of this report was in attendance at the subject meeting where this matter was discussed. The comment was phrased in a manner that if the design couldn't work and that a carport/garage or a smaller portion of a building could be altered to accommodate a superior overall design, then that is a very valid option that should be considered. This is a legitimate statement and one that the development assessment and compliance section do not retract. It is not uncommon for existing structures to be demolished to achieve better planning outcomes in perpetuity, quite often buildings are more dynamic and landforms/subdivision layouts are more permanent.

Master planning / amalgamation / ownership inequities

The Applicant mentioned at public access about the difficulties associated with land ownership issues as the proposal is across two different property boundaries. It was implied that Council is requiring the properties to be amalgamated. This is not the case, rather good planning deals with the potential equity issues associated across property boundaries. Development outcomes are often permanent whereas property ownership and preferences are not. Whilst it is acknowledged that multiple ownership makes planning more challenging it is not a sufficient justification to encourage or facilitate poor outcomes – by the Applicants own admission at public access he conceded the design layout was not good.

It is standard planning practice for multiple properties to be combined at DA stage and be master planned to achieve superior outcomes. There are various mechanisms to which the Applicant is unaware or has not explored, including civil deeds or agreements between property owners to balance property and financial equity resulting from the development.

The theory suggested in regards to separate development applications then being submitted against the individual properties is irrelevant as should the application be assessed pursuant to section 79C of the Environmental Planning and Assessment Act 1979 and the proposal not deemed appropriate, Council has the ability to refuse such applications. The application as submitted must be assessed on its individual merits and not against hypothetical alternate scenarios as suggested by the Applicant.

Other development options on the site as a comparison.

The irrelevant comparison was made during public access in regards to other development options on the site, namely urban housing. In an attempt to provide reasoning why poor amenity outcomes can be encouraged on this site, it was explained that urban housing is a permissible development onsite. Notwithstanding the fact that urban housing is a permissible development onsite, it does not result in an approval being a fait accompli, rather subject to a robust and rigorous DA assessment. This issue is superfluous as the application as submitted must be assessed on its individual merits and not against hypothetical alternate scenarios as suggested by the Applicant. If an urban housing application was lodged at this point in time, Council would consider the access issue and seek a favourable outcome in regards to functionality and amenity.

Future dwelling yield estimates not accurate and real impacts of such yield

The future estimated dwelling yield of approx 20 dwellings is based on maximum future development potential. This is the worst case scenario, to which fundamentally at this planning stage should be catered for.

There are various other examples in Raymond Terrace where 'right of way' proposals result in a poor quality and social amenity outcome. A key contributing factor to this arises from allowing too many dwellings off a single and narrow right of way. The lack of amenity for habitants and the public generally, the 'colorbond canyon' style outcome, dispute between neighbours over maintenance of driveway, in part inspired council to amend the DCP in 2007 in an attempt to eliminate this form of social/built form marginalisation and social/streetscape outcome from continuing to occur. In particular developments such as this, Council staff observe that many of the developments are still not 'built out'. Anecdotal feedback and experience provided to council from the community suggests that initial buyers are often put off once the first couple of houses are built and the cramped amenity is fundamentally realised.

There should be a specific local area plan or master plan type DCP for the site/property

This comment was raised by the Applicant both during public access and during various meetings with Council staff. In the view of the author of this report, it is incredibly naive to expect any local authority to master plan all vacant infill residential properties, nor is it an appropriate use of public funds. It is generally accepted that there is a definite onus on the Applicant, even in the absence of specific DCP controls for the land in question to consider and provide effective design solutions. Portraying the view that, a poor design is enabled because Council doesn't have a master plan DCP for the specific precinct is both impractical and avoiding addressing the fundamental design issues.

RECOMMENDATION

For Councils information.

ATTACHMENTS

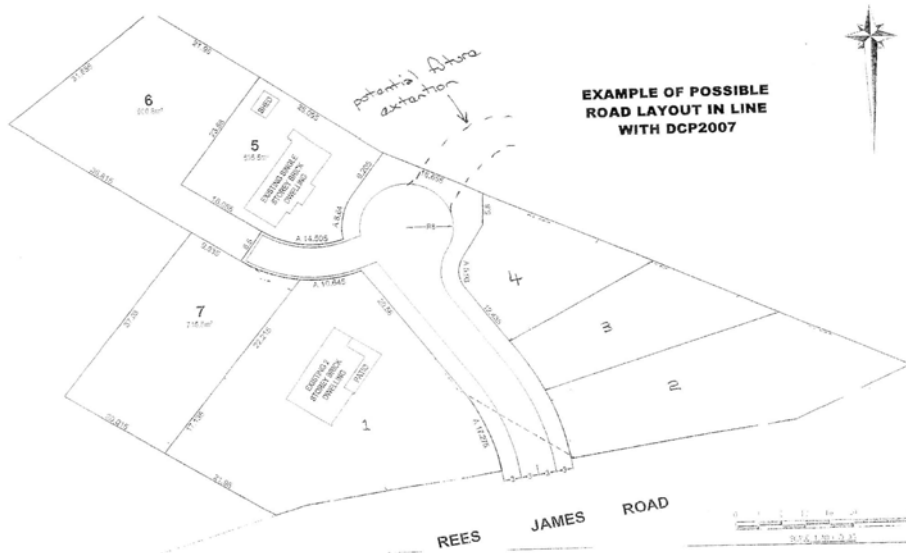
- 1) Plan of proposed subdivision by Le Mottee Group; and
- 2) Example of possible road layout in line with DCP2007.

ATTACHMENT 1

PLEASE CONTACT COUNCIL SHOULD YOU WISH TO VIEW THIS DOCUMENT.

ATTACHMENT 2

ATTACHMENT B - Example of possible road layout in line with DCP2007



ITEM NO. 2

FILE NO: PSC2009-02488

BUSINESS DEVELOPMENT FUNDING POLICY

REPORT OF: TIM HAZELL – FINANCIAL SERVICES MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Revoke the current Business Development Funding policy adopted by Council 21 December 2004, Minute No. 413 noted as Attachment 1.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor John Nell Councillor John Morello
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
301	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to revoke the Business Development Funding policy adopted by Council 21 December 2004, Minute No. 413.

This policy is no longer relevant as the legislative requirements for setting aside cash reserves for business development opportunities is now contained within the Council Integrated Strategic plans – Long Term Financial Plan. These documents are readily available to Councillors, staff and the community via Council's intranet and internet sites.

FINANCIAL/RESOURCE IMPLICATIONS

Costs associated with policy review are covered in the 2012/2013 budget.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	Nil	Resources required to review this policy are covered within existing budget.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There is a risk that failure to properly manage Council's documented policies, management directives, strategies and processes may affect Council's objective to ensure the long-term sustainability of services and protect the community's assets.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Council's administrative processes remain outdated.	Low	<ul style="list-style-type: none"> ▪ Revoke the Business Development Funding policy as recommended and update Council's Policy register to reflect the change. ▪ Communicate to all staff. 	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

CONSULTATION

- 1) Financial Services Section Manager.

OPTIONS

- 1) Accept the recommendation;
- 2) Amend the recommendation;
- 3) Reject the recommendation.

ATTACHMENTS

- 1) Business Development Funding policy.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1



Adopted: 28/11/2000
Minute No: 653
Amended: 21/12/2004
Minute No: 413

FILE NO: 3460-001

TITLE: BUSINESS DEVELOPMENT FUNDING POLICY

BACKGROUND

Several of Councils' activities are structured as Business Units or Business Activities. Business Activities are set up in accordance with National Competition Policy guidelines and could be in competition with private sector organisations. Business Units are established within the organisation structure and are run along business lines, generally aiming for full cost recovery. Business Units and Business Activities provide a stream of revenue outside of Council's normal rate revenue to sustain their own operations. This policy applies to Business Development opportunities that generate a revenue stream sufficient to fund any capital expenditure on a commercial basis.

OBJECTIVE

To protect Council's cash reserves and ensure that sufficient cash remains available for Council's general operations.

To ensure that sufficient cash is retained on hand to take advantage of opportunities that may arise from time to time.

To ensure that the high level of funding required for long term projects which provide their own income stream to Council do not jeopardise Council's cash reserves and ability to perform ordinary operations.

To provide a mechanism whereby capital works are paid for by those who obtain the benefit from them.

PRINCIPLES

- 1) A prudent financial strategy for a local government organisation might include a combination of internally and externally provided funds;
- 2) This policy applies to Business Units and Business Activities within Council;
- 3) Where particular expenditure requires a large capital outflow and provides a mechanism for the repayment of that capital amount over a period of time, that expenditure may be funded by obtaining either internal or commercial external funding;

- 4) When it is determined that a particular project is viable, a decision on the funding of that project will be made. Each funding decision will be considered on its own merits and will include an assessment of Council's liquidity at the time the funds are required;
- 5) To be considered for external funding, a project must be able to provide its own cash inflow, including a capacity to repay the capital value and a commercial rate of interest.

POLICY STATEMENT

- 1) This policy only applies to certain Business Activities and Business Units within Council that satisfy the criteria in (2);
- 2) Criteria for assessment of using an external funding source for a project will include:
 - Current cash position of Council;
 - Total cost of the project;
 - Length of time required to repay the initial funds;
 - Commercial risk of the project;
 - Prevailing economic conditions (e.g. level of interest rates, availability of funds);
 - Certainty of income stream.
- 3) The Borrowing Program be limited to ensure that Council does not exceed a Debt Servicing Ratio of 7.5% per annum.
- 4) Council will review its level of total debt and debt servicing ratio on an annual basis. Council's total debt servicing ratio will not exceed 7.5%.
- 5) An estimate of possible loan funding required by Council will be included in the annual Management Plan.

RELATED POLICIES

- Restricted Funds Policy.
- Cash Investment Policy.
- Property Investment and Development Policy.

REVIEW DATE

Twelve months after adoption by Council.

RELEVANT LEGISLATIVE PROVISIONS

Council is permitted to borrow under the Local Government Act 1993.

IMPLEMENTATION RESPONSIBILITY

The Finance Section will provide a recommendation to Council during the budget process and for each project considered by Council.

ITEM NO. 3

FILE NO: PSC2006-6848

CORPORATE RISK MANAGEMENT POLICY REVIEW

REPORT OF: ANNE SCHMARR - ORGANISATION DEVELOPMENT MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Revoke the Corporate Risk Management policy adopted by Council 29 May 2012, Minute No. 116, noted as Attachment 1;
- 2) Adopt the revised Corporate Risk Management policy presented to Council as Attachment 2.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Steve Tucker Councillor Ken Jordan</p>
	<p>That the recommendation be adopted.</p>

Cr Peter Kafer left the meeting at 6.29pm.

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
<p>302</p>	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

The purpose of this report is to revoke the existing Corporate Risk Management Policy and seek to adopt an updated Corporate Risk Management Policy to reflect the inclusion of Council's risk appetite statement. The Corporate Risk Management policy is critical to achieving item 5.6 of Council's Community Strategic Plan, "Develop and implement a corporate risk framework".

Since 2009, Council has been progressively developing, implementing and refining a Corporate Risk Management System. The Corporate Risk Management Policy is one of the key reference documents within this system.

The Corporate Risk Management Policy also reflects on Council's image as it presents itself as a well organised and capable organisation with a comprehensive,

well documented risk management system that demonstrates Council's regard for its duty of care to the community.

In July 2012, Council's Enterprise Risk Management Committee set about developing and articulating the risk appetite statement. 'Risk appetite' refers to "the amount and type of risk an organisation is willing pursue or retain" (AS/NZS ISO 31000:2009) in pursuit of its strategic objectives.

The statement is intended to:

- encourage consistent behaviours;
- identify specific areas where risks should be removed;
- provide transparency and consistency of business decisions; and
- facilitate achievement of objectives while respecting stakeholders' views.

In addition, the risk appetite statement considers the skills, resources and technology available to Council to manage and monitor its risk exposures.

The risk appetite statement captures Council's attitude to risk. Inclusion in the Corporate Risk Management policy and adoption by Council ensures that this attitude to risk is communicated to both the organisation as a whole and to stakeholders and is applied in decision making regarding prioritisation of works and services and the allocation of funding. Risk appetite needs to be considered from the elected Council down throughout the organisation, from strategic decisions to operational delivery.

The current policy (refer Attachment 1) and proposed policy (refer Attachment 2) are attached to this report. As the current policy was only adopted in May 2012, the changes in this instance are limited to the reference to an Integrated Risk System that incorporates the WHS, Corporate Risk and Environmental Management systems under the PRINCIPLES section and the inclusion of a detailed, tailored risk appetite statement into the POLICY STATEMENT section.

FINANCIAL/RESOURCE IMPLICATIONS

Adoption of the revised policy will not require any additional funding and the risk appetite statement has been developed in consideration of the resources presently available to manage Council's risk exposure.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	Nil	Costs associated with the review of this policy are covered in the Organisation Development section budget
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Sound project and program planning and implementation based on risk management principles will reduce the exposure of the community to losses. A more structured approach to managing the risks associated with provision of services and facilities will reduce the cost of claims and optimise the economic benefit to Council.

Council’s proposed Corporate Risk Management System will be compliant with AS/NZS ISO 31000:2009 and the Local Government Act 1993 (NSW).

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
Failure to articulate our risk appetite may lead to inconsistent decision making and taking of risks that may adversely impact the pursuit of Council's objectives	Medium	Adopt revised policy	Yes
Risk taking that flouts Council's vision, purpose and values may cause reputational loss	Low	Adopt revised policy	Yes
Failure to continuously improve the Corporate Risk Management system may result in decisions being made without consideration of the best available data	Low	Adopt revised policy	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council's purpose is to provide services and make decisions to enhance our quality of life, our economy and our natural environment. The identification, measurement and control of risks to protect the community, the Council and its assets against loss will help to ensure the sustainability of Council services and facilities.

The principles of risk management require staff to make informed judgements concerning the level and cost of risk involved in achieving cost-effective outcomes.

CONSULTATION

Enterprise Risk Management Committee;
Group Manager Corporate Services.

OPTIONS

- 1) Adopt the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

- 1) Current Corporate Risk Management Policy, adopted 29 May 2012, Minute No. 116;
- 2) Revised Corporate Risk Management Policy (revised 12 September 2012).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1



POLICY

Adopted: 25 May 2010
Minute No: 146
Amended: 29 May 2012
Minute No: 116

FILE NO: PSC2006-6848
TITLE: CORPORATE RISK MANAGEMENT
RESPONSIBLE OFFICER: ORGANISATION DEVELOPMENT MANAGER

BACKGROUND

Port Stephens Council is committed to managing risk on a systematic, organisation-wide basis consistent with AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*. This approach will create sustainable value by both minimising risks to the achievement of our objectives and by identifying potential opportunities.

Our corporate risk management system will comprehensively integrate all risks, including safety, environmental risks and business risks (financial, property, security, commercial, etc), into our decision making, business planning and reporting at all levels. A consistent, holistic approach to risk management strengthens our ability to deliver more efficient and effective services to our community.

Our system will also align with Council's Business Excellence Framework by facilitating continuous improvement.

OBJECTIVE

- 1) The purpose of this policy is to promote an integrated, holistic approach to corporate risk management and to ensure that all risks that could affect the achievement of our objectives are identified, assessed and treated to an acceptable level. The integration of corporate risk management into our decision-making process helps us to make informed choices for the benefit of Council, our community and our stakeholders.

PRINCIPLES

- 1) Corporate Risk Management will be led by the Senior Leadership Team, ie. The General Manager, group managers and section managers with support from the Corporate Risk Management team. The Senior Leadership Team is committed to guiding effective risk management by the application of the principles detailed in AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.
- 2) Every staff member is responsible to implement and embed Corporate Risk Management by:
 - identifying, managing and monitoring risks in their areas of accountability;
 - communicating these areas of risk to their manager or supervisor; and by
 - taking measures to ensure their own safety, that of other employees, customers and other workers.
- 3) The key steps for implementing Corporate Risk Management across the organisation include:
 - i. Establishing and maintaining Risk Registers
 - ii. Establishing and supporting an Enterprise Risk Management Committee and Group Risk Management Committees
 - iii. Implementing the communication strategy for the Corporate Risk Management Framework
 - iv. Completing the development and implementation of a Work Health and Safety Management System
- 4) By implementing Corporate Risk Management throughout Council, we will be better positioned to meet our objectives and deliver services and infrastructure in a way that is sustainable and meets our customers' needs.

POLICY STATEMENT

- 1) Port Stephens Council is committed to developing an effective Corporate Risk Management system that clearly considers all major risks integrated into one common framework. Our system will focus on continually improving comprehensive risk management processes consistent with AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.

Council is committed to empowering employees to assume accountability and responsibility for risk management in the workplace by creating and promoting a culture of participation and by providing a robust process to monitor and review the effectiveness of risk management across Council.

RELATED POLICIES

- 1) Work Health & Safety management directive
- 2) Work Health & Safety statement of commitment

SUSTAINABILITY IMPLICATIONS

SOCIAL IMPLICATIONS

Our mission includes the provision of services and the making of decisions to enhance our quality of life, our economy and our natural environment. The identification, measurement and control of risks to protect the community, the Council and its assets against loss helps to ensure the sustainability of Council services and facilities and ensure the safety of residents, visitors and employees alike.

ECONOMIC IMPLICATIONS

The principles of risk management require staff to make informed judgements based on best available information concerning the level and cost of risk involved in achieving cost-effective outcomes.

ENVIRONMENTAL IMPLICATIONS

Our focus on environmental sustainability is supported by the Corporate Risk Management system that includes consideration of environmental impacts as part of the risk assessment process.

RELEVANT LEGISLATIVE PROVISIONS

- 1) Local Government Act, 1993
- 2) Work Health & Safety Act, 2011
- 3) Civil Liability Act, 2002

IMPLEMENTATION RESPONSIBILITY

- 1) Implementation of this policy is the responsibility of the Risk Management Coordinator.

REVIEW DATE

- 1) 1 April 2014

ATTACHMENT 2



DRAFT POLICY

Adopted: 25 May 2010
Minute No: 146
Amended: 29 May 2012
Minute No: 116

FILE NO: PSC2006-6848
TITLE: CORPORATE RISK MANAGEMENT
RESPONSIBLE OFFICER: ORGANISATION DEVELOPMENT MANAGER

BACKGROUND

Port Stephens Council has a responsible approach to risk management, seeking to recognise and manage our exposure to risks in accordance with our vision, purpose and values.

We are committed to managing risk on a systematic, organisation-wide basis consistent with AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*. This methodology will create sustainable value by both minimising risks to the achievement of our objectives and by identifying potential opportunities.

Our corporate risk management system will comprehensively integrate all risks, including safety, environmental risks and business risks (financial, property, security, commercial, etc), into our decision making, business planning and reporting at all levels. A consistent, holistic approach to risk management strengthens our ability to deliver more efficient and effective services to our community.

Our system will also align with Council's Business Excellence Framework by facilitating continuous improvement.

OBJECTIVE

- 1) The purpose of this policy is to promote an integrated, holistic approach to corporate risk management and to ensure that all risks that could affect the achievement of our objectives are identified, assessed and treated to an acceptable level. The integration of corporate risk management into our decision-making process helps us to make informed choices for the benefit of Council, our community and our stakeholders.

PRINCIPLES

- 1) Corporate Risk Management will be led by the Senior Leadership Team, ie. The General Manager, group managers and section managers with support from the Corporate Risk Management team. The Senior Leadership Team is committed to guiding effective risk management by the application of the principles detailed in AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.
- 2) Every staff member is responsible to implement and embed Corporate Risk Management by:
 - identifying, managing and monitoring risks in their areas of accountability;
 - communicating these areas of risk to their manager or supervisor; and by
 - taking measures to ensure their own safety, that of other employees, customers and other workers.
- 3) The key steps for implementing Corporate Risk Management across the organisation include:
 - i. Establishing and maintaining Risk Registers
 - ii. Establishing and supporting an Enterprise Risk Management Committee and Group Risk Management Committees
 - iii. Implementing the communication strategy for the Corporate Risk Management Framework
 - iv. Completing the development and implementation of an Integrated Risk System, incorporating the Work Health and Safety, Corporate Risk and Environmental Management Systems
- 4) By implementing Corporate Risk Management throughout Council, we will be better positioned to meet our objectives and deliver services and infrastructure in a way that is sustainable and meets our customers' needs.

POLICY STATEMENT

- 1) Port Stephens Council is committed to developing an effective Corporate Risk Management system that clearly considers all major risks integrated into one common framework. Our system will focus on continually improving comprehensive risk management processes consistent with AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.
- 2) In pursuing the achievement of its objectives and governance responsibilities, Council will accept a degree of risk commensurate with both the potential reward and with Council's role in the community. Our categories of risk and current risk appetite are set out in the table below:

	Willingness to Accept Risk				
	Low		Medium		High
	Averse	Minimalist	Cautious	Open	Hungry
	Preference for options that avoid risk	Preference for ultra safe options with low inherent risk	Preference for safe options with low degree of residual risk and limited potential for reward	Willing to consider all options with a preference for prudent options and an acceptable level of reward	Enthusiasm for innovation leading to preference for higher rewards despite greater inherent risk
Asset			✓		
Governance	✓				
Financial			✓		
Knowledge		✓			
Resilience		✓			
Environment		✓			
Reputation			✓		
Compliance			✓		
People	✓				
Technology				✓	

In particular, Council has no appetite for risks that may compromise the safety and welfare of staff, volunteers, contractors and/or members of the public.

In consideration of our commitment to our stakeholders and community, Council has no appetite for risks that impinge on our governance, transparency and integrity of decision making.

We have no appetite for risks that may have a significant adverse impact on our long term financial sustainability. However, Council encourages entrepreneurship and has a reasonable appetite for risks arising from property and economic development opportunities.

Reflecting our conservative approach to knowledge management, resilience and conservation of the environment, Council has little appetite for risks in these areas. We have a moderate appetite for risk in normal business operations and accept that there is an element of reputation risk inherent in the delivery of our services.

Understanding the role of technology in enabling and innovating core business operations, we are open to technology risks that improve service delivery and efficiency of operations.

Notwithstanding the above, Council will not accept a risk that has potentially catastrophic consequences, regardless of the likelihood of that risk eventuating, and will actively manage all risks with an extreme or high residual risk ranking.

- 3) Council is committed to empowering employees to assume accountability and responsibility for risk management in the workplace by creating and promoting a culture of participation and by providing a robust process to monitor and review the effectiveness of risk management across Council.

RELATED POLICIES

- 1) Work Health & Safety management directive;
- 2) Work Health & Safety statement of commitment.

SUSTAINABILITY IMPLICATIONS

SOCIAL IMPLICATIONS

Council's purpose is to provide services and make decisions to enhance our quality of life, our economy and our natural environment. The identification, measurement and control of risks to protect the community, the Council and its assets against loss helps to ensure the sustainability of Council services and facilities and ensure the safety of residents, visitors and employees alike.

ECONOMIC IMPLICATIONS

The principles of risk management require staff to make informed judgements based on best available information concerning the level and cost of risk involved in achieving cost-effective outcomes.

ENVIRONMENTAL IMPLICATIONS

Our focus on environmental sustainability is supported by the Corporate Risk Management system that includes consideration of environmental impacts as part of the risk assessment process.

RELEVANT LEGISLATIVE PROVISIONS

- 1) Local Government Act, 1993;
- 2) Work Health & Safety Act, 2011;
- 3) Civil Liability Act, 2002.

IMPLEMENTATION RESPONSIBILITY

- 1) General Manager.

PROCESS OWNER

- 1) Risk Management Coordinator.

REVIEW DATE

- 1) October 2014.

ITEM NO. 4

FILE NO: A2004-0891

NEW OPTION LEASE TO DEPARTMENT OF LANDS OF LEVELS 2, 3 AND 4 AT 437 HUNTER STREET, NEWCASTLE

REPORT OF: CARMEL FOSTER – PROPERTY SERVICES MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the continued occupancy of Levels 2, 3 and 4 at 437 Hunter Street, Newcastle by The Minister Administering the Crown Lands Act, 1989.
- 2) Authorise the Mayor and the General Manager to affix the seal of Council to the lease and any associated documentation including any further option lease arising from the current lease.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Sally Dover Councillor John Morello
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
303	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to advise Council that the Property Services Section has negotiated a lease for continued occupation of Levels 2, 3 and 4 at 437 Hunter Street Newcastle to The Minister Administering the Crown Lands Act, 1989 ('Lessee').

Council purchased 437 Hunter Street, Newcastle, in November 1998 for investment purposes. The property, which comprises a five (5) storey commercial building, was fully tenanted at the time of acquisition and since that time various leases within the building have been renegotiated and new leases entered into.

On the expiration of the initial term of the Lease, the Lessee formally advised they wished to exercise their option of three (3) years and additionally advised that they wished to incorporate a further option of another three (3) years. Accordingly, two

(2) new lease agreements have been negotiated and terms agreed; a new lease agreement for Levels 2 & 4 and an additional lease agreement for level 3.

Each lease is for a period of three years with an option of three years. This will provide for a tenancy (including options) for total of six (6) years through until (June 2018). The appropriate lease documentation has been prepared by Council's solicitor, Harris Wheeler.

FINANCIAL/RESOURCE IMPLICATIONS

The aim in commercial leasing is to create a secure lease for the longest period of time to a viable tenant on terms which are acceptable. When this has been achieved the owner is protected by known income and growth rate over the life of the lease.

In having a valid and enforceable lease Council gains positive rights in respect of the occupancy of the property.

The agreement for Levels 2 & 4 provides for rental to commence at \$452,354 per annum (plus GST), with annual increases of 3.75% followed by market review at the commencement of the option.

The agreement for Level 3 provides for rental to commence at \$224,346 per annum (plus GST), with annual increases of 3.75% followed by market review at the commencement of the option.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$17,721	Increase in income of \$17,721
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

In accordance with the provisions of the Conveyancing Act, leases in excess of three (3) years total duration, inclusive of the option period, are to be registered upon the title of the land to which they apply. Accordingly, if the lease is to be registered the common seal must be affixed upon signing under Clause 400, Local Government (general Regulation) 2005.

The seal of a council must not be affixed to a document unless the document relates to the business of the council and the council has resolved (by resolution specifically referring to the document) that the seal be so affixed.

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
With no formalised lease in place a tenant could vacate at short notice and there would be a loss of income as a result.	High	Formalise the lease document as recommended.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

CONSULTATION

- 1) Property Services Manager;
- 2) Property Investment Coordinator;
- 3) Tew Property Consultants and Valuers;
- 4) Harris Wheeler Lawyers.

OPTIONS

- 1) Accept the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 5

FILE NO: PSC2009-02408V4

PLANNING PRINCIPLES FOR THE COMMERCIAL ZONE AT SALAMANDER BAY

REPORT OF: CARMEL FOSTER – PROPERTY SERVICES MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Planning Principles for the Commercial Land bound by Salamander Way and Bagnall Beach Road, Salamander Bay, as tabled with this report.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

Cr Paul Le Mottee and Peter Kafer returned to the meeting at 6.30pm prior to voting on Item 5.

	<p>Councillor John Nell Councillor Geoff Dingle</p>
	<p>That Council use the Planning Principles for the Commercial Land bound by Salamander Way and Bagnall Beach Road, Salamander, it developed in consultation with the community to prepare a Development Control Plan for the whole of the Salamander Town Centre Commercial Land.</p>

In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

Those for the Motion: Crs Peter Kafer, Geoff Dingle and John Nell.

Those against the Motion: Crs Bruce MacKenzie, Paul Le Mottee, Ken Jordan, Chris Doohan, Steve Tucker, John Morello and Sally Dover.

	<p>Councillor Bruce MacKenzie Councillor Ken Jordan</p>
	<p>That the recommendation be adopted.</p>

In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Those for the Motion: Crs Bruce MacKenzie, Paul Le Mottee, Ken Jordan, Chris Doohan, Steve Tucker John Morello and Sally Dover.

Those against the Motion: Crs Peter Kafer, Geoff Dingle and John Nell.

MOTION

	Councillor Bruce MacKenzie Councillor Ken Jordan
304	It was resolved that Council adopt the Planning Principles for the Commercial Land bound by Salamander Way and Bagnall Beach Road, Salamander Bay, as tabled with this report.

In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

Those for the Motion: Crs Bruce MacKenzie, Ken Jordan, Chris Doohan, Steve Tucker, John Morello and Sally Dover.

Those against the Motion: Crs Peter Kafer, Geoff Dingle and John Nell.

Cr Paul Le Mottee returned to the meeting at 7.26pm.

BACKGROUND

The purpose of this report is to have Council adopt the Planning Principles that have been prepared by Suters for the Commercial Land at Salamander Bay. In July and August 2012 Council's Property Services Section engaged consultants ADW Johnson to facilitate three Community Workshops and engaged consultants from Suters to compile the results from the workshops into a Planning Principle document.

Council owns the commercial land surrounding the Salamander Shopping Centre and intends to develop the land as demand for services and businesses increase in the Salamander area. Sections of the community have previously raised concerns about the type of development and the development and urban outcomes that would be achieved. To resolve some of the Community concerns Council engaged ADW Johnson to independently facilitate community workshops to develop Planning Principles to guide the future development of the site. Participants were selected from various local community groups and business associations, Council's Community Engagement Panel, surrounding residents, the existing shopping centre and representatives from local schools and the proposed Big W to ensure a broad section of the community had the opportunity to express their views. The aim of the workshops was not to convince anyone, nor to try to have 100% agreement but to ensure all views and concerns were heard, considered and reported and that collaborative and respectful conclusions could be developed and agreed upon. Two workshops were held in July and a third in August this year.

The first workshop was an information session that presented a background to the site and its development history. In the first workshop the project consultants gave a short presentation on their specialist field outlining the constraints of the precinct. The second workshop provided participants with a package of information and resources. The package included questions and answers raised at the first workshop, information on Planning Principles and maps and plans. The participants were formed into groups by selecting numbers from a bucket. The groups were assisted by the project consultants who rotated around the groups at fifteen minute intervals so that the workshop participants had the benefit of specialist advice when developing their plans for the site. At the third workshop Suters presented the Planning Principles document then the participants were asked to go back into their original groups and were given the opportunity to review the document. Comments from a final group discussion were recorded and the document amended to reflect the comments made. A report on the workshops has been tabled.

The Planning Principles are in accordance with Council's current Development Control Plan. The Principles provide a vision for the whole of the Salamander Bay commercial precinct lending weight to landscaping, aesthetics, connectivity, the idea of creating a sense of identity, safety, integration and connectivity. The principles will provide guidance to and future development and redevelopment of the commercial precinct.

FINANCIAL/RESOURCE IMPLICATIONS

The workshops, report and planning principles documentation were funded from the Property Reserve and has been expended, there will be no further expenditure associated with this matter.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$62,000	Report is complete. The information we obtained through the workshops has assisted us in preparing our Statement of Environmental Effects for the submission of the DA.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Existing controls for the development of land include, Commonwealth legislation, Ministerial directions, NSW Planning and Assessment Act 1979 and its regulators, State Environmental Planning Policies, Regional Strategies, Regional Environmental Plans, Local Environmental Plan, Development Control Plan, Developer Contributions Plan and Local Policies such as master plans and area plans.

Planning Principles, master plans and area plans are not defined under the EP&A Act and do not have status of definition under the Act however the Council can use these documents to guide and influence its decisions. The Planning Principles can only be applied to the consideration of a DA and will guide progressive iterative development of a site when end users are not yet defined and cannot be prescribed.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Should the Planning Principles not be adopted by the Council the workshop participants may feel that their contribution has not been valued and their comments and input have not had any influence of Council's decision making process.	Medium	Adopt the Planning Principles.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The commercially zoned land in Salamander is required for commercial, retail and community facilities. As the population increases demand for services will increase. The character of the Local Government Area and the high level of environmental constraints will make it difficult for more land to be zoned 3 (a) Business General therefore the remaining commercial land needs to be developed in a considered and thoughtful way. The Planning Principles will help guide decisions and ensure that a good urban outcome is delivered addressing social, economic, environmental and financial issues and meets the needs of the community.

CONSULTATION

- 1) Community Workshop participants;
- 2) Group Manager, Development Services;
- 3) Community Planning and Environmental Services Manager;
- 4) Development and Compliance Section Manager;
- 5) Business and Community Relations Manager.

OPTIONS

- 1) Adopt the recommendation;
- 2) Amend the recommendation;
- 3) Reject the recommendation.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) ADW Johnson Report;
- 2) Draft Planning Principles.

ITEM NO. 6

FILE NO: PSC2012-00089

PORT STEPHENS COUNCIL ANNUAL REPORT 2011-2012

REPORT OF: WAYNE WALLIS – GROUP MANAGER CORPORATE SERVICES

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Port Stephens Council Annual Report 2011-2012 presented as tabled documents Volumes 1, 2 and 3.
- 2) Note that no public submissions were received on the 2011-2012 Annual Report.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor Chris Doohan</p>
	<p>That the recommendation be adopted.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
305	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

The purpose of this report is to present to Council and the community of Port Stephens the achievements of Council during 2011-2012. The Annual Report 2011-2012 fulfils the requirements of the Delivery Program 2011-2015 item 5.10 (Ensure Council's decisions are transparent through accurate and open reporting); and Operational Plan 2011-2012 item 5.10.1 (Monitor and report on the implementation of all plans and strategies).

The Annual Report 2011-2012 is in three volumes: Volume 1 is the report against the Delivery Program 2011-2015 and the Operational Plan 2011-2012; Volume 2 contains the audited financial statements of Council for the 2011-2012 financial year and Volume 3 contains the comprehensive State of Environment Report.

FINANCIAL/RESOURCE IMPLICATIONS

Part 2 of the Annual Report 2011-2012 contains the audited financial statements of Council. Part 1 contains a summary of revenue and expenditure in the form of easy-to-read graphs.

The Annual Report 2011-2012 was prepared by Corporate Strategy & Planning in the Office of the Group Manager, Corporate Services. Its production is funded from the recurrent budget in that office, and includes printing of hard copies and copies for Council's website. It also includes advertising costs associated with presentation of financial statements to Council.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$1,500	Estimated, includes advertising cost, production of hard copies for distribution
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Section 428 (1) of the Local Government Act 1993 states: Within 5 months after the end of each year, a council must prepare a report (its annual report) for that year reporting as to its achievements in implementing its delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed. Volume 1 of the Annual Report 2011-2012 has been prepared in accordance with that Section.

Section 428 (4)(a) states: The Annual Report must contain a copy of the council's audited financial reports prepared in accordance with the Local Government Code of Accounting Practice and Financial Reporting published by the Department, as in force from time to time. Volume 2 of the Annual Report has been prepared in accordance with that Section.

Section 428A (1) states: The annual report of a council in the year in which an ordinary election of councillors is to be held must include a report (a state of the environment report) as to the state of the environment in the local government area in relation to such environmental issues as may be relevant to the objectives for the environment established by the community strategic plan (the environmental objectives). Section 428A (2) and Section 406 stipulate the scope of the State of Environment Report. Volume 3 of the Annual Report has been prepared in accordance with those Sections.

Sections 418 and 420 of the Local Government Act require that council indicate to the public its intention to present the audited financial statements to Council and to give seven days in which members of the public can make submissions on the financial statements to be considered by Council. To comply with this provision a copy of the financial statements was placed on Council's website on 7 November 2012 and an advertisement was placed in the Port Stephens Examiner on 8 November inviting submissions to close on Friday 16 November 2012. If no submissions are received Council may proceed to adopt the Annual Report 2011-2012. If submissions are received Council may consider the submissions and make any amendments prior to adopting the Annual Report 2011-2012.

Any submissions received by Council will be tabled at the meeting.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
That the Annual Report 2011-2012 contains errors of fact and/or misleading statements.	Low	The Annual Report 2011-2012 was prepared with input from across Council and was checked twice by the Executive and Senior Leadership Teams prior to publication. Volume 2 – the Financial Statements – were audited by the Council's external auditors and signed off.	Yes
Failure to provide the annual report within the legislated timeframe.	Low	The production plan for the annual report required that it be adopted at the meeting of Council on 27 November 2012 and this has occurred.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The structure of Volume 1 of the Annual Report 2011-2012 contains results of actions and performance targets across social, economic and environmental pillars through the Principal Activities section of the Report, and the narratives under Our Citizens, Our Economy, Our Environment. Volume 3 (State of Environment Report) provides detailed analysis of the environmental implications using the pressure/state/response methodology for reporting and assessment.

Volume 1 contains details of the actions and performance targets under the heading Our Council, and Volume 2 Financial Statements reports against the Governance and Civic Leadership pillar of sustainability.

CONSULTATION

The Annual Report 2011-2012 was prepared with input from across Council and in the case of Volume 3, with input from regional environmental agencies.

Part 2 – Financial Statements – was prepared by Council staff in Financial Services Section and audited by Council's external auditors, PricewaterhouseCoopers.

To meet the requirements of Sections 418 and 420 of the Local Government Act, Volume 2 was placed on public exhibition from 8 to 16 November 2012. No public submissions were received.

OPTIONS

- 1) Adopt the Port Stephens Council Annual Report 2011-2012;
- 2) Amend the Port Stephens Council Annual Report 2011-2012;
- 3) Reject the Port Stephens Council Annual Report 2011-2012.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Port Stephens Council Annual Report 2011-2012 Volumes 1, 2 and 3.

ITEM NO. 7

FILE NO: PSC2009-09777

PROPOSED ROAD CLOSURE – UNFORMED SECTION OF CLARENCE STREET, WALLALONG

REPORT OF: CARMEL FOSTER - PROPERTY SERVICES MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Does not consent to the road closure of the currently unused and unformed section of Clarence Street adjacent to Lots 17 and 18 DP1006527 at Wallalong.
- 2) Request the applicants to withdraw the application.
- 3) Advise Department of Primary Industries Catchment & Lands (DPI) the closure has been rejected by Council due to submission received from adjoining property owner and developer.
- 4) Request the DPI to assist Council staff to overcome submissions received from both the applicants and the developers should the need arise.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor Chris Doohan</p>
	<p>That Council:</p> <ol style="list-style-type: none"> 1. Defer consent to the road closure of the currently unused and unformed section of Clarence Street adjacent to Lots 17 and 18 DP1006527 at Wallalong. 2. Request the applicants to withdraw the application. 3. Advise Department of Primary Industries Catchment & Lands (DPI) the closure has been rejected by Council due to submission received from adjoining property owner and developer. 4. Request the DPI to assist Council staff to overcome submissions received from both the applicants and the developers should the need arise.

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
306	<p>It was resolved that Council:</p> <ol style="list-style-type: none"> 1. Defer consent to the road closure of the currently unused and unformed section of Clarence Street adjacent to Lots 17 and 18 DP1006527 at Wallalong.

	<ol style="list-style-type: none">2. Request the applicants to withdraw the application.3. Advise Department of Primary Industries Catchment & Lands (DPI) the closure has been rejected by Council due to submission received from adjoining property owner and developer.4. Request the DPI to assist Council staff to overcome submissions received from both the applicants and the developers should the need arise.
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BACKGROUND

The purpose of this report is to recommend that Council request the applicants of a Road Closure Application to withdraw the application. The application is over a currently unformed Public Road. The adjoining owners wish to purchase the land and consolidate it with their properties known as Lot 17 D.P.1006527 and Lot 18 D.P.1006527 as shown in Attachment 1. The areas of the road proposed to be closed are approximately 1600sqm and 1380sqm respectively.

This section of road was formerly part of the now realigned Clarence Street, Wallalong which previously joined Hector Street to the north and was maintained by Council. It has not provided access to any properties since the realignment of Clarence Street and the closure some years ago of part of Hector Street. The area is no longer accessible by vehicle and is currently under Licence Agreement between Council and the applicants (owners of Lots 17 and 18). The Licence termination dates are September 2015 and March 2015 respectively.

Public Authorities, other adjoining property owners and Council staff have been notified of the proposed closure with objections being received from an adjoining owner that proposes to develop the land for residential development. Hunter Water Corporation also advised they have assets within the proposed closure area which would require an easement.

Council's Strategic Planners have concerns regarding the proposed closure due to the objection received from HDB Town Planning & Design (HDB) on behalf of Wallalong Land Owners Group who own the adjoining properties.

The applicant's have been advised of the objection from HDB and have met with a representative from HDB. The applicants wish to continue with the road closure process as they believe there are alternate accesses into the future development such as; High Street, the end of the currently formed Clarence Street or Hector Street if required.

The applicants have agreed to reduce the width of the closure to allow pedestrian access between the new development and the currently constructed Clarence Street to provide the essential connection for the developer's concept plan.

Until such time that Council receives a Development Application for the land it would be imprudent to close the road as it may create a better design outcome for

the residential subdivision. If the road is not required for access the applicant can submit a road closure application at that time.

FINANCIAL/RESOURCE IMPLICATIONS

If the closure were to proceed the applicants must meet all costs associated with the closure process. If these costs are not met at different stages throughout the process the next stage is not commenced until such payment is made.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$10,000	Fees and charges for the road closure process are paid for by the applicant, this includes administration charges (there is no cost to Council).
Reserve Funds	No	Nil	
Section 94	No	Nil	
External Grants	No	Nil	
Other	No	Nil	

LEGAL, POLICY AND RISK IMPLICATIONS

If the closure is withdrawn there will be no implications.

If the closure were to proceed then all actions relating to the road closure and purchase are controlled by the Roads Act 1993 with the application being made under Section 34. The DPI makes the final decision and gazettes the closure. The Conveyancing Act controls the actual sale process once the new Certificate of Title has been issued. Council's Road Closure policy details the actions to be followed.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Application of rezoning and development of adjoining properties has not yet been received by Council however Council has previously supported future residential development in Wallalong and the road may be needed for access.	High	Adopt the recommendation.	Yes

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Failure to comply with legislative requirements.	Low	Legislative requirements to be observed.	Yes
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SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The Council has previously supported residential development in Wallalong and due to environmental and noise restrictions within the Port Stephens Local Government Area (LGA) which can prevent and restrict development, the proposal to develop the land will provide much needed housing for the LGA.

CONSULTATION

- 1) Department of Primary Industries Catchments & Lands;
- 2) Council's Property Officer;
- 3) Adjoining Property Owners;
- 4) Public Authorities;
- 5) HDB Town Planning & Design;
- 6) Strategic Planners; and
- 7) Property Services Manager.

OPTIONS

- 1) Accept recommendations;
- 2) Amend the recommendations;
- 3) Reject recommendations.

ATTACHMENTS

- 1) Locality Map

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Submission from HDW Town Planning & Design;
- 2) Letter from applicants.

ITEM NO. 8

FILE NO: PSC2011-04425

FEES & CHARGES: EXHIBITION OF FEES

REPORT OF: WAYNE WALLIS - GROUP MANAGER CORPORATE SERVICES

GROUP: CORPORATE SERVICES GROUP

RECOMMENDATION IS THAT COUNCIL:

- 1) Notes the submission received on the exhibited fees and charges.
- 2) Adopts the Archiving Fee of \$55.00 inclusive of GST and the Section 68 (Installation of manufactured home) inspection fee of \$350.00 inclusive of GST, effective from 28 November 2012.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Geoff Dingle Councillor John Nell
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
307	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to advise Council of the receipt of a submission related to the Section 68 (Installation of manufactured home) inspection fee. The submission, which is attached, was the only submission received during the exhibition period, which Council agreed at its meeting of 9 October 2012.

FINANCIAL/RESOURCE IMPLICATIONS

There are no resource implications from the adoption of these fees. This is a report on the exhibition of these fees and the cost was detailed in the report to Council's 9 October meeting.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	N/A		
Reserve Funds	N/A		
Section 94	N/A		
External Grants	N/A		
Other	N/A		

LEGAL, POLICY AND RISK IMPLICATIONS

In relation to the submission received, Council's Legal Services Manager has advised that the proposed fee relates to Section 68 Part A (1) Install a manufactured home, moveable dwelling or associated structure on land. These dwelling types are constructed off site and hence a Construction Certificate does not apply. However, inspections are required to ensure compliance once a dwelling is installed on the property and development consent conditions are met.

The submission relates to Part F (1) Operate a caravan park or camping ground, and (3) Operate a manufactured home estate. The proposed fee is not applicable to Part F(1) or Part F(3).

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Council does not adopt the Archiving Fee or the Section 68 Inspection Fee, resulting in financial loss to Council has expenditure is incurred as a statutory requirement.	Low	Adopt the Archiving Fee and the Section 68 Inspection Fee to be effective from 28 November 2012.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council incurs costs associated with both proposed fees and is entitled to recover those costs under Section 608 of the Local Government Act, 1993. The proposed fees have been set under the 'Cost Recovery' section of the Council's Pricing policy.

CONSULTATION

The Archiving Fee and the Section 68 (Installation of manufacture home) Inspection Fee were placed on public exhibition from 18 October to 9 November 2012 in accordance with the requirements of Section 610F of the Local Government Act 1993.

OPTIONS

- 1) Adopt the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

- 1) Submission received on exhibited fees and charges (redacted for privacy reasons).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1

F E E S & C H A R G E S

Submitted by

NOTICE OF EXHIBITION

9th NOV 12.

Contact
Fran Flavel.

F.



PORT STEPHENS COUNCIL	
- 7 NOV 2012	
11-04425.	
File No.
Action by	Fran Flavel
App.No.



Note of exhibition fees and charges

1 message

Fri, Nov 2, 2012 at 10:48 AM

Hello

Here is my response about the charging of fees by Council: The extracts are from Practice Note No. 2 September 1993 issued by the Department of Local Government and Cooperatives. The circular referred to No. 93/27 has not been withdrawn, nor has it been changed by a later determination by the Director-General of Local Government or the Director-General of the Department of Planning and Infrastructure.

FEES

An "approved fee" may be charged by a council for a variety of services as specified in the

Act. The term "approved fee" is defined in the Act Dictionary.

The Director-General has determined the approved fees that may be charged for inspections of

caravan parks, camping grounds and manufactured home estates. Councils were advised of this

determination in the Department's "Circular to Councils" No 93/27.

This advice is reprinted below:

Under section 608 (3) of the new Act councils may charge an approved fee for inspecting premises.

An approved fee may be prescribed by regulations, determined by the Director-General (if not

prescribed by regulations) or determined by the council (if not prescribed by regulations or

determined by the Director-General). The following approved fees have been determined by the

Director-General for the purposes detailed:-

INSPECTIONS/FEEES

6

Practice note 2

1 (a) The council may impose, for the purpose of determining an application for the initial

approval to operate (under section 68, F2 or F3 of the Act) a caravan park, camping ground

or manufactured home estate, a maximum inspection fee of \$5.40 per site. Should such an

application for an approval relate to 12 sites or less the council may impose a fee of \$65.00

(b) Should any reinspection be required for the purposes outlined in 1 (a) above because of noncompliance

with the regulations at the initial inspection the council may impose a maximum

fee of \$5.40 for each site requiring reinspection. Should 12 sites or less require reinspection

the council may impose a fee of \$65.00.

(c) The council may impose, for the purpose of determining an application for the renewal or

continuation of an approval to operate a caravan park, camping ground or manufactured

home estate, or for a periodic inspection required as a condition of the approval to operate, a

maximum inspection fee of \$3.75 per site. Should such an application for an approval relate

to 17 sites or less the council may impose a fee of \$65.00.

(d) Should any reinspection be required for the purposes outlined in 1 (c) above because of non

-compliance with the regulations at the initial inspection the council may impose a

maximum fee of \$3.75 for each site requiring reinspection. Should 17 sites or less require

reinspection the council may impose a fee of \$65.00.

2 The council may impose, for the purpose of issuing a replacement approval, in the name of a

No manufactured home estates have been previously licensed.

Where an inspection of a caravan park does not relate to sites but relates to roads, amenities blocks,

fencing or other matters it is recommended that councils apply the fees and charges recommended

by the Local Government and Shires Associations.

General Counsel

Caravan & Camping Industry Association NSW

T: 02 9615 9920

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M: 0418 290 311

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ITEM NO. 9

FILE NO:

FUTURE FINANCIAL POSITION MODELLING – INTERNAL AUDIT REPORT

REPORT OF: TIM HAZELL – FINANCIAL SERVICES MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note contents of the Internal Audit - Future Financial Position Modelling Report prepared 22 October 2012.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor John Nell</p>
	<p>That the recommendation be adopted.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
308	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

As part of the Internal Audit Program for 2012-2013 the Audit Committee accepted a Management recommendation to have the future financial position of Council examined and evaluated. This was in response to a number of significant future events that were envisaged and a need to factor these into the long term financial planning of Council.

In this way, this internal audit would build on the results achieved in the NSW Treasury Corporation report and compliment the work undertaken each year in compiling Council's Long Term Financial Plan. In conducting the audit an extensive consultation process was undertaken with a number of staff across the organisation. As a result, the following significant events were identified and assessed on a likelihood to occur basis:

- Raymond Terrace Library
- Landfill rehabilitation
- Fingal Bay SLSC car park

- Birubi Point SLSC
- Shoal Bay foreshore revitalisation
- Regional Road 301
- Lemon Tree Passage Road upgrade
- Salamander Bay commercial subdivision
- Bio-banking Karuah site
- Sand Extraction tender
- Subdivision at Salamander Bay
- Bagnall Avenue – Soldiers Point
- Newcastle Airport restructure
- Local Infrastructure Renewal project
- Anna Bay Sports and Recreation area

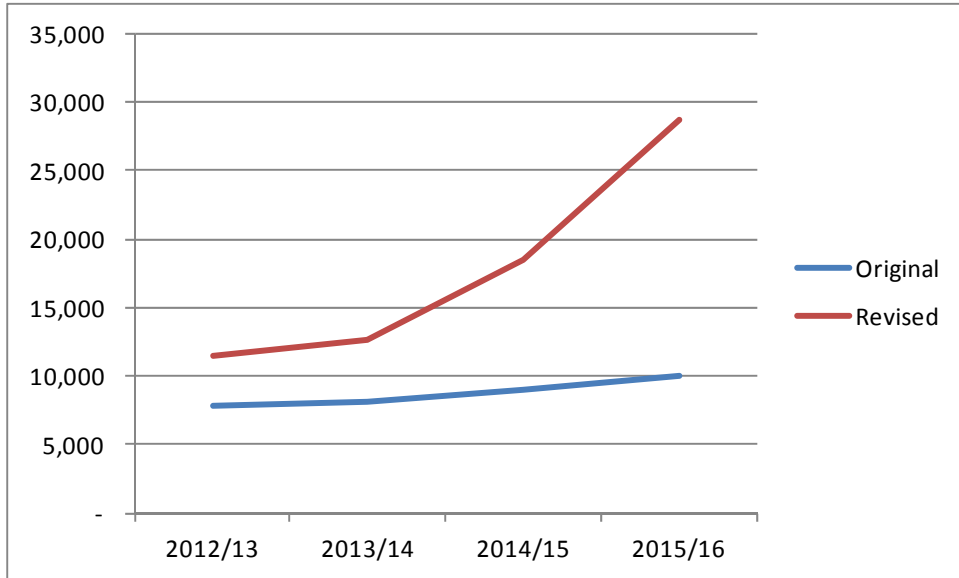
In addition to these events a number of further events were identified but were not included in the model due to various reasons. These events included:

- Aquatic Centres, Raymond Terrace and Tomaree
- Sale of Land – former sporting fields at Raymond Terrace
- Fingal Bay Link Road
- Halls, Community Centre, Childcare and Emergency Services
- Playgrounds, public amenities and waterway assets
- Capital Works backlog
- Taylors Beach land
- Newcastle Airport – sale of portion of ownership
- Commercial properties
- Raymond Terrace Depot
- Holiday Parks

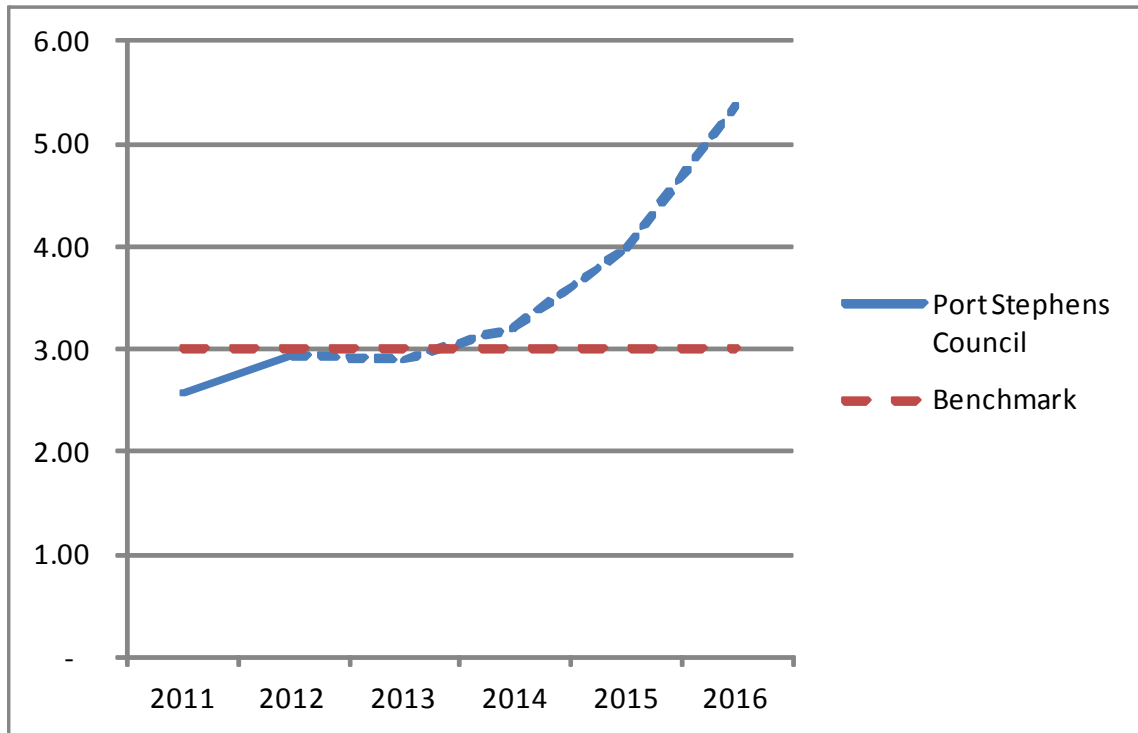
The Internal Audit concluded that based on known key events by Council, there is the potential of a significant increase in cash reserves. This would reasonably lead to the expectation that cash assets could increase from around \$10 million to \$28 million in the short to medium term.

As these key events become more certain the financial ramifications will be factored into the Long Term Financial Plan of Council. Staff are currently working on strategies to present to Council that will provide alternatives to ensure the long term financial viability of Council. These strategies will also address the issue of the asset infrastructure backlog that has been valued at around \$26 million. These strategies will also address the key finding of the report relating to the relatively low level of expenditure on Council's asset infrastructure.

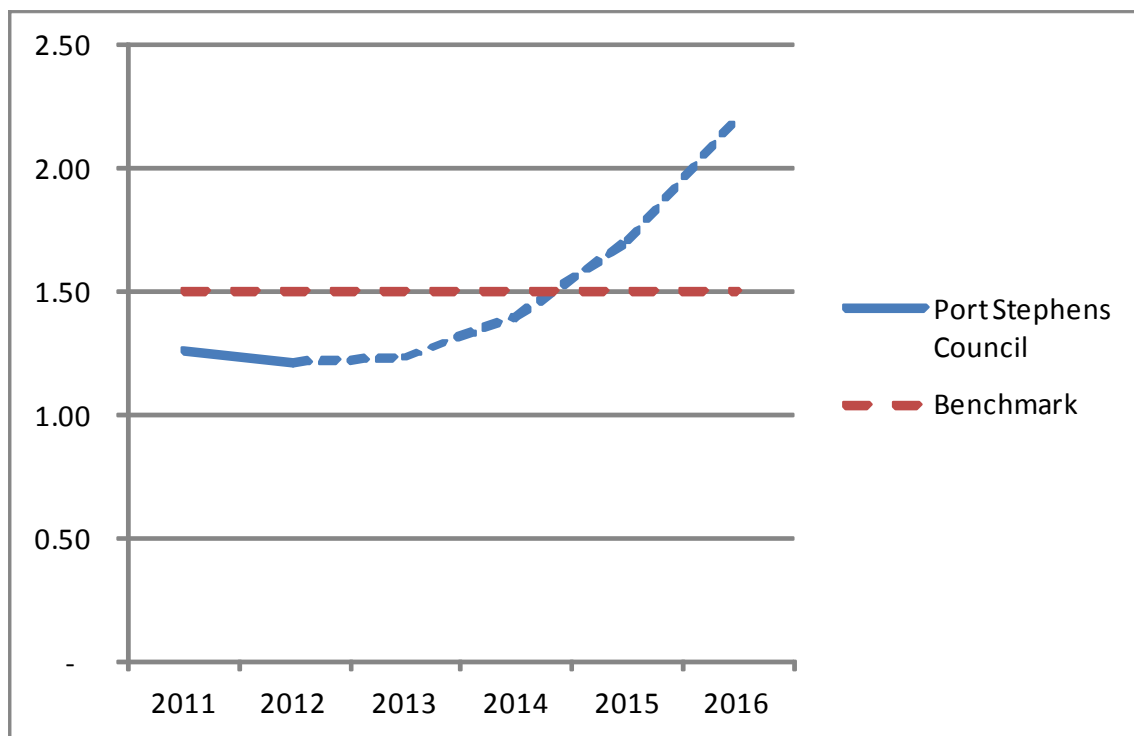
A number of the key points raised in the report can be highlighted as:



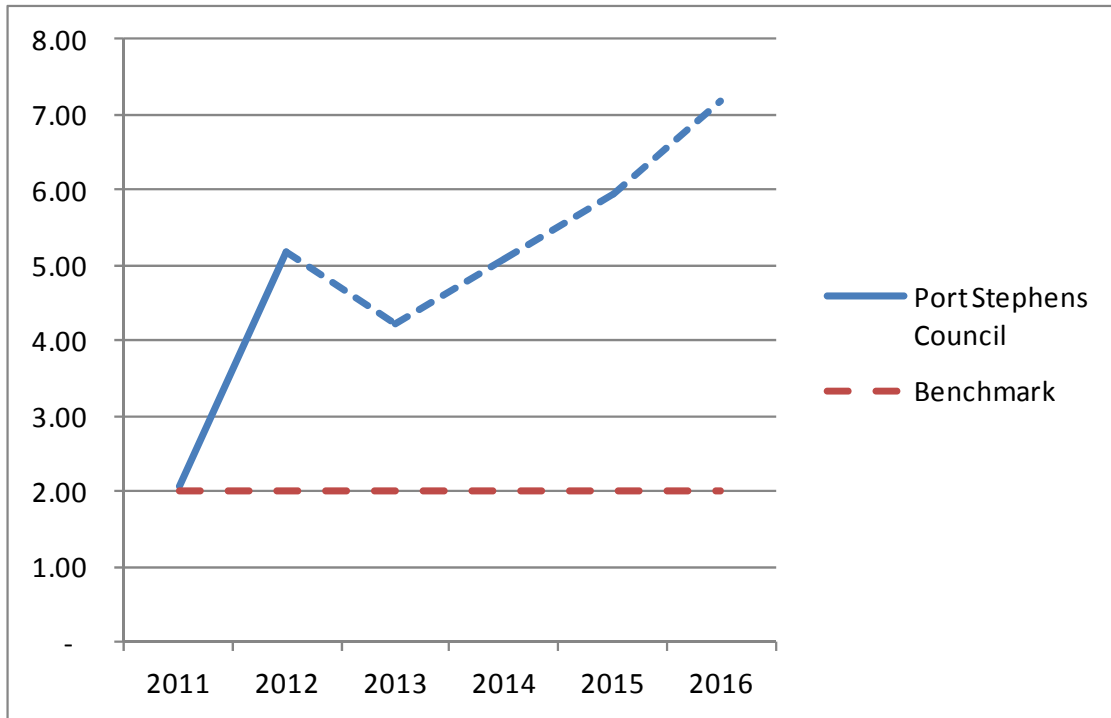
As illustrated, based upon the key events known by Council, there is the potential of a significant increase in cash assets.



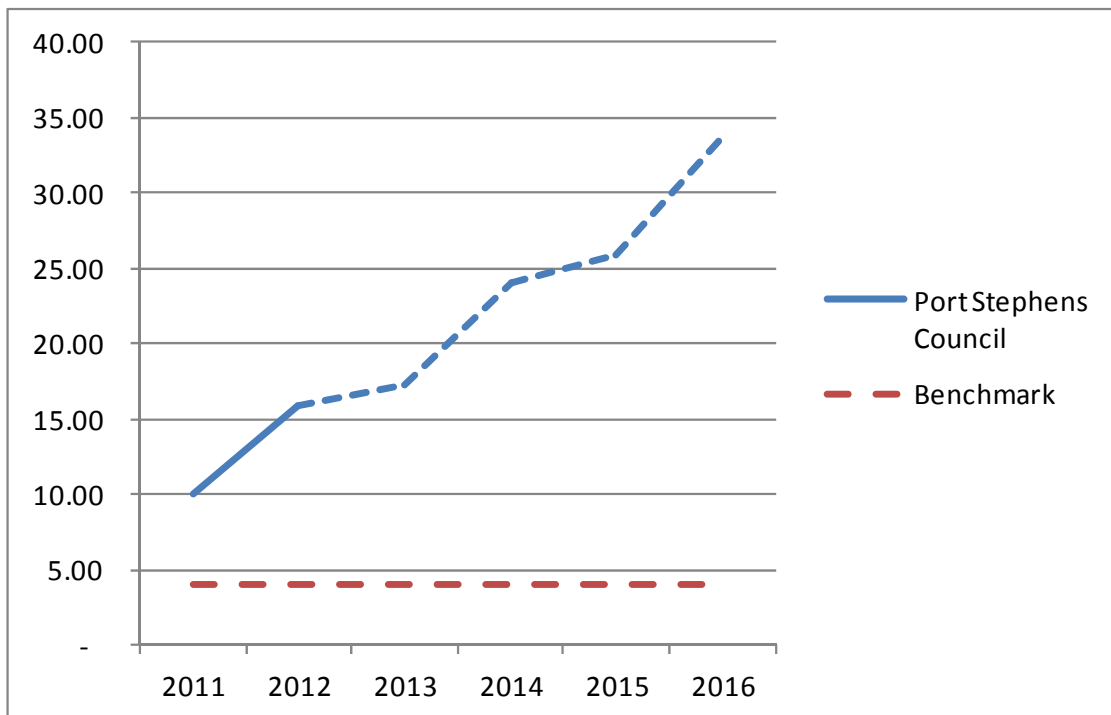
Cash expense ratio = current year's cash and cash equivalents / total expenses – depreciation – interest costs



Unrestricted current ratio = $\frac{\text{Current assets less all external restrictions}}{\text{current liabilities less specific purpose liabilities}}$



Debt service cover ratio = operating results before interest and depreciation (EBITDA) / principal repayments + borrowing interest costs



Interest cover ratio = EBITDA / interest expense

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	Nil	Within existing resources.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Failure to plan for long term financial sustainability.	Low	Implementation of the Long Term Financial Plan.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The economic implications are that Port Stephens Council is in a sustainable long term financial position that permits further strategies aimed at reducing the asset renewal/maintenance backlog.

CONSULTATION

- 1) Consultation with Internal Auditor;
- 2) Consultation with the Council Audit Committee.

OPTIONS

- 1) Adopt the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 10

FILE NO: A2004-0242

2012-2013 CARRY FORWARD AND REVOTES

REPORT OF: TIM HAZELL - FINANCIAL SERVICES MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the votes to be carried forward to the 2012/2013 Estimates as shown in Table 1 of Attachment 1.
- 2) Approve the revotes from the 2011/2012 Estimates as detailed in Table 2 of Attachment 2 to this report and vote the necessary funds to meet expenditure.
- 3) Note the Sources of Funds budgeted to complete the Carry Forwards and Revotes as detailed in Table 3 of Attachment 3 to this report.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor Chris Doohan</p>
	<p>That the recommendation be adopted.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
<p>309</p>	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

The purpose of this report is to amend the 2012/2013 Budget and bring to Council’s attention the value of carry forwards and revotes for review and adoption.

On 26 June 2012 Council adopted its Resource Strategy 2012-2021 (Council Minute No. 151). This included budget estimates for the 2012/2013 financial year.

FINANCIAL/RESOURCE IMPLICATIONS

Council’s original 2012/2013 Budget estimate is a \$1,736,191 cash surplus after internal transfers and before depreciation of \$18.669 million. Table 1 of Attachment 1 details works committed or in progress at the end of the 2011/2012 financial year. Typically, these funds are legally committed but remain partially or wholly unexpended at the end of the financial year. The funds are not automatically

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

carried forward to the new financial year, Council is required to review the funds carried forward. Other unexpended funds may remain uncommitted and such votes lapse unless specifically revoked by Council.

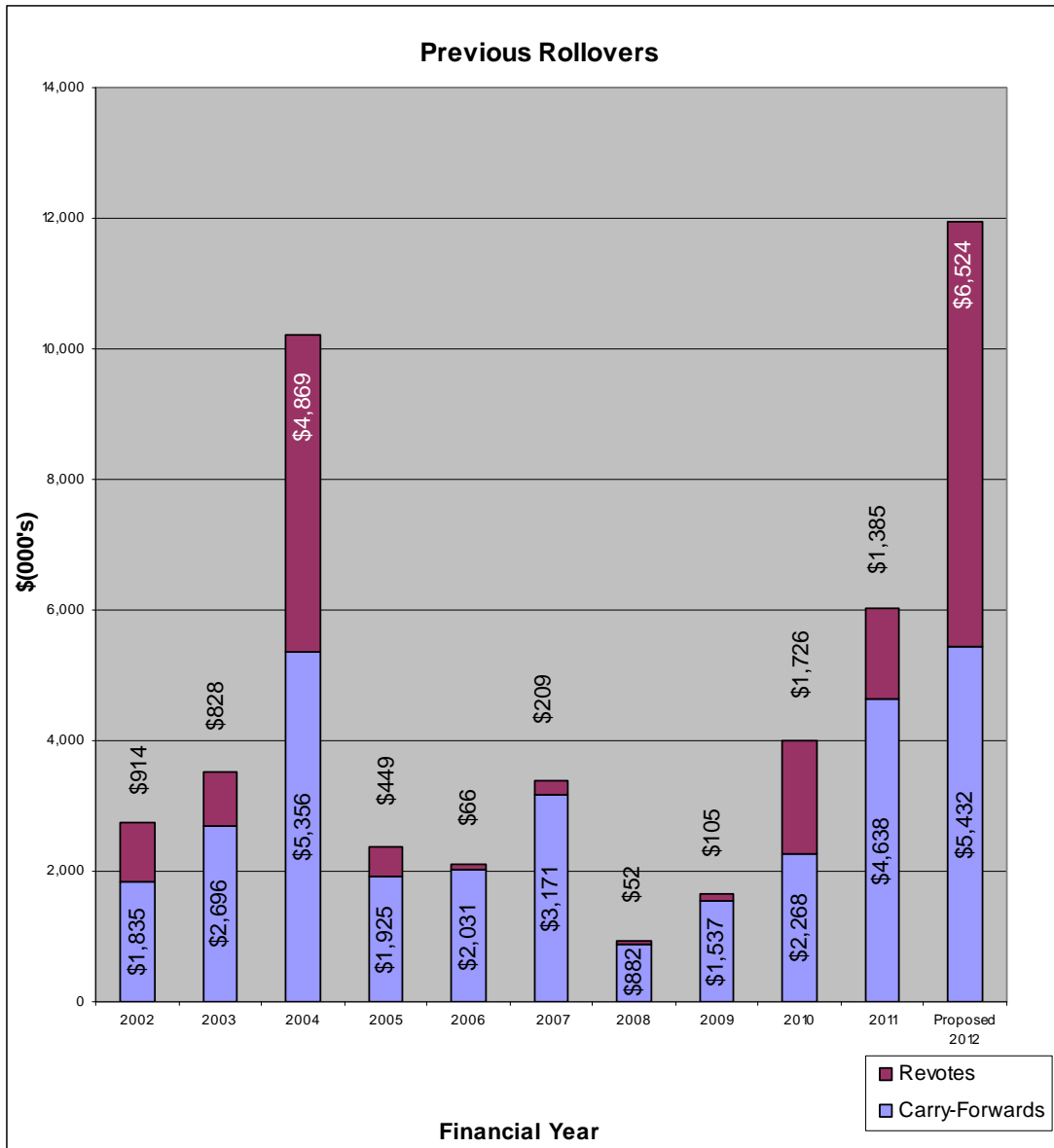
It should be noted that a number of projects have been placed on hold and/or delayed pending approval from Government agencies, such as Crown Lands.

The following table is a summary of the amounts recommended to be rolled forward from 2011/2012.

	Total	Recurrent	Capital
Carry Forwards – Table 1	\$5,431,794	\$284,851	\$5,146,943
Revotes – Table 2	\$6,524,368	\$5,792	\$6,518,576
Total	\$11,956,162	\$290,643	\$11,665,519

For comparative purposes the following table is a summary of the amounts rolled forward from 2010/2011.

	Total	Recurrent	Capital
Carry Forwards	\$4,638,108	\$66,225	\$4,571,883
Revotes	\$1,385,303	\$33,303	\$1,352,000
Total	\$6,023,411	\$99,528	\$5,923,883



Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		
Reserve Funds	No	9,017,992	Budget from 2011-2012
Section 94	No	1,413,266	Budget from 2011-2012
External Grants	No	734,323	Budget from 2011-2012
Revenue	No	790,581	Budget from 2011-2012

LEGAL AND POLICY AND RISK IMPLICATIONS

Once an approval or vote has lapsed and it does not fit the criteria of a carry forward it can only be reinstated by a resolution of Council.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Underlying operating result is in deficit.	High	Long term financial plan established to reach break even point by 2015.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications.

Council's Budget is fundamental for operational sustainability and to the provision of facilities and services to the community.

CONSULTATION

- 1) Executive Team;
- 2) Section Managers.

OPTIONS

- 1) Adopt the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

- 1) Table 1 – Identified Votes to be carried forward from 2011/2012;
- 2) Table 2 – Identified Revotes elected from 2011/2012;
- 3) Table 3 – Summary of sources of funds for votes rolled forward.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1

TABLE 1 – IDENTIFIED VOTES TO BE CARRIED FORWARD FROM 2011/2012

Property Services

Soldiers Point Holiday Park	- gas reticulation/cabins	5,082
Salamander Waters/Tarrant Road	- stage 1	8,228
155 Salamander Way	- development	57,788
Office and Chambers	- fitout	<u>6,824</u>
		77,922

Community Planning and Environment Services

Smart Water Meters Program	- works	7,750
Energy and Water Program	- works	16,290
Rezoning Requests	- Wallalong	120,000
Aboriginal Projects	- works	12,189
Youth Programs	- works	<u>4,750</u>
		160,979

Civil Assets

Raymond Terrace Community Care Centre	- upgrade hot water	6,026
Karuah Oval	- replace water tank	16,730
	- replace cricket pitch	5,939
Fingal Bay Tennis	- replace light tower	13,581
Bagnalls Beach	- upgrade footpath/stairs	4,310
Fingal Bay	- replace playground	14,152
Little Beach	- replace water system	17,816
Halifax	- sand removal	21,088
Orthphoto Mosaic	- spatial dataset	7,406
Campvale Drainage	- stage 1	165,000
Medowie	- drainage works	92,000
Corlette Mambo Wetland	- stormwater improvements	98,499
Seabreeze Estate	- research	17,245
Rehabilitation Kerb Inlet Protections	- various	31,500
Glenoak Rehabilitation	- pavement	26,163
Bagnall Beach Road	- footpath	30,319
Port Stephens Drive	- shared path	39,641
Ferodale Road to Campvale	- cycleway	39,306
Tallowood Drive - Kindlebark	- footpath link	17,000
Bagnall Avenue	- footpath	6,748
Nelson Bay Road - missing link	- cycleway	86,443
Raymond Terrace - Sturgeon Street	- seal shoulders	9,784
Donald Street Carpark	- rehabilitation	49,910
Grahamstown Road	- blackspot	17,256
Halloran Way	- legal access	9,296
Nelson Bay	- disability access	7,304
Shoal Bay Road	- bus shelter	2,224
Mustons Road	- bus shelter	3,182
Lemon Tree Passage	- pavement rehabilitation	25,109
Raymond Terrace	- Senior citizens hall	203
Transport Interchange	- CPTIGS grants	160,000
Lemon Tree Passage	- boardwalk	<u>198,000</u>
		1,239,180

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Community and Recreation

RFS Maintenance and Repair	- repairs	16,941
RFS Maintenance and Repair	- repairs	85,843
SES RT Mezzanine Floor	- construction	24,905
Brandon Park	- wicket improvements	76,314
Salt Ash	- equestrian rings	45,000
Gan Gan Lookout	- rehabilitation	134,720
Apex Park	- improvements	223,016
Shoal Bay Wharf	- construction	678,390
Shoal Bay Foreshore Road	- construction	1,046,951
Shoal Bay Foreshore	- landscaping	292,000
Tilligerry Mens Shed	- works	0
Fingal Bay Surf Club	- construction	<u>1,329,633</u>
		3,953,713

TOTAL FOR TABLE 1 – CARRY FORWARDS

Total	Recurrent	Capital
\$5,431,794	\$284,851	\$5,146,943

ATTACHMENT 2

TABLE 2 – IDENTIFIED REVOTES ELECTED FROM 2011/2012

Property Services/Holiday Parks

Fingal Bay Holiday Park	- recreation room upgrade	325,208
	- garden villas 9 -14	960,000
	- reconstruct amenities	1,500,000
	- convert holiday to tourist	20,000
Halifax Holiday Park	- 5 bay villas	150,740
	- office refurbishment	14,773
	- workshop maintenance	10,000
	- upgrade amenities	318,000
	- 2 bedroom cabin	122,000
Shoal Bay Holiday Park	- instal catamarans	100,991
	- 5 ensuite vans	200,000
Commercial Business Unit	- new premises fitout	0
		3,721,712

Civil Assets

Riverside Park	- power to Rotunda	15,000
	- upgrade water supply	5,000
Medowie Hall	- replace light fittings	16,000
Brandon Park	- wicket improvements	0
Brandy Hill Drive	- pavement rehabilitation	77,021
Buckets Way	- pavement rehabilitation	73,576
Tanilba Avenue	- reconstruction	546,826
Old Mains Road	- construction	4,388
Gibbers Drive	- sealing	9,391
Raymond Terrace	- The Hub carpark	45,000
Victoria Park East	- pedestrian crossing	15,000
Sandy Point Road	- cycleway	312,500
		1,119,702

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Community and Recreation

Library Services	- new resources	58,298
Medowie Tennis Courts	- resurface	41,650
Raymond Terrace Tennis Courts	- umpire chairs/resurfacing	35,000
Hinton Cricket Nets	- works	10,000
Mallabula Sports Oval	- grandstands	15,000
Salt Ash	- construct horse yard	10,000
West Ward	- furniture and bbq's	20,000
Raymond Terrace Riverside	- playground and shelters	55,000
Henderson Park	- playground	140,000
	- rehabilitation	77,000
Mallabula Tanilba	- park seats	15,000
Anna Bay	- recreation area	1,000,000
Barry Park	- amenities	80,000
Medowie Child Care	- replace toilets	11,000
Medowie Pre School	- multifunction area	17,500
		1,585,448

Operations/Other

Raymond Terrace Depot	- phase 1	59,214
	- remove/replace old tanks	<u>32,500</u>
		91,714

General Managers Office

Councillor Services	- minor works	<u>5,792</u>
		5,792

TOTAL FOR TABLE 2 – REVOTES

Total	Recurrent	Capital
\$6,524,368	\$5,792	\$6,518,576

ATTACHMENT 3

TABLE 3 – SUMMARY OF SOURCE OF FUNDS FOR VOTES ROLLED FORWARD

SOURCE OF FUNDS	TOTAL	RECURRENT	CAPITAL
REVENUE	\$790,581	\$202,515	\$588,066
SEC 94 RESTRICTED FUND	\$1,413,266	\$0	\$1,413,266
RESTRICTED CASH	\$1,760,455	\$88,128	\$1,672,327
BUSINESS DEVELOPMENT RESTRICTED FUND	\$66,016	\$0	\$66,016
CROWN PARKS RESERVES RESTRICTED FUND	\$5,621,067	\$0	\$5,621,067
BUSINESS OPERATIONS RESTRICTED FUND	\$5,082	\$0	\$5,082
ADMINISTRATION BUILDING RESTRICTED FUND	\$6,824	\$0	\$6,824
TRANSPORT LEVY RESTRICTED FUND	\$77,021	\$0	\$77,021
DRAINAGE LEVY RESTRICTED FUND	\$337,744	\$0	\$337,744
ASSETREHABILITATION RESTRICTED FUND	\$380,586	\$0	\$380,586
DEPOTS RESTRICTED FUND	\$91,714	\$0	\$91,714
COUNCILLOR WARD FUNDS	\$671,483	\$0	\$671,483
GRANTS AND CONTRIBUTIONS	\$734,323	\$0	\$734,323
TOTAL	\$11,956,162	\$290,643	\$11,665,519

ITEM NO. 11

FILE NO: PSC2004-0242

QUARTERLY BUDGET REVIEW AS AT 30 SEPTEMBER 2012

REPORT OF: TIM HAZELL – FINANCIAL SERVICES MANAGER

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Approve the discretionary changes to the adopted budget as detailed in Tabled Document 1.
- 2) Note the estimated surplus from ordinary activities before Capital amounts of \$4.496 million as detailed in Tabled Document 1.
- 3) Note the estimated underlying operating deficit of \$2.195 million as detailed in Tabled Document 1.
- 4) Note the summary of changes made to the budget as detailed in Tabled Document 2.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Paul Le Mottee Councillor John Morello
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
310	It was resolved that the recommendation be adopted.

BACKGROUND

This Statement sets out the details of variations between Council's original budget and the proposed budget as part of the September Quarterly Budget Review.

Council adopted its integrated strategic plans on 26 June 2012 (Council Minute No. 151), these Plans include the budget estimates for the 2012/2013 financial year.

FINANCIAL/RESOURCE IMPLICATIONS

Council's Net Operating Results are expected to improve by \$107,000 and Council's General Revenue Results are expected to improve by \$380,000 with the adoption of the recommended changes.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		Increased Income and Expenditure.
Reserve Funds	Yes	\$68,304	Saving to Reserve Funds.
Section 94	Yes	\$175,000	Saving to Sec 94.
External Grants	No		
Other	Yes	\$2,674,000	Increased Operating Revenue.

LEGAL, POLICY AND RISK IMPLICATIONS

Clause 203(1) of the Local Government (General) Regulation 2005 requires Council's Responsible Accounting Officer to prepare and submit a Quarterly Budget Review Statement (QBRS) to Council.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Underlying operating result is in deficit.	High	Long Term Financial Plan established to reach break even point by 2015.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council's budget is fundamental for operational sustainability and to the provision of facilities and services to the community.

CONSULTATION

- 1) Financial Analysis Team;
- 2) Executive Leadership Team;
- 3) Senior Leadership Team.

OPTIONS

- 1) Accept the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Document 1 2012-2013 Quarterly Budget Review Statement – September 2012;
- 2) Document 2 2012-2013 Quarterly Budget Review Statement – September 2012.

ITEM NO. 12

FILE NO: PSC2005-0829

RATES FINANCIAL ASSISTANCE – TILLIGERRY CREEK OYSTER FARMERS

REPORT OF: TIM HAZELL – FINANCIAL SERVICES MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Discontinue rates financial assistance to Tilligerry Creek oyster farmers.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Ken Jordan Councillor Sally Dover
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
311	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to review the continuation of means tested rates financial assistance to Tilligerry Creek oyster farmers affected by the closure of part of Tilligerry Creek to oyster harvesting.

Council has offered rates financial assistance to oyster farmers affected by the closure of zone 5b of Tilligerry Creek since its closure in 2005. Only one farmer has applied for assistance in the last four years with others leaving the industry.

In May 2012 the Tilligerry Creek Interagency Meeting received a report from DPI Fisheries:

"The upper end of Zone 5B (now incorporated into Zone 5A) is known as one of the most productive oyster cultivation areas in the Port. Following the collapse of several businesses in Tilligerry Creek a number of these leases were surrendered to the state. Recent investment has seen the uptake of these leases to the point where there are few available leases left in the area. While the constraint of a 60 day relay still applies to this area (ie oysters can not be harvested directly from this area – rather they are

grown there then relocated for 60 days before harvesting) it is encouraging to see industry put the area back into production. The outcome of improving water quality and opening up more of Zone 5A is still sought after."

A period of seven years has now transpired since the original closure which is considered sufficient time for all affected businesses to make structural and operational adjustments. This view is supported by the advice of DPI Fisheries that new oyster farming businesses have taken up leases in the closed zone to take advantage of the low salinity and low over-catch (juvenile oysters attaching to adult oysters) benefits that result in better oyster growth and production despite the harvesting constraints.

FINANCIAL/RESOURCE IMPLICATIONS

In 2011/2012 Council provided \$642.11 in rates financial assistance. No financial assistance is proposed in 2012/2013.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	Nil	Within existing budget
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Should any assistance be provided to an individual the proposal must be advertised in a newspaper inviting public submissions to comply with section 356 of the Local Government Act 1993.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
Continuing low level financial assistance without justification may be criticised as improper use of funds.	Medium	Discontinue financial donations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The assistance provided in previous years was an appropriate response to a special circumstance to support the continuation of the local oyster industry which is a measure of the health of Port Stephens waterways. The oyster industry has demonstrated that it can successfully use the affected zone for production before oyster relocation to an open zone for harvesting.

CONSULTATION

- 1) Community Planning and Environmental Services Section Manager;
- 2) Financial Services staff.

OPTIONS

- 1) Accept recommendation;
- 2) Amend recommendation;
- 3) Reject recommendation.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 13

FILE NO: PSC2012-04699

SAMURAI RESORT OPTIONS AND SHOAL BAY HOLIDAY PARK CROWN LAND EXCHANGE

REPORT OF: WAYNE WALLIS – GROUP MANAGER CORPORATE SERVICES
 GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Authorise the General Manager (or delegate) to undertake all necessary processes to close Samurai Beach Resort by 31 March 2013 (option 1).
- 2) Further investigate the liquidation or transfer of the unfixed assets located at Samurai Beach Resort to other Beachside Holiday Parks.
- 3) Continue to negotiate with the Crown to exchange Samurai Beach Resort for the Crown portion of Shoal Bay Holiday Park (option 2).
- 4) Should the Crown not agree to the exchange detailed in item 3 above, Council negotiate to purchase the Shoal Bay Holiday Park Crown land portion.
- 5) Should the Crown not agree to the exchange detailed in item 3 above, Council progress a joint Request for Proposal with the Crown for Samurai Beach Resort (option 8).

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Steve Tucker Councillor Chris Doohan
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
312	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is for Council to consider options for the future operation and management of the Samurai Beach Resort (Resort). This consideration includes the opportunity to exchange Crown land at Shoal Bay Holiday Park.

Samurai Beach Resort is situated on 8.915 ha of leasehold Crown land located on the north side of Gan Gan Road, One Mile Beach. The Crown lease expires in 2029. Council purchased the lease and improvements in 2003 for \$2M. In 2004 Council completed stage 1 development works at a cost of \$4.65M, funded from external borrowings. The commercial business value of the Resort has been identified at \$2.7M.

Current Position

The Samurai Beach Resort has been and is currently operating at a substantial financial loss. The underlying cause for the loss is low occupancy rates (~35%). Substantial efforts have been undertaken over past years to reduce operating overheads and direct costs and to increase the occupancy rates through increased promotion and targeted marketing campaigns.

Whilst the purchase of a marquee to supply the wedding market in 2011 resulted in the reduction of the budgeted loss last financial year, the occupancy rate has not increased.

Despite these efforts, in the 2011/2012 financial year the operating loss (excluding depreciation) was -\$414,208. Depreciation costs incurred were -\$240,339, capital purchases (marquee) were -\$58,299 and capital loan repayments were -\$774,279. Accumulated losses for the Resort at 30 June 2012 totalled -\$11M

In June 2010 Council engaged a broker to seek expressions of interest for the sale of the Resort. In April 2011 Council determined not to accept any of the submissions received due to the below market value proposals submitted.

There is an urgent need to stop the current financial losses. The range of options discussed are documented below with a graph depicting the financial impacts of various options (refer attachment 1).

Option 1

Close the Resort, liquidate the unfixed assets and further investigate the relocation of the marquee to Soldiers Point Holiday Park.

Comments

31 units are located on the site (11 relocatable cabins/villas), reception, offices and recreational facilities including a pool. Under the terms of the Crown lease there is a risk that the Crown would not allow Council to remove assets off the site; however the Crown has advised that it would be unlikely that this provision would be enforced. There is an expectation that the sale of the unfixed assets could achieve circa \$550,000.

Determination to close the Resort will trigger a range of issues to be addressed, including staff relocations, asset management and governance/legal aspects.

Further investigation is required to determine the business opportunities generated by relocating the marquee to Soldiers Point Holiday Park. Furthermore, the 11 villas and office reception could be sold by tender or alternatively relocated to Fingal Bay Holiday Park, which would offset the cost of cabin development identified in the Plan of Management.

Option 2

Sell to or exchange land with the Crown.

Comments

The Crown has indicated that it would consider purchasing the Resort for the depreciated value of the Resort's assets or consider a land exchange for the Crown's 35% portion of the Shoal Bay Holiday Park (known as part lot 508 comprising approximately 10,000m³).

Shoal Bay Holiday Park is jointly owned by Council (65%) and the Crown (35%). Operating and developing a park under these joint ownership circumstances is problematic and should be resolved. The Port Stephens Holiday Park Reserve Trust (responsible for the management of the Crown portion of the Shoal Bay Holiday Park) has recently considered this matter and is supportive of the land exchange.

An independent valuation on Samurai Beach Resort and Shoal Bay Holiday Park has been completed. The valuations indicate the value of the assets at Samurai Beach Resort is comparable with the value of the Crown portion at Shoal Bay Holiday Park. The Crown has indicated that additional information and analysis is required on the valuation and that a further comparative valuation may be required.

The Crown has indicated that it is supportive of the land exchange proposal (subject to further detailed analysis and negotiation) and would seek Ministerial direction to confirm or dismiss State Government support for this initiative.

Representations to State Member for Port Stephens, Craig Baumann and Minister Stoner seeking support for the exchange of Samurai Beach Resort for the Crown portion of Shoal Bay Holiday Park has been undertaken.

Option 3

Sublet the operation of the Resort.

Comments

To sublet the operation of the Resort there needs to be appropriate financial incentives to attract operators as the rent/lease fee would be based on the financial returns of the Resort. As the current use and lease payments are fixed in the Crown lease and the current occupancy rates are low (35%), rent that may be applicable could be below the current rent payable by Council to the Crown.

The rent that is currently paid to the Crown is based upon the unimproved land value and this has no bearing on the revenue that the business can generate. Therefore, if

Council were to sublet the operation of the resort the rent that could be achieved will in all likelihood be lower than the current rent that Council is required to pay to the Crown.

Option 4

Undertake further capital investment in the Resort, specifically food and beverage facilities and/or further cabins/villas.

Comments

The Resort currently lacks food and beverage facilities on site and this has been identified as a major draw back to increasing occupancy rates.

The Council would need to expend \$350,000 to deliver a modest café on site. While this addition has been identified in previous consultant reports and is identified as one of the essential needs of the Resort, it is not considered commercially viable due to the approval and construction timeframes and return on investment scenario given the remaining Crown lease period.

Continuation of the cabin/villa expansion program has potential to increase profitability at the Resort; however the investment pay back period does not make this option commercially viable under the current lease terms.

The attachment illustrates the various options at 4(a), 4(b) and 4(c).

Option 5

Seek external management of the Resort by contract.

Comments

The contract-out model for the management of the Resort could provide a reduction in operating costs and potentially provide an opportunity to profit share. As the Resort currently lacks food and beverage facilities, together with major asset maintenance responsibilities which would remain with Council, this option is not considered viable. The current profit and occupancy is not considered sufficiently appealing to produce an attractive contract package.

Option 6

Continue business as usual.

Comments

This option is not a viable option due to significant operating losses incurred.

Option 7

Apply to the Crown for a change of use and terms to the existing Crown lease.

Comments

Changing the use from 'Resort' to 'Holiday Park' or other similar use could increase the viability of the Resort by creating additional types of accommodation that should result in an increase in occupancy (for example caravans and camping).

Issues relating to this option are the anticipated timeframes it could take to obtain approval from the Minister to change the use terms, anticipated lease fee increases and subsequent lead time for advertising and customers to become aware of the change of use.

Option 8

Undertake a joint venture with the Crown to market the Resort to an incoming lessee under revised terms and conditions of use.

Comments

The Crown has indicated that it would consider a joint venture to market the Resort by a Request for Proposal (RFP) with a view to Council recovering the value of its depreciated assets from an incoming lessee, with the Crown being open to negotiate a new lease and terms of use.

This option has the potential for Council to recover some of its costs; however its success will be determined by prevailing market factors.

Option 9

Market the sale of the Resort under current terms.

Comment

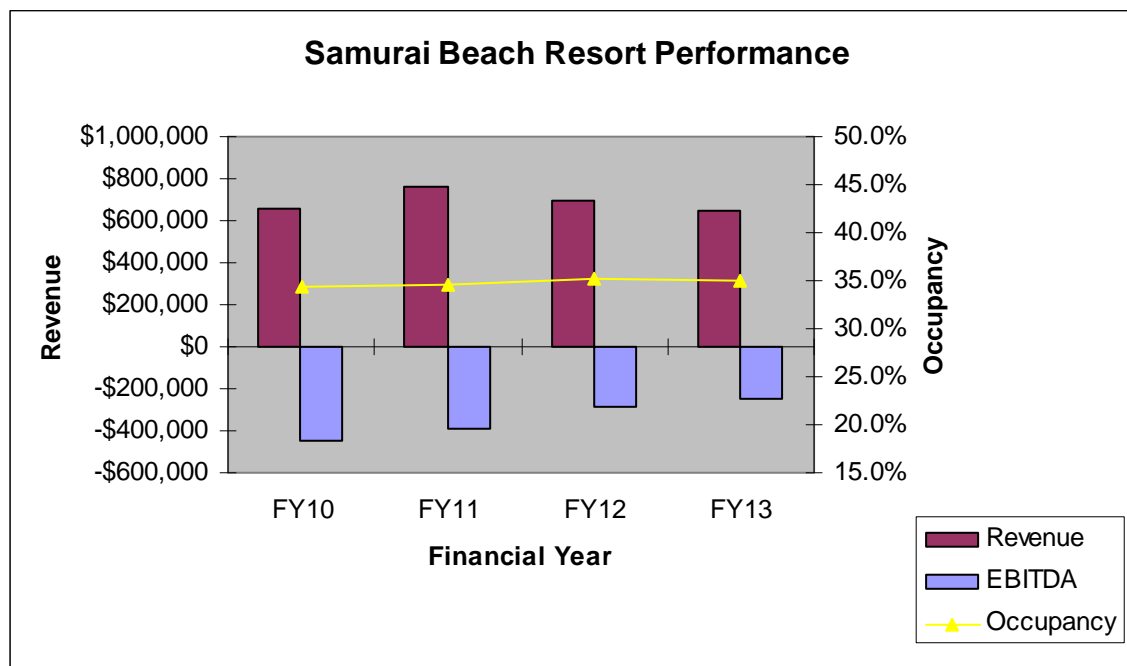
This option would be to market test the sale of the Resort again under the existing lease terms. Council could consider undertaking this process internally utilising the previous marketing information that would still be relevant.

Given the previous poor result achieved, this option is not considered viable.

FINANCIAL/RESOURCE IMPLICATIONS

The financial performance details of the Resort are summarised below:

Samurai Beach Resort		
Size	8.915 hectares	
	<u>No. Sites</u>	<u>% Mix</u>
Cabin/Villas	11	35.48%
Spa Suites	8	25.81%
Delux Spa Suites	4	12.90%
Studio Rooms	8	25.81%
Total Sites	<u>31</u>	<u>100.00%</u>
FY 12 Occupancy		35.20%
FY 12 Income		\$694,292
FY 12 EBITDA		-\$287,463
FY 12 EDITDA%		-41.40%
FY 12 Net Loss		-\$420,559
FY 12 Loss per site		\$13,566



The Resort is projected to cost Council approximately \$3,950 (before depreciation, capital works and loan payments) each week in 2012/2013. There are two current loans, one will be finalised in April 2013 and the other in June 2014 (balance at 30 June 2012 \$1.36M).

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	-\$204,981	The existing budgeted loss (before depreciation, loan repayments and capital purchases) is funded from the profit of the Council owned Holiday Parks transferred to the Property Reserve.
Reserve Funds	Yes	\$204,981	The Property Reserve currently funds the shortfall from Resort operations.
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The continued operation of the Resort represents ongoing financial risks for Council.

Closure of the Resort presents potential industrial relations risks associated with the redeployment of existing Resort staff.

Closure of the Resort presents potential reputational risks associated with Resort customers and residents.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Should Council close the Resort there could be industrial relations risks associated with the redeployment of staff	Low	Capacity exists to redeploy staff to other Parks.	Yes
Continued financial losses without occupancy, tariff and accommodation increases.	High	Adopt the recommendations.	Yes
Cancellation of advanced bookings for accommodation and weddings could have an adverse affect on Council's reputation.	Medium	Put in place a communication strategy and where possible transfer business to other properties.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The Resort contributes to the economic viability of the Port Stephens economy by attracting tourists and visitors to the locality. Many local businesses benefit from the secondary spend of Resort patrons on food, beverage and tourism activities.

CONSULTATION

- 1) Crown Lands;
- 2) Port Stephens Holiday Park Reserve Trust;
- 3) United Services Union;
- 4) Council management and staff.

OPTIONS

- 1) Adopt the recommendations;
- 2) Amend the recommendations;
- 3) Reject the recommendations.

ATTACHMENTS

- 1) Financial graph of various options.

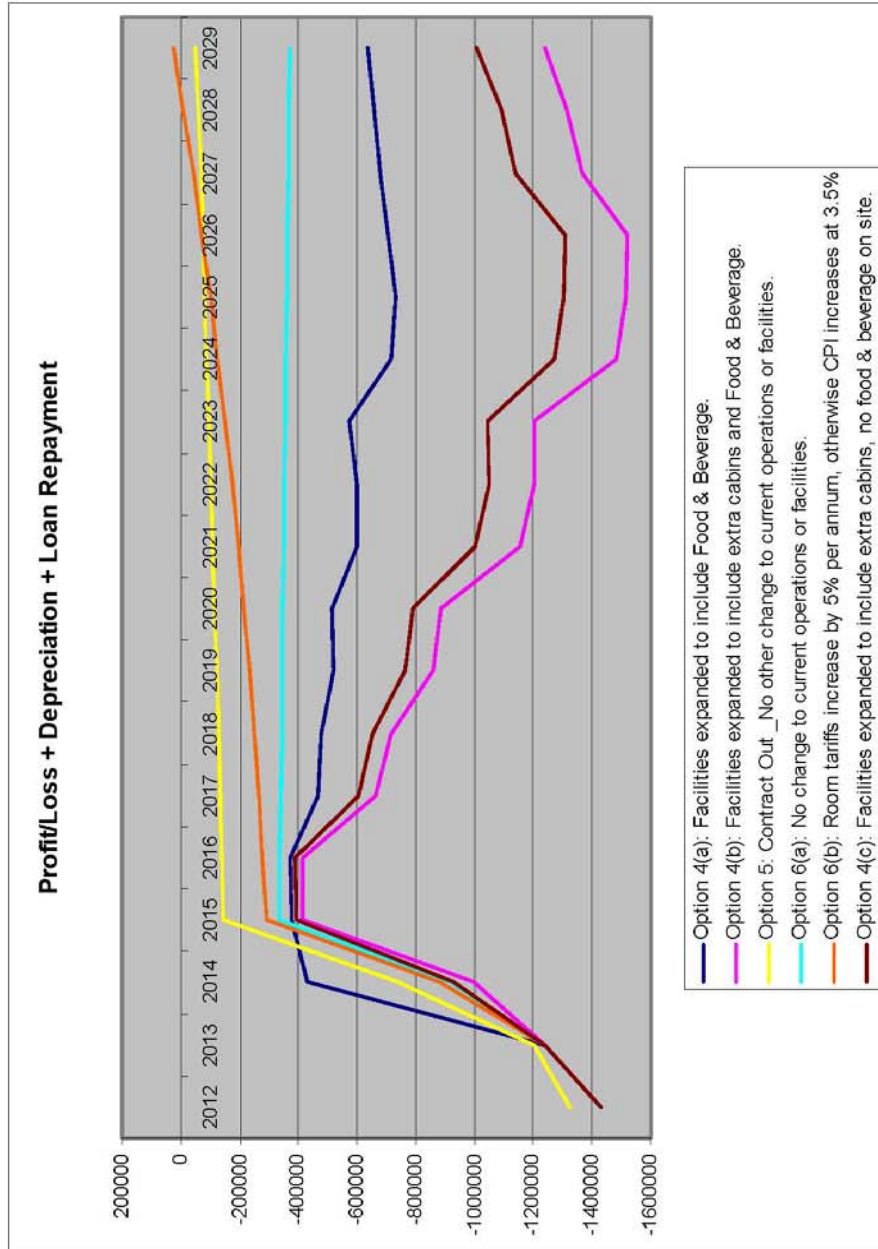
COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1



ITEM NO. 14

FILE NO: PSC2005-3572

AMENDED 355(C) COMMITTEES ANNUAL FINANCIAL STATEMENTS

**REPORT OF: STEVEN BERNASCONI – COMMUNITY AND RECREATION SERVICES
MANAGER**

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Receive the amended 355(c) Committees Annual Financial Statement for the period 1 January 2011 to 31 December 2011.
- 2) Resolves to pay the two committees (Fern Bay Hall Committee, Tomaree Education Multi Purpose Centre Committee) which were not included in the previous 355(c) Committees Annual Financial Statement (24 July 2012) the annual \$1000 subsidy.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Sally Dover Councillor John Nell
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
313	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to recommend to Council the receipt of the amended 355(c) Committees Annual Financial Statement for 2011 and the payment of annual subsidies for Fern Bay Hall Committee and Tomaree Education Multi Purpose Centre Committee.

Annual Financial Statements for Fern Bay Hall Committee and Tomaree Education Multi Purpose Centre Committee were not included in the report submitted to Council 24 July 2012. These statements have since been received and are included in the amended 355(c) Committees Annual Financial Statement for the period 1 January 2011 to 31 December 2011.

Section 355(c) of the Local Government Act, 1993, allows Council to delegate certain functions. A section 355(c) committee is an entity of Port Stephens Council and as such is subject to the same legislation, accountability and probity requirements as Council.

Attachment 1 provides a summary of funds held by all 355c committee for 2011. The amended 355(c) Committees Annual Financial Statement for the period 1 January 2011 to 31 December 2011 is shown as a **Tabled Document**.

This report links to Council's Community Strategic Plan 15.3 Community Involvement & Engagement – *"Involve the community in service delivery where appropriate through volunteer and community groups"*.

FINANCIAL/RESOURCE IMPLICATIONS

Adoption of the recommendations has no negative implications for Council's finances or resources. The annual subsidy for 355c committees is a budgeted item from General Revenue.

The use of 355c committee funds should be in line with Council's strategic directions and be committed to the objectives of each committee's constitution. A focus on maintenance and renewal of facilities would ensure the long term sustainability of community facilities.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Y	\$2,000	\$1,000 each to Fern Bay Hall Committee and Tomaree Education Multi Purpose Centre Committee.
Reserve Funds	N	Nil	
Section 94	N	Nil	
External Grants	N	Nil	
Other	Y	\$762,803.46	Funds held in 46 individual bank accounts held by 355(c) committees

LEGAL, POLICY AND RISK IMPLICATIONS

Section 355(c) of the Local Government Act, 1993, allows Council to delegate certain functions. A section 355(c) committee is an entity of Port Stephens Council and as such is subject to the same legislation, accountability and probity requirements as Council.

All funds and assets held by the Committee belong to Council. The Committee is responsible for the care and control of these funds.

Funds administered by 355(c) committees must meet Council's standards of compliance, management and transparency and committees are required to comply with standard record keeping practices, including submission of reports by due dates.

355(c) committees use a cash book style financial record keeping system (format supplied by Council in the form of a carbonised book or Excel Spreadsheet). The cash book is completed each month and the totals of each month are entered into the Annual Summary Reporting page, which is forwarded to Council annually.

The system was developed in line with recommendations/requirements of Council's auditors to provide a uniform format and transparent auditing of committee financial transactions, which meet the requirements for accountability and GST reporting. The system provides committees with a simplified financial process and staff support through the Facilities & Services Finance Co-ordinator.

The Cash Book System provides a process that minimises risk to both Council and committees.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk of non compliance with the Local Government Act by volunteers resulting in potential legal financial and reputation risk.	Medium	<ul style="list-style-type: none"> • Requirements documented in committee constitution, Volunteer Strategy, 355(c) Committee information Handbook. • Code of Conduct training prior to commencing duties. • 355(c) committees use a cash book style financial record keeping system. • The system provides committees with a simplified financial process and staff support through the Facilities & Services Finance Co-ordinator. • The Cash Book System provides a process that minimises risk to both Council and committees. 	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

355c committees add value to Council's facilities and services. The annual subsidy enables committees to fund their operating costs and in some cases contribute to special projects that help build social and environmental capacity.

There are no foreseeable economic implications from adopting the recommendations.

CONSULTATION

Facilities & Services Finance Co-ordinator
Volunteer Strategy Co-ordinator
355(c) Committees

OPTIONS

- 1) Accept the recommendations
- 2) Amend the recommendations
- 3) Reject the recommendations

ATTACHMENTS

- 1) Summary of Funds held by 355(c) Committees as at 31 December 2011

COUNCILLORS ROOM

- 1) Amended 355(c) Committees Annual Financial Statement Spreadsheet for 2011

TABLED DOCUMENTS

- 1) Amended 355(c) Committees Annual Financial Statement Spreadsheet for 2011

ATTACHMENT 1

Summary of Funds held by 355(c) Committees as at 31 December 2011

355(c) Committee	Opening Balance incl Investments 1/1/2011	Closing Balance incl Investments 31/12/2011
Anna Bay , Birubi Point Reserves, Hall and Tidy Town Committee	4,161.49	4,488.16
Boat Harbour Parks & Reserves Committee	7,443.90	7,962.54
Bobs Farm Public Hall Committee	7,348.68	6,173.50
Corlette Headland Committee	4,193.27	3,442.57
Corlette Reserves & Hall 355(b) Committee	8,333.45	7,988.27
Fern Bay Public Hall, Reserves and Tidy Towns Committee	5,934.29	2,279.02
Fingal Bay Parks & Reserves Committee	2,471.47	2,860.38
Hinton School of Arts Committee	13,304.44	16,289.88
Karuah Community Centre Committee	-	15,001.01
Karuah Tidy Towns / Parks / Reserves and Wetlands Committee	8,545.93	6,203.93
Lemon Tree Passage Parks & Reserves Committee	6,459.14	2,712.38
Mallabula Community Centre Committee	11,389.59	16,864.54
Mallabula Parks & Reserves Committee	5,165.62	5,729.75
Mambo Wanda Wetlands, Reserves & Landcare 355(b) Committee	4,185.75	6,609.07
Medowie Community Centre Committee	19,641.04	29,091.26
Medowie Sports Council	61,110.93	75,595.19
Medowie Tidy Town & Cycleway Committee	3,955.97	3,133.45
Nelson Bay Senior Citizens Hall Committee	22,290.19	27,251.58
Nelson Bay West Parkcare Committee	4,236.72	5,661.44
Ngioka Centre Committee	50,608.16	39,876.10
Port Stephens Adult Choir Committee	4,279.45	7,231.28
Port Stephens Community Bands Committee	5,940.16	6,225.53
Port Stephens Native Flora Garden Committee	667.86	678.89
Port Stephens Sister Cities Committee	24,817.99	22,564.30
Raymond Terrace Parks, Reserves & Tidy Towns Committee	13,156.65	14,400.25
Raymond Terrace Senior Citizens Hall Management Committee	60,051.04	54,867.29
Raymond Terrace Sports Council	17,820.45	31,154.54
Rural West Sports Council	16,009.47	13,588.59
Salamander Ecology Group	1,883.83	Committee Closed
Salt Ash Community Hall, Reserves and Tennis Courts Committee	7,548.52	5,656.91
Salt Ash Sports Ground Committee	40,016.65	50,994.47
Seaham Park and Wetlands Committee	7,100.80	5,896.32
Seaham School of Arts and Community Hall Committee	2,737.85	5,842.60
Shoal Bay Beach Preservation Committee	12,800.21	11,784.97
Soldiers Point - Salamander Bay Parks, Reserves and Hall Committee	10,906.28	Committee Closed

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Soldiers Point / Salamander Bay Tidy Towns and Landcare Committee	3,423.98	3,393.57
Tanilba Bay Parks, Reserves and Hall Committee	6,855.74	8,657.54
Taylors Beach Reserves, Tidy Town and Landcare Committee	10,327.64	11,299.21
Tomaree Education Complex Multi-Purpose Centre Committee	18,722.94	10,824.38
Tilligerry Aquatic Centre Advisory Committee	16,115.90	17,990.76
Lemon Tree Passage Old School Centre (was Tilligerry Community Centre Committee)	21,087.79	18,980.90
Tilligerry Sports Council	16,395.30	26,404.72
Tomaree Sports Council	77,714.98	119,123.18
Tilligerry Tidy Towns and Landcare Committee	4,580.01	9,508.93
West Ward Cemeteries Committee	1,677.28	2,677.44
WW-subcommittee Karuah Columbarium	5,662.64	6,063.29
Williamstown Public Hall Committee	9,436.52	11,779.58
TOTALS	\$668,517.96	\$762,803.46

ITEM NO. 15

FILE NO: A2004-0511

LOCAL TRAFFIC COMMITTEE MEETING – 6 NOVEMBER 2012

REPORT OF: JOHN MARETICH – CIVIL ASSETS SECTION MANAGER

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the recommendations contained in the minutes of the Local Traffic Committee meeting held on 6th November 2012

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor John Nell Councillor Peter Kafer</p>
	<p>That Council refer the following recommendation to the Local Traffic Committee for consideration:</p> <ol style="list-style-type: none"> 1. Make Wallawa Road a one-way Street with traffic moving only in a traffic moving only in an easterly direction from Spinnaker Way to Galoola Drive. 2. Line-mark Wallawa Road to provide car parking on the northern side of the Street and a shared cycleway/footpath on the southern side of the Street. 3. Place a 3-tonne load limit on Wallawa Road. 4. Remove existing speed cushions.

	<p>Councillor Peter Kafer Councillor John Nell</p>
	<p>That the recommendation be adopted with the exception of item 15_06/12 of the Local Traffic Committee report.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
314	<p>It was resolved that Council:</p> <ol style="list-style-type: none"> 1. Adopt the recommendation with the exception of item 15_06/12 of the Local Traffic Committee report and; 2. Refer the following recommendation to the Local Traffic

	<p>Committee for consideration:</p> <ul style="list-style-type: none"> a) Make Wallawa Road a one-way Street with traffic moving only in a traffic moving only in an easterly direction from Spinnaker Way to Galoola Drive. b) Line-mark Wallawa Road to provide car parking on the northern side of the Street and a shared cycleway/footpath on the southern side of the Street. c) Place a 3-tonne load limit on Wallawa Road. d) Remove existing speed cushions.
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BACKGROUND

The purpose of this report is to bring to Council’s attention traffic issues raised and detailed in the Traffic Committee minutes and to meet the legislative requirements for the installation of any regulatory traffic control devices associated with Traffic Committee recommendations. (Community Strategic Plan Section 5.4)

FINANCIAL/RESOURCE IMPLICATIONS

Council has an annual budget of \$44 000 (\$25 000 grant from RMS and the balance from General Revenue) to complete the installation of regulatory traffic controls (signs and markings) recommended by the Local Traffic Committee. The construction of capital works such as traffic control devices and intersection improvements resulting from the Committee’s recommendations are not included in this funding and are to be listed within Council’s “Forward Works Plan” for consideration in the annual budget process.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$5453 of annual budget spent	Annual budget allocation unchanged since 2007/08
Reserve Funds			
Section 94			
External Grants			
Other			

LEGAL, POLICY AND RISK IMPLICATIONS

The Local Traffic Committee is not a Committee of Council; it is a technical advisory body authorised to recommend regulatory traffic controls to the responsible Road Authority. The Committee’s functions are prescribed by the Transport Administration Act with membership of the Traffic Committee extended to the following stakeholder representatives; the Local Member of Parliament, NSW Police, Roads & Maritime Services and Port Stephens Council.

The procedure followed by the Local Traffic Committee satisfies the legal requirements under the Transport Administration (General) Act furthermore there are no policy implications resulting from any of the Committee's recommendations.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Recommendations may not meet community expectations	Medium	Ensure proper consultation is carried out when required, prior to meetings	Yes
Recommendations may not meet required standards and guidelines	Medium	Traffic Engineer to ensure that all relevant standards and guidelines are applied	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The recommendations from the Local Traffic Committee aim to improve traffic management and road safety.

CONSULTATION

The Committee's technical representatives are the Police, Roads and Maritime Services, and Council Officers; they investigate issues brought to the attention of the Committee and suggest draft recommendations for further discussion during the scheduled meeting. One week prior to the Local Traffic Committee meeting copies of the agenda are forwarded to the Committee members, Councillors, Facilities and Services Group Manager and Council's Road Safety Officer. During this period comments are received and taken into consideration during discussions at the Local Traffic Committee meeting.

OPTIONS

- 1) Adopt all or part of the recommendations
- 2) Reject all or part of the recommendations
- 3) Council may choose to adopt a course of action other than recommended by the Traffic Committee for a particular item. In which case, Council must first notify the RMS and NSW Police representatives in writing. The RMS or Police may then lodge an appeal to the Regional Traffic Committee.

ATTACHMENTS

- 1) Local Traffic Committee minutes – 6/11/2012

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1

**LOCAL TRAFFIC COMMITTEE MEETING
HELD ON TUESDAY 6TH NOVEMBER, 2012
AT 9:30AM**

Present:

Craig Baumann MP, Cr Peter Kafer, Cr Geoff Dingle, Cr Sally Dover, Senior Constable John Simmons – NSW Police, Mr Nick Trajevski – Roads and Maritime Services, Mr Joe Gleeson (Chairperson), Ms Michelle Viola, Mr Graham Orr - Port Stephens Council, Mr David Gray – Wallawa Road resident

Apologies:

Mayor Cr Bruce MacKenzie, Mr John Meldrum – Hunter Valley Buses, Mr Mark Newling – Port Stephens Coaches, Ms Lisa Lovegrove, Ms Michelle Page - Port Stephens Council

A. ADOPTION OF MINUTES OF MEETING HELD 2ND OCTOBER, 2012

B. BUSINESS ARISING FROM PREVIOUS MEETING

PORT STEPHENS LOCAL TRAFFIC COMMITTEE AGENDA

INDEX OF LISTED MATTERS TUESDAY 6TH NOVEMBER, 2012

- A. ADOPTION OF THE LOCAL TRAFFIC COMMITTEE MINUTES OF 2ND OCTOBER, 2012
- B. BUSINESS ARISING FROM PREVIOUS MEETING
- B.1 15_06/12 WALLAWA ROAD NELSON BAY – REQUEST FOR REMOVAL OF SPEED CUSHIONS
- C. LISTED MATTERS
- C.1 28_11/12 SHOAL BAY ROAD SHOAL BAY – REQUEST FOR INSTALLATION OF 'NO STOPPING' OPPOSITE THE CARAVAN PARK
- C.2 29_11/12 MARINE DRIVE FINGAL BAY - REQUEST FOR 'NO STOPPING' OPPOSITE THE SURF CLUB
- C.3 30_11/12 MARINE DRIVE FINGAL BAY - REQUEST FOR 40KM/H HIGH PEDESTRIAN ACTIVITY ZONE
- C.4 31_11/12 STOCKTON STREET NELSON BAY - REQUEST FOR REVIEW OF 'NO ENTRY' SIGNAGE AT NELSON BAY BOWLING CLUB CAR PARK EXIT
- C.5 32_11/12 WILLIAM STREET RAYMOND TERRACE - REQUEST FOR REMOVAL OF LIGHT TRAFFIC THOROUGHFARE
- D. INFORMAL MATTERS
- E. GENERAL BUSINESS
- E.1 619_11/12 GAN GAN ROAD ANNA BAY – ROADWORKS FOR BIRUBI BEACH RESORT
- E.2 620_11/12 NELSON BAY ROAD SALT ASH – COMPLAINT REGARDING TRAFFIC QUEUEING DURING PEAK HOLIDAY SEASON
- E.3 621_11/12 MEDOWIE ROAD CAMPVALE – COMPLAINT REGARDING VEGETATION AT THE CAMPVALE ROUNDABOUT
- E.4 622_11/12 MEDOWIE ROAD CAMPVALE – REQUEST FOR THE OUTSIDE LANE OF THE ROUNDABOUT TO BE MADE LEFT-TURN ONLY

B. Matters Arising

B.1 Item: 15_06/12

WALLAWA ROAD NELSON BAY – REQUEST FOR REMOVAL OF SPEED CUSHIONS

Requested by: Cr Dover & Cr Nell

File: PSC2005-4020/086

Background:

The following resolution was passed at the Council meeting held 9th October 2012:

1) **Item 15-06/12 – Wallawa Road** be referred to the Local Traffic Committee for further consideration with the following recommendations:

- a) the temporary cushion located in the vicinity of 22 Wallawa Road be replaced with a full width speed hump, similar to those installed in Foreshore Drive;
- b) that a vibration trial be undertaken in Wallawa Road;
- c) that a 3 tonne weight limit be implemented in Wallawa Road; and
- d) the bus route be diverted around Wallawa Road.

Comment:

There are a number of issues raised by these recommendations:

- a) Advice obtained from Council's engineering staff maintains that a full-width speed hump will create greater levels of vibration than the temporary devices currently installed. This would seem to be counter-productive in alleviating resident's complaints about vibration. As well, an asphalt speed hump similar to those in Foreshore Drive would be very difficult and costly to remove if a trial showed that vibrations were still present.
- b) Funding for vibration monitoring
- c) A weight limit restriction is unsuitable as it would restrict all heavy vehicles movements to Wallawa Road including garbage trucks and delivery vehicles. A restriction on buses alone would prevent all buses including school services from entering Wallawa Road whereas a restriction on all trucks would prevent trucks while allowing buses.
- d) Council does not have authority to change bus routes. Bus routes are devised in consultation between Transport for NSW and bus operators. Bus operators are contracted to supply the service.

Legislation, Standards, Guidelines and Delegation:

NSW Road Rules – Rule 103 – Load limit signs, Rule 106 – No buses signs

RMS signs database – R6-10-1, R6-4

Traffic control devices installed under Part 4 Div. 1 Road Transport (STM) Act

Recommendation to the Committee:

For discussion

Discussion:

A Wallawa Road resident, addressed the Committee in regard to his concerns. He stated that speed humps are not suitable in Wallawa Road, even though they have been successful in reducing traffic speed and volume. The topography of Wallawa Road has resulted in the transmission of vibration from the road cushions into the residences along Wallawa Road. This is causing damage to properties and needs to be addressed. The resident went on to say that buses remain as an ongoing issue in Wallawa Road and that this road is not suitable as a bus route.

Councillor Dingle pointed out that Wallawa Road is the main and only connecting road through this area. If buses were removed from Wallawa Road it would impact on residents from a much wider area than just Wallawa Road. The nearest alternative route being Government Road would mean that a significant number of properties would be well outside the acceptable distance from a bus stop. Cr Dingle pointed out that if the speed humps were removed there would be no need to remove buses, as the cause of the vibrations would no longer exist.

Council officers stated that Council's traffic monitoring had shown a clear reduction in the number of buses running through Wallawa Road, as well as a reduction in the speed of buses. It was also noted that Council's adopted operational plan 2013 states that Port Stephens Council will: "4.7.3 – Advocate for improved access for public transport and improved transport connections". Reducing bus services is clearly contrary to this Council commitment.

Councillor Dover stated that if the speed humps were to be removed that there needs to be other traffic calming put in place. There was a general discussion about the suitability of other traffic calming devices. The previous option of a one-way traffic flow was not supported because of the impact on bus services.

Craig Baumann MP voiced his support for the removal of the speed cushions and agreed to talk to Transport for NSW with regard to bus services in the area.

Correspondence from Port Stephens Coaches and from the resident was tabled at the meeting and is attached as Annexure A.

Committee's recommendation

1. Remove the speed cushions from Wallawa Road.
2. Council to monitor traffic volumes and speed following the removal of the speed cushions
3. Council to hold a meeting with Port Stephens Coaches to insist on a reduction of vehicle speed for buses in Wallawa Road

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

PORT STEPHENS TRAFFIC COMMITTEE
Tuesday 6 November 2012

ITEM NO.15_06/12
Street: Wallawa Road

ANNEXURE A
Page 1 of 3

A BRIEF SUMMARY OF THE SITUATION IN WALLAWA ROAD, NELSON BAY

5th November 2012

The section of Wallawa Road between Galoola Drive and Spinnaker Way is dangerous because:

1. The road is too narrow. It measures 7.4 m from invert of kerb to invert of kerb. It was designed and built in the late 1970's as a "local road". It then serviced only 60 allotments in Wallawa and Bayview Street. Over the ensuing years, Wollomi Avenue, Canomii Close, Tingara Road and the Wallawa Road extension were added. It then serviced almost 300 allotments.
2. Then in 1999, the council allowed Spinnaker Way to be connected to Wallawa Road. This resulted in such an increase in traffic that the road then became classified as a "collector road".
3. "Collector Roads" by council's Auspec design requirements must be 11 m wide.
4. A bus route was then added. The minimum width for a bus route is 11 m wide.

Therefore, Wallawa is ILLEGAL in that it is 3.6 m too narrow!

There are no concrete footpaths, vehicles are forced to park on the footpath verge and pedestrians are forced to walk on the road. Residents have been informed by the council that Wallawa Road is the only street in Port Stephens where you will not be booked for parking on the footpath.

In 2009, as a consequence of the constantly increasing volumes of cars, buses and trucks, the Wallawa Road residents launched a campaign to have what had become a dangerous road made safer.

The resident in company with the then mayor, Cr. John Nell had inspected the substantial cracks that had appeared on the northern side of Wallawa Road between No. 20 and Bayview Street. Wallawa Road was clearly subsiding. The council's response was to re-sheet the road and fill these cracks with bitumen. Wallawa Road is built on the side of a very steep sand dune we believe it to be UNSTABLE.

The council surveyed all of the residents, including those in the surrounding areas and resolved to trial the installation of temporary speed cushions. Whilst this appears to have slowed the traffic it has only reduced the traffic volume, according to our count, by 9.4%. It is still a "Collector Road"!

All of the dwellings near these speed humps, on both sides of the road vibrate when the humps are struck by buses, heavy vehicles, large four wheel drives and idiot drivers. A geotechnical study which was undertaken at No's 20 and 22 Wallawa revealed that these houses were vibrating at 3 times the allowable limit under the EPA guidelines.

This study was undertaken prior to the speed humps being widened, at which time trucks and buses were able to straddle the speed humps with their front wheels and only the inside rear (duel) wheels struck the speed humps. Since the speed humps have been widened, all of the wheels of trucks and buses now strike the speed humps and the vibrations have increased substantially. A new geotechnical study would now reveal a very different picture. Structural damage is now occurring in some dwellings.

We wholeheartedly support the one-way proposal in the Traffic Committee's recommendation of 5th June 2012 and would like to see the council's resolution of 9th October added, with the exception of Item a) "the temporary speed cushion in the vicinity of No. 22 Wallawa Road be replaced with a full width speed hump similar to those in Foreshore Drive". We strongly support the 3 tonne limit and the diversion of the buses around Wallawa Road.



5th November 2012

Att: Mr Joe Gleeson
Traffic Engineer
Port Stephens Council
RAYMOND TERRACE

Dear Joe

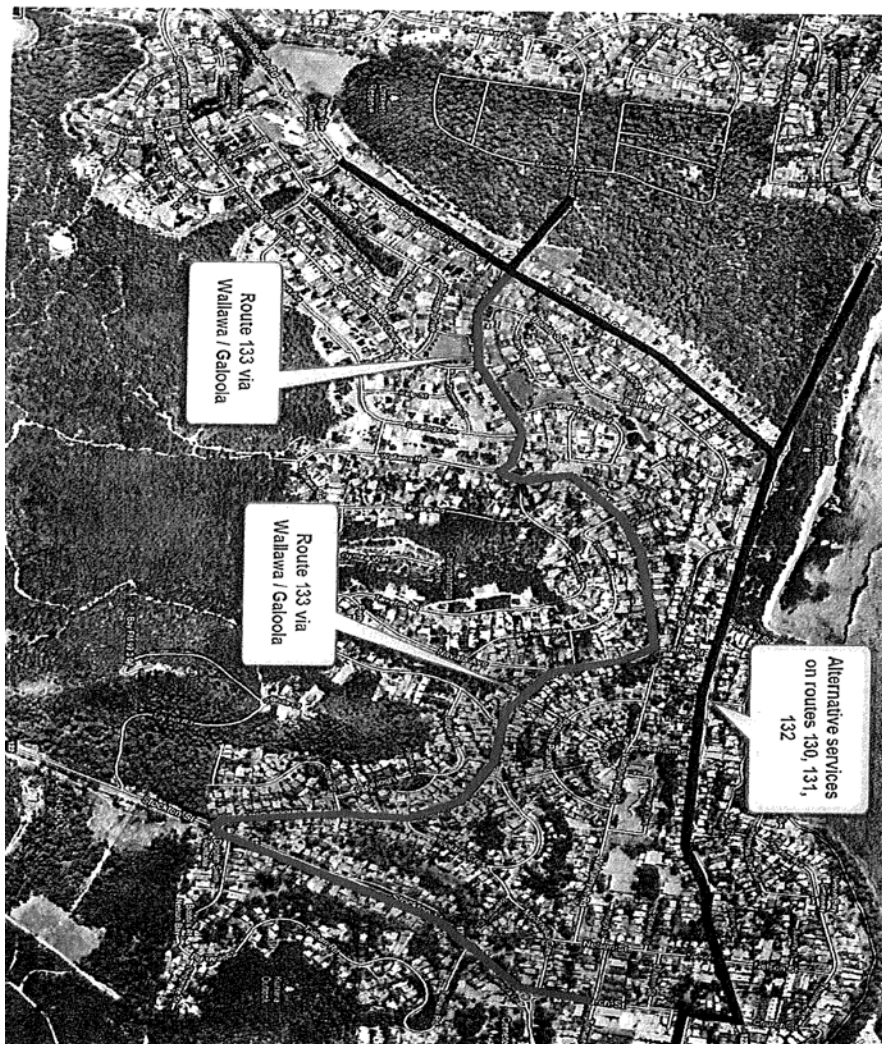
In relation to the review of Wallawa Road and bus usage I would like to make the following comments:

Wallawa Road forms part of Route 133 travelling via Bagnall Beach Road, Galoola Drive & Stockton Street to Nelson Bay.

- 1) As part of offering accessibility to all in the community Port Stephens Coaches started running services via Wallawa Road and Galoola Drive over ten years ago. Under the bus service contracts in NSW, service is supposed to be guaranteed so that 90% of households are within 400metres of a bus route
- 2) School services also utilise this route in the morning and afternoon offering safe access to and from local and Newcastle schools.
- 3) Since the issue was first raised service levels have been reduced and there is a commitment not to increase service levels in the future, unless requested by the community.
- 4) Any proposal to withdraw services completely from Spinnaker Way (east of Bagnall Beach Road), Wallawa Road and Galoola Drive would result in residents being in excess of 400metres distance from a regular bus route operating during daylight hours (see attached diagram). The topography of the area concerned, and the resultant road layout, is also problematic in that the routing of the existing 133 service is the only feasible route available between Bagnall Beach Road and Stockton Street.
- 5) One way is not seen as an option for the operation of bus services.
- 6) Residents have bought houses on the basis of being on the bus route (see attached letter)
- 7) TfNSW, in liaison with Port Stephens Coaches, would need to consult with the local community if any proposals to remove or substantially reduce services on any particular bus route are developed. This would also be required should a bus route be planned to operate in new streets. Given the nature of the surrounding street layout and topography of the area, this would result in buses operating along Government Road and Bagnall Beach Road (where there are existing bus services) leaving a considerable number of residents in excess of reasonable walking distance to a bus service, and an over servicing of the other roads.
- 8) If an alternative route was found, it would also require consultation with residents on alternative streets, especially with regard to installation of bus stops, which may raise similar issues (noise, road width etc.) to those relating to Wallawa Road.

Overall Port Stephens Coaches is aiming to meet the needs of current users and potential future users. In an aged community reducing bus services and accessibility is not a desirable outcome for the community.

Yours, sincerely,



Sent: Sunday, 4 November 2012 5:52 PM
To: Mark Newling
Subject: Local Bus Service

Mr Mark Newling,
Director,
Port Stephens Coaches.

I live in Sergeant Baker Drive and I have heard a disturbing rumour that my local public transport service is under threat. When I retired and decided to settle in this area I had to take into account all manner of pros and cons regarding the purchase of my new and hopefully my final home and one of the deciding factors that helped me choose where I did was the very close proximity of the bus route. As one gets older this takes on a more and more important aspect of ones life, the comfort of knowing that infirmity and not being able to drive ones self will not cause you to be a prisoner in your own home or make you dependant upon others to get you through your daily needs, to visit the shops or more importantly, the doctors. Independence for seniors means every thing and dependency on others is a most daunting prospect and one that I do not relish. Please do all in your power to ensure that this rumoured route closure does not happen.

Yours Sincerely,

(Name & address withheld)

Listed Matters

C.1 Item: 28_11/12

SHOAL BAY ROAD SHOAL BAY – REQUEST FOR INSTALLATION OF 'NO STOPPING' OPPOSITE THE CARAVAN PARK

Requested by: Shoal Bay Holiday Park

File: PSC2005-4189/139

Background:

The caravan park operator requests installation of 'No Stopping' restrictions opposite the park entry to prevent people parking and blocking access to the park.

Comment:

It is likely that this area was previously signposted with 'No Stopping' but as no record of previous authorisation can be found this item is listed for formal approval.

Legislation, Standards, Guidelines and Delegation:

NSW Road Rules – Rule167 – No stopping signs

RMS signs database – R5-400

Traffic control devices installed under Part 4 Div. 1 Road Transport (STM) Act

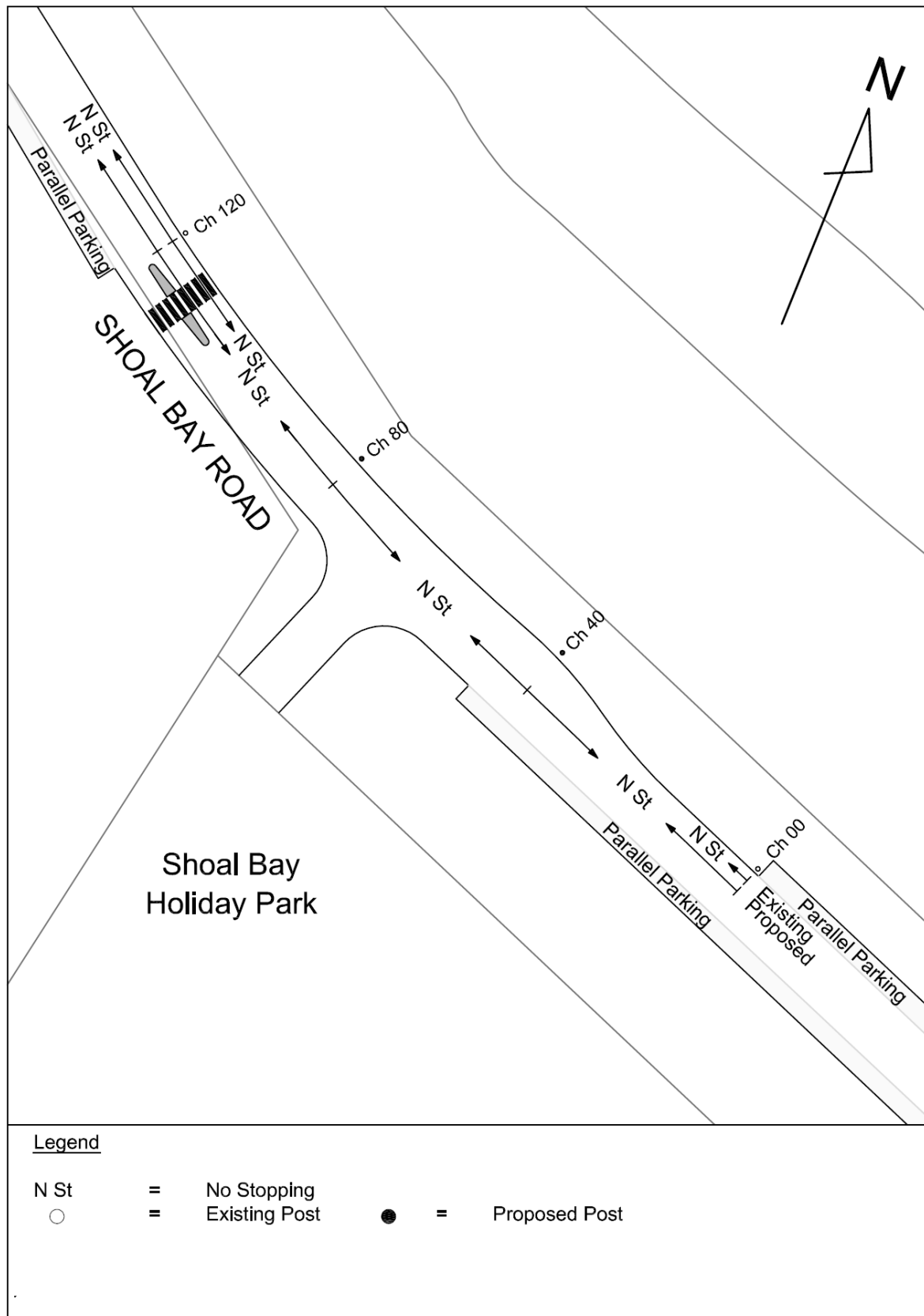
Committee's Recommendation:

Install 'No Stopping' restrictions in Shoal Bay Road, Shoal Bay, as shown on the attached sketch, Annexure A.

Discussion:

Support for the recommendation:

- | | | |
|---|-------------------|---|
| 1 | Unanimous | ✓ |
| 2 | Majority | |
| 3 | Split Vote | |
| 4 | Minority Support | |
| 5 | Unanimous decline | |



C.2 Item: 29_11/12

MARINE DRIVE FINGAL BAY - REQUEST FOR 'NO STOPPING' OPPOSITE THE SURF CLUB

Requested by: A resident

File: 156255/2012

Background:

Council received a complaint that cars are parking at the pedestrian refuge opposite the Fingal Bay surf club making it unsafe for pedestrians crossing the road at this location.

Comment:

The area is currently signposted as 'No Parking' with some of the signs missing. The Roads and Maritime Services technical direction for pedestrian refuges stipulates 'No Stopping' is to be used in this situation.

Legislation, Standards, Guidelines and Delegation:

NSW Road Rules – Rule167 – No stopping signs

RMS signs database – R5-400

RMS Technical Direction TDT 2011/01a – Pedestrian refuges

Traffic control devices installed under Part 4 Div. 1 Road Transport (STM) Act

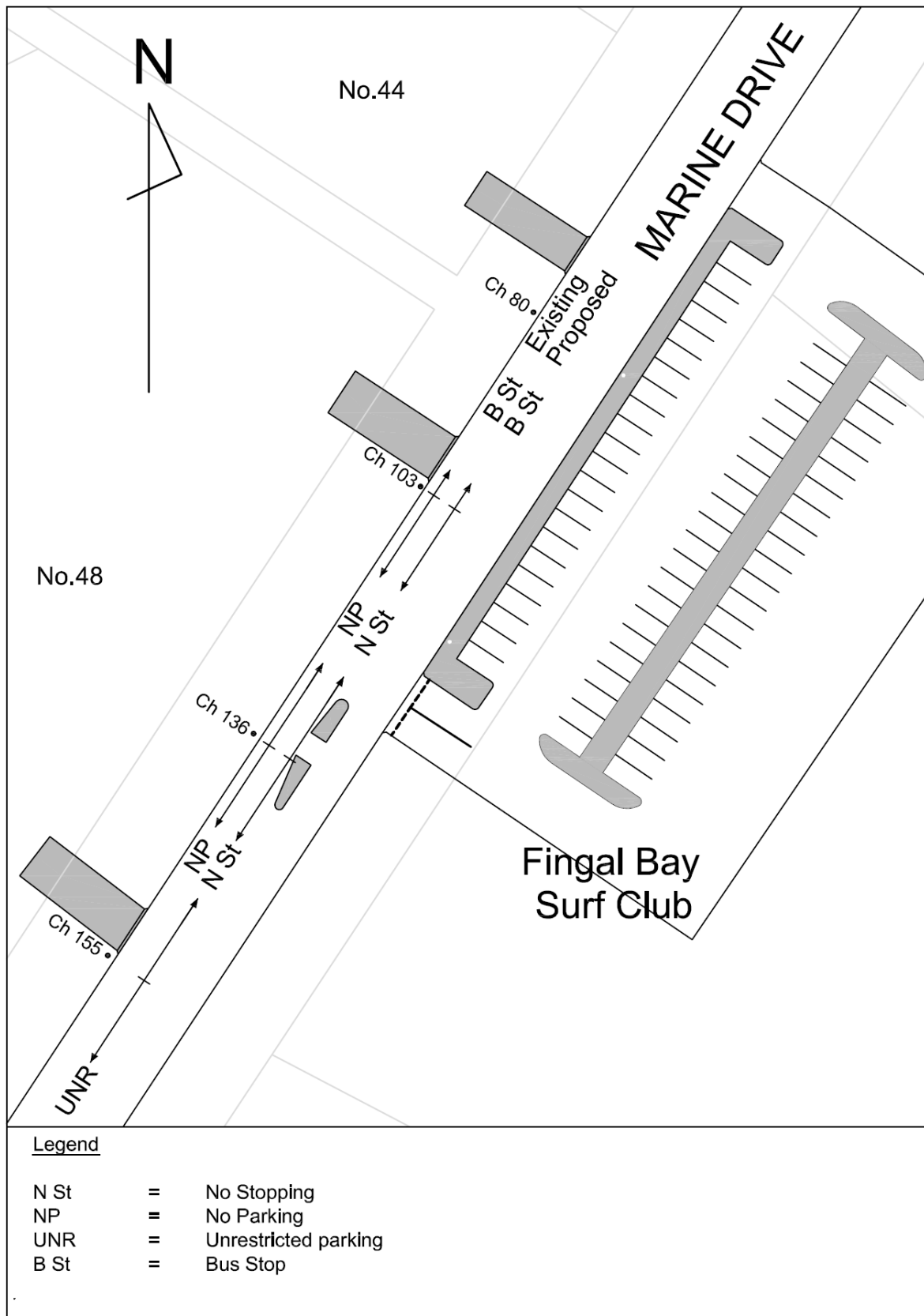
Committee's Recommendation:

Install 'No Stopping' restrictions in Marine Drive Fingal Bay, as shown on the attached sketch, Annexure A.

Discussion:

Support for the recommendation:

- | | | |
|---|-------------------|---|
| 1 | Unanimous | ✓ |
| 2 | Majority | |
| 3 | Split Vote | |
| 4 | Minority Support | |
| 5 | Unanimous decline | |



C.3 Item: 30_11/12

MARINE DRIVE FINGAL BAY - REQUEST FOR 40KM/H HIGH PEDESTRIAN ACTIVITY ZONE

Requested by: Cr Dover
File: 154908-2012
Background:

Local residents have contacted Councillor Dover requesting the establishment of a 40km/h area in Fingal Bay. With many people crossing to the beach from the caravan park and the residential areas there are safety concerns.

Comment:

Roads and Maritime Services '40km/h High Pedestrian Activity Area Guidelines' sets out the criteria for identification of areas of high pedestrian activity. Annexure A shows a flowchart from the guideline which outlines various activities which must be present in order for an area to qualify for consideration as a 40km/h HPA area. An assessment of Marine Drive, Fingal Bay indicates that this area does not qualify as a 40km/h HPA area however installation of traffic calming could still be considered by Council.

The area adjacent to the caravan park and the beach access does generate significant pedestrian activity especially during peak holiday season. There are several path connection points in this area with no marked pedestrian crossings.

Legislation, Standards, Guidelines and Delegation:

RMS - NSW Speed zoning guidelines
RMS – 40km/h High Pedestrian Activity Area Guidelines
Traffic control devices installed under Part 4 Div. 1 Road Transport (STM) Act 1999
Traffic control facilities installed under Part 8 Div. 2 of the Roads Act 1993

Discussion:

The RMS representative informed Traffic Committee that all requests should be dealt with by RMS and requested that this matter be referred to RMS for further investigation. Cr Dingle requested a copy of the 40km/h HPA Guidelines.

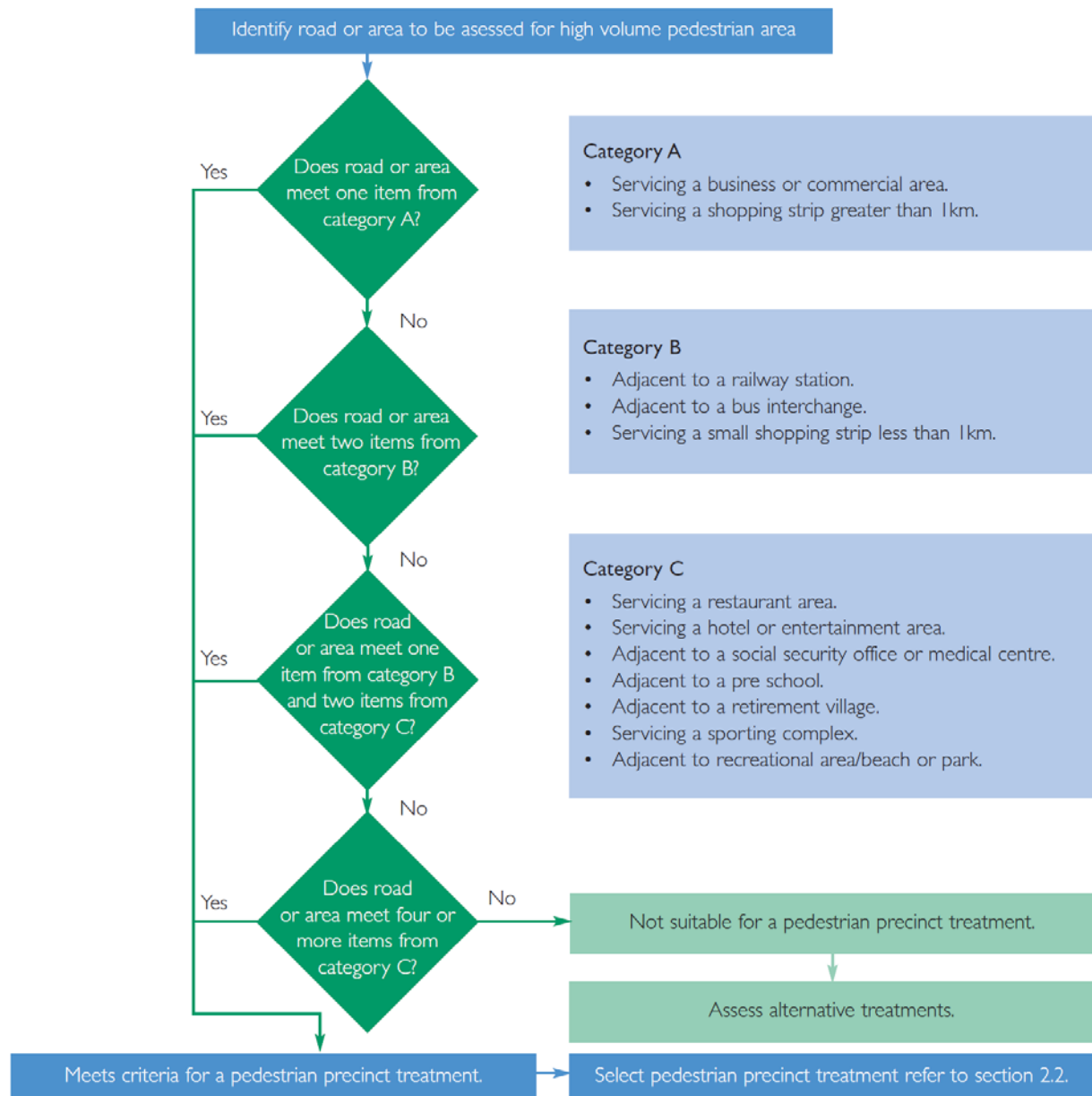
Committee's Recommendation:

That this matter be referred to RMS for investigation

Support for the recommendation:

- | | | |
|---|-------------------|---|
| 1 | Unanimous | ✓ |
| 2 | Majority | |
| 3 | Split Vote | |
| 4 | Minority Support | |
| 5 | Unanimous decline | |

→ Figure 1 Flowchart for identification of high volume pedestrian areas Criteria for identification of areas of high pedestrian activity



C.4 Item: 31_11/12

STOCKTON STREET NELSON BAY - REQUEST FOR REVIEW OF 'NO ENTRY' SIGNANGE AT NELSON BAY BOWLING CLUB CAR PARK EXIT

Requested by: Ms Debbie Pickering - Port Stephens Council

File: PSC2005-4019/377

Background:

There is now a 'No Entry' sign at the entrance to Carumbah Memorial Gardens/Nelson Bay Cemetery which is used by the cemetery contractor and building staff (and parks staff). Some issues have arisen with the installation of this sign which has created a dangerous and difficult situation for large vehicles of both the contractor and Council staff who regularly access this area.

- The new NO ENTRY sign at Carumbah Gardens/Nelson Bay Cemetery means that the cemetery contractor and Council staff (Building Trades & Parks Staff) who regularly undertake work at this site are now required to gain access to the Memorial Gardens via the Nelson Bay Bowling Club main car park.
- Their trucks and machinery are large and driving through the crowded & busy car park is dangerous and difficult.
- They now must enter the Memorial Gardens via a grassed area not designated for vehicles
- This creates a thoroughfare in the Memorial Gardens which is dangerous for pedestrians attending the gardens (which are supposed to be places of quiet reflection)
- It also damages the grass surface of the memorial garden
- Gaining access through the small gap (designed for pedestrians) from the Nelson Bay Car park to the memorial gardens is not always possible as cars sometimes block the gap and the gap is sometimes not large enough for the equipment to get through.

Large vehicles must choose between turning against the sign (illegal & fine) or trying to gain access through the main car park of the NB Bowling Club and travel across the grass surface of the memorial garden which is not meant to have vehicular access.

Comment:

Traffic Inspection Committee members noted that the issue with traffic conflict is more likely to occur at the intersection of the car park exit and the cemetery driveway and that the driveway connection to Stockton Street is wide enough to allow 2 vehicles to pass safely.

Legislation, Standards, Guidelines and Delegation:

NSW Road Rules – Rule100 – No Entry signs

RTA signs database – R2-4

Traffic control devices installed under Part 4 Div. 1 Road Transport (STM) Act

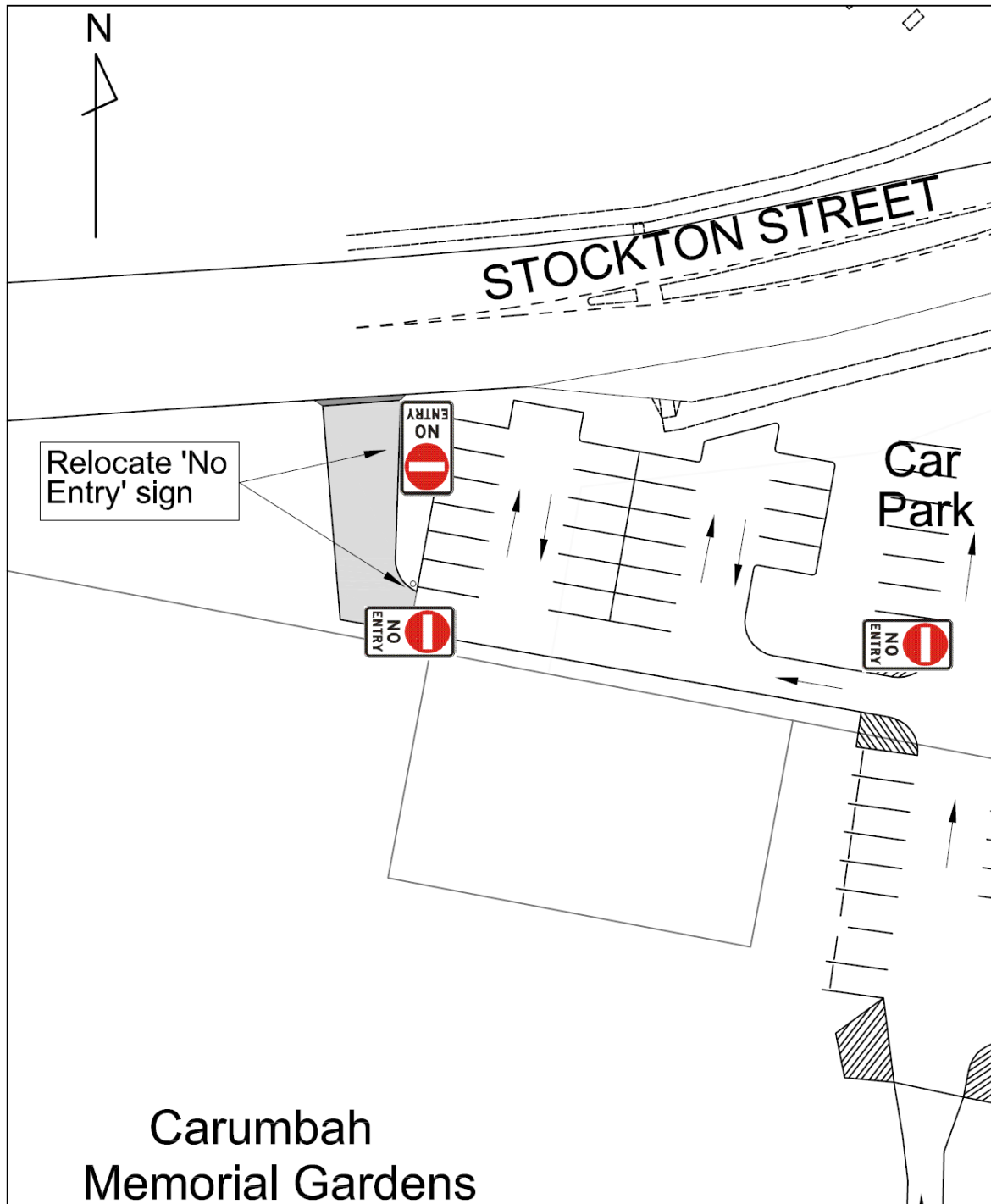
Committee's Recommendation:

Relocate the 'No Entry' sign from the driveway exit on Stockton Street Nelson Bay, to the car park exit, as shown on the attached sketch, Annexure A.

Discussion:

Support for the recommendation:

- | | | |
|---|-------------------|---|
| 1 | Unanimous | ✓ |
| 2 | Majority | |
| 3 | Split Vote | |
| 4 | Minority Support | |
| 5 | Unanimous decline | |



Legend

No Entry = No Entry (R2-4)

C.5 Item: 32_11/12

WILLIAM STREET RAYMOND TERRACE - REQUEST FOR REMOVAL OF LIGHT TRAFFIC THOROUGHFARE

Requested by: Port Stephens Council

File: PSC2010-04559/011

Background:

Council is currently reviewing signage requirements for Light Traffic Thoroughfare's (LTT) throughout the Port Stephens Council LGA and the existing LTT in William Street between Adelaide Street and Irrawang Street does not appear to be necessary.

Comment:

The LTT in William Street could possibly be a remnant from when Adelaide Street was the Pacific Highway with the LTT designed to keep heavy vehicles on the main road. With the lower traffic volume now using Adelaide Street there appears to be no need for it. The main class of heavy vehicle currently using the street are buses which are actually using the street in contravention of the weight restriction.

Legislation, Standards, Guidelines and Delegation:

RTA signs database – R6-10-2

NSW Road Rules – Rule103 – Load limit signs

Traffic control devices removed under Part 8 Div. 2 Roads Act

Committee's Recommendation:

Remove the weight restriction on William Street Raymond Terrace, between Adelaide and Irrawang Streets.

Discussion:

Support for the recommendation:

- | | | |
|---|-------------------|---|
| 1 | Unanimous | ✓ |
| 2 | Majority | |
| 3 | Split Vote | |
| 4 | Minority Support | |
| 5 | Unanimous decline | |



E. General Business

E.1 ITEM: 619_11/12

GAN GAN ROAD ANNA BAY – ROADWORKS FOR BIRUBI BEACH RESORT

Requested by: Keller Civil Engineering

File:

Background:

Keller Civil are the construction company working on the Birubi Beach Resort at Anna Bay and have requested the use of temporary traffic signals on Gan Gan Road during construction of the roadworks along Gan Gan Road fronting the resort.

Discussion:

Traffic Committee members noted the very busy nature of Gan Gan Road and the upcoming holiday period which will see increased traffic accessing the coastal areas. Traffic Committee members are opposed to the use of traffic signals and contra-flow traffic during construction. Any traffic control used must maintain traffic flow in both directions with the use of side tracks if necessary.

Committee's recommendation:

The Traffic Committee is opposed to the use of temporary traffic signals in this instance.

E.2 ITEM: 620_11/12

NELSON BAY ROAD SALT ASH – COMPLAINT REGARDING TRAFFIC QUEUEING DURING PEAK HOLIDAY SEASON

Requested by: Craig Baumann MP

File:

Background:

Craig Baumann raised the issue of the length of traffic queue that has been occurring at this roundabout in recent years. The morning peak traffic from Nelson Bay has seen queues stretch back from the roundabout across the Tilligerry Creek Bridge.

Discussion:

Traffic Committee members noted that this has been raised in previous years with RMS and traffic counts were undertaken.

Committee's recommendation:

Refer the request to RMS for consideration.

E.3 ITEM: 621_11/12

MEDOWIE ROAD CAMPVALE – COMPLAINT REGARDING VEGETATION AT THE CAMPVALE ROUNDABOUT

Requested by: Cr Dingle

File:

Background:

Councillor Dingle raised the matter of the recently planted vegetation on the north-eastern corner of the Campvale roundabout. Council had received a request to review the plantings and the potential for obstruction of sight distance for traffic at the roundabout. This was inspected by the Traffic Inspection Committee which recommended no action be taken other than normal maintenance of the planting to maintain sight distance at the roundabout.

Discussion:

Councilor Dingle requested that a suitable letter be sent to the complainant from Traffic Committee regarding the vegetation on the Campvale mound explaining that this was supported and that the location was assessed by Council and that the current vegetation consists only of small native plants and the vegetation height will be managed.

Committee's recommendation:

Council's Traffic Engineer to write a letter to the complainant.

E.3 ITEM: 622_11/12

MEDOWIE ROAD CAMPVALE – REQUEST FOR THE OUTSIDE LANE OF THE ROUNDABOUT TO BE MADE LEFT-TURN ONLY

Requested by: Cr Dingle

File:

Background:

Councillor Dingle raised concerns about the behaviour of drivers entering the Campvale roundabout and attempting overtaking manoeuvres in the outside lane.

Discussion:

Committee members discussed that this practice occurs on all legs of the roundabout and does increase risk as drivers are more intent on overtaking than observing other traffic entering the roundabout.

Committee's recommendation:

That the RMS considers making all outside lanes left-turn only

ITEM NO. 16

FILE NO: PSC2011 - 04342

SUSTAINABILITY REVIEW – INFRASTRUCTURE CONSTRUCTION AND ROAD MAINTENANCE

REPORT OF: PETER MURRAY – OPERATIONS MANAGER

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Infrastructure Construction and Road Maintenance **(TABLED DOCUMENT)**.
- 2) Endorse the implementation of the Recommendations detailed in Service Strategy – Infrastructure Construction and Road maintenance **(ATTACHMENT 1)**.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Geoff Dingle Councillor John Nell</p>
	<p>That the recommendation be adopted.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
<p>315</p>	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

The purpose of this report is to present to Council the outcomes of the sustainability review for the Service Strategy - Infrastructure Construction and Road Maintenance and to seek endorsement to implement the recommendations detailed in the Strategy.

Infrastructure Construction and Road Maintenance service strategy concerns the following services:

Construction of road and drainage construction projects,

Routine road maintenance such as pothole patching and gravel road regrading, Delivery of specific maintenance programs such as road resurfacing and road rehabilitation.

Operations Section undertakes road maintenance on the Local and Regional road networks on behalf of Council and the State road network for Roads & Maritime Services (RMS) under a service level agreement and contract respectively.

FINANCIAL/RESOURCE IMPLICATIONS

Council's Infrastructure Construction and Road Maintenance function has an equivalent full time staffing positions of 46 and is funded from a number of sources. For 2012/13:

Source of Funds	Yes/No	Funding (\$)	Comment
Operating Expenditure	Yes	\$10,207,200	Includes both Council and Roads and Maritime Services (RMS) works
Internal Income	Yes	(\$7,211,200)	From Assets Section
Revenue	Yes	(\$266,000)	Return to revenue from contract works
Corporate Overheads	Yes	\$428,700	
Section 94	No	\$0	
External Grants	Yes	(\$6,267,200)	From Roads & Maritime Services for State Roads contract works
Other	Yes	\$3,108,500	Councils capital works program

Further process improvements identified in the sustainability review have the capacity to reduce unit rates for production (**ATTACHMENT 1**). Even minor productivity improvements can realise significant cost savings that will result in higher levels of service to the community while still operating within a limited operational budget.

The Local and Regional Road maintenance services have already been subject to 3 years of "capped" budgets whereby budgets have not increased at the same rate as fixed costs, such as asphalt and aggregates, have increased. This has forced process improvement and extensive workplace change to occur to maintain existing services to the community while bridging this funding gap.

LEGAL, POLICY AND RISK IMPLICATIONS

Council has a legal obligation under the Local Government Act and the Roads Act to manage the Local and Regional Road Network within the Local Government Area. Works completed for Roads and Maritime Services are on a contract basis and Council is under no legal obligation to undertake these works.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that these assets will not be adequately maintained and this will lead to disruption of use/service.	Medium	Adopt recommendations and continue to improve efficiencies through process improvement.	Yes
There is a risk that these assets will not be maintained to an acceptably "safe" standard that will lead to property loss or personal injury.	High	Assets are monitored from a risk management prospective and work is scheduled on a risk minimisation basis. Continual improvement of processes to minimise waste and improve effectiveness. Further develop employee skills in effective risk management practices.	Yes
There is a risk of reduced revenue if Council was to lose the Roads & Maritime Services contract work which will lead to less funding for works that benefit the community.	Low	Adopt the recommendation and continue to improve efficiencies through process improvement.	Yes
There is a risk that limited availability of suitable contractors will lead to projects being delayed.	Medium	Continue to provide cost competitive services in house while improving efficiencies through process improvement.	Yes
There is a risk that projects will not be completed to standard which will lead to reduced economic life spans for these assets	High	Adopt the recommendation and continue to improve efficiencies through process improvement.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Benchmarking of major processes within these functions has indicated Council is providing these services at a competitive cost which provides a service delivery model that is superior to an outsourced option. Extensive process improvement has already been completed on road patching and heavy pavement repair techniques and further change is planned (**ATTACHMENT 1**).

The recommendations contribute to positive social, economic and environmental outcomes by increasing the effectiveness or the value realised from the expenditure incurred in the maintenance of these important community assets and minimise the risk that these assets will become unusable and/or unsafe.

The provision of a safe and reliable road network supports many aspects of a prosperous community. Consequently there are no sustainability implications in adopting the recommendations of this report.

CONSULTATION

- 1) Customers of Infrastructure Construction and Road Maintenance
- 2) Two Way Conversation with Councillors – 23rd October 2012

OPTIONS

- 1) Adopt the recommendations contained in the Service Strategy – Infrastructure Construction and Road Maintenance;
- 2) Amend the recommendations contained in the Service Strategy – Infrastructure Construction and Road Maintenance;
- 3) Reject the recommendations contained in the Service Strategy – Infrastructure Construction and Road Maintenance.

ATTACHMENTS

- 1) Recommendations - Service Strategy - Infrastructure Construction and Road Maintenance.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Sustainability Review – Infrastructure Construction and Road Maintenance.

ATTACHMENT 1

Recommendations - Service Strategy - Infrastructure Construction and Road Maintenance

Service	Details	Net One Off costs/savings	Recurrent cost/savings
outline Maintenance of Council Roads	<p><u>Larger skid steer loader</u> - Purchase of larger skid steer loader to reduce time spent excavating heavy pavement patches. Current skid steer machine is scheduled for replacement in 2013/14 and recommendation can be implemented at this time.</p>		<p>Potential to reduce excavation time by up to 20% which would represent a 5% saving on overall process. This increase in productivity would equate to an extra 150m²/month based on current production rates.</p>
	<p>Implementation Date : July 2013</p> <p><u>Alternative Works for Crew</u> - Improved scheduling to allow more alternative works to be completed by the heavy patching crew while waiting for asphalt to cool. Scheduling to include works based on proximity to work site and would include items such as guidepost or pit entry maintenance</p>		<p>While down time is not evident at all locations, the ability to have flexible work scheduling will lead not only to more production but also a much more efficient use of the crew's time.</p>
	<p>Implementation Date : October 2012</p> <p><u>12 Month Pothole Patching Mix Trial</u> - Long term trial of mix performance across a range of locations and prevailing weather conditions. Expected to take at least 12 months before reliable data is available. Trial commenced July 2012 with locations of mix being recorded by the patching team leaders.</p>		<p>Opportunity for significant drop in rework from 40 – 60% back to around 30% if mix types are matched well to pavement and weather.</p>
	<p>Implementation Date : Currently underway</p> <p><u>Improved Promotion</u> - Improved communication of pot hole patching process to elected members and ratepayers. Avenues for communication to include Councils website, newsletters and Youtube for example.</p> <p>Implementation Date : January 2013</p>		

Service	Details	Net One Off costs/savings	Recurrent cost/savings
---------	---------	---------------------------	------------------------

Improved level of service – Investigate use of current patching truck to form nucleus of new heavy patching crew, truck to be utilised for pot hole patching when peak pot hole patching demand is evident. Implementation would lead to an improved level of service as the long term benefits for the road network would be significant. Implementation would be reliant on an annual increase of funding to the sealed road network of \$700,000.

Implementation Date : As additional road maintenance funding becomes available

Introduce Mobile Computing – Introduce mobile computing devices into patching trucks to allow exact location of defect repairs and better real time tracking of patching operations. Reduced paper work and rework as data is downloaded and synchronised at the end of each shift while the program for the next day is being uploaded into the device.

Implementation Date : March 2013

Construction of Roads and Civil Infrastructure

Increased Lead time from Design to Construction - Construction plans completed at least 3 months prior to construction commencing for 95% of projects. Establish and track lead and lag indicators around milestones and individual project components.

Implementation Date : Currently underway

Provides the biggest opportunity for process improvement as delays at this level have compounding effects throughout the entire project.

Service	Details	Net One Off costs/savings	Recurrent cost/savings
---------	---------	---------------------------	------------------------

Plant charge out procedures

Standardise procedures to be developed around the charging out of plant whenever on the job site.

Implementation Date : December 2012

Review of Councils Infrastructure Specifications

Review to ensure greatest benefit/cost ratio is realised.

Implementation Date : July 2013

Implement laser and GPS guidance systems on all Council Construction works.

Industry estimates predict savings on materials of up to 20% once system is fully operational. On a standard Council road rehabilitation job this would represent a saving of approximately \$20,000. Apart from savings in materials the system delivers a much higher conformance to designed finished surface level.

Implementation Date :- January 2013

Removal of unfunded positions from Organisational Structure.

Positions that are vacant and surplus to current funding levels are to be deleted from the organisational structure:

PSC411 – Works Hand

PSC414 – Works Hand

PSC336 - Operator

Implementation Date :- Immediately

Total Cost Impact 2013/14: \$0 \$0

ITEM NO. 17

FILE NO: PSC2011-04363

SUSTAINABILITY REVIEW – CHILDREN'S SERVICES INFRASTRUCTURE

REPORT OF: STEVEN BERNASCONI – COMMUNITY AND RECREATION SERVICES
MANAGER

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Children’s Services Infrastructure and endorse the findings of the review.
- 2) Negotiate tenancy agreements for Council owned land and buildings that are used by community managed children services groups by June 2013.
- 3) Commence discussions with Crown Lands for Council to resign its Corporate Trust Management of Crown Reserve 89297 (Karingal Community Preschool Nelson Bay) and Reserve 170142 (Seaham Preschool playground only) and for the occupants of these Crown Reserves to have direct leases or licences with Crown Lands.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Chris Doohan Councillor Geoff Dingle</p>
	<p>That the recommendation be adopted.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
316	<p>It was resolved that the recommendation be adopted.</p>

BACKGROUND

The purpose of this report is to present to Council the outcomes of the sustainability review for Children's Services Infrastructure and seek endorsement of the recommendations contained in the Children's Services Infrastructure Service Strategy.

Children's Services Infrastructure links to the 2012 Community Strategic Plan through the Delivery Program 1.4 – *"Advocate, plan and provide for appropriate facilities, services and opportunities for children and young people"*.

Council owns 12 buildings that are used to provide community based pre schools and long day care centres. Four of these 12 buildings house Councils own children's services businesses and these businesses were considered in a separate sustainability review in June 2012. This sustainability review is focused on the remaining eight buildings and how these buildings are managed in the best possible way. Three of these eight buildings have current tenancy agreements therefore this report relates primarily to the remaining five centres that do not have current tenancy agreements. Refer to Attachment 1 for a breakdown of the centres and their current tenancy status.

FINANCIAL/RESOURCE IMPLICATIONS

Adopting the recommendation will not increase any draw on finances or resources. Transferring Corporate Trust Management of the Crown Reserve 89297 and Reserve 170142 will have a nil effect on the Council bottom line as these two sites have been largely self managed by the existing tenants over the past 38 and 10 years respectively. Transferring Corporate Trust Management of these two site will in effect be a business as usual approach for finances for these sites.

Creating tenancy agreements with the five sites has the potential to increase external revenue to Council from the current base of \$7088 p.a. to approximately \$25,000 p.a. This additional revenue would lessen the current ratepayer burden associated with managing these assets and would also be put towards asset management in general.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$18,000	Potential new revenue to be raised from new tenancy agreements per year.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal impediments to endorsing the recommendations.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Risk to reputation with Council being perceived as putting upward pressure on the cost of early child education.	High	Communications Plan developed to clearly state Council's intention and actions.	Yes
Risk of inadequate asset management processes leading to significant financial burdens in future years and potential non compliance with regulations.	High	Adopt the recommendation	Yes
Risk to safety from occupants modifying assets outside of any formal agreement and process.	High	Adopt the recommendation	Yes
Risk to complaints handling if roles and relationships are not clearly defined in a legal tenancy agreement.	Medium	Adopt the recommendation	Yes
Risk to legal requirements for licensed children's services to operate from legally tenanted venues that comply with license conditions.	Medium	Adopt the recommendation	Yes
Risk to compliance from knowingly providing rent free community owned infrastructure to incorporated associations that compete in the children's services market.	Low	Adopt the recommendation	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Community based preschools not only fill a market gap in early childhood learning they also create social capacity through the building of management and legal skills in the volunteers that manage the centres. Adopting the recommendation will give certainty of tenure to existing community based preschools who can then continue to provide their services to the broader community.

The Commonwealth Child Care Benefit rebate that applies to long day child care centres is not available for community based preschool families. Whilst some working families that use community preschools may be eligible for a rebate from the Family Assistance Office this rebate is small compared to the Child Care Benefit. Thus any increases in costs for community preschools will have a direct impact on the ability for working families to pay for this service.

Additionally the community preschools operate financially on a calendar year and set fees in December for the following calendar year. This will be taken into consideration when negotiating the commencement date of any licence or lease fee payment schedule.

Adopting the recommendation is not expected to have any adverse impacts on the local ecology of the area.

CONSULTATION

The Directors of community based preschools were contacted and advised of the recommendations of this review and the recommended timeline to negotiate the tenancy agreements. These Directors represented the following community preschools: Karingal Preschool Nelson Bay, Medowie Community Preschool, Birubi Point Community Preschool, Karuah Community Preschool, Wallalong Community Preschool, Seaham Preschool.

The Hunter office of Crown Lands was approached on their view of Council resigning its Corporate Trust Management of Crown Reserve 89297 and Reserve 170142.

Various Council officers have been consulted during this review including Council's Property Investment Coordinator, Property Officer Community Leasing, Property Officer, Community and Recreation Assets Coordinator, Children's Services Coordinator and former Community Services Manager (retired).

OPTIONS

- 1) Adopt the recommendations
- 2) Amend the recommendations
- 3) Reject the recommendations

ATTACHMENTS

- 1) Children's Services Infrastructure locations and tenancy arrangements.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Sustainability Review – Children's Services Infrastructure – Service Strategy
- 2) Sustainability Review – Children's Services Infrastructure – Service Strategy Annexure

**ATTACHMENT 1
CHILDREN'S SERVICES INFRASTRUCTURE LOCATIONS AND TENANCY
ARRANGEMENTS**

Site	Location	Land Classification	Tenancy Agreement
Birubi Point Community Pre-school	1a Fishermans Bay Road ANNA BAY	Council land classified as "Community"	None. Will require licence agreement.
Karingal Community Pre-school	6 Gowrie Avenue NELSON BAY	Crown Land with Council as Corporate Trust Manager	None. Will require lease agreement with Crown Lands involvement.
Karuah Community Pre-school	2 Engal Avenue KARUAH	Council land classified as "Operational"	None. Will require licence agreement.
Medowie Community Pre-school	42 Kindlebark Drive MEDOWIE	Council land classified as "Community"	None. Will require combination of lease and licence agreement as more than one parcel of land involved.
Wallalong Community Pre-school	19 Morpeth Street WALLALONG	Council land classified as "Community"	None. Will require licence agreement.
Raymond Terrace Early Learning Centre	88 Benjamin Lee Drive RAYMOND TERRACE	Council land classified as "Community"	Current tenancy agreement in place.
Salamander Bay Children's Centre	155 Salamander Way SALAMANDER BAY	Council land classified as "Operational"	Current tenancy agreement in place.
Seaham Community Pre-school (playground only)	10 Brandon Street SEAHAM	Crown Land with Council as Corporate Trust Manager	Current tenancy agreement in place.
Medowie Children's Centre	40 Brush Box Avenue MEDOWIE	Council land classified as "Community"	Current tenancy agreement in place.
Raymond Terrace Activity Van	17E Irrawang Street RAYMOND TERRACE (Boomerang Park)	Council land classified as "Community"	Current tenancy agreement in place.
Medowie Before and After School Care Centre	15 Ferodale Road MEDOWIE (Medowie Public School)	Council infrastructure located on Department of Education land.	Current tenancy agreement in place.
Port Stephens Family Day Care Coordination Unit	57 Port Stephens Street RAYMOND TERRACE	Council land classified as "Community"	Current tenancy agreement in place.

ITEM NO. 18

FILE NO: PSC2011-04342

SUSTAINABILITY REVIEW – STORES AND DEPOT SUPPORT SERVICES

REPORT OF: PETER MURRAY – OPERATIONS MANAGER

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Stores & Depot Support Services (**TABLED DOCUMENT**).
- 2) Endorse the implementation of the recommendations detailed in the Service Strategy – Stores and Depot Support Services (**ATTACHMENT 1 & 2**).

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Ken Jordan Councillor Sally Dover
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
317	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to present to Council the outcomes of the sustainability review for the Stores and Depot Support Services and to seek endorsement to implement the recommendations detailed in the strategy.

Councils' Stores team provide the following services:

Purchase and distribution of stock to their customer's specification,
Control of the stock in relation to reconciliation and costing and
Managing the day to day operation of Councils' depot facilities.

The advantage of this approach is that Councils' procurements of high turnover items are managed consistently, transparently and efficiently via a centralised stores function to provide best value to Council. This approach also allows this activity to

be benchmarked against other alternative suppliers and importantly avoids the inefficient duplication of purchasing activities across all teams of Council by having this work completed by one team.

FINANCIAL/RESOURCE IMPLICATIONS

The Stores team consist of 3 full time equivalent employees who are self funding through the services they provide. For 2012/13, the Store's key financial indicators are:

Source of Funds	Yes/No	Funding (\$)	Comment
Operating Expenditure	Yes	\$321,728	Cost of providing store function
Stores Oncost Recovery	Yes	(\$334, 245)	Income generated to fund the cost of providing store services.
Internal Income	Yes	(\$16,882)	Income from providing delivery services to other internal customers.
Corporate Overheads	Yes	\$29,399	
Reserve Funds	No	Nil	
Section 94	No	Nil	
External Grants	No	Nil	
Other	No	Nil	

LEGAL, POLICY AND RISK IMPLICATIONS

There is no legal obligation for Council to own and operate the Stores function.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the additional costs of supplying store items and this will lead to reduced funding for works that benefit the community.	High	Adopt the recommendation and continue to improve efficiencies through process improvement.	Yes
There is a reputation and probity risk associated with a decentralised store function	High	Adopt the recommendation and continue to provide the store function in house.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Benchmarking of the twenty highest turnover stock items demonstrated that the current centralised Store arrangements provided twice as many items at the lowest

cost when compared to the next two best suppliers and importantly was able to provide all the required stock from one point of supply.

Due to the diversity of Council's operations, the Store has customised its supply lines to specifically satisfy the needs of these customers. The depot based Store arrangements also alleviates the downtime associated teams having to spend time away from job sites procuring their own store items and the cost, spoilage and potential probity risks associated with small and uncoordinated stocks of stores that would result if this function was decentralised **(TABLED DOCUMENT)**.

However it is also recognised that improvements can be achieved in the operation of this function and it is recommended that process improvement activities continue **(ATTACHMENT 1 & 2)**.

These recommendations contribute to positive social, economic and environmental outcomes by decreasing the costs associated with the supply of common items used in the delivery of maintenance and other services used for the upkeep of important community assets. Consequently there are no adverse sustainability implications in adopting the recommendations in this report.

CONSULTATION

- 1) Customers of the Stores and Depot Services
- 2) Executive Leadership Team
- 3) Two Way Conversation with Councillors – 13th November, 2012

OPTIONS

- 1) Adopt the recommendations contained in the Service Strategy - Stores and Depot Services.
- 2) Amend the recommendations contained in the Service Strategy - Stores and Depot Services.

ATTACHMENTS

- 1) Recommendations – Service Strategy - Stores and Depot Services Sustainability Review Phase 1
- 2) Recommendations – Service Strategy - Stores and Depot Services Sustainability Review Phase 2

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Service Strategy – Stores and Depot Services

ATTACHMENT 1

Recommendations – Service Strategy - Stores and Depot Services- Phase 1

Service	Details (Phase 1) Improvements to Stores services To be completed by December 2013	Net One off costs/savings	Recurrent costs/savings
Procurement & Distribution of Supplies	<p><u>Increase Store Turnover</u> - actively seek to increase store turnover by 10% by July 2013 by:</p> <ul style="list-style-type: none"> • Revise staff roster to effectively increase Store operating hours, • Stocking any commonly purchased item that is not currently stocked and is being currently purchased on corporate cards. • Raising the profile of the Store and its services by advertising and other promotions within the organisation. • Increase Vendor Inventory to minimise slow moving stock items and create additional space to stock higher turnover items. • Expand Delivery Services – in addition to distributing fuel, expand service to include the field supply of oils, spare parts and other requested store items. • Introduce "Blue Box Job Packs" of boxed supply of scheduled service consumables to Building Trades and Mechanical Workshops. • Introduce "Drop & Swap" first aid kit replacement/replenishment service. • Introduce a Temporary Roadwork Sign storage management scheme to reduce waste. <p>(Cost saving based on turnover increasing from \$1.2M to \$1.32M and Store On-cost thereby reducing from 25% to 22% in 2013/14)</p> <p><u>Revised Fuel Delivery Costing Process</u> - to ensure the cost recovery of onsite supply of diesel is included in the plant hire rate to be consistent with the plant hire industry.</p> <p><u>Uniform Insignias</u> - Replace embroidered uniform insignia with "iron on" insignia to reduce current cycle time from 1 to 6 weeks to 1 day and at reduced supply cost.</p>	Nil	Achieving a 10% increase in turnover by 2013/14 would achieve a 3% saving in the cost of items to customers or a saving of \$37,000 pa directly to the organisation.

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Service	Details (Phase 1) Improvements to Stores services To be completed by December 2013	Net One off costs/savings	Recurrent costs/savings
Stock Control	<p><u>Stock Control Automation</u> - Use bar-coded bins and scanning of items to permit automatic reorder to suppliers as well as increased inventory accuracy.</p> <p><u>Deployment Flowcharts</u> - Ensure all key processes are documented.</p> <p><u>PDSA Reviews</u> - Create a habit of ongoing process review of key processes.</p>	Currently Unknown	Currently Unknown
Depot Support Services	<p><u>Raymond Terrace Depot Redevelopment</u> – To address deteriorated condition of existing asset and the address the poor Store facilities but conditional on the outcome of the organisations Sustainability Review, proceed without delay on the redevelopment of Raymond Terrace Depot. Complete conceptual planning, stakeholder consultation, detailed design and gain development consent by December 2013.</p> <p><u>Nelson Bay Depot Improvements</u> - To address the limited facilities of the current depot. Work to include additional storage sheds and central office and meeting/training room facilities.</p>	Increased level of service will result in additional costs	Increased level of service likely to result in additional costs
Total Cost Impact 2012/13		\$0	\$0

ATTACHMENT 2

Recommendations – Service Strategy - Stores and Depot Services– Phase 2

Service	Details (Phase 2) Improvements to Stores services To be completed by December 2014	Net One off costs/savings	Recurrent costs/savings
Procurement & Distribution of Supplies	<p><u>Amalgamation of the Store function</u> - with the Procurement unit for example would provide synergies that would provide benefits to both functions. This would require some multi skilling of existing roles to occur and would be investigated subsequent to the "PMMS Health Check" procurement review scheduled for late 2012.</p> <p><u>Nelson Bay Depot Relocation</u> - To commence investigation of the desirable location of this facility in the long term given the limited land tenure at the current location.</p>	\$0	Unknown
Total Cost Impact 2013/14:		\$0	\$0

ITEM NO. 19

FILE NO: PSC2011-04370

SUSTAINABILITY REVIEW – STRATEGIC PLANNING UNIT

REPORT OF: BRUCE PETERSEN - COMMUNITY PLANNING & ENVIRONMENTAL SERVICES
MANAGER

GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Strategic Planning Unit and endorses the findings of the review.
- 2) Note the commitment to continually review and look for opportunities to enhance services.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Ken Jordan Councillor Chris Doohan
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
318	It was resolved that the recommendation be adopted.

BACKGROUND

This Report presents the key findings of the Strategic Planning Services Sustainability Review and seeks endorsement of the recommendations contained in the Strategic Planning Service Strategy (the Strategy). The Strategy is included as **(ATTACHMENT 1)**.

A comprehensive review of Strategic Planning Services (the service package) was undertaken in line with the principles of Best Value and is in accordance with the delivery of the Community Strategic Plan 2021: Strategic Direction 5 – Governance and Civic Leadership.

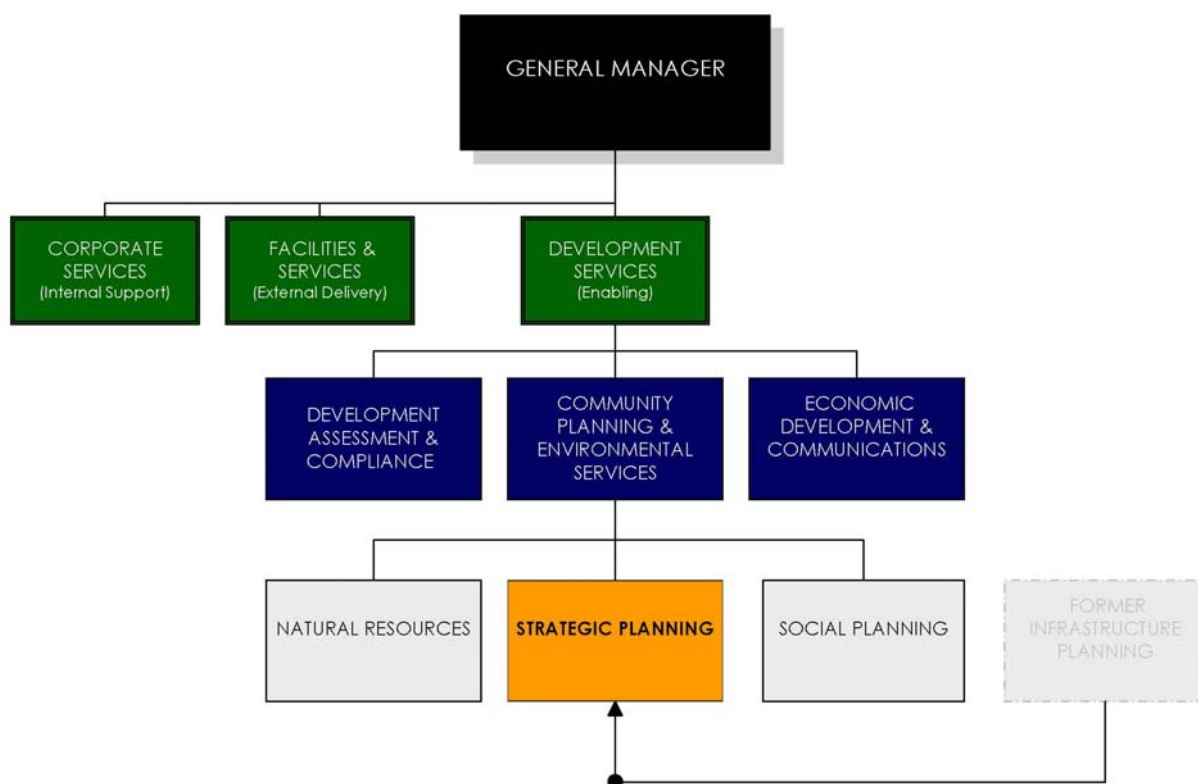
The sustainability review followed the process set by Organisation Development comprising three key stages:

- Stage 1 Reviewing what is currently delivered – ie. Service drivers (legal, financial, operational)
- Stage 2 Reviewing what should be delivered – ie. Service levels (at what standard and at what cost).
- Stage 3 Reviewing how it should best be delivered – ie. Service delivery method (delivery model).

The findings of all stages of the review are documented in the Strategy at **(ATTACHMENT 1)**.

Strategic Planning Services

Strategic Planning and Plan Making within Council is undertaken by the Strategic Planning Unit which is one of three units within the Community Planning and Environmental Services Section. Development Assessment and Compliance is undertaken by a separate Section, with both areas co-ordinated within the Development Services Group. (see chart)



Local Government is charged with the responsibility of undertaking strategies and statutory planning under the NSW Environmental Planning and Assessment Act 1979. Strategic planning enables Council to provide a holistic approach to land use issues

and challenges and also enables Council to provide responses to Regional and State planning directives relevant to local community needs. As such it has the ability to influence outcomes for the short term and long term benefit.

The Strategic Planning Unit is responsible for developing a comprehensive land use strategic planning framework (For example, the Port Stephens Planning Strategy 2011) and preparing statutory planning documents which implement the Strategy, including local environmental plans (for example Port Stephens LEP 2000), development control plans, guidelines and policy under the Environmental Planning and Assessment Act 1979.

A number of imperatives drive the need for Council to develop a comprehensive local planning framework and development plans, including delivery of future growth through a balance between economic, social and environmental land use demands to meet the community needs. The Strategic Planning Unit takes a lead role within Council to guide its land use planning agenda. This work also includes urban growth area infrastructure planning to facilitate new development.

In addition to providing an overarching strategic planning land use framework and preparation of strategies and plans, other primary roles of the Unit are:

- Process requests to amend the Local Environmental Plan (LEP) rezoning/planning proposals;
- Developer contribution plans (S.94) and policy including administration of funds collected and negotiating Planning Agreements (PA) and Works in Kind (WIK) with developers;
- Flood and infrastructure studies to identify land use opportunities and constraints;
- Processing of applications for Planning Certificates (S.149) for property conveyance;
- Developing and maintaining land information data base (geophysical and cultural) to support the Group utilising Council's GIS systems to provide spatial layers;
- Responding to state planning policy and legislative requirements;
- Providing internal advice and direction around strategic land use planning matters;
- Heritage advice and Heritage Committee support; and
- Advise other government agencies, the community and developers regarding Council strategic planning framework initiatives and direction.

Service Review Findings

The Sustainability Review undertook an examination of all activities provided by the Strategic Planning Unit. These individual activities were consolidated into seven primary service functions:

- Planning Strategies and Policy;
- Regulatory Plans;
- Developer Contributions Planning and Administration (S.94);

- Planning Certificates (S.149);
- Land information data sets and mapping;
- Heritage Advice and Heritage Committee support; and
- Advice and information.

Key findings of the Sustainability Review are:

Current Position

Approximately two years ago a review was undertaken in the Section which saw the amalgamation of two units – Strategic Planning and Infrastructure Planning which reduced the number of coordinators from two to one. The outline of the following current positions includes this structure, however, the effectiveness of these changes are addressed in the **Service Priorities and Key Recommendations**.

- There is a strong demand to facilitate investment in appropriate areas as promptly as practicable;
- There is a legal requirement under the Environmental Planning and Assessment Act 1979 for Council to provide strategic planning services and maintain an impartial based decision making framework for the co-ordinated management of future growth;
- Strong demand exists for an improved planning framework and planned future growth demands, particularly in response to the draft NSW State Planning reforms which indicates a stronger focus on strategic planning with increased demands for plan review and growth target estimates;
- The nature of planning in Port Stephens area is often complex, given the natural environment, urban development constraints and existence of Aircraft Noise;
- Port Stephens has large greenfield sites which require significant resourcing to facilitate the achievement of dwellings on the ground to meet the long term growth projections in the Port Stephens Planning Strategy and the Lower Hunter Regional Strategy (including Medowie, Kings Hill and Wallalong);
- The breadth of activities undertaken in the Strategic Planning Unit is broader than some other planning units identified when benchmarked against other councils. This demands a more integrated approach to land use planning across the Council, in particular infrastructure delivery in conjunction with the Facilities and Services Group; and
- Grant funding currently accounts for approx 26% of the Strategic Planning Unit's income. Council should continue to maximise its opportunities for Grant funding available for strategies.

Service Priorities & Key Recommendations

To review the fairly new but current structure of the Strategic Planning Unit has been a timely opportunity and has demonstrated that the new structure is functioning well with a more integrated delivery focused approached. As part of this structural change the position of Strategic Engineer was reviewed and realigned to improve the links between strategy work and delivery. This role Strategic and Project

Management Planner is not located in the Facilities and Services Group. As a result of these findings no further structural changes are recommended.

- The income from developer contributions is an important financial input into Council's infrastructure and asset delivery. It is important to maximise the developer contribution funds (Section 94) available to Council when there is a nexus with development growth. The review of current standards and the need to identify any funding short falls based on future growth predictions in a timely and responsive manner is critical to ensure opportunities are not lost;
- To achieve a more efficient and timely review process for developer contributions needs there is a proposal to investigate the costs/ benefits of a web-based development contributions system (effectively used by other Councils in NSW). Once established, the system would reduce the cost of administering S.94 funds and improve transparency and service to customers;
- Alignment of priorities and planning between the Drainage Team with Facilities and Services and Flooding studies (currently undertaken as part of the development of planning strategies) under one team would allow greater efficiencies of s94 funds for works/mitigation measures and planning. This service for long term planning is to be guided through the Strategic Engineer within Facilities and Services rather than continue the service in the Strategic Planning unit;
- Investigate the provision of flood information to the community by introducing a fee for service flood information certificate with potential recurrent per annum income of \$30,000, subject to IT support. This function is currently provided verbally and through customer feed back. A more formalised approach from Council is desired;
- Continue to maintain the shift towards "up front" infrastructure planning in building capacity to better facilitate, plan, and deliver new urban release areas through development of infrastructure plans. This move for infrastructure planning to be considered a higher priority is the result in the timing of large release areas progressing with limited government support but significant government pressure to achieved houses on the ground. In the recent restructure combining the Strategic Planning Unit with the former Infrastructure Unit, this has provided cost savings with greater co-ordination of growth and infrastructure as well as linking more closely with the Facilities and Services area who eventually manage and maintain the assets;
- Continue a focus on planning and delivery of the new local planning framework established by the adoption of the Planning Strategy in 2011 and following through with a new local environmental plan (LEP) and more simplified development control plan (DCP) based on State Government directives and local community needs;
- Continue to provide the free service of the Pre-lodgement Strategic Planning Panel which provides "up front" advice and direction to proponents prior to lodgement of a planning proposal (rezoning request);
- Continue to improve the interface between Council's Authority Data Base System by linking planning controls to the strategic planning mapping data hosted on Councils GIS system. This link will facilitate the improvement pursued in planning certificate processing times;

- Heritage advisory service provides the community access to grant funding for the service which is outsourced. Continue to outsource on the basis of continued grant funding only;
- Continue to use 'up-front' project planning to ensure timelines and resourcing are adequately considered early in project phases. This approach provides a clearer more robust approach to project delivery; and
- Continue to review positions as and when vacancies arise.

FINANCIAL/RESOURCE IMPLICATIONS

The recommendations of this review has potential additional recurrent income of approx \$30,000 per annum through introduction of an improved flood information service. Further cost benefits in consultation with IT will be undertaken to further quantify net benefits.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		Sustainability review undertaken within existing resources.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Strategic planning is undertaken by local government as a requirement of the NSW Environmental Planning & Assessment Act 1979 (EP& A Act) which is the first stage of a two tiered process:

- 1) Strategic Planning and Plan making (Part iii of the EP& A Act)
- 2) Development Assessment & compliance (Part iv EP& A Act)

The costs of providing services are generally related to staff, organisational oncost, and evidence based studies eg flooding, economic, infrastructure and land use studies. Income is received through fees and charges and grants and therefore can be variable. The income is also largely market driven i.e. the number of rezoning requests and planning certificates received annually and subsequent income is largely outside the control of Council and driven by market demand

There is a high risk associated with an absence of strategic planning to plan and deliver future growth and infrastructure needs of the community and provide a decision making framework for land use as part of Council's responsibilities as on consent authority for development assessment decisions under the EP&A Act.

The review has shown that the current service levels are relevant and generally well above that of similar Councils of similar budgets. Any reduction in service level would

likely reduce Council's ability to service our Strategic Planning objectives and potentially increase Council's legal, financial and reputational risk.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
Reduction in service levels of non discretionary services	High	Continue the current level of relevant nondiscretionary services (eg. Advice and information).	Yes
Reduction in service levels of discretionary services.	High	Continue the current level of discretionary services such as facilitated project planning for large urban release areas (ie Kings Hill land holder meetings) and the provision of strategic planning advice through the Pre-lodgement Strategic Planning Panel.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

If Council considers alternative options to the recommendations within the Strategic Planning Unit Service Strategy, there is the potential that this will affect the capacity of the Council to meet service levels identified in the sustainability review.

CONSULTATION

- Business Excellence Co-ordinator;
- Executive Leadership Team;
- Organisational Development;
- Civil Assets Section;
- Community Planning and Environmental Services Section;
- Development Services;
- Development Assessment and Compliance;
- Survey of general customers at Duty Counter;
- Survey of Group Manager Development Services;
- Survey of General Manager;
- Presentation to and Survey of Industry Reference Group; and
- Benchmarking Survey of lower Hunter Councils.

OPTIONS

- Adopt the recommendations contained in the Sustainability Review – Strategic Planning Unit Service Strategy;
- Amend the recommendations contained in the Sustainability Review – Strategic Planning Unit Service Strategy; or
- Council reject the recommendations contained in the Sustainability Review – Strategic Planning Unit.

ATTACHMENTS – *all listed below are provided under separate cover*

- 1) Sustainability Review - Service Strategy –Strategic Planning Unit.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 20

FILE NO: PSC2011-04342

SUSTAINABILITY REVIEW – MECHANICAL AND FABRICATION WORKSHOPS

REPORT OF: PETER MURRAY – OPERATIONS MANAGER

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Mechanical & Fabrication Workshops **(TABLED DOCUMENT)**.
- 2) Endorse the implementation of the recommendations detailed in the Service Strategy – Mechanical & Fabrication Workshops **(ATTACHMENT 1)**.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Sally Dover Councillor Geoff Dingle
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
319	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to present to Council the outcomes of the sustainability review of the Mechanical and Fabrication Workshops and to seek endorsement to implement the recommendations detailed in the Mechanical and Fabrication Workshops strategy.

The Mechanical unit perform servicing and repair of Councils' fleet items to manufacturer's specifications.

The Fabrication unit provide engineering fabrication and related maintenance services of assets and plant items, as well as the fabrication of new structures such as handrails and vehicle barriers for cycle ways.

FINANCIAL/RESOURCE IMPLICATIONS

Council's Mechanical and Fabrication workshop functions are undertaken on a full cost recovery basis that includes all staff associated costs and Councils' corporate overheads.

For 2012/13, Mechanical and Fabrication's key financial indicators are:

Source of Funds - Mechanical	Yes/No	Funding (\$)	Comment
Operating Expenditure	Yes	\$1,293,287	Expenditure of parts for repairs and services
Internal Income	Yes	\$1,402,837	Recovered from charging for services and repairs
Revenue	Yes	\$20,000	From servicing Rural Fires Services vehicles.
Corporate Overheads	Yes	\$130,550	
Reserve Funds	No	Nil	
Section 94	No	Nil	
External Grants	No	Nil	
Other	No	Nil	

Source of Funds - Fabrication	Yes/No	Funding (\$)	Comment
Operating Expenditure	Yes	\$268,076	
Internal Income	Yes	\$309,642	Recovered from works performed for internal customers.
Revenue	Yes	\$500	From minor contract works
Corporate Overheads	Yes	\$42,066	
Reserve Funds	No	Nil	
Section 94	No	Nil	
External Grants	No	Nil	
Other	No	Nil	

LEGAL, POLICY AND RISK IMPLICATIONS

There is no legal obligation for Council to own and operate the Fabrication and Mechanical workshops.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk of additional costs if vehicle and equipment servicing and repairs are outsourced and this will lead to less funding for works that benefit the community.	High	Adopt the recommendation and continue to improve efficiencies through process improvement.	Yes
There is a risk of disrupted services if Council's workshop functions are outsourced and this will lead to delays in Council crews responding to road defects for example.	Medium	Adopt the recommendation and continue to improve efficiencies through process improvement.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Benchmarking of the Mechanical and Fabrication charge out rates clearly indicated that the service, repairs and fabrication services are provided at significantly cheaper rates than alternative suppliers in the market. This benchmarking information is detailed in the Service Strategy – Mechanical and Fabrication Workshops (**TABLED DOCUMENT**). Onsite mechanical and fabrication workshops also guarantee prompt response to plant and vehicle breakdowns that thereby minimises service interruptions to key Council services such as road repair and upkeep of sports fields for example.

However it is also recognised that improvements can be achieved in the operation of the workshop and it is recommended that process improvement activities continue (**ATTACHMENT 1**).

These recommendations contribute to positive social, economic and environmental outcomes by decreasing the costs associated with the supply of vehicles and equipment used in the delivery of maintenance and other services for the upkeep of important community assets. Consequently there are no adverse sustainability implications in adopting the recommendations in this report.

CONSULTATION

- 1) Customers of the Mechanical and Fabrication Workshops
- 2) Executive Leadership Team
- 3) Two Way Conversation with Councillors – 16th October, 2012

OPTIONS

- 1) Adopt the recommendations contained in the Service Strategy - Mechanical and Fabrication Workshops.
- 2) Amend the recommendations contained in the Service Strategy - Mechanical and Fabrication Workshops.

ATTACHMENTS

- 1) Mechanical and Fabrication Workshops Sustainability Review Recommendations

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Service Strategy – Mechanical and Fabrication Workshops

ATTACHMENT 1

Recommendations – Service Strategy - Mechanical and Fabrication Workshops

Service	Details	Net One off costs/savings	Recurrent costs/savings
Mechanical – Unscheduled Maintenance	<u>Increased Span of Operating Hours</u> - 6:30am – 4:00pm to ensure maximum coverage during typical work hours of Plant Operators, so they have the capacity to have repairs conducted in a timelier manner. This would consist of creating two overlapping shifts of: 6:30am – 15:30pm and 7:00am – 16:00pm.	Undetermined	Undetermined
Mechanical - Scheduled/ Unscheduled Maintenance	<u>Decrease in Positions</u> - It was determined that 5 currently unfunded and vacant positions are not necessary for the operation of the workshop and therefore should be removed from the organisational structure. <u>Lead & Lag Indicators</u> – develop indicators to monitor the efficiency of workshop. For example comparing Manufacturer's specified service hours against actual hours within the Mechanical Workshop.		
Mechanical Workshop: - Scheduled Maintenance	<u>Re-Refined Lubricants</u> - Use re-refined oils to reduce of embodied emissions by up to 42% and at a lower cost, where permitted by vehicle manufacturer specifications and warranties.		
All	<u>PDSA Process Improvement</u> - continuously improve service delivery and internal processes to minimise waste and non-value adding. <u>Raymond Terrace Depot Redevelopment</u> – To address the deteriorated condition of the existing asset and to address current security and occupational safety issues, increased productivity with a "drive through" workshop and store, increased "external to Council" work capabilities etc.		
	Total Cost Impact 2012/13:	\$0	\$0

ITEM NO. 21

FILE NO: PSC2011-04342

SUSTAINABILITY REVIEW – ROADSIDE, DRAINAGE & PARKS MAINTENANCE

REPORT OF: PETER MURRAY – OPERATIONS MANAGER
 GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the information contained in the Service Strategy – Roadside, Drainage & Parks **(TABLED DOCUMENT)**.
- 2) Endorse the implementation of the recommendations detailed in Service Strategy – Roadside, Drainage & Parks **(ATTACHMENT 1)**.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Ken Jordan Councillor Sally Dover
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
320	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to present to Council the outcomes of the sustainability review of the Service Strategy - Roadside, Drainage & Parks and to seek endorsement to implement the recommendations detailed in the strategy.

Roadside, drainage & parks maintenance service strategy concerns the following services:

- Routine maintenance of roadsides including footpaths, cycleways, bus shelters and Councils road reserve.
- Routine maintenance of parks and reserves, sports fields, foreshores, boat ramps and other waterway facilities.

Minor construction associated with the renewal of these assets.
User safety monitoring of these assets.

This review was carried out utilising improvement processes to determine best value. Internal and externally sourced benchmarking data was used to compare service delivery options. This information is detailed in the Service Strategy – Roadside, Drainage & Parks (**TABLED DOCUMENT**).

FINANCIAL/RESOURCE IMPLICATIONS

Council's Roadside, Drainage and Parks services have an equivalent full time staffing level of 57 and are funded from a number of sources. For 2012/13:

Source of Funds	Yes/No	Funding (\$)	Comment
Operating Expenditure	Yes	\$3,833,600 \$3,519,200	Parks, reserves & waterways Roadsides and drainage
Internal Income	Yes	(\$4,117,200) (\$3,913,400)	From Community & Recreation Section From Assets Section
Revenue	No	\$0	
Corporate Overheads	Yes	\$293,600 \$404,223	Parks, reserves & waterways Roadsides and drainage
Section 94	No	\$0	
External Grants	Yes	(\$20,000)	Various externally funded minor works
Other	Yes	\$0	

Further process improvements identified in the sustainability review have the capacity to reduce unit rates for production (**ATTACHMENT 1**). Even minor productivity improvements can realise significant cost savings that will result in higher levels of service to the community while still operating within the constraints of a capped operational budget.

These services have already been subject to 3 years of "capped" budgets whereby budgets have not increased at the same rate as fixed costs, such as materials, fuel and electricity, have increased. This has forced process improvement and extensive workplace change to occur to maintain existing services to the community while bridging the funding gap.

LEGAL, POLICY AND RISK IMPLICATIONS

Council has a legal obligation under the Local Government Act and the Roads Act to manage roadsides, drainage and recreation assets within the Local Government Area. External minor works are on a contract basis and Council has no legal obligation to undertake these works.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that these assets will not be adequately maintained and this will lead to disruption of use/service.	High	Continual improvement of processes to minimise waste and other unproductive impacts of continuing "capped" maintenance budgets. Employ a service delivery model that best provides the required maintenance services. Ensure staff recruitment and development meet demands.	Yes
There is a risk that these assets will not be maintained to an acceptably "safe" standard that will lead to property loss or personal injury.	High	Assets are monitored from a risk management approach and work is scheduled on a risk minimisation basis. Continual improvement of processes to minimise waste. Employ a service delivery model that best provides the required maintenance services. Further develop employee skills in effective risk management practices.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Benchmarking of major processes within these functions has indicated Council is providing these services at a competitive cost which provides a service delivery model that is superior to an outsourced option. Benchmarking to date has also included the contracting out of passive and active recreational trial areas and open drain maintenance to provide specific and verifiable data.

The recommendations contribute to positive social, economic and environmental outcomes by increasing the effectiveness or the value realised from the expenditure incurred in the maintenance of these important community assets and minimise the risk that these assets will become unusable and/or unsafe.

The provision of an open space network contributes significantly to the social, environmental and economic fabric of the community. A functional drainage network ensures the owners can realise the land s' economic potential and also protects important economic assets.

Consequently there are no sustainability implications in adopting the recommendations of this report.

CONSULTATION

- 1) Customers of Roadside, Drainage & Parks Maintenance
- 2) Two Way Conversation with Councillors – 23rd October 2012

OPTIONS

- 1) Adopt the recommendations contained in the Service Strategy – Roadsides, Drainage and Parks Maintenance;
- 2) Amend the recommendations contained in the Service Strategy – Roadsides, Drainage and Parks Maintenance;
- 3) Reject the recommendations contained in the Service Strategy – Roadsides, Drainage and Parks Maintenance.

ATTACHMENTS

- 1) Recommendations - Service Strategy - Roadside, Drainage & Parks Maintenance

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Service Strategy – Roadside, Drainage & Parks Maintenance

ATTACHMENT 1

Recommendations - Service Strategy - Roadside, Drainage & Parks Maintenance

Service	Details	Net One off costs/savings	Recurrent costs/savings
Routine Maintenance of roadsides, drainage and parks	<p>All improvement strategies have been through consultation using Plan, Do, Study, Act (PDSA) teams</p> <p>To date this work has resulted in a:</p> <ul style="list-style-type: none"> • Trial restructure of the Parks East team. • Improvements to the management of open drain maintenance. • Improvements to the maintenance of guideposts and signs. • Improvements to the management of roadside slashing. • Contract mowing of trial locations to test other service delivery options • Shift from traditional tractor mowers to large "winged" outfront mowers that has lead to productivity improvements of almost 20%. 		<p>Budgets have been capped for the last four years. However productivity and community satisfaction (as detailed in customer satisfaction survey) have been maintained by productivity improvements achieved by process improvement initiatives.</p>

Recommendations:

- 1) The current PDSA projects for Parks Maintenance, Sports Field Maintenance and Foreshore Maintenance are completed and improvements implemented.
- 2) Commence PDSA review of the general maintenance activities in June 2013.
- 3) Implement a program of lead and lag performance indicators to drive further process improvement.
- 4) An overall management

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

Service	Details	Net One off costs/savings	Recurrent costs/savings
	<p>review of the Parks teams commence with the focus of eliminating duplication between the current east and west teams and improving productivity.</p> <p>5) Recruit for vacant positions therefore reduce reliance on labour hire.</p> <p>6) Remove vacant and unfunded positions from the organisational structure. This would result in the following positions being deleted:</p> <ul style="list-style-type: none"> • PSC328 – Team Leader • PSC337 – Works Hand • PSC371 – Team Leader - Roadside & Drainage • PSC375 – Works Hand 		
Asset user safety inspections	<p><u>Recommendations:</u></p> <p>1) Investigate the completion of asset user safety inspections by contract.</p> <p>Total Cost Impact 2013/14:</p>	<p>Nil</p> <p>\$0</p>	<p>Nil</p> <p>\$0</p>

ITEM NO. 22

FILE NO: PSC2012-03659

PURCHASE OF LOT 51 DP 839722 NEWLINE ROAD RAYMOND TERRACE

**REPORT OF: STEVEN BERNASCONI - COMMUNITY AND RECREATION SERVICES
MANAGER**

GROUP: FACILITIES AND SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Purchase Lot 51 of Deposited Plan 839722 being 416 Newline Road Raymond Terrace to the agreed value of one dollar (\$1.00).
- 2) Authorise the General Manager and the Mayor to sign and affix the seal of Council to any related documents for the Contract of Sale of Lot 51 of Deposited Plan 839722 being 416 Newline Road, Raymond Terrace.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor John Morello Councillor Ken Jordan
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
321	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to formalise the signing and affixing of the Council Seal for the documents relating to the purchase of Lot 51 DP 839722 being 416 Newline Road, Raymond Terrace (8.289 hectares).

The land in question is known as the "old Raymond Terrace waste depot" and is owned jointly by Morgan and Banks Developments Pty Limited and Mondell Properties Pty Limited.

Recent negotiations with the land owner on the renewal of the lease resulted in an agreement for Council to purchase the property outright for the sum of one dollar (\$1.00).

Council is the current lessee of the land for the use of the land as a municipal waste landfill facility. Landfilling ceased at the site in 2000. The site was used as a transfer station for Council's domestic recycling waste until 2005. Since 2005 the site has not been used for operational purposes however the lease was maintained until the requirement of the lease to cap and rehabilitate the site post landfilling was completed. The site has not been capped or fully rehabilitated. Council is required to monitor and manage the environmental impacts of the past waste landfilling in perpetuity or until monitoring data shows continuous compliance with licensed levels of off site impacts.

The site forms part of the Kings Hill development and is identified in the master plan for Kings Hill as future recreation land. The site is also identified as a "deferred matter" from the Department of Planning's assessment of Kings Hill on the basis of potential odour impacts.

FINANCIAL/RESOURCE IMPLICATIONS

The contract of sale is for one dollar (\$1.00). Each party are to pay their own legal costs in preparing the contract of sale documents.

By purchasing the land Council will be able to schedule the capping and rehabilitation of the former waste landfill for a time that is suitable to Council's financial model. The estimated cost to cap and rehabilitate the site is between \$1,600,000 and \$2,000,000 depending on the final landform. These future costs would be born from the Restricted Domestic Waste Reserve.

Under this contract of sale the current lease that binds Council to the site will expire and thus the annual lease fee payable by Council of approximately \$16,000 plus annual indexation will too expire.

Council will however continue to be liable for:

- i) annual maintenance cost of approximately \$20,000 to keep the environmental monitoring points accessible and weeds under control and
 - ii) annual environmental monitoring costs of approximately \$13,000
- These ongoing costs are funded from Domestic Waste Management Charge.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$1.00	One dollar only
Reserve Funds	No	Nil	
Section 94	No	Nil	
External Grants	No	Nil	
Other	No	Nil	

LEGAL, POLICY AND RISK IMPLICATIONS

Since 1 July 1988 Council has been the lessee of the site and has managed the site within existing resources for domestic waste management purposes.

There are no legal or policy impediments to the purchase of this property.

The owners will provide Council with a Contract of Sale for Land (2005) which is a standard legal document for land transactions. Council is aware of all encumbrances on the land and the condition of the site as a former waste landfill is not a factor of the sale.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Should Council not purchase the site now there is a risk that another buyer may purchase it and require Council as the existing lessee to bring forward plans to cap and fully rehabilitate the site resulting in capital costs brought forward.	Medium	Adopt the recommendations	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Purchasing the land secures the site as recreational space in the future as part of the Kings Hill development.

By owning the site Council is able to continuously monitor the environmental impacts from the past waste landfilling and make the necessary modifications to the landscape to control potential offsite impacts.

CONSULTATION

General Manager, Manager Legal Services, Harris Wheeler, Property Investment Coordinator, Waste Management Coordinator.

OPTIONS

Nil.

ATTACHMENTS

- 1) Aerial photograph – 416 Newline Road Raymond Terrace

COUNCILLORS ROOM

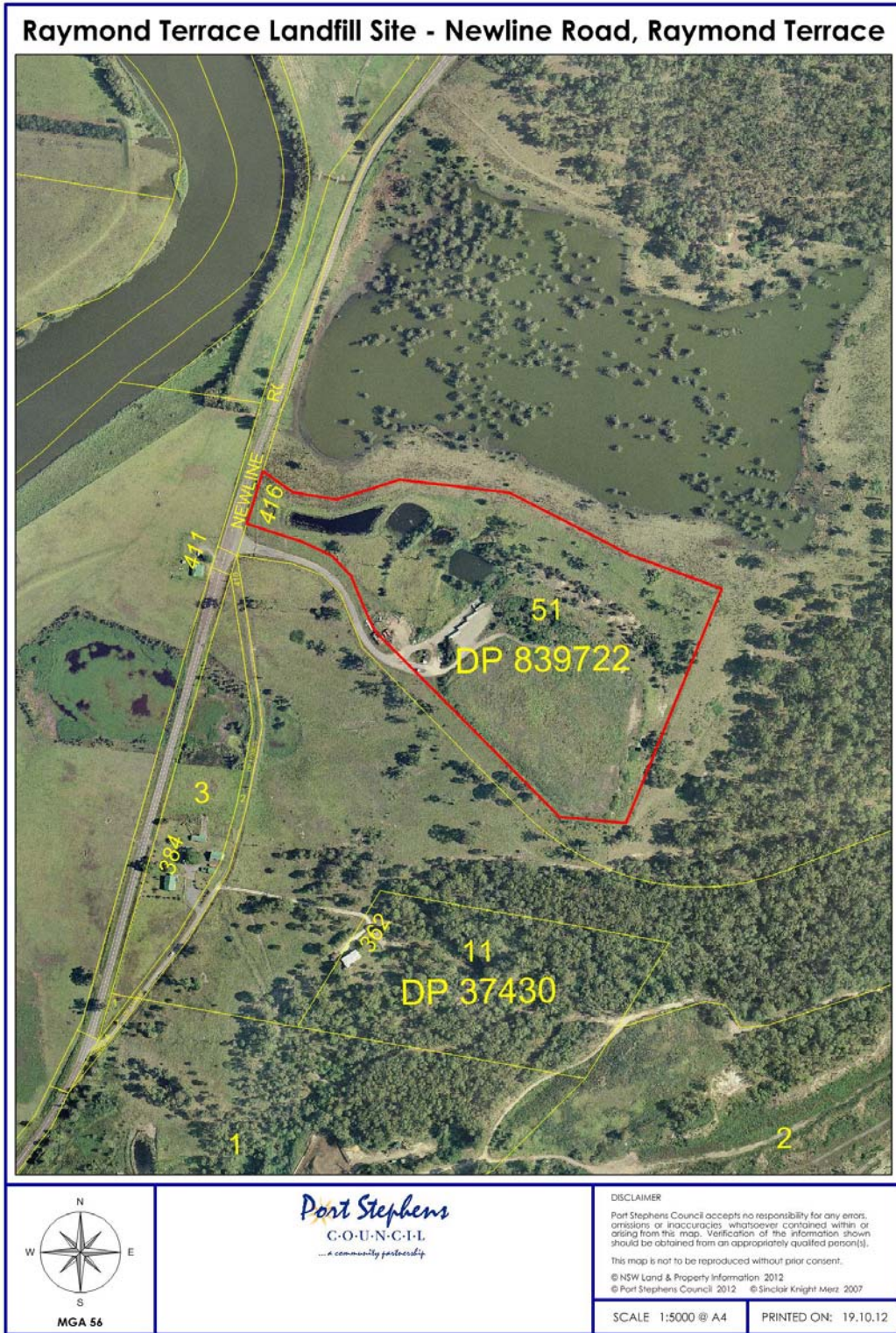
Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1

AERIAL PHOTOGRAPH – 416 NEWLINE ROAD RAYMOND TERRACE



ITEM NO. 23

FILE NO: PSC2007-0727

HEXHAM SWAMP-KOORAGANG WETLAND REHABILITATION PROJECTS STEERING COMMITTEE

REPORT OF: TONY WICKHAM – EXECUTIVE OFFICER
 GROUP: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse Cr John Nell as Council's delegate on the Hexham Swamp-Kooragang Wetland Rehabilitation Projects Steering Committee.

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Bruce MacKenzie Councillor Paul Le Mottee
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
322	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to inform Council of an invitation to be part of the Hexham Swamp-Kooragang Wetland Rehabilitation Projects Steering Committee (HS-KWRP).

The HS-KWRP is a sub-committee of the Catchment Management Authority (CMA). The Committee was originally two separate committees which were amalgamated in 2005 to provide assistance and advice on projects to the CMA Board.

The term of appointment to the Committee is three years, in an honorary capacity. The Committee meets four times a year for meetings and one annual site inspection. The Committee is chaired jointly by the CMA and Parks and Wildlife group.

Cr John Nell has expressed an interest in being Council's elected delegate.

Council's Community Planning & Environmental Services Manager is an existing Committee member.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No	Nil	Membership is honorary
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is limited risk associated with this recommendation given the Committee is an advisory group.	Low		Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Given the location of this area, Port Stephens local government area would benefit from representation on this Committee.

CONSULTATION

- 1) Cr John Nell;
- 2) Hexham Swamp-Kooragang Wetland Rehabilitation Projects Steering Committee.

OPTIONS

- 1) Adopt the recommendation;
- 2) Amend the recommendation; or
- 3) Reject the recommendation.

ATTACHMENTS

- 1) Terms of Reference & Information for Applicants.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ATTACHMENT 1



**Hexham Swamp – Kooragang Wetland Rehabilitation Projects
Steering Committee**

**Information for Applicants and
Terms of Reference**

1. Background

The Hunter-Central Rivers Catchment Management Authority (CMA) is one of thirteen CMAs established by the NSW Government to carry out a range of functions, as set out in the *Catchment Management Authorities Act 2003* (the Act). General functions include:

- carrying out or funding catchment activities
- other functions as are conferred or imposed on it by the Act or any other Act (including any environmental planning instrument)

(Note - CMAs have functions under the *Native Vegetation Act 2003* and may have threatened species or other functions conferred in future under other Acts. CMAs have the capacity to be appointed as the consent authority for development under the *Environmental Planning and Assessment Act (1979)*.)

Specific functions are:

- to develop Catchment Action Plans and to give effect to approved plans through Annual Implementation Programs
- to provide loans, grants, subsidies or other financial assistance for the purposes of the catchment activities it is authorised to fund
- to enter contracts or do any work for the purposes of the catchment activities it is authorised to carry out
- to assist landholders to further the objectives of its Catchment Action Plan (including providing information about native vegetation)
- to provide educational and training courses and materials in connection with natural resource management

The Act requires CMAs to have a board of up to seven members, including the chairperson, to be selected on a merit/skills basis. Hunter-Central Rivers CMA Board members are WEJ Paradise (Chairman), Arthur Burns, Julia Imrie, Neil Rose, Chris Scott, John Weate and Jane Smith.

The CMA Board on occasion requires the assistance of, or advice from sub-committees, of which this Hexham Swamp – Kooragang Wetland Rehabilitation Projects (HS-KWRP) Steering Committee is one.

Hexham and Kooragang are long standing projects delivering outcomes for wetland rehabilitation for the CMA. The land tenure of both Hexham and Kooragang is set for transfer to National Parks, Kooragang was gazetted into the Hunter Wetlands National Park in February 2011. This will in time require some modification to the Terms of Reference to provide appropriate links with National Parks processes, for strategic and operational issues.

2. Catchment Action Plan and Investment Program

Under the *Catchment Management Act (2003)*, CMAs are required to prepare Catchment Action Plans (CAPs) which will identify a 10-year program of activities to achieve measurable targets. The Hunter-Central Rivers CAP was completed in January 2007 and provides the framework within which the CMA operates. The CAP sets out targets and priorities for investment of funds from a range of sources including Caring For Our Country (Australian Government), Catchment Action NSW (NSW State Government) and Hunter Catchment Contributions (a levy collected from Hunter ratepayers).

The CAP has five natural resource management theme areas:

- Biodiversity
- Aquatic health
- Soils
- Estuarine health
- Marine health

Established under each of these themes is a series of Management Targets (MTs) which set out specific and measurable targets for actions to improve the condition of the natural resources relevant to the MT. There are 31 MTs in total; each of these will potentially drive a series of Catchment Activities which describe projects, outcomes, budgets and related information, which will translate to on-ground works and outcomes measurable against the CAP targets.

3. The Role of the Hexham Swamp – Kooragang Wetland Rehabilitation Projects Steering Committee

The role of the Hexham Swamp – Kooragang Wetland Rehabilitation Projects (HS-KWRP) Steering Committee is to provide advice and assistance to the CMA Board in relation to: the Hexham Swamp Rehabilitation Project; the Kooragang Wetlands Rehabilitation Project; and other wetland projects within the Hunter Estuary may be identified from time to time and be referred to the committee for discussion and advice.

The Hexham Swamp Rehabilitation Project

The Hexham Swamp Rehabilitation Project (HSRP) involves the staged opening of the Ironbark Creek floodgates to re-instate tidal inundation to restore a minimum of 650 ha of estuarine wetlands. The project was approved on 30 November 2006 by the Minister for Planning under Part 3A of the *Environmental Planning & Assessment Act*. The HSRP approval (05_0193) includes 57 conditions of consent and was distributed to the committee members in February 2007.

Community Consultative Committee

Condition 46 in the conditions of consent applies to the HSRP as per the approval from the Director-General of the Department of Planning (DoP).

Condition 46. The Proponent must continue operation of its Community Consultative Committee (currently referred to as the Hexham Swamp Project Committee) to oversee the environmental performance of the project. The Committee must:

- (a) be comprised of at least those representatives currently sitting on the Committee, or as otherwise agreed with the Director-General, DoP;*
- (b) be chaired by a chairperson, whose appointment has been approved by the Director-General;*
- (c) meet at least twice a year;*
- (d) review the Proponent's performance with respect to environmental management and community relations;*
- (e) undertake regular inspections of the site; and*
- (f) review community concerns or complaints about the project with respect to environmental management and community relations.*

Note: *The Committee is an advisory committee. The Department and other relevant agencies are responsible for ensuring that the Proponent complies within this approval. At the date of this approval on the 30 November 2006, the Committee was represented by members of the community, Department of Primary Industries (Fisheries), Department of Natural Resources, Department of Environment Conservation, Commonwealth Department of the Environment and Heritage, Newcastle City Council, Hunter Water Corporation, Hunter-Central Rivers Catchment Management Authority, Landcare, commercial fisherman, Kooragang Wetlands Rehabilitation Project and the Port Stephens and Wallsend Members of State Parliament. The names of the organisations may change over time.*

In addition the committee invited representation from the Aboriginal community through the Awabakal Local Aboriginal Land Council in 2010.

The CMA should service the committee in accordance with condition 47 of the HSRP approval as follows -

Condition 47. The Proponent must, at its own expense:

- (a) ensure that at least one of its representatives attend the Committee meetings;*

- (b) provide the Committee with regular information on the environmental performance and management of the project;
- (c) provide meeting facilities for the Committee, if necessary;
- (d) arrange site inspections for the Committee, if necessary;
- (e) take minutes of the Committee meetings;
- (f) make these minutes publicly available;
- (g) respond to any advice or recommendations the Committee may have in relation to the environmental management or community relations; and
- (h) provide a copy of the minutes of each Committee meeting, including a response to any recommendations from the Committee, to the Director-General, DoP within one month of the meeting being held.

The Kooragang Wetlands Rehabilitation Project

The committee was formed in 1992 as recommended by the *Kooragang Island Compensation Project Feasibility Study* (1992) with terms of reference to develop and oversee the implementation of the Kooragang Wetland Rehabilitation Project (KWRP) launched in 1993. The aim of the project is to rehabilitate and create wetlands in suitable sites of the Hunter River estuary to help compensate for fisheries and other wildlife habitat lost as a result of over 200 years of draining, filling and clearing. The project sites are Kooragang Wetland (Ash Island), Tomago Wetland and Stockton Sandspit.

The committee consisted of agency, local government, university and community representatives and oversaw the planning, implementation and review of the KWRP major capital works Estuary Management Program grant (1997-2007) which underpinned the establishment phase of the project. The committee made recommendations on strategic issues to the Hunter Catchment Management Trust and since 2004 to the Hunter-Central Rivers CMA, for consideration and approval.

The project is now in a phase of sustainable management, promotion and further improvement. The HS-KWRP Steering Committee assists with the review of project activities, based on current landscape and management plans and development of further integrated restoration activities that can be undertaken in the Hunter River estuary.

General roles in advancing wetland rehabilitation in the Hunter Estuary

The scope of the HS-KWRP Steering committee is not limited to the project boundaries of the Kooragang Wetland Rehabilitation Project and the Hexham Swamp Rehabilitation Project. Other wetland projects within the Hunter Estuary will be identified from time to time and be referred to the committee for discussion and project planning. Other roles that the committee may be required to carry out may include, but is not limited to, the following:

- o Acknowledge the Aboriginal people's name for the Hunter estuary 'Burrallinban'
- o Advocating wetland rehabilitation in the estuary
- o Identifying opportunities for wetland rehabilitation

- o Developing proposals for the rehabilitation of wetlands
- o Identifying opportunities for the involvement of the community and volunteers in wetland rehabilitation
- o Undertaking other tasks as necessary to ensure the efficient and successful implementation of the projects

4. Membership

The initial membership of the Hexham Swamp – Kooragang Wetland Rehabilitation Projects Steering Committee was made up of representatives sitting on the committee as at 30 November 2006. Any additional members need to be agreed by the Director-General, Dept of Planning and Infrastructure. Membership of the Committee will be drawn from the following:

- o Two members of the community with an interest in wetland rehabilitation
- o Local Aboriginal Land Council representative
- o Department of Trade and Investment, Regional Infrastructure and Services, DPI (Fisheries)
- o Department of Premier and Cabinet, Office of Environment and Heritage, Hunter/Lower North Coast Urban & Coastal Water Programs Unit
- o Department of Premier and Cabinet, Office of Environment and Heritage, Parks and Wildlife Group
- o Hunter Wetlands Centre Australia
- o Newcastle City Council - Councillor and staff member
- o Port Stephens Council - Councillor and staff member
- o Hunter Water Corporation
- o Hunter Bird Observers Club
- o Commercial Fishing Sector
- o Recreational Fishing Sector
- o Hunter Region Landcare Network
- o Port Stephens and Wallsend Members of State Parliament
- o Hunter-Central Rivers Catchment Management Authority
- o Kooragang Wetland Rehabilitation Project
- o The University of Newcastle (Tom Farrell Institute)
- o The Green Corridor Coalition Inc

The term of appointment to the Committee will be for 3 years, at which point members will be required to reapply/renominate. Named organisations will be asked to nominate representatives, whereas community or sector members with interest in wetland rehabilitation, will be asked to express interest and apply.

(Note: No application process has been undertaken since 2006, the first application/nomination process will be in 2011)

The Chairperson arrangements of the Steering Committee must be. The Chairperson(s) will be appointed by the Hunter-Central Rivers CMA Board and approved by the Director-General, Dept of Planning and Infrastructure. The Committee will be jointly chaired by the CMA and NPWS.

Membership of the HS-KWRP Steering Committee and the process for appointment will be as follows:

- o members will be appointed by the Hunter-Central Rivers CMA Board, following assessment of applications/nominations by a selection panel, and approved by the Director-General, Dept of Planning and Infrastructure.
- o membership will be selected to provide a range of relevant skills, experience, knowledge and geographic spread. Candidates should have expertise in one or more of the following fields:
 - o sustainable natural resource management (particularly wetlands)
 - o catchment management planning
 - o community networking
 - o local government
 - o business management
 - o asset management
 - o community perspectives and group processes relating to natural resource use

The selection panel will recommend to the Board candidates who will best ensure that the Committee collectively possesses an appropriate balance of skills. To assist the selection panel, candidates may indicate their expertise in one or more of the following fields –

- o strategic planning including analysis of complex issues
- o communication, both written and oral
- o investment decision making
- o understanding of potential socio-economic impacts of natural resource management decisions
- o conflict resolution, facilitation and negotiation
- o leadership and teamwork

As part of the Government's commitment to gender equity, applications are particularly encouraged from women to achieve greater participation by women in natural resource management decision making.

5. Member Responsibility

Members will be responsible for carrying out the roles of the committee, as delegated by the CMA Board and described in Section 3, and to carry out the following functions:

- attend committee meetings
- inform the CMA and the committee about local and regional issues and plans which relate to the committee's area of interest
- provide other groups within the catchment with accurate information on the CMA the operation of the committee, the Catchment Action Plan and Hexham Swamp and Kooragang Wetland Rehabilitation Projects
- contribute to the development of priorities for resource allocation
- provide strategic advice on relevant issues at committee meetings
- participate in the implementation of activities which lead to improved wetland rehabilitation in the project areas, and
- lead by example in their use and management of natural resources

Members will be expected to read and agree to abide by the CMA Code of Conduct and Ethics while acting in their capacity as committee members.

Members will be expected to attend and contribute to committee meetings to be held approximately quarterly including regular inspections of rehabilitation projects. From time to time, the committee may establish task groups to deal with specific issues. The committee will operate in an advisory capacity by providing information and recommendations to the CMA. The CMA will remain responsible for any public announcements or other media contact relating to activities of the committee, unless the committee Chairs and the General Manager of the CMA specifically authorise another member/s to carry out this function.

Committee members will be expected at all times to act and to make recommendations to the CMA for the benefit of the catchment community and environment as a whole, not for the benefit either direct or indirect of any organisation, agency or company of which they are a member or employee.

Committee members, from time to time, may be provided with information of a confidential nature, such as verbal reports or draft documents, which is not for general circulation in the broader community at that time. Members must be prepared to maintain this confidentiality until the CMA approves the release of material for community comment.

Membership of a committee will be in an honorary capacity only. The CMA will assist committee members to meet reasonable travel and accommodation costs associated with the business of the committee if required.

Hunter-Central Rivers CMA

June 2011

ITEM NO. 24

FILE NO: A2004-0284

PAYMENT OF EXPENSES & PROVISION OF FACILITIES TO COUNCILLORS POLICY REVIEW

REPORT OF: TONY WICKHAM – EXECUTIVE OFFICER

GROUP: GENERAL MANAGER’S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Revoke the Payment of Expenses & Provision of Facilities to Councillor Policy dated 18 October 2011 (Min No. 385)
- 2) Adopt the Payment of Expenses and Provision of Facilities to Councillors Policy as advertised (**ATTACHMENT 1**).

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Geoff Dingle Councillor John Nell
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
323	It was resolved that the recommendation be adopted.

BACKGROUND

The purpose of this report is to provide Council with any response received from the community following public exhibition of the Payment of Expenses and Provision of Facilities to Councillors Policy.

Council has publicly exhibited the Payment of Expenses and Provision of Facilities to Councillors Policy for 28 days. Public exhibition was from 25 October 2012 to 14 November 2012. No submissions were received.

Council had proposed no amendments to the existing policy. Council is now asked to consider the adoption of the policy as advertised.

FINANCIAL/RESOURCE IMPLICATIONS

Expenditure associated with this policy is included in the 2012-13 budget allocation, however the upper limits are not fully budgeted, given some Councillor do not reach these limits. Councillors will be advised should the upper budget limits be achieved.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$ 94,500	This is the total cost allocated under this policy
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Under Section 252 Council must adopt a policy concerning the payment of expenses incurred by Councillors in relation to discharging the functions of civic office. It is a requirement of the Local Government Act that Council adopt the policy after June 30 each year and lodge the adopted policy with the Department prior to November 30 each year.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
Council would be in breach of Section 252 & 253 of the Local Government Act 1993, should this policy not be adopted.	Low	Adopt a revised policy	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The policy allows Councillors to effectively carry out their responsibilities as members of the Council and as community representatives without suffering financial hardship.

CONSULTATION

- 1) General Manager;
- 2) Councillors;
- 3) Port Stephens Community.

OPTIONS

- 1) Adopt the recommendation;
- 2) Amend the draft policy.

ATTACHMENTS

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 25

FILE NO: 1190-001

REQUEST FOR FINANCIAL ASSISTANCE

REPORT OF: TONY WICKHAM – EXECUTIVE OFFICER
 GROUP: GENERAL MANAGER’S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Approves provision of financial assistance under Section 356 of the Local Government Act from the respective Mayor and Ward Funds to the following:-
 - a) Tanilba Bay Public School – Donation towards Annual Speech and Presentation Day 2012 - Mayoral Funds - \$300.00
 - b) Port Stephens Historical Society Inc. – Donation to cover the cost of room hire fees – Mayoral funds - \$49.01

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	Councillor Steve Tucker Councillor Chris Doohan
	That the recommendation be adopted.

MOTION

	Councillor Ken Jordan Councillor John Morello
324	It was resolved that the recommendation be adopted.

The purpose of this report is to determine and, where required, authorise payment of financial assistance to recipients judged by Councillors as deserving of public funding. The Financial Assistance Policy gives Councillors a wide discretion to either grant or to refuse any requests.

The new Financial Assistance Policy provides the community and Councillors with a number of options when seeking financial assistance from Council. Those options being:

- 1. Mayoral Funds
- 2. Rapid Response

MINUTES FOR ORDINARY MEETING – 27 NOVEMBER 2012

3. Community Financial Assistance Grants – (bi-annually)
4. Community Capacity Building

Council is unable to grant approval of financial assistance to individuals unless it is performed in accordance with the Local Government Act. This would mean that the financial assistance would need to be included in the Management Plan or Council would need to advertise for 28 days of its intent to grant approval. Council can make donations to community groups.

The requests for financial assistance are shown below is provide through Mayoral Funds, Rapid Response or Community Capacity Building:-

MAYORAL FUNDS – Mayor MacKenzie

TANILBA BAY PUBLIC SCHOOL	DONATION TOWARDS ANNUAL SPEECH AND PRESENTATION DAY 2012.	\$300.00
PORT STEPHENS HISTORICAL SOCIETY INC.	DONATION TO COVER THE COST OF ROOM HIRE FEES.	\$49.01

FINANCIAL/RESOURCE IMPLICATIONS

Council Ward, Minor Works and Mayoral Funds are the funding source for all financial assistance.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$1,600	These costs are funded from Mayoral Funds (\$600).
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL AND POLICY IMPLICATIONS

To qualify for assistance under Section 356(1) of the Local Government Act, 1993, the purpose must assist the Council in the exercise of its functions. Functions under the Act include the provision of community, culture, health, sport and recreation services and facilities.

The policy interpretation required is whether the Council believes that:

- a) applicants are carrying out a function which it, the Council, would otherwise undertake;
- b) the funding will directly benefit the community of Port Stephens;
- c) applicants do not act for private gain.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
The only risk associated with this recommendation relates to reputation	Low	Adopt the recommendation	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

CONSULTATION

- 1) Mayor
- 2) Councillors
- 3) Port Stephens Community

OPTIONS

- 1) Adopt the recommendation;
- 2) Vary the dollar amount before granting each or any request;
- 3) Decline to fund all the requests.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 26

INFORMATION PAPERS

REPORT OF: TONY WICKHAM – EXECUTIVE OFFICER

GROUP: GENERAL MANAGERS OFFICE

RECOMMENDATION IS THAT COUNCIL:

Receives and notes the Information Papers listed below being presented to Council on 27 November, 2012.

No:	Report Title	Page:
1	CASH AND INVESTMENTS HELD AT 31 OCTOBER 2013	199
2	NSW LGA CONFERENCE DUBBO 28-30 OCTOBER 2013	203
3	MINISTERIAL RESPONSE – COMMERCIAL HARVESTING OF PIPIS	207
4	PETITION FOR BUS SHELTER FOR THE SUBURB OF SOLDIERS POINT & SURROUNDING AREA	211
5	STATE EMERGENCY SERVICES – VEHICLE ACQUISITION PROCESS	214

ORDINARY COUNCIL MEETING – 27 NOVEMBER 2012

COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor John Nell Councillor Sally Dover</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. That Port Stephens Council write to the Minister for Primary Industries, Ms Katrina Hogdkinson MP, Premier Barry O’Farrell MP and the Member for Port Stephens, Mr Craig Baumann MP calling for commercial harvesting of Pipsis on Stockton Beach to cease at the completion of the current season, 1st December 2012. 2. That commercial harvesting shall not be reconsidered until a full and thorough scientific investigation, into the sustainability of the Pipi resource, has been completed. 3. That the traditional land owners of the Stockton Bight area, the Worimi Nation be consulted before any pipi harvesting takes place into the future. 4. That the Council resolution adopted in the 1980’s with respect to this matter be noted.
--	--

	<p>Councillor Sally Dover Councillor Ken Jordan</p>
	<p>That the recommendation be adopted.</p>

	<p>Councillor John Nell Councillor Sally Dover</p>
325	<p>It was resolved that Council move out of Committee of the Whole into Ordinary Council.</p>

MOTION

	<p>Councillor Ken Jordan Councillor John Morello</p>
326	<p>It was resolved:</p> <ol style="list-style-type: none"> 1. That the recommendation be adopted. 2. That Port Stephens Council write to the Minister for Primary Industries, Ms Katrina Hogdkinson MP, Premier Barry O'Farrell MP and the Member for Port Stephens, Mr Craig Baumann MP calling for commercial harvesting of Pipsis on Stockton Beach to cease at the completion of the current season, 1st December 2012. 3. That commercial harvesting shall not be reconsidered until a full and thorough scientific investigation, into the sustainability of the Pipi resource, has been completed. 4. That the traditional land owners of the Stockton Bight area, the Worimi Nation be consulted before any pipi harvesting takes place into the future. 5. That the Council resolution adopted in the 1980's with respect to this matter be noted.

GENERAL MANAGERS INFORMATION PAPERS



INFORMATION ITEM NO. 1

CASH AND INVESTMENTS HELD AT 31 OCTOBER 2012

REPORT OF: TIM HAZELL – FINANCIAL SERVICES MANAGER

GROUP: CORPORATE SERVICES

FILE: PSC2006-6531

BACKGROUND

The purpose of this report is to present Council's schedule of cash and investments held at 31 October 2012.

ATTACHMENTS

- 1) Cash and investments held at 31 October 2012;
- 2) Monthly cash and investments balance October 2011 to October 2012;
- 3) Monthly Australian term deposit index October 2011 to October 2012.

ATTACHMENT 1

CASH AND INVESTMENTS HELD AS AT 31 OCTOBER 2012								
ISSUER	BROKER	RATING	DESC.	YIELD %	TERM DAYS	MATURITY	AMOUNT INVESTED	MARKET VALUE
TERM DEPOSITS								
SOUTH-WEST CREDIT UNION CO-OP LTD	FARQUHARSON	N/R	TD	5.05%	120	8-Nov-12	1,000,000	1,000,000
SUNCORP-METWAY LTD	RIM	A1/A+	TD	4.96%	120	14-Nov-12	1,000,000	1,000,000
BANK OF QUEENSLAND LTD	CURVE	A2/BBB	TD	5.11%	120	20-Nov-12	1,000,000	1,000,000
POLICE CREDIT UNION LTD	FARQUHARSON	N/R	TD	5.00%	122	10-Dec-12	1,000,000	1,000,000
INVESTEC BANK (AUSTRALIA) LTD	CURVE	F3/BBB-	TD	5.14%	120	11-Dec-12	1,000,000	1,000,000
INVESTEC BANK (AUSTRALIA) LTD	RIM	F3/BBB-	TD	5.11%	120	18-Dec-12	1,000,000	1,000,000
RURAL BANK LTD	FIG	A-/A2	TD	5.03%	122	4-Jan-13	1,000,000	1,000,000
NATIONAL AUSTRALIA BANK LTD	NAB	A1+/AA-	TD	5.01%	120	5-Jan-13	1,000,000	1,000,000
RURAL BANK LTD	FIG	A-/A2	TD	5.02%	120	9-Jan-13	1,000,000	1,000,000
ING BANK (AUSTRALIA) LTD	CURVE	A1/A	TD	5.07%	150	10-Jan-13	1,000,000	1,000,000
SUNCORP-METWAY LTD	SUNCORP	A1/A+	TD	5.10%	123	14-Jan-13	1,000,000	1,000,000
ME BANK	CURVE	A2/BBB	TD	4.93%	120	22-Jan-13	1,000,000	1,000,000
ING BANK (AUSTRALIA) LTD	CURVE	A1/A	TD	5.03%	150	25-Jan-13	1,000,000	1,000,000
WIDE BAY AUSTRALIA	FIG	A2	TD	4.98%	120	31-Jan-13	1,000,000	1,000,000
HERITAGE BANK	CURVE	P-2/A3	TD	4.76%	122	4-Feb-13	1,000,000	1,000,000
BENDIGO AND ADELAIDE BANK LTD	FARQUHARSON	A-/A2	TD	4.85%	150	15-Feb-13	1,000,000	1,000,000
BANK OF QUEENSLAND LTD	BOQ	A2/BBB	TD	4.75%	150	15-Mar-13	1,500,000	1,500,000
ME BANK	CURVE	A2/BBB	TD	5.01%	181	18-Mar-13	1,000,000	1,000,000
WAW CREDIT UNION COOPERATIVE LTD	FIG	N/R	TD	4.66%	152	25-Mar-13	1,000,000	1,000,000
HERITAGE BANK	CURVE	P-2/A3	TD	4.66%	152	25-Mar-13	1,000,000	1,000,000
SUB TOTAL (\$)							20,500,000	20,500,000
OTHER INVESTMENTS								
CTH BANK EQUITY LNK DEPOSIT SER. 2	CTH BANK	AA	FRN	3.00%	5yrs	5-Nov-12	500,000	503,450
BENDIGO BANK	CTH BANK	BBB+	FRSD	4.81%	5yrs	9-Nov-12	500,000	498,750
HELIUM CAP. LTD "ESPERANCE AA+"	GRANGE	CCC-(sf)	CDO	4.28%	7yrs	20-Mar-13	1,000,000	499,800
THE MUTUAL	THE MUTUAL	N/R	FRSD	4.99%	10yrs	30-Jun-13	500,000	500,000
GRANGE SECURITIES "KAKADU AA"	GRANGE	CCC	CDO	4.35%	7yrs	20-Mar-14	1,000,000	238,700
GRANGE SEC. "COOLANGATTA AA" *	GRANGE	C	CDO	0.00%	7yrs	20-Sep-14	1,000,000	0
DEUTSCHE BANK TELSTRA LNK DEP. NTE	FIG SECURITIES	A+	FRN	4.43%	7yrs	30-Nov-14	500,000	500,000
THE MUTUAL	THE MUTUAL	N/R	FRSD	4.99%	10yrs	31-Dec-14	500,000	500,000
NEXUS BONDS LTD "TOPAZ AA-"	GRANGE	A+p	CDO	0.00%	10yrs	23-Jun-15	412,500	347,738
ANZ ZERO COUPON BOND	ANZ	AA	BOND	0.00%	9yrs	1-Jun-17	1,017,876	829,895
SUB TOTAL (\$)							6,930,376	4,418,333
INVESTMENTS TOTAL (\$)							27,430,376	24,918,333
CASH AT BANK (\$)							2,065,925	2,065,925
TOTAL CASH AND INVESTMENTS (\$)							29,496,301	26,984,258
CASH AT BANK INTEREST RATE				3.20%				
BBSW FOR PREVIOUS 3 MONTHS				3.47%				
AVG. INVESTMENT RATE OF RETURN				4.42%				
TD = TERM DEPOSIT					FRN = FLOATING RATE NOTE			
CDO = COLLATERALISED DEBT OBLIGATION					FRSD = FLOATING RATE SUB DEBT			
* LEHMAN BROTHERS IS THE SWAP COUNTERPARTY TO THIS TRANSACTION AND AS SUCH THE DEAL IS BEING UNWOUND NO VALUATION INFORMATION IS AVAILABLE								
CERTIFICATE OF RESPONSIBLE ACCOUNTING OFFICER								
I HEREBY CERTIFY THAT THE INVESTMENTS LISTED ABOVE HAVE BEEN MADE IN ACCORDANCE WITH SECTION 625 OF THE LOCAL GOVERNMENT ACT 1993, CLAUSE 212 OF THE LOCAL GOVERNMENT (GENERAL) REGULATION 2005 AND COUNCIL'S CASH INVESTMENT POLICY								
P GESLING								

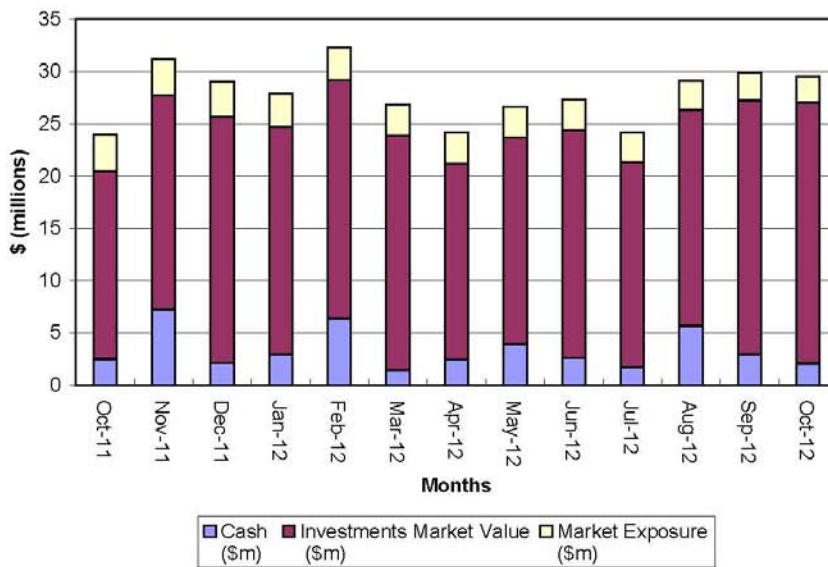
ATTACHMENT 2

Cash and Investments Held

31-Oct-12

Date	Cash (\$m)	Investments Market Value (\$m)	Market Exposure (\$m)	Total Funds (\$m)
Oct-11	2.476	17.978	3.453	23.906
Nov-11	7.240	20.462	3.468	31.171
Dec-11	2.101	23.546	3.384	29.032
Jan-12	2.909	21.781	3.150	27.839
Feb-12	6.372	22.787	3.143	32.303
Mar-12	1.391	22.465	2.965	26.821
Apr-12	2.441	18.722	2.959	24.121
May-12	3.931	19.700	2.981	26.611
Jun-12	2.597	21.774	2.906	27.277
Jul-12	1.724	19.576	2.854	24.154
Aug-12	5.655	20.655	2.775	29.086
Sep-12	2.945	24.263	2.667	29.875
Oct-12	2.066	24.918	2.512	29.496

Cash and Invested Funds for the Period ended 31/10/2012

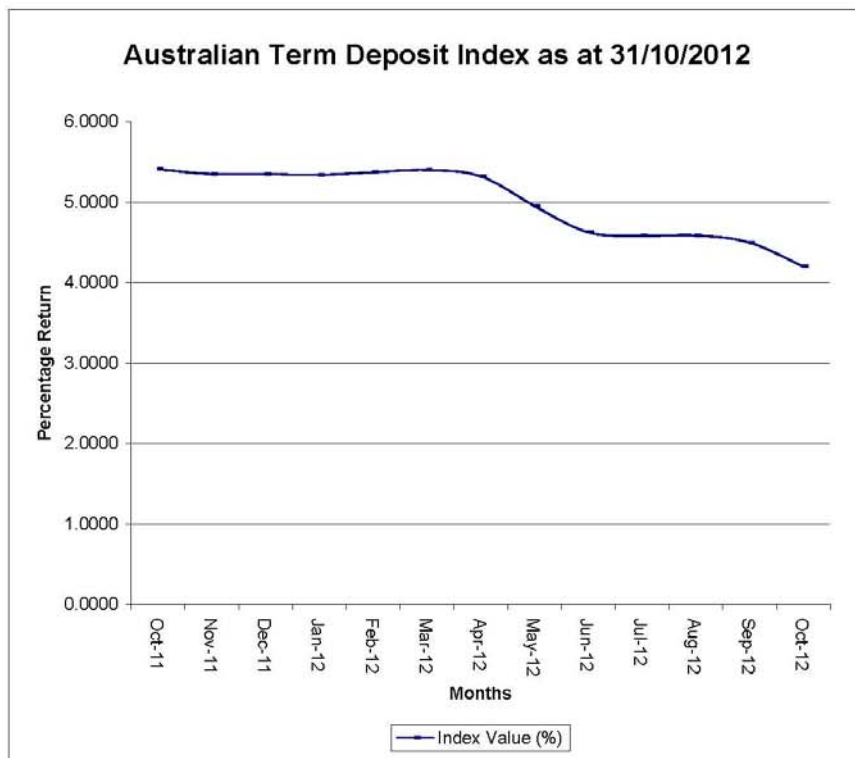


ATTACHMENT 3

Australian Term Deposit Accumulation Index

31-Oct-12

Date	Index Value (%)
Oct-11	5.4065
Nov-11	5.3510
Dec-11	5.3504
Jan-12	5.3389
Feb-12	5.3715
Mar-12	5.3972
Apr-12	5.3227
May-12	4.9508
Jun-12	4.6252
Jul-12	4.5808
Aug-12	4.5858
Sep-12	4.4974
Oct-12	4.1994



INFORMATION ITEM NO. 2

**NSW LGA CONFERENCE DUBBO
28-30 OCTOBER 2012**

REPORT OF: PETER GESLING - GENERAL MANAGER

GROUP: GENERAL MANAGER'S OFFICE

FILE: PSC2011-03811

BACKGROUND

The purpose of this report is to provide an update on the NSW Conference held in Dubbo 28-30 October 2012.

The 2012 NSW LGA Conference was held at Dubbo 28-30 October 2012. This was the last LGA Conference before the amalgamation of the Local Government & Shires Associations to form one association of Local Government in NSW. Council was represented by the Mayor Cr MacKenzie; Crs Dover, Le Mottee and Tucker; and the General Manager, Peter Gesling.

Attached for information is the Conference Program and a short Biography of Guest Speakers. The Minister for Local Government, The Hon Don Page, MP and Minister for Planning & Infrastructure, The Hon Brad Hazzard MP represented the NSW Government. Both reinforced that the current legislative reviews were on track for formal consideration by the Government during 2013, with NO CHANGE, not an option. Port Stephens Council is maintaining involvement in all opportunities to contribute to the change debate.

The Conference considered 95 submitted motions which for the first time was completed during the conference. A report on the outcomes will be made available in due course.

ATTACHMENTS

- 1) NSW LGA Conference Program Dubbo 28-30 October
- 2) Biography of Guest Speakers

ATTACHMENT 1

Conference Program



Monday, 29 October

Conference Sessions at DRTCC, Darling Street, Dubbo

- 8am Registration opens
- 9am Conference Business Session
 - Adoption of Standing Orders
 - Presentation and Adoption of Treasurer's Report by **Cr Kevin Schreiber**
 - **Ms Genia McCaffery**, Mayoral/ Councillor Mentor
 - Other general business
 - Consideration of Motions
- 10am Address from **The Hon Brad Hazzard MP**, Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure, and **Ms Sarah Hill**, President, Planning Institute Australia – NSW Division, on 'The New Planning System for New South Wales – Green Paper'.
- 11am Session breaks for morning tea in trade exhibition area
Sponsored by Toyota Family Companies
- 11.30am Consideration of Motions
- 12pm **Mr John Nixon**, Volunteer Pilot and **Mr Barry Joseph**, Earth Angel, Angel Flight
- 12.15pm Consideration of Motions
- 1pm Lunch in trade exhibition area
Sponsored by NSW EPA
- 2pm **Mr Peter McKinlay**, Director, Local Government Centre, Institute of Public Policy, AUT University, Auckland presents on 'Local Government: shaping the future'
- 2.30pm Consideration of Motions
- 3.15pm ALGA Address from **Mayor Felicity-ann Lewis**, President, ALGA
- 3.30pm Consideration of Motions
- 4pm Conference adjourns for Sponsors' Happy Hour drinks in trade exhibition area
Sponsored by Toyota Family Companies
- 5pm Sponsors Happy Hour concludes
End of day one proceedings
- 7pm – 10pm Social Dinner at Old Dubbo Gaol, Macquarie Street (ticketed event). Other delegates may enjoy local restaurants (bookings essential).

Sunday, 28 October

- 9am – 5.30pm **Registration opens**
DRTCC, Darling Street, Dubbo
 - 4pm – 6pm **Official Opening Ceremony:**
DRTCC, Darling Street, Dubbo
 - Mayoral procession
 - Welcome to Country
 - National Anthem
 - Welcome from **Cr Mathew Dickerson**, Mayor of Dubbo
 - Welcome address by **Cr Keith Rhoades AFSM**, President LGA
 - Address from **The Hon Don Page MP**, Minister for Local Government
 - Presentation of the AR Bluett Awards
 - Presentation of Outstanding Service Awards
 - Address by Welcome Function Sponsor YMCA
- Delegates are encouraged to walk through Victoria Park to the WPCCC. Coach transport is provided for those who need it. The walk is 750 metres.*
- 6.30pm – 8.30pm **President's Welcome Function**
WPCCC, Wingewarra Street, Dubbo
Sponsored by YMCA

Conference Program

Tuesday, 30 October

Conference Sessions at DRTCC, Darling Street, Dubbo

7.30am	Australian Local Government Women's Association and NSW Australian Local Government Women's Association Breakfast presents Ms Jane Caro , journalist, author, lecturer, social commentator, broadcaster on <i>'The Personal is not Political'</i> at WPCC (ticketed event)
8am	Registration opens
9am	Conference Business Session – Consideration of Motions
9.30am	Mr Barry Buffier , Chair and Chief Executive, NSW EPA presents on <i>'Collaborating for a Healthy Environment, Healthy Community, Healthy Business'</i>
10am	Consideration of Motions
11am	Session breaks for morning tea in trade exhibition area – Sponsored by NSW EPA
11.30am	Mr Bob Abbot , Mayoral Mentor, Local Government Association Queensland addresses delegates on <i>'Change is in the Air – a Queensland Perspective'</i>
12pm	Report from Mr Peter Lambert , CEO, Local Government Superannuation
12.15pm	Report from Mr John Turner , Chair, NSW Local Government Act Taskforce
1pm	Lunch in trade exhibition area Sponsored by Local Government Super
2pm	Consideration of Motions
2.30pm	Professor Graham Sansom , Review of Local Government, address and Q and A with fellow panellists Mr Glenn Inglis and Ms Jude Munro
3.30pm	Consideration of Motions
4pm	Drawing of prizes. Conference adjourns for Sponsors' Happy Hour drinks in trade exhibition area Sponsored by Local Government Super
5pm	Sponsors' Happy Hour concludes End of day two proceedings
6.45pm	Coach transfers from accommodation to TWPZ
7pm	Gala Dinner, sponsored by Essential Energy, Taronga Western Plains Zoo
From 10.30pm	Coach transfers from TWPZ to accommodation.

ATTACHMENT 2

Guest speakers include



(left to right) The Hon Don Page MP, The Hon Brad Hazzard MP, Sarah Hill, Peter McKinlay, Jane Caro, Barry Buffer, Bob Abbot.

The Hon Don Page MP – Minister for Local Government

The Hon Don Page MP has been working as the Minister for Local Government for a number of years, working side-by-side with LGA councils and building great relationships with Local Government. Representing the Premier of NSW the Hon Barry O'Farrell, Minister Page will attend the Opening Ceremony and give an address as well as present the Outstanding Service Awards alongside Cr Keith Rhoades AFSM.

As member for Ballina since 1988, Minister Page has been fighting for the specific needs of his coastal electorate at the highest levels of government and brings with him a wealth of government service and knowledge.

The Hon Brad Hazzard MP – Minister for Planning and Infrastructure, Minister Assisting the Premier on Infrastructure NSW and Leader of the House in the O'Farrell Government

Minister Brad Hazzard will address the recently released 'A New Planning System for New South Wales – Green Paper' and taking questions from delegates.

Ms Sarah Hill – NSW President, PIA

The NSW Division of the Planning Institute of Australia (PIA), of which Sarah Hill is the President, made a number of submissions to the NSW Government's review of the NSW Planning System. Much of PIA's submission has been incorporated into The Green Paper. She joins Minister Hazzard onstage to discuss PIA's views on planning reform.

Mr Peter McKinlay – Director, Local Government Centre, AUT University New Zealand

Peter McKinlay has worked as a researcher and consultant on strategic public policy, especially Local Government, for the past 25 years. He is Executive Director of McKinlay Douglas Ltd, Director of the Local Government Centre at AUT University, an associate of the Centre for Local Government at UTS, Sydney and an alternate board member of the Commonwealth Local Government Forum. His main current work interests are community governance, the use of council controlled companies and trusts, especially in shared services, and Local Government reform. Peter works primarily in New Zealand and Australia with strong links into northern hemisphere jurisdictions.

Ms Jane Caro

Jane Caro has a low boredom threshold and so wears many hats; including author, novelist, lecturer, mentor, social commentator, columnist, workshop facilitator, speaker, broadcaster and award winning advertising writer. The common thread running through her career is a delight in words and a talent for using them to connect with other people.

She is a weekly regular on Channel 7 Weekend Sunrise and Mornings on Channel 9. She has appeared frequently on ABC's Q&A, Sunrise, The Project, The Drum and Playbox. She is also a regular panellist on the ABC's top-rating show "The Gruen Transfer." She is a regular on radio and has filled in as host for RN's iconic "Life Matters".

Today, Jane runs her own communications consultancy and lectures in Advertising Creative at The School of Communication Arts at UWS. Her topic is 'The Personal is not Political'.

Mr Barry Buffer – Chair and CEO, NSW Environment Protection Agency (EPA)

Barry Buffer is the new Chair and CEO for the EPA and has significant government experience at a senior level. He has Senior Executive and Board experience in the public and private sectors including as Director-General, Department of Primary Industries and Director-General of State and Regional Development. He has a Bachelor of Rural Science (Honours), a Master of Economics, he is a Churchill Fellow and a Fellow of the Australian Institute of Company Directors.

Mr Bob Abbot – Mayoral Mentor, Local Government Association Queensland

Bob has been a tradesman, a fisherman, a labourer, a blacksmith's striker, a musician, a singer, a cook, a barman and a bouncer, but most of all, after 30 years in Local Government, he is known as a politician with a strong passion for sustainable communities and a love of the natural environment.

Bob Abbot is an electrician by trade, a musician at heart and a politician by choice. He has worked in the construction, hospitality, cotton, mining, shipbuilding, manufacturing, fishing, agricultural and entertainment industries.

Bob has recently been appointed LGAQ's first 'Mayoral Mentor'.

INFORMATION ITEM NO. 3

MINISTERIAL RESPONSE – COMMERCIAL HARVESTING OF PIPIS

REPORT OF: PETER GESLING - GENERAL MANAGER

GROUP: GENERAL MANAGER'S OFFICE

FILE: PSC2005-4421

BACKGROUND

Council at its meeting on 28 February 2012, resolved the following:

'That Council call upon the NSW Minister for Primary Industries, the Honourable Katrina Hodgkinson MP, the Member for Port Stephens, Mr Craig Baumann MP, the Acting Executive Director, Fisheries NSW, Dr Geoff Allan to ensure that no harvesting of pipis on any Port Stephens beaches is recommenced and allowed until for each individual beach:

- a. A population survey to assess the total population, size and age distribution is completed;
- b. A long-term management plan to safeguard:
 - i) the long-term biological viability of the pipi populations;
 - ii) the long term commercially viability of the pipi fishery; is completed;
- c. All data in relation to the above and all other results of previous studies and internal reports of pipis on beaches in Port Stephens have been made public."

A copy of the responses from the Hon Katrina Hodgkinson MP, Minister for Primary Industries and the Member for Port Stephens, Mr Craig Baumann is attached for Councillors' information.

ATTACHMENTS

- 1) Letter - The Hon Katrina Hodgkinson, MP, Minister for Primary Industries
- 2) Letter – Mr Craig Baumann, MP, Member for Port Stephens

ATTACHMENT 1



The Hon Katrina Hodgkinson MP

Minister for Primary Industries
Minister for Small Business

IM12/9941

Mr Peter Gesling
General Manager
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

PORT STEPHENS COUNCIL Information Services	
13 AUG 2012	
File No.	PSC 20054421
Action by	K. Stojces
Parcel	

- 9 AUG 2012

Dear Mr Gesling *Peter*

Thank you for your recent letter regarding the harvesting of pipis in NSW.

The NSW Government is aware that there has been a decline in the abundance of pipis in NSW in recent years. Further, we recognise the role that pipis play in the broader environment and the importance of the resource to many NSW communities.

I wish to assure you that both myself and the Department of Primary Industries (DPI) are committed to the sustainable management of pipis into the future. That is why the management arrangements for commercial pipi fishing were recently bolstered through the introduction of an increased minimum legal size limit (4.5 cm), a commercial catch limit and a seasonal closure.

I am advised that recent surveys facilitated by DPI have indicated a recovery in pipi numbers on many NSW beaches. While the recovery appears strong on many beaches, there are still concerns for Stockton and South Ballina beaches. For those beaches, large areas will remain closed to commercial harvesting while monitoring takes place.

DPI has also initiated research aimed at investigating the abundance and size structure of pipi populations on NSW beaches. The ongoing results of this research, in addition to all available information on pipis, will continue to be analysed in order to refine management controls for pipi harvesting across all relevant fisheries.

I am confident that with appropriate controls, research and ongoing monitoring, pipi stocks will continue to provide environmental benefit and support ongoing fishing activities.

I have asked that Andrew Goulstone, Director Commercial Fisheries, be available to discuss this matter further with you. Mr Goulstone may be contacted on (02) 6648 3925.

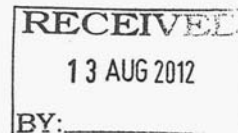
Yours sincerely *[Signature]*



The Hon Katrina Hodgkinson MP

Minister for Primary Industries
Minister for Small Business

IM12/12728



COPY

Mr Craig Baumann MP
Member for Port Stephens
PO Box 82
RAYMOND TERRACE NSW 2324

- 9 AUG 2012

Dear Mr Baumann

Craig

Thank you for your letter of 2 April 2012 regarding the commercial harvesting of pipis.

I can assure you that the NSW Government is committed to the sustainable management of pipis into the future. That is why the management arrangements for commercial pipi fishing have been bolstered through the introduction of commercial daily and possession limits (of 40 kg per endorsement holder), a seasonal closure, and an increased minimum legal size limit (of 45 mm).


I am advised that recent surveys facilitated by the Department of Primary Industries (DPI) have indicated a recovery in pipi numbers on many NSW beaches. While the recovery appears strong on many beaches, there are still concerns for Stockton and South Ballina beaches. For those beaches, large areas will remain closed to commercial harvesting while monitoring takes place.

DPI has also initiated research aimed at investigating the abundance and size structure of pipi populations on NSW beaches. The ongoing results of this research, in addition to all available information on pipis, will continue to be analysed in order to refine management controls for pipi harvesting across all relevant fisheries.

I have asked that Dr Geoff Allan, Executive Director, Fisheries NSW, be available to discuss this matter with you. Dr Allan may be contacted on (02) 4916 3909.

Yours sincerely

ATTACHMENT 2



CRAIG BAUMANN MP
MEMBER FOR PORT STEPHENS

82 Port Stephens Street, Raymond Terrace NSW 2324
PO Box 82, Raymond Terrace NSW 2324
Tel: (02) 4987 4455 • Fax: (02) 4987 4466
Email: portstephens@parliament.nsw.gov.au
Web: www.craigbaumann.com.au

Friday, 24th August 2012

Mr Peter Gesling
General Manager
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

**PORT STEPHENS COUNCIL
Information Services**

28 AUG 2012
File No. PSC2005-442.1
Action by K. Stokes
Parcel

Dear Mr Gesling, *Peter*

I write further to your previous correspondence dated 13th March 2012 regarding the commercial harvesting of pipis on Port Stephens beaches.

As advised, I made representations on your behalf to the Minister for Primary Industries, the Hon Katrina Hodgkinson MP and I have now received a response.

In her letter the Minister has advised that while the recovery of pipi numbers throughout NSW appears strong, there are still concerns for Stockton beach. Large areas of this beach therefore will remain closed to commercial harvesting while monitoring takes place.

I have attached a copy of the Minister's response for your records from which you will see that the Executive Director of Fisheries NSW, Dr Geoff Allan is available if you wish to discuss this issue further.

Kind regards,
Peter

INFORMATION ITEM NO. 4

**PETITION FOR BUS SHELTER
FOR THE SUBURB OF SOLDIERS POINT & SURROUNDING AREAS**

REPORT OF: PETER GESLING - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

FILE: PSC2012-00746

BACKGROUND

The purpose of this report is advise Councillors that a Petition has been received from the bus travelling commuters of the suburb of Soldiers Point and surrounding suburbs for a bus shelter.

The petition contains 24 signatures and has also been forwarded to the NSW State Transport Authority.

ATTACHMENTS

- 1) Letter & Petition
- 2) Map of Location

ATTACHMENT 1

Petition for Bus Shelter

To;

Port Stephens Council and NSW State Transport Authority

From;

The Bus Travelling Commuters of the Suburb of Soldiers Point and surrounding Suburbs.

We; *The travelling public of Soldiers Point find the present situation which confronts us to be most frustrating. There are quite a number of people who use the bus stop which is located in the near vicinity of No23 Soldiers Point Rd Soldiers Point.*

Within that group there are many elderly passengers and also People with disabilities. At present there is no shelter from the rain or from the summer heat which quite often can be very extreme at that location. The elderly especially have informed me that they have often caught colds through exposure to wet weather and high winds as a result of sitting for periods of time exposed to the elements.

We; *Formally request that Port Stephens Council and State Transport up grade the facilities. A bus shelter at that location is needed as soon as possible, we feel it is an injustice that the situation has not been already rectified.*

Yours Sincerely

ATTACHMENT 2

12 Soldiers Point Road - Google Maps

Page 1 of 1



Address **12 Soldiers Point Road**

Address is approximate

Existing Bus Stop and Seat - 23 Soldiers Point Rd Soldiers Point



<http://maps.google.com/maps?hl=en&cbll=-32.702903,152.064964&cbp=12,10.14,0,9.33&ie=UTF8&...> 16/11/2012

INFORMATION ITEM NO. 5

STATE EMERGENCY SERVICES – VEHICLE ACQUISITION PROCESS

REPORT OF: PETER GESLING - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

FILE: PSC2007-3527

BACKGROUND

The purpose of this report is provide Councillors with a copy of correspondence from the NSW State Emergency Commissioner, Mr Murray Kear in relation to the Vehicle Acquisition Process.

This letter was requested from the Hunter Regional Controller, Mr Gregory Perry on his visits to Councils' Mayors and General Managers earlier this year to explain the SES Strategic Disaster Readiness Package.

ATTACHMENTS

- 1) Letter SES Hunter Regional Controller, Gregory Perry attaching letter from
- 2) NSW State Emergency Commission, Mr Murray Kear

ATTACHMENT 1



NSW SES
State Headquarters
Level 6, 6-8 Regent St
Wollongong NSW 2500

10th August 2012

The General Manager
Port Stephens Council,
PO Box 42,
116 Adelaide Street,
RAYMOND TERRACE NSW 2324

Dear Mr Gesling,

The NSW SES has received funding to centralise the ownership and management of the Operational Vehicle Fleet over a five year period. This funding is part of the Strategic Disaster Readiness Package announced in the recent 2012/13 State Budget.

This additional funding for the Service will ensure the continued ability of the NSW SES to provide for a safer community during times of disaster. There are three options available for Councils to transition their SES Operational Vehicles to the NSW SES.

These options are:

- By Gift
- Nominal Fee
- Market Value

The Nominal Fee can be agreed between Council and your Region Controller. Our Director of Finance and Logistics will confirm acceptance of the agreed Nominal Fee.

Market Value will be determined by professional vehicle assessors from State Fleet and the actual transfer price will be negotiated, based on the vehicle valuation and any financial contributions made to Council for the original vehicle acquisition eg, Unit volunteers' fundraising and/or State Government Grants.

Once your Council has decided on which options you would like to take, regarding the transitioning of your SES Operational Vehicles, it would be appreciated if you could contact Greg Perry, Hunter Region Controller on 0404-828501 and advise him of your decision.

*The worst in nature
the best in us*

By Gift and Nominal Fee vehicles will be prioritised for acquisition based on a Fit-for-purpose and Safe-to-use Risk Assessment. Market Value vehicles can only be scheduled for acquisition after the vehicle valuation and transfer price are finalised.

A State-wide Vehicle Acquisition Priority Listing will be compiled as Council responses are received. Your Region Controller will contact you regarding your Council's position on the listing.

The NSW SES is looking forward to the continued opportunity to work with your Council in serving and protecting the community and appreciate your ongoing support.

Yours Sincerely



NSW SES
Hunter Region Headquarters
72 Turton Street,
METFORD NSW 2323

10th August 2012

The General Manager
Port Stephens Council,
PO Box 42,
116 Adelaide Street,
RAYMOND TERRACE NSW 2324

Dear Mr Gesling,

During my recent round of visits to Councils where I explained the Strategic Disaster Readiness Package some Council Mayors and General Managers asked if they could receive an official letter from Murray Kear the NSW State Emergency Service Commissioner detailing the vehicle acquisition process involved in the package.

This letter was required so as it could be tabled at Council.

Please find a letter from the Commissioner detailing the process.

I look forward to hearing from you advising me as to which option your Council will take.

My thanks to you for taking the time to meet with me.

Yours Sincerely

There being no further business the meeting closed at 7.29pm.

I certify that pages 1 to 217 of the Open Ordinary Minutes of Council 27 November 2012 were confirmed by Council at its meeting held on 11 December 2012.

.....
Bruce MacKenzie
MAYOR