

DRAFT

MINUTES – 12 APRIL 2016



PORT STEPHENS COUNCIL

Minutes of Ordinary meeting of the Port Stephens Council held in the Council Chambers, Raymond Terrace on – 12 April 2016, commencing at 5.30pm.

PRESENT:

Mayor B MacKenzie, Councillors C. Doohan, S. Dover, K. Jordan, P. Le Mottee, J. Morello, J Nell, S. Tucker, General Manager, Corporate Services Group Manager, Acting Facilities and Services Group Manager, Development Services Group Manager and Governance Manager.

076	Councillor Chris Doohan Councillor Paul Le Mottee It was resolved that the apologies from Cr Geoff Dingle and Cr Peter Kafer be received and noted.
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MINUTES ORDINARY COUNCIL - 12 APRIL 2016

077

**Councillor Ken Jordan
Councillor John Nell**

It was resolved that the Minutes of the Ordinary Meeting of Port Stephens Council Ordinary Council held on 22 March 2016 be confirmed.

Cr Steve Tucker declared a less than significant non-pecuniary conflict of interest in Item 4. The nature of the interest being that Cr Tucker has had a long association with this project and have (in the past) served as President.

Cr Chris Doohan declared a less than significant non-pecuniary conflict of interest in Item 4. The nature of the interest being Cr Doohan is a former president of the Medowie Sport and Community Club.

Cr Paul Le Mottee declared a pecuniary conflict of interest in Item 1. The nature of the interest being that the Le Mottee Group have undertaken survey work on the subject site.

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COUNCIL REPORTS

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

078	Councillor John Nell Councillor Paul Le Mottee It was resolved that Council move into Committee of the Whole.
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Councillor Paul Le Mottee left the meeting at 05:32pm, prior to Item 1 in Committee of the Whole.

ITEM NO. 1

**FILE NO: 16/296929
RM8 REF NO: PSC2014-02879**

PLANNING PROPOSAL - 1519 RICHARDSON ROAD, SALT ASH (PAUL'S CORNER)

REPORT OF: DAVID ROWLAND - STRATEGY AND ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the planning proposal (**ATTACHMENT 1**) to amend the *Port Stephens Local Environmental Plan 2013* by:
 - a) Rezoning Lot 1, DP 158268 and Lots 6, 7, 20 & 23, DP 240103 from RU2 Rural Landscape to B1 Neighbourhood Centre with associated 9m height of building limit and removal of the 40Ha Minimum Lot Size; and
 - b) Including an additional permitted use to permit a single commercial development on the subject site up to 500m² and a combined floorspace no greater than 2,100m².
- 2) Council request to use its delegations under Section 59 of *the Environmental Planning and Assessment Act 1979 (NSW)* to finalise the plan.

COMMITTEE OF THE WHOLE RECOMMENDATION

	Mayor Bruce MacKenzie Councillor Ken Jordan That the recommendation be adopted.
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

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

Those against the Motion: Nil.

ORDINARY COUNCIL MEETING - 12 APRIL 2016 MOTION

Councillor Paul Le Mottee left the meeting at 06:13pm at Item1 in Open Council and did not return to the meeting.

079	<p>Councillor Ken Jordan Councillor Steve Tucker</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Adopt the planning proposal (ATTACHMENT 1) to amend the <i>Port Stephens Local Environmental Plan 2013</i> by:<ol style="list-style-type: none">a) Rezoning Lot 1, DP 158268 and Lots 6, 7, 20 & 23, DP 240103 from RU2 Rural Landscape to B1 Neighbourhood Centre with associated 9m height of building limit and removal of the 40Ha Minimum Lot Size; andb) Including an additional permitted use to permit a single commercial development on the subject site up to 500m² and a combined floorspace no greater than 2,100m².2) Council request to use its delegations under Section 59 of <i>the Environmental Planning and Assessment Act 1979 (NSW)</i> to finalise the plan.
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

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

Those against the Motion: Nil.

BACKGROUND

The purpose of this report is to consider submissions received during the public exhibition of a planning proposal (the proposal) to rezone land at 1515 & 1519 Richardson Road and 1, 3, 5 & 7 Salt Ash Avenue, also known as Paul's Corner (the site) from RU2 – Rural Landscape to B1 – Neighbourhood Centre.

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The proposal also seeks to place a Schedule 1- Additional Permitted Use over the site to ensure development of a single commercial premise up to 500m² and a combined floor space no greater than 2,100m².

The details of the proposal is summarised as follows:

Subject land:	Lot 20 & 23, DP 240103 - 1515 & 1519 Richardson Rd, Lots 1, 6 & 7, DP 240103 - 3, 5 & 7 Salt Ash Ave.
Existing Zoning:	RU2 Rural Landscape.
Existing Minimum Lot Size:	40ha.
Existing Height of Building:	No Maximum Height of Building.
Proposed Zoning:	B1 Neighbourhood Centre.
Proposed Minimum Lot Size:	No Minimum Lot Size.
Proposed Height of Building:	9m.
Subject Site Area:	1.8Ha.
Proponent:	Environment Property Services (EPS).
Landowner:	Mr George and Mr Peter Boshev.
Delegation:	Council has delegation to make this plan.

This matter was previously considered by Council on 14 October 2014. Council resolved to seek a gateway determination and subsequently place the matter on public exhibition. The planning proposal was placed on public exhibition from 7 January until 4 March 2015. Seven submissions were received from a range of government agencies, but no submissions were received from members of the community. None of the government agencies raised objections to the proposal.

Following public exhibition, further information was sought from the proponent in relation to the potential contamination given the use of the site as a petrol station and the site's location within the Williamtown Contamination Zone. The Environmental Protection Agency (EPA) was consulted and identified that the contamination assessment provided no reference to Perfluorooctanesulfonic (PFOS) and concentrates on hydrocarbon contamination. The contamination assessment was then updated to the satisfaction of Council's Natural Resources Unit. As a result, no matters raised during the exhibition period preclude the making of this plan.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Balance the environmental, social and economic needs of Port Stephens for the benefit of present and future generations.	Provide Strategic Land Use Planning Services. Provide Development Assessment and Building Certification Services.

FINANCIAL/RESOURCE IMPLICATIONS

The proponent has paid the relevant rezoning fees in line with the Council's Fees and Charges Policy. The stage 3 fee is required if the recommendation is supported by Council and prior to the proposal being forwarded to Parliamentary Counsel.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	10,500 21,500 5,250	Stage 1 fees – 15 AUG 2014 Stage 2 fees – 17 DEC 2014 Stage 3 fees – TBA
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS***Environmental Planning and Assessment Act 1979 (EPA Act 1979) NSW***

Council is the relevant planning authority for making the plan under the *Environmental Planning and Assessment Act 1979 (NSW)*. The proposal has followed the following process for amending a Local Environmental Plan, which is detailed under the *Environmental Planning and Assessment Act 1979 (NSW)*.

EP&A Act 1979	Date	Comment
S54 Relevant Planning Authority	28 October 2015	
S55 Planning Proposal	3 November 2015	
S56 Gateway Determination	9 December 2014	
S57 Community Consultation	Jan – Mar 2015	
S58 Relevant Planning Authority		Subject to Council Resolution
S59 Making of Plan		Subject to Council Resolution

S117 Ministerial Directions

The proposal is consistent with the relevant Ministerial Directions: 1.3 – Mining, Petroleum and Extractive Industries, 1.5 – Rural Lands and 4.3 – Flood Prone Land. The Department of Primary Industries and NSW Trade and Investment raised no concerns in relation to these relevant directions.

NSW Department of Planning & Environment (DP&E) - Gateway Determination

The requirements of the gateway determination that was issued by the DP&E on 9 December 2014 have been satisfied and are listed below:

- 1) Community consultation is required under sections 56(2)(c) and 57 of the Environmental Planning and Assessment Act 1979 (EP&A Act).
 - Consultation took place from Wednesday, 7 January 2015 until Wednesday, 4 March 2015 in accordance and the NSW Government, 2013, Department of Planning & Infrastructure (former title) A Guide to Preparing LEPs.
- 2) Consultation is required with NSW Trade and Investment – Mineral Resources and Energy, Department of Primary Industries – Agriculture and Office of Environment & Heritage.
 - Seven agencies were consulted during the exhibition period, which included the above three that were required under the gateway determination.
- 3) A public hearing is not required.
 - A public hearing was not held.
- 4) The timeframe for completing the LEP is nine months.
 - A gateway extension was granted due to the information that was required to complete the contamination assessment under State Environmental Planning Policy No. 55 – Remediation of Land. The completion time is consistent with the timeframe that has been provided by the gateway extension.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk the extension of commercial floor space could negatively impact on other identified centres.	Low	The Economic Impact Assessment completed by the proponent and peer reviewed demonstrated a projected impact of no greater than 1% on existing centres.	Yes
There is a risk that large-scale supermarket could establish in this zone, which is not consistent with placing anchor tenants in centres that serve growing catchments.	Low	The additional permitted use will ensure any single development in that location is limited to 500m ² and a combined floor space area of no greater than 2,100m ² .	Yes
There is a risk that the land is not suitable for all land uses permitted in the proposed B1 Zone, due to contamination issues.	Low	Further investigation will be required at the development application stage should a sensitive land use, such as a child care facility, be proposed. Remediation	Yes

		works or design mechanisms to mitigate impacts from contamination may be required.	
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SUSTAINABILITY IMPLICATIONS

In terms of economic impacts, the Economic Impact Assessment (EIA) completed by the proponent and independently peer reviewed demonstrated that the rezoning will have an impact no greater than 1% on existing centres. The range of new speciality stores will provide a wider selection of goods for passing traffic.

In terms of environmental impacts, the Office of Environment & Heritage (OEH) and the Environmental Protection Agency (EPA) identified no environmental matters that would inhibit the rezoning of this land for commercial purposes. This was confirmed through referrals to Council's Natural Resources Unit with a special focus on contamination and the Comprehensive Koala Plan of Management (CKPoM).

In terms of social impacts, the commercial zone will allow for the redevelopment of this existing neighbourhood centre and in turn the provision of a greater range of commercial services. At the same time, this commercial zone is predicted to have only a potential minor impact on existing centres of no greater than 1%. This means the existing character and role of nearby centres, such as Medowie is retained.

MERGER PROPOSAL IMPLICATIONS

The proposed merger is not anticipated to have any implications on the proposal.

CONSULTATION

In accordance with the Gateway Determination the proposal was exhibited from Wednesday, 7 January 2015 until Wednesday, 4 March 2015 during normal business hours at the following locations:

- Council's Administration Building, 116 Pacific Highway, Raymond Terrace.
- Raymond Terrace Library, Port Stephens Street, Raymond Terrace.
- Port Stephens Council Website www.portstephens.nsw.gov.au .

No concerns were raised through the submissions received from the Department of Primary Industries, NSW Trade and Investment, Hunter Water Corporation and the Rural Fire Services. The following matters were raised by other agencies:

Office of Environment & Heritage (OEH)

OEH Comment:

OEH acknowledges that the site is predominantly managed lawns with occasional trees. However, OEH are not satisfied that the planning proposal will have no impacts

on threatened species as a number of species listed under the *Threatened Species Conservation ACT 1995* and the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* have been recorded on the site, including the koala, have been recorded on the site. OEH identifies that the site contains a number of *Eucalyptus robusta*, which is a 'preferred koala feed tree' and as such council needs to be satisfied that the proposal is consistent with the Port Stephens Comprehensive Koala Plan of Management (CKPoM).

Council Response:

Council's Natural Resources Unit advise that the site is not identified as koala habitat and the proposal is therefore is consistent with the CKPoM. Impacts on koala feed trees will be considered through a future development application.

Roads and Maritime Services (RMS)

RMS Comment:

RMS did not object to the planning proposal, but provided the following advice:

- RMS do not have any proposal to acquire any part of the site;
- A Traffic Impact Assessment will be required for a development application;
- No additional accesses will be granted off Richardson Road; and
- Entrance to the site to accommodate additional traffic should be considered further along Salt Ash Road to minimise the possibility of congestion extending out into the Nelson Bay/Richardson Road roundabout.

Council Response:

RMS comments will be considered in a future development application.

Environment Protection Authority (EPA)

EPA Comment:

The EPA has provided comments due to the site's location within the Williamstown RAAF Base Perfluorooctanesulfonic (PFOS) Investigation Area.

The EPA notes that the "*Report on Preliminary Site Investigation and Targeted Site Investigation*" does not reference PFOS and therefore there is a potential inadequacy in the contamination assessment. It was advised any change to activity permitted on a property should not allow anything which would increase the risk of movement of groundwater off the property. The EPA further advised that based on their available knowledge, the identification of PFOS in groundwater under the site should not preclude the proposed small scale expansion of business activities on the site following rezoning. However, the EPA understands that the general locale can be subject to water ponding and/or flooding and recent testing has identified that PFOS has been found in some floodwaters. Proposals should not be permitted that might

increase the risk of potential exposure pathways due to the activities on site, especially for sensitive individuals such as children.

Council Response:

A development application will need to consider PFOS contamination, particularly for sensitive land uses, such as a childcare facility if proposed. Design of any new development will need to demonstrate that surface water has been adequately considered and managed on site to minimise water ponding on the site.

OPTIONS

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

ATTACHMENTS

- 1) Planning Proposal (Provided under separate cover).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 2

FILE NO: 16/266352
RM8 REF NO: PSC2015-01491

PLANNING PROPOSAL - BOUNDARY REALIGNMENT

REPORT OF: DAVID ROWLAND - STRATEGY AND ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the final planning proposal (**ATTACHMENT 1**) to amend the *Port Stephens Local Environmental Plan 2013* by:
 - a) Amending Schedule 2 Exempt Development to allow certain boundary realignments to occur without development consent; and
 - b) Amending Part 4 Principal development standards to include an additional standard for certain minor boundary realignments where one or more resultant lots do not meet the minimum lot size as shown on the Lot Size Map.
- 2) Submit the planning proposal to the Department of Planning & Environment under Section 59 of the *Environmental Planning and Assessment Act 1979* (NSW) requesting that the Minister make the plan.

Councillor Paul Le Mottee returned to the meeting at 05:33pm, during Committee of the Whole.

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COMMITTEE OF THE WHOLE RECOMMENDATION**

<p>Councillor Paul Le Mottee Councillor Chris Doohan</p> <p>That Council:</p> <ol style="list-style-type: none">1) Adopt the final planning proposal (ATTACHMENT 1) to amend the <i>Port Stephens Local Environmental Plan 2013</i> by:<ol style="list-style-type: none">a) Amending Schedule 2 Exempt Development to allow certain boundary realignments to occur without development consent; andb) Amending Part 4 Principal development standards to include an additional standard for certain minor boundary realignments where one or more resultant lots do not meet the minimum lot size as shown on the Lot Size Map.c) Amending clause 5 (b) of ATTACHMENT 1 to read: "If the subdivision would create a lot or lots that could itself be subdivided in accordance with clause 4.1, unless the boundary realignment involves
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	<p>a lot or lots already capable of being subdivided in accordance with clause 4.1, in which case no additional lots shall be created capable of being subdivided in accordance with clause 4.1."</p> <p>2) Submit the planning proposal to the Department of Planning & Environment under Section 59 of the <i>Environmental Planning and Assessment Act 1979</i> (NSW) requesting that the Minister make the plan.</p>
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

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

Those against the Motion: Nil.

ORDINARY COUNCIL MEETING - 12 APRIL 2016 MOTION

080	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <p>1) Adopt the final planning proposal (ATTACHMENT 1) to amend the <i>Port Stephens Local Environmental Plan 2013</i> by:</p> <p>a) Amending Schedule 2 Exempt Development to allow certain boundary realignments to occur without development consent; and</p> <p>b) Amending Part 4 Principal development standards to include an additional standard for certain minor boundary realignments where one or more resultant lots do not meet the minimum lot size as shown on the Lot Size Map.</p> <p>c) Amending clause 5 (b) of ATTACHMENT 1 to read: "If the subdivision would create a lot or lots that could itself be subdivided in accordance with clause 4.1, unless the boundary realignment involves a lot or lots already capable of being subdivided in accordance with clause 4.1, in which case no additional lots shall be created capable of being subdivided in accordance with clause 4.1."</p> <p>2) Submit the planning proposal to the Department of Planning & Environment under Section 59 of the <i>Environmental Planning and Assessment Act 1979</i> (NSW) requesting that the Minister make the plan.</p>
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

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

Those against the Motion: Nil.

BACKGROUND

The purpose of this report is to advise Council of the public exhibition of the subject planning proposal and seek Council's adoption of the final planning proposal so that it can be made (**ATTACHMENT 1**).

The final planning proposal incorporates proposed alterations since first considered by Council via a Notice of Motion on 10 February 2015 (**ATTACHMENT 2**). The proposed alterations were undertaken as a condition of the Gateway determination prior to exhibition and as a result of consultation with government agencies.

Currently, Council can consider certain boundary realignment applications under Clause 4.3 of PSLEP 2013 and "minor boundary realignments" under the *State Environmental Planning Policy Exempt & Complying Development 2008* (Code SEPP). However, the provisions of Clause 4.3 and the Code SEPP are generally restricted to allotments that can satisfy the minimum lot size provisions in the specified zone.

The planning proposal will amend the PSLEP 2013 by:

- including certain boundary realignments in Schedule 2 Exempt Development; and
- adding an additional development standard to Part 4 Principal development standards that will permit, with consent, certain boundary realignments.

The proposed amendments will apply to land in the following zones:

- RU1 Primary Production
- RU2 Rural Landscape
- RU3 Forestry
- R5 Large Lot Residential (exempt provisions will not apply to R5)
- E2 Environmental Conservation
- E3 Environmental Management
- E4 Environmental Living

On 1 December 2015, a Gateway determination was issued for the planning proposal and required the following alterations prior to exhibition:

- a) Altering the exempt provisions by:
 - i) removing reference to the R5 Large Lot residential Zone; and

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- ii) deleting reference to "at least one pre-existing lot" and replacing it with "any lot".
- b) Altering the part 4 provisions by:
 - i) replacing the original local clause with an amended clause prepared by Parliamentary Counsel which includes additional heads of consideration when considering development applications for boundary realignments.

The Gateway determination is located in **(ATTACHMENT 3)** and contains details regarding these amendments.

In addition, as a result of consultation with the Department of Primary Industries (Agriculture), the following alterations to the exhibited planning proposal are recommended:

- c) Amending the exempt provisions by:
 - i) adding additional provision "will not alienate water resources or access to water for agriculture".
- d) Amending the Part 4 provisions by:
 - i) adding additional provision "whether or not the subdivision will alienate water resources or access to water for agriculture".

The recommended alterations have been incorporated into the final planning proposal at **(ATTACHMENT 1)**.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Balance the environmental, social and economic needs of Port Stephens for the benefit of present and future generations.	Provide Strategic Land Use Planning Services. Provide Development Assessment and Building Certification Services.

FINANCIAL/RESOURCE IMPLICATIONS

Given that the planning proposal is the result of a Notice of Motion, it does not attract fees under Council's Fees & Charges 2015 – 2016 and has been progressed within Strategic Planning budget allocation.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		The planning proposal will be progressed under existing resources in accordance with Council's resolution.
Reserve Funds	No		
Section 94	No		
External Grants	No		

Other	No		
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LEGAL, POLICY AND RISK IMPLICATIONS

Port Stephens Local Environmental Plan 2013 (*PSLEP 2013*)

Exempt boundary realignments

Boundary realignments of undersized lots are not currently permissible under the *PSLEP 2013*. As such, Council is seeking to include certain boundary realignments in Schedule 2 – Exempt Development to enable these boundary realignments to occur without development consent. There are a number of requirements that must be satisfied, including that it will not create a resultant lot that is more than 15% different in area to any lot.

Additional development standard to include boundary realignments

Under Clause 4.6 of *PSLEP 2013* consent cannot be granted to boundary realignments where more than one lot is less than the minimum standard or where any proposed lot is less than 90% of the standard (for example, where the minimum lot size is 40ha, a lot cannot be created that is less than 36ha). Clause 12 of Port Stephens LEP 2000 did allow boundary realignments on undersized lots, such as those described by the proposed clause.

The planning proposal seeks to permit, with consent, certain boundary realignments that do not meet the minimum lot size as shown on the Lot Size Map and do not meet the requirements for exempt development. Currently, such boundary realignments are not permissible under Clause 4.1(3) of the *PSLEP 2013*.

Since *PSLEP 2013* has come into effect, Council has encountered situations where reasonable variations to the lot size have been proposed but these cannot be approved because the variation is greater than that permitted.

The key issue in approval of such boundary realignment subdivisions is not the size of the initial or resultant lots, and whether they are larger or smaller than the minimum lot size on the Lot Size Map, but the potential impacts of the boundary adjustment, regardless of what zone applies to the land.

Environmental Planning and Assessment Act 1979 (EPA Act 1979) NSW

Council received a Gateway determination under Section 56 of the *EPA Act 1979 (NSW)* on 1 December 2015. The Gateway determination directed Council to make amendments to the provision adopted by Council via the Notice of Motion prior to undertaking consultation. The planning proposal at **(ATTACHMENT 1)** contains the amended clause.

Part 3 of the *EPA Act 1979 (NSW)* requires Council to endorse the plan in order for it to be submitted to the Minister of the Department of Planning and Environment.

Authorisation for Council to exercise its delegation to make the plan was not granted for this planning proposal. As such, following Council's adoption of the planning proposal, Council will submit the planning proposal under section 59 of the *EPA Act 1979 (NSW)* with a request that the plan be made.

State Environmental Planning Policy (Exempt and Complying development Codes) 2008 (NSW)

Certain boundary realignments that meet a number of conditions are permissible as exempt development under the *State Environmental Planning Policy (Exempt and Complying Codes) 2008* (the Code SEPP).

Under the Code SEPP a boundary realignment on a lot or lots that do not meet the minimum lot size must result in each undersized lot increasing in size at the completion of the subdivision (Cluse 2.75(b)(iii)). The requirement for all undersized lots to increase in size is, in many circumstances, numerically impossible. For this reason, the SEPP is impractical and cannot be used for the logical boundary realignments of undersized lots.

The planning proposal seeks to exempt from development consent, minor boundary realignments that have minimal environmental impacts. The proposed exempt provision will address the issues of the impracticable SEPP, while upholding its integrity and intentions.

In October 2015, the Department of Planning and Environment exhibited a number of proposed minor amendments to the *State Environment Planning Policy (Exempt and Complying Development) 2008* (the SEPP) and includes proposed amendments to provisions relating to boundary realignments. The proposed clause relating to boundary realignments aims to 'allow more flexibility for minor boundary realignments'. If adopted, the exhibited clause sufficiently addresses the exempt and complying component of this planning proposal. Council will continue to liaise with the Department on the progress of the SEPP amendment and the implications for this planning proposal.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the provision could result in subdivisions that impact on agricultural land use.	Low	The planning proposal contains a number of provisions to ensure the boundary realignments do not adversely impact the agricultural land use.	Yes
There is a risk that subdivided properties will not comply with Water Management Act.	Low	The landholder is responsible for ensuring compliance with the Water Management Act.	Yes

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There is a risk that additional dwelling entitlement is inadvertently created.	Low	An additional dwelling entitlement cannot be created by the clause, as it contains strict controls around this issue. An assessing officer will need to ensure that the boundary realignment does not provide opportunity for an additional dwelling entitlement.	Yes
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SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The proposal will have positive social and economic benefit to the community.

The planning proposal includes provisions that minimise environmental impacts by including considerations regarding the environmental values, heritage significance and natural and physical constraints of the land. It also requires consideration of adjoining land uses and existing or potential land uses to ensure the boundary realignment does not create land use conflict.

MERGER PROPOSAL IMPLICATIONS

The proposed merger is not anticipated to have any implications on the planning proposal.

CONSULTATION

Agency consultation

In accordance with the Gateway determination dated 1 December 2015, consultation was required to be undertaken with the Office of Environment and Heritage and the Department of Primary Industries (Agriculture). In addition, Council received comments from the Department of Primary Industries (Water) and the Department of Industry – Resources & Energy.

Agency comments are outlined below and copies are located in **(ATTACHMENT 1)**. As detailed below, an amendment has been made to the planning proposal due to comments received from the DPI (Agriculture).

Office of Environment and Heritage

OEH have advised that while there are potential impacts from the proposal on biodiversity, Aboriginal cultural heritage, flooding and coastal processes, there are sufficient checks and balances to deal with these matters should they arise.

Comment: Noted.

Department of Primary Industries (Agriculture)

DPI (Agriculture) advised that rural subdivision should be assessed in accordance with the DPI 'farm subdivision assessment guideline'. It was further recommended that the proposed amendment include a provision to ensure that the boundary realignment will not alienate water resources for agriculture.

Comment: The provision is consistent with the 'farm subdivision assessment guideline' as it requires thorough consideration of predominant and preferred land uses on and in the vicinity of the development.

It is considered that an additional consideration regarding access to water resources for agriculture has merit. The proposal has therefore been amended to include an additional provision, in both Schedule 2 Exempt Development and Part 4 Principal development standards.

Department of Primary Industries (Water)

DPI Water has no objections to the proposed amendment but provided the following comment for Council's consideration and information:

- If there are existing dams located on the lot where the boundary realignment is occurring and the lot size is reduced, the resultant lot may have dams that are greater than the Maximum Harvestable Right Dam Capacity. The landowner may need to modify the dams or apply for a licence issued under the *Water Management Act 2000*.

Comment: the landowner is responsible for ensuring compliance with the *Water Management Act 2000* and may need to undertake appropriate action, such as reducing the size of a dam, to ensure compliance with the Act.

Department of Industry – Resources & Energy

The Department of Industry has advised that the planning proposal is consistent with the Mining SEPP and *Section 117(2) Direction No. 1.3 – Mining, Petroleum and extractive Industries*. They further advise that when determining boundary adjustments, Council should refer to the Mineral Resource Audit to determine the location and nature of mines, quarries and significant mineral resources when considering developments 'in the vicinity' of the proposal.

Comment: Noted. The Mineral Resource Audit will be used in the determination of future development applications for boundary realignments as a matter for consideration under section 79C of the *Environmental Planning and Assessment Act, 1979* as part of the development application process.

Community consultation

In accordance with the Gateway determination, the planning proposal was exhibited for a minimum of 14 days, between 11 February and 26 February 2016.

No submissions were received from the general community.

OPTIONS

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

ATTACHMENTS

- 1) Planning proposal - boundary realignments. (Provided under separate cover).
- 2) Notice of Motion - 10 February 2015.
- 3) Gateway determination.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ORDINARY COUNCIL - 10 FEBRUARY 2015

NOTICE OF MOTION

ITEM NO. 2

FILE NO: A2004-0217 &
PSC2009-06567

PLANNING PROPOSAL TO AMEND THE LEP – EXEMPT DEVELOPMENT – REALIGNMENT OF BOUNDARIES

MAYOR BRUCE MACKENZIE

THAT COUNCIL:

- 1) Resolve to immediately prepare a Planning Proposal to amend the LEP to include the following:

Add to Schedule 2 Exempt Development:

Realignment of Boundaries

The Realignment of Boundaries pursuant to this Clause:

- a) must be of minimal environmental impact, and
- b) cannot be carried out in critical habitat of an endangered species, population or ecological community (identified under the Threatened Species Conservation Act 1995 or the Fisheries Management Act 1994), and
- c) cannot be carried out in a wilderness area (identified under the Wilderness Act 1987).
- d) cannot be carried on land on which a heritage item or draft heritage item is situated.

This Clause applies to land in Zones:

- i. RU1 Primary Production,
- ii. RU2 Rural Landscape,
- iii. RU3 Forestry,
- iv. RU4 Primary Production Small Lots,
- v. RU6 Transition,
- vi. R5 Large Lot Residential,
- vii. E2 Environmental Conservation,

ORDINARY COUNCIL - 10 FEBRUARY 2015

- viii. E3 Environmental Management or
- ix. E4 Environmental Living.

The subdivision of land, for the purpose only of any one or more of the following, is exempt development specified for this clause:

- a) widening a public road,
- b) a realignment of boundaries:
 - i. that will not create additional lots or the opportunity for additional dwellings, and
 - ii. that will not create a resultant lot that is more than 15% different in area to at least one pre-existing lot
 - iii. that will not result in one or more lots that are smaller than the minimum size specified in an environmental planning instrument in relation to the land concerned (unless the original lot or lots are already smaller than the minimum size), and
 - iv. that will not adversely affect the provision of existing services on a lot, and
 - v. that will not result in any increased bush fire risk to existing buildings.
- c) rectifying an encroachment on a lot,
- e) creating a public reserve,
- d) excising from a lot land that is, or is intended to be, used for public purposes, including drainage purposes, rural fire brigade or other emergency service purposes or public toilets.

Add to Part 4 Principal Development Standards

Exceptions to minimum subdivision lot size for lot boundary adjustments in certain Rural, Residential and Environmental Zones.

The objective of this clause is to facilitate boundary adjustments between lots if one or more resultant lots do not meet the minimum lot size shown on the Lot Size Map in relation to that land and the objectives of the relevant zone can be achieved.

- 1) This clause applies to land in the following zones:

ORDINARY COUNCIL – 10 FEBRUARY 2015

- i. RU1 Primary Production,
 - ii. RU2 Rural Landscape,
 - iii. RU3 Forestry,
 - iv. RU4 Primary Production Small Lots,
 - v. RU6 Transition,
 - vi. R5 Large Lot Residential,
 - vii. E2 Environmental Conservation,
 - viii. E3 Environmental Management or
 - ix. E4 Environmental Living.
- 2) Despite clause 4.1, development consent may be granted to subdivide land by adjusting the boundary between adjoining lots if one or more resultant lots do not meet the minimum lot size shown on the Lot Size Map in relation to that land, and the consent authority is satisfied that:
- a) the subdivision will not create additional lots or the opportunity for additional dwellings, and
 - b) the number of dwellings or opportunities for dwellings on each lot after subdivision will be the same as before the subdivision, and
 - c) the potential for land use conflict will not be increased as a result of the subdivision, and
 - d) if the land is in a rural zone, the agricultural viability of the land will not be adversely affected as a result of the subdivision.

BACKGROUND REPORT OF: MATTHEW BROWN – DEVELOPMENT ASSESSMENT AND COMPLIANCE SECTION MANAGER, DEVELOPMENT SERVICES

BACKGROUND

Boundary realignments are not currently a permissible form of development under the Port Stephens Local Environmental Plan 2013 (PSLEP 2013). Rather, boundary realignments are permitted under the State policy – SEPP (Exempt and Complying Codes) 2008. The State policy permits boundary realignments without the requirement for gaining a development consent, however only when a number of conditions can be met.

Changes to the State policy over time has seen a continued restriction on the scenarios where boundary realignments can be carried out, to the extent that proposals once considered to be straight-forward developments are no longer permissible.

ORDINARY COUNCIL - 10 FEBRUARY 2015

The restrictions imposed on boundary alignments results in impractical development outcomes in many instances, where boundaries on the map do not relate to topographical or physical features of the land. Consequently, public confidence in the planning process can be negatively impacted.

To restore a practical outcome based solution. Council has the option to prepare a planning proposal to introduce permissibility for boundary realignments under the PSLEP 2013, such as described in the resolution above.

It is noted that the above resolution addresses those boundary realignments permissible without consent. In addition the above resolution also provides for Council to consider a planning proposal to address those boundary realignments that do not meet the above stated criteria, allowing a merits based assessment to be carried out via a development application.

The standard process for proposed amendments to the PSLEP 2013 is approval from the Department of Planning and Environment subject to the review of the Planning Proposal. At this stage it is unclear on the Department's position on the proposed amendment which will be established through consultation with the Department through the preparation of the Planning Proposal.

It is noted that in the planning framework there is generally a requirement for local environmental plans to maintain consistency with State policy. In this instance, the consistency between the State policy and the proposed amendments to the PSLEP 2013 would need to be established with the Department of Planning and Environment. This may require lobbying of the State Government to change the State policy to provide for consistency with the proposed amendment to the PSLEP 2013.

ITEM 2 - ATTACHMENT 3 GATEWAY DETERMINATION.



Mr Wayne Wallace
General Manager
Port Stephens Council
PO Box 42
Raymond Terrace NSW 2324

Our ref: [REDACTED]
Your ref: P [REDACTED] 5-01491

Attention : Ms Sarah Connell

Dear Mr Wallace

Planning Proposal to amend Port Stephens Local Environmental Plan 2013

I am writing in response to your Council's letter dated 28 October 2015 requesting a Gateway determination under section 56 of the *Environmental Planning and Assessment Act 1979* (the Act) in respect of the planning proposal to insert boundary realignment provisions to the Port Stephens Local Environmental Plan 2013.

As delegate of the Minister for Planning, I have now determined the planning proposal should proceed subject to the conditions in the attached Gateway determination.

The amending local environmental plan is to be finalised within nine months of the week following the date of the Gateway determination. Council should aim to commence the exhibition of the planning proposal as soon as possible. Council's request to draft and finalise the LEP should be made to the Department at least six weeks prior to the projected publication date.

The Minister's plan making powers were delegated to council in October 2012. It is noted that Council has now accepted this delegation. I have considered the nature of Council's planning proposal and have decided not to issue an authorisation for Council to exercise delegation to make this plan in this instance.

The State Government is committed to reducing the time taken to complete LEPs by tailoring the steps in the process to the complexity of the proposal, and by providing clear and publicly available justification for each plan at an early stage. In order to meet these commitments, the Minister may take action under section 54(2)(d) of the Act if the time frames outlined in this determination are not met.

ITEM 2 - ATTACHMENT 3 GATEWAY DETERMINATION.

Should you have any questions regarding this matter, I have arranged for Mr Ben Holmes from the Hunter office to assist you. Mr Holmes can be contacted on (02) 4904 2709.

Yours sincerely,

 1-12-2015

Ashley Albury
A/ General Manager, Hunter and Central Coast Region
Planning Services

Encl: Gateway determination



Gateway Determination

Planning Proposal (Department Ref: PP_2015_PORTS_009_00): to insert boundary realignment provisions into the Port Stephens LEP 2013.

I, the Acting General Manager, Hunter and Central Coast Region at the Department of Planning and Environment as delegate of the Minister for Planning, have determined under section 56(2) of the EP&A Act that an amendment to the Port Stephens Local Environmental Plan (LEP) 2013 to insert boundary realignment provisions should proceed subject to the following conditions:

1. Council is to amend the exempt provision detailed in the Explanation of Provisions to:
 - (a) remove reference to the R5 Large Lot Residential zone; and
 - (b) change the requirement which specifies how the extent in variation is determined by deleting the reference to "at least one pre-existing lot" and replacing it with "any lot".
2. Council is to amend the explanation of provisions for the local clause to use the latest clause settled with Parliamentary Counsel and including the zones proposed by Council. A copy of this clause is attached.
3. Council is to update the planning proposal to refer to Council's Community Strategic Plan 2023.
4. Community consultation is required under sections 56(2)(c) and 57 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") as follows:
 - (a) the planning proposal is classified as low impact as described in *A Guide to Preparing LEPs (Planning & Infrastructure 2013)* and must be made publicly available for a minimum of **14 days**; and
 - (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A Guide to Preparing LEPs (Planning & Infrastructure 2013)*.
5. Consultation is required with the following public authorities under section 56(2)(d) of the EP&A Act and/or to comply with the requirements of relevant S117 Directions:
 - Office of Environment and Heritage
 - Department of Primary Industries (Agriculture)

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal

ITEM 2 - ATTACHMENT 3 GATEWAY DETERMINATION.

6. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the EP&A Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
7. The timeframe for completing the LEP is to be **9 months** from the week following the date of the Gateway determination.

Dated *1st December 2015*



Ashley Albury
A/ General Manager, Hunter and
Central Coast Region
Planning Services
Department of Planning and
Environment

Delegate of the Minister for Planning

ITEM 2 - ATTACHMENT 3 GATEWAY DETERMINATION.

Boundary adjustments in certain rural and environmental protection zones

- (1) The objective of this clause is to facilitate boundary adjustments between lots where one or more resultant lots do not meet the minimum lot size but the objectives of the relevant zone can be achieved.
- (2) This clause applies to land in the following zones;
Council to list relevant zones here
- (3) Despite clause 4.1 (3), development consent may be granted to subdivide land by way of a boundary adjustment between adjoining lots where one or more resultant lots do not meet the minimum lot size shown on the Lot Size Map in relation to that land if the consent authority is satisfied that:
 - (a) the subdivision will not create additional lots or the opportunity for additional dwellings, and
 - (b) the number of dwellings or opportunities for dwellings on each lot after subdivision will remain the same as before the subdivision, and
 - (c) the potential for land use conflict will not be increased as a result of the subdivision, and
 - (d) if the land is in Zone RU1 Primary Production, RU2 Rural Landscape or Zone RU3 Forestry—the subdivision will not have a significant adverse effect on the agricultural viability of the land, and
 - (e) if the land is in Zone E2 Environmental Conservation, Zone E3 Environmental Management or E4 Environmental Living—the subdivision will result in the continued protection and long-term maintenance of the land.
- (4) Before determining a development application for the subdivision of land under this clause, the consent authority must consider the following:
 - (a) the existing uses and approved uses of other land in the vicinity of the subdivision,
 - (b) whether or not the subdivision is likely to have a significant impact on land uses that are likely to be preferred and the predominant land uses in the vicinity of the development,
 - (c) whether or not the subdivision is likely to be incompatible with a land use on any adjoining land,
 - (d) whether or not the subdivision is appropriate having regard to the natural and physical constraints affecting the land,
 - (e) whether or not the subdivision is likely to have a significant adverse impact on the environmental values of the land.
- (5) This clause does not apply:
 - (a) in relation to the subdivision of individual lots in a strata plan or community title scheme, or
 - (b) if the subdivision would create a lot that could itself be subdivided in accordance with clause 4.1.

ITEM NO. 3

**FILE NO: 16/262830
RM8 REF NO: PSC2014-02616**

**SANDY POINT/CONROY PARK FORESHORE EROSION AND DRAINAGE
MANAGEMENT PLAN**

REPORT OF: DAVID ROWLAND - STRATEGY AND ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan. **(ATTACHMENT 1).**
 - 2) Endorse the Sandy Point/Conroy Parks Foreshore Erosion and Drainage Management Plan proposed priority works **(ATTACHMENT 2).**
 - 3) Note the public submissions received during the public exhibition period **(ATTACHMENT 3).**
 - 4) Approve the further investigation of priority 1, the nourishment of Conroy Park as outlined in the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan.
-

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

	<p>Councillor John Morello Councillor Sally Dover</p> <p>That the recommendation be adopted.</p>
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**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

081	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Endorse the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan. (ATTACHMENT 1).2) Endorse the Sandy Point/Conroy Parks Foreshore Erosion and Drainage Management Plan proposed priority works (ATTACHMENT 2).3) Note the public submissions received during the public exhibition period (ATTACHMENT 3).
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|--|---|
| | 4) Approve the further investigation of priority 1, the nourishment of Conroy Park as outlined in the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan. |
|--|---|

BACKGROUND

The purpose of this report is to endorse the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan and approve its proposed works for further assessment, in light of community submissions.

As per the recommendations of the Port Stephens Foreshore Management Plan (2009) the project was undertaken to investigate feasible foreshore protection works to manage the current coastal processes being experienced in the Sandy Point area, taking into account the local environment, public expectations and costs. The area of investigation extends from the western end of Bagnall Beach to the Anchorage, encompassing Sandy Point and Conroy Park.

The community consultation and scientific investigation component has been completed, with the assistance of a consultant (Whitehead & Associates), resulting in the preparation of the Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan (the management plan). By endorsing the management plan Council will endorse the investigation process and commit to further scrutinise the preferred feasible options. This is not a commitment to specific capital works but rather a commitment to investigate how the management plan can be progressed, scope specific projects and undertake further consultation as necessary.

The management plan's development followed the following main stages:

- 1) Literature Review;
- 2) Initial community consultation; to capture the community historical memory and desires and concerns for the site;
- 3) Coastal Process Study/Hydrological Study;
- 4) Concept Designs; and
- 5) Community consultation on concept designs.

Key considerations, as established by Council and the community, for the design of the preferred works were:

- Protection of the foreshore reserve;
- Public safety;
- Protection of Conroy Park;
- Community desire for a sandy beach;
- Preservation of public amenity;
- Capital cost;
- Maintenance requirements; and
- Adaption in the event of potential sea level rise.

The draft management plan and three overall concepts or schemes outlining possible works were circulated for public exhibition for seven weeks in late 2015. It was not the intention to obtain agreement on one complete scheme rather to determine the most appropriate combination of works. The proposed works selected represent the preferred combination of works in light of the original key considerations and community and departmental feedback.

The proposed preferred works (**ATTACHMENT 2**) were broken up into seven priorities incorporating a combination of:

- sand nourishment;
- stormwater works;
- rock revetment;
- foreshore pathway;
- removal of private access ways; and
- further investigation for the establishment of a groyne in relation to stormwater outlet three.

For further information regarding these preferred works is located in section 7.3 (pg 93) Discussion of Preferred Strategy by Precinct of the management plan (**TABLED DOCUMENT 1**).

The next stage is to progress the top priority work through to the detailed design incorporating environmental assessment and consideration, and further negotiation with Marine Parks.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Provide passive and active recreation and leisure services and facilities.	Maintain and develop recreational facilities for residents and visitors.

FINANCIAL/RESOURCE IMPLICATIONS

There is currently no allocated budget in Council's 10 year work program. This was understood at the commencement of the project, as the primary focus was to scope feasible options that could then be used as the basis for financial modelling and pursuing internal and external funding.

The below table outlines the approximate project costings of the preferred works. Construction costs will be further refined through the detailed design stage. It is important to note that works have been prioritised and can be completed in a staged approach over a number of years as funding is secured.

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Priority	Works	Detailed Design Cost	Timing	Construction Costs	Total	Maintenance Cost
1	Precinct 1 and 2 (nourishment)	\$15,000	2016	\$60,000	\$75,000	\$10,000
2	Precinct 5	\$60,000	2017-2018	\$1.65M	\$1.71M	\$1,500
3	Precinct 3 (make safe)	\$5,000	2016	\$60,000	\$65,000	\$5,000
4	Precinct 4	\$50,000	>2020	\$0.43M	\$0.47M	\$1,000
5	Precinct 1 (Stormwater)	\$30,000	>2020	\$1.35M	\$1.37M	\$1,500
6	Precinct 3	\$100,000	>2020	\$1.00M	\$1.1M	\$1,000
7	Precinct 6	\$50,000	As required	\$0.83M	\$0.87M	\$1,000
Total					\$5.66M	\$21,000

Priority 1 involves the movement of approximately 15,000m³ of sand from adjacent to the Anchorage break-wall (Precinct 1) to the area immediately in front of and to the east of Conroy Park (Precinct 2 and 3). Conroy Park is considered a critical issue due to the high degree of erosion it is currently experiencing. This priority must be addressed within the next 6 months to avoid the need for the installation of further short-term protection works in the form of sand bagging. This nourishment work will have significant amenity and social benefit by protecting the park and re-establishing the beach for a relatively low cost (approx. \$75,000) compared to ongoing sandbagging.

Priorities 2 and 3, relate to Precincts 5 and 3 respectively and are considered critical with regards to public safety and the protection of property.

To date investigative works have been 50% funded by an Estuary Grant from the Office of Environment and Heritage to the value of \$86,750. Port Stephens Council funded the remaining 50%. The total project budget is \$173,500 (GST excl). To date \$140,925 of the project funds have been committed with the remaining \$32,575 to be dedicated, as per the grant agreement, to the further assessment and development of the top priority sand nourishment option. This will involve detailed designs incorporating environmental assessment and further negotiation with Marine Parks and Fisheries.

Further discussions with representatives of the Anchorage Marina have been initiated regarding the implementation of the proposed sand nourishment works and the relationship of these to the existing conditions of consent for the development of the marina.

Grant opportunities for implementation of works will be investigated as they arise.

It should be noted that this project ties in with funding received by Council for the design of a shared path between Roy Wood Reserve and Conroy Park as part of the 2015-2016 Active Transport Program. Although the funding approval does not specify it, the design will be extended to include the foreshore area from Conroy Park to Bagnall Beach Reserve, to connect to the existing shared path. Without reconstruction of the revetment wall in this area there will not be the width required to allow a cycleway or protect it from damage from coastal processes.

The below table only outlines the breakdown of the remaining project funds as committed to by the grant.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Section 94	No		
External Grants	Yes	16,287.50	Remaining Estuary Grant as provided by Office of Environment and Heritage
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Council has sought legal advice regarding; the removal of unauthorised structures such as boat ramps, and secondly the validity of the original conditions of consent for the Anchorage Marina development. Investigations are ongoing regarding both of these issues. Discussions have also been initiated with representatives of the Anchorage Marina as referred to above.

The management plan recommends the removal of unauthorised structures in their current form, as they reduce the integrity of the existing rock work allowing overtopping by waves and the inundation and subsequent damage to neighbouring properties. While not outlined in the plan there is opportunity to explore the redesign of these structures at the owner's expense as a potential alternative to outright removal. However further investigation and consideration will need to be given to ensure safe pedestrian access, design standards, land lease arrangements, legal implications and the wider precedent this will set.

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is the risk that if nothing is done the foreshore in front of Conroy Park will continue to erode, threatening the park and public safety.	Very high	Adopt the recommendation to further investigate the sand nourishment option for the Conroy Park area.	Yes
There is the risk that if no works are commenced in the priority rock revetment areas public safety will be compromised and infrastructure will be damaged.	Very high	Adopt the plans recommendations for further investigation.	Further resources will be required to progress investigation
There is a risk that without having planning and investigation studies completed, Councils ability to make informed sustainable decisions would be affected leading to re-work and unidentified costs.	High	Adopt the recommendations to allow for completion of the detailed designs of the proposed solutions that were based on thorough investigation of the risks and coastal processes experienced by the site.	Yes
There is the risk that the community will not be supportive of the proposed preferred options on aesthetic grounds, leading to reputation damage.	High	The detailed design will include specifics on the foreshore pathway and water accessways. This will take into consideration aesthetic impacts. This will be subject to further community consultation. When funds are available and detailed design works commence, aesthetics will be a major consideration.	Yes No

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is the risk those properties that have boat ramps identified for removal may initiate legal action against council leading to delays in the implementation of works, increased demands on staff time and financial costs.	Medium	This is the subject of ongoing investigation with Council's legal team.	Staff investigations are underway

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Endorsing the recommendations of this plan will ensure that Council implements works that are based on scientific investigation, industry knowledge and represent the most cost-effective option for the long-term protection of the foreshore and improved public safety. The foreshore in its current state represents a social, economic and environmental risk to Council. The current unauthorised and failing structures are a public safety risk and a risk to the assets they aim to protect. Currently Council has to implement ongoing short-term solutions which are not sustainable, but remain necessary in the absence of the long-term strategic direction that this management plan provides.

Over the last 10 years Conroy Park has been under almost constant threat through the erosion of the beach front. Since 2013 three lots of sandbags have been installed to protect the park. Each sand bagging event was a temporary measure to protect the reserve whilst a management plan was developed to find a long-term solution. The third lot of sand bags were installed on 14 March 2016, approximately 9 months since the last installation. To date approximately \$80,000 has been spent on this activity. The third installation of bags will only give Council 6-12 months before further action is required. The implementation of the sand nourishment (priority 1) is essential to address this issue. The existing bags will be left in situ to form a terminal line of defence in the event of significant weather events.

It should be acknowledged that the proposed sand nourishment is a management activity that will require ongoing investment, not a one off solution. Its success is completely weather dependant and subject to ongoing natural processes. An ongoing nourishment regime and monitoring would be essential.

The Sandy Point / Conroy Park Foreshore Erosion and Drainage Management Plan will enable greater public use and enjoyment of the site. The works will provide protection to Council's foreshore reserve and private homes, a sandy beach for the enjoyment of residents and visitors and a continuous safe connection for pedestrians. Without the proposed works:

- Conroy Park will continue to erode putting the playground, existing vegetation and other infrastructure at risk.
- Existing foreshore protection structures will be compromised putting public safety and private property at risk.

MERGER PROPOSAL IMPLICATIONS

The project is identified as a high priority by the Port Stephens Foreshore Management Plan meeting five of its management actions. The realisation of a Council merger would not change the conditions and risks present along this stretch of foreshore, thus they would still need to be addressed.

CONSULTATION

In the early stage of the plan's development 230 community surveys were circulated to capture community concerns and desires regarding this area of foreshore. 64 valid responses were received. This was followed up by 17 one-on-one interviews with those direct foreshore residents who indicated they would like to be involved further, and relevant community groups.

The draft management plan was circulated for public exhibition from 17 September to 6 November 2015. It was displayed at the Council's Administration Building, Tomaree Library and Council's website. An information flier was also circulated through a direct mailout to both residents, absentee landholders and previous survey respondents, 322 in total. Information was also provided through social media, the "The Examiner" and through signage at either end of the project site and Conroy Park.

An information night was held on Wednesday 23 September 2015 at the Corlette Hall and was attended by over 60 people. Whitehead & Associates presented the different options; they and council representatives then answered questions.

In total, 57 formal responses were collected. The majority of these were from individual community members, two from community organisations (State Emergency Service and Tomaree Residents and Ratepayers Association) and three from State Government Departments (Crown Lands, Dept of Primary Industries – Fisheries, and Dept of Primary Industries – Port Stephens –Great Lakes Marine Parks).

A summary report of the consultation outcome is contained within **(ATTACHMENT 3)**. Feedback has been grouped under the major topic areas of:

- Boat Ramps
- Pathway/Access
- Water quality / Stormwater Management
- Groynes
- Revetment
- Sand Nourishment
- Funding
- Terrestrial Vegetation

- Artificial Reefs
- Sand Movement

There is general dissatisfaction amongst the community with the way Council has previously managed the foreshore and a high degree of scepticism that anything will be implemented. While numerous community respondents have expressed their approval and pleasure with progress addressing the issue and the opportunity to be involved, the project has created the expectation that works will occur. There will be significant community dissatisfaction if the plan is not progressed towards implementation.

OPTIONS

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

ATTACHMENTS

- 1) Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan. (Provided under separate cover) .
- 2) Proposed Priority Works Map - Sandy Point/Conroy Park. (Provided under separate cover).
- 3) Stage 2 Community Consultation Summary. (Provided under separate cover).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Appendices – Sandy Point/Conroy Park Foreshore Erosion and Drainage Management Plan.

ITEM NO. 4

FILE NO: 16/267795
RM8 REF NO: PSC2006-0066V2

PROPOSED AMENDMENT TO PORT STEPHENS SECTION 94 DEVELOPMENT CONTRIBUTIONS PLAN - STAGE 1 FERODALE PARK SPORTS COMPLEX MASTERPLAN

REPORT OF: DAVID ROWLAND - STRATEGY AND ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Publicly exhibit amendments to the draft Port Stephens Section 94 Development Contributions Plan 2007 (Draft Amendment No. 11) (**TABLED DOCUMENT 1**) and draft Port Stephens Section 94A Development Contributions Plan 2007 (Draft Amendment No. 8) (**TABLED DOCUMENT 2**) for a minimum of 28 days in accordance with clauses 28 and 29 of the Environmental Planning and Assessment Regulation 2000 to:
 - a. update the Section 94 Works Schedule to include the following components of Stage 1 Ferodale Park Sports Complex Masterplan:
 - i. multipurpose centre, associated fit-out and site works including landscaping and 56 car-parking spaces; and
 - ii. playground and associated infrastructure; and
 - b. update the standards guiding the provision of community and recreational facilities in line with *Standards Guiding the Provision of Councils Community and Recreational Facilities* report.
- 2) Endorse the total allocation of \$2,888,300 in Section 94 funds including the internal borrowing of \$2,208,315 for the purposes of funding the delivery of Stage 1 Ferodale Park Sports Complex Masterplan subject to public exhibition process.

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

	<p>Councillor Chris Doohan Councillor Steve Tucker</p> <p>That the recommendation be adopted.</p>
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

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

Those against the Motion: Nil.

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

082	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Publicly exhibit amendments to the draft Port Stephens Section 94 Development Contributions Plan 2007 (Draft Amendment No. 11) (TABLED DOCUMENT 1) and draft Port Stephens Section 94A Development Contributions Plan 2007 (Draft Amendment No. 8) (TABLED DOCUMENT 2) for a minimum of 28 days in accordance with clauses 28 and 29 of the Environmental Planning and Assessment Regulation 2000 to:<ol style="list-style-type: none">a. update the Section 94 Works Schedule to include the following components of Stage 1 Ferodale Park Sports Complex Masterplan:<ol style="list-style-type: none">i. multipurpose centre, associated fit-out and site works including landscaping and 56 car-parking spaces; andii. playground and associated infrastructure; andb. update the standards guiding the provision of community and recreational facilities in line with <i>Standards Guiding the Provision of Councils Community and Recreational Facilities</i> report.2) Endorse the total allocation of \$2,888,300 in Section 94 funds including the internal borrowing of \$2,208,315 for the purposes of funding the delivery of Stage 1 Ferodale Park Sports Complex Masterplan subject to public exhibition process.
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In accordance with Section 375 (A) of the Local Government Act 1993, a division is required for this item.

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

Those against the Motion: Nil.

BACKGROUND

The purpose of this report is to present a Section 94 funding option for the development of Stage 1 of the Ferodale Park Sports Complex Masterplan as adopted by Council on 8 December 2015 **(ATTACHMENT 1)**.

On 8 December 2015 Council resolved to:

- 1) Endorse the concept plans as per (ATTACHMENT 1);
- 2) Endorse the lodgement of a Development Application for the works as per (ATTACHMENT 1) and specifically not include a licensed club or gaming facilities;
- 3) Receive a report to consider and determine the Development Application;
- 4) Undertake and fund the works upon determining a suitable source of funds as per Council's budgetary process, and
- 5) Allocate \$1.5M from the Medowie Section 94 Plan and borrow monies for the remaining \$2.367M and fund repayments through general rate revenue and future Section 94. (This option would be subject to Council's future consideration of potential amendments to the Section 94 Development Contributions Plan).

Stage 1 of the Ferodale Park Sport Complex Masterplan consists of a multipurpose community facility, bowling green and associated change room facilities, community facility signage, a playground and associated car parking.

This report considers part five of the resolution above, explores two possible funding options and outlines the recommended process for Council to undertake should it resolve to proceed with a funding strategy including Section 94 monies.

1) Stage 1 Ferodale Park Sports Complex Masterplan - Section 94 Funding Principles

An analysis of proposed Stage 1 Ferodale Park Sports Complex Masterplan works (Stage 1 works) was undertaken to determine what items could be funded from Section 94 and external borrowing.

Key principles used to assess the amount of section 94 funding include:

- Definition of use – how is Multipurpose Community facility defined;
- Nexus – between increased demand and the need for new infrastructure;
- Apportionment – extent of works proposed that can be apportioned to Section 94; and
- Internal Borrowing and repayment – projected additional sources of funds and projected rate of repayment through future Section 94 funds.

Definition of use

The Recreation and Community Standards Reports undertaken for Council by AEC Group Ltd (AEC) in 2006, and updated in 2013, provides definitions for each type of community and recreational facility to determine where Section 94 contributions can be applied to fund the works.

AEC defines a Multipurpose Community Space as 'a facility comprised of multipurpose indoor and outdoor spaces for the purpose of facilitating social

interaction and meeting spaces for centre based activities such as playgroups, youth, aged and people with a disability. Indoor spaces could include a hall, meeting rooms, offices and interview and activity rooms. Outdoor spaces could include fenced / enclosed areas, play equipment and garden sheds'.

It is considered that the proposed multipurpose community facility outlined within the Stage 1 masterplan is consistent with the definition of a Multipurpose Community Facility space in that the complex will primarily provide the community with indoor and outdoor facilities to facilitate social interaction and community group meetings.

Nexus

A Section 94 Plan must demonstrate a nexus between the increased demand and the need for new infrastructure.

At its meeting on 24 November 2015 Council resolved to place on public exhibition the draft Medowie Strategy. The draft Strategy anticipates that Medowie will grow from an estimated population of 9,400 in 2014 to 16,000 -17,200 over the next 20 to 25 years.

The Recreation and Community Standards Reports undertaken by AEC provide a basis for identifying the need for additional/augmented recreation and community infrastructure as a result of population growth. Analysis against these current standards suggest a future demand of an additional two multipurpose community facilities within Medowie based on these predicted growth projections.

For these reasons, a nexus between the new infrastructure proposed and increased demand is reasonable and appropriate.

Apportionment

Based on AEC standards, the proposed multipurpose community facility, associated fit-out and site works including landscaping and 56 car-parking spaces is equivalent to approximately 1.4 "standard facilities" and could be funded through Section 94 in anticipation of growth up to a value of \$2,766,000.

Similarly, the playground and associated infrastructure could be funded on the basis that they are meeting a district level need. As a result applying the AEC benchmark standards for a district park, 25% of the total cost could be provided from Section 94 funds (up to a total of \$122,300).

Other major items such as the bowling green, any car parking over and above the requirements of the multipurpose centre (50 spaces) and electronic signage with a total cost of \$979,261 (being the balance of development costs) are not identified in the Section 94 Plan and should be funded from other funding sources.

On this basis, a maximum of \$2,888,300 of Stage 1 works could be funded through Section 94 contributions as summarised in Table 1.

Table 1: Stage 1 Works - Section 94 Apportionment

Item	Cost	Section 94 component	Section 94 apportionment
Multipurpose community facility and associated works including 56 car spaces	\$2,766,000	\$2,766,000	100%
Playground and associated works	\$122,300	\$122,300	100%
Bowling green, 50 carparking spaces, electronic signage	\$979,261	\$0	0%
TOTAL	\$3,867,561	\$2,888,300	75%

Internal Borrowing and Repayment

The playground and associated works can be fully funded through existing Medowie Open Space Section 94 Funds. However, there are insufficient funds within the Medowie Cultural and Community Facilities Section 94 funds to fund the multipurpose community facility and will require internal borrowing of \$2,208,315.

Section 3.3 of Council's Section 94 Plan allows the Council to internally borrow or 'pool' its section 94 funds and apply those funds progressively or otherwise for the purposes for which they were collected in a reasonable time. Typically this approach is employed to alleviate cash flow matters between funding catchments. The common concern around internally borrowing funds is whether or not this may compromise proposed works in either the Medowie or other catchments.

Table 2 provides an overview of proposed developments within Medowie and associated section 94 contributions likely to be received over the next 10 years to repay any section 94 borrowings. These developments are inherently linked to the population growth of the area and future infrastructure demands of the area. Meaning, should these developments take longer to be delivered, so too would the demand for further cultural and community facilities within the catchment.

Table 2: Proposed Future Medowie Developments

Proposed developments	Proposed lots	S94 Cultural and Community Value	Timing of development
Boundary Road	350	\$844,550	Within the next 5 years
Kingston	350	\$844,500	5 to 10 years
Waropara Road	20	\$48,260	Within the next 5 years
Pacific Dunes	100	\$241,300	Within the next 5 years

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Proposed developments	Proposed lots	S94 Cultural and Community Value	Timing of development
Miscellaneous Infill	150	\$361,950	Within the next 5 years
Total lots	970	\$2,340,510	

A review of the Section 94 accounts outline capacity from within the Fern Bay catchment where the majority of public infrastructure works have already been funded for the short to medium term whilst further development is already within the pipeline providing for increased contributions into this catchment. For these reasons, internally borrowing funds from the Fern Bay catchment is recommended.

Based on population projections, no other Medowie Community and Cultural Facilities are proposed within the catchment in the short to medium term. Council will continue to afford the right to review the Section 94 works program and the pooling of funds to fund such works as it sees fit. Thus ensuring no existing or proposed works funded from Section 94 will be compromised under the current proposal.

For these reasons it is considered there is adequate works in the pipeline to ensure the repayment of pooled funds will not compromise existing or future works programs within both the Medowie and Fern Bay catchments.

2) Funding Options

Option 1 – General revenue/ S.94 funding capped at \$1.5Million

Table 3 provides a summary of the funding option consistent with Council's 8 December 2015 resolution to allocate \$1.5M from the Medowie Section 94 Plan and borrow monies through general rate revenue and future Section 94.

Table 3: Option 1 - General revenue/ S.94 funding capped at \$1.5Million

Total Cost of Stage 1 Works	\$3,867,561	
Section 94 Funding	\$1,500,000	
	Funding allocation	Balance remaining
S94 - Medowie - Cultural & Community Facilities	\$557,685	NIL
S94 - Medowie - Open Space	\$122,300	\$180,623.68
S94 – Internal Borrowing - Medowie – Sport & Leisure	\$820,015	\$442,727.17
S94 – Internal Borrowing - Fern Bay – catchment wide	0	0
Total S94 Existing Funds	\$679,985	
Total S94 Internal Borrowing	\$820,015	

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

External Funding	\$2,367,561
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It is anticipated that repayment of borrowed funds will take approximately four years. There are no implications to the Fern Bay Catchment, nor will this option compromise further Medowie Community and Cultural Facilities works given all existing works within the works plan have been completed. This option does potentially impact the delivery of works identified as Sport and Leisure within Medowie as the balance remaining (\$442,727.17) fails to cover all items in the works plan should these works ever be completed with a four year period.

Option 2 – General revenue/S.94 up to maximum allowable (\$2,888,300)

Table 4 provides a summary of the funding option to borrow maximum funds through Section 94 in line with AEC standards.

Table 4: Option 2 – General revenue/ S.94 up to max allowable

Total Cost of Stage 1 Works	\$3,867,561	
Section 94 Breakdown	Funding allocation	Balance remaining
S94 – Medowie – Cultural & Community Facilities	\$557,685	NIL
S94 – Medowie – Open Space	\$122,300	\$180,623.68
S94 – Internal Borrowing – Medowie – Sport & Leisure	\$437,315	\$825,427.17
S94 – Internal Borrowing – Fern Bay – catchment wide	\$1,771,000	\$1,035,063
Total S94 Existing Funds	\$679,985	
Total S94 Internal Borrowing	\$2,208,315	
External Funding	\$979,261	
Total Cost of Stage 1 Works	\$3,867,561	

It is anticipated that repayment of borrowed funds will take approximately 10 years.

No implications to the Fern Bay works schedule are proposed from this option during this time due to the anticipated release of approximately 297 lots in Fern Bay over the next five years as part of Sea Side Village Estate, which will provide an estimated \$3.5 million in estimated Section 94 Contributions. These contributions will likely cover proposed works within the Fern Bay works plan.

Equally, proposed Medowie Community and Cultural Facilities within the work plan will not be delayed during the repayment period as all works in the work plan proposed have already been delivered. Borrowings from Open Space are also

considered appropriate as there are adequate funds remaining to meet the short term demand. Longer term items will be funded via future development contributions.

Option 2 is therefore the preferred option as it reduces external funding costs to Council (through the minimisation of external funding) and ensures the pooling of funds will not hamper existing works within either the Medowie or Fern Bay catchments.

3) Amendments to Section 94 Works Plan

While elements of Stage 1 works are consistent with the standards of provision embodied in the AEC benchmarks, these works are not included in the Works Schedule of the Section 94 Plan and the Works Schedule in the Section 94 Plan needs to be amended to include the relevant Stage 1 works that can be funded by Section 94 and given Priority 1 including:

- Ferodale Multipurpose Community Facility; and
- Ferodale Sports Complex – playground.

The process to amend the Section 94 Plan must follow the procedure outlined in the Environmental Planning and Assessment Act, its Regulations and any relevant State Government circulators and guidelines. The recommendations proposed in this report are entirely consistent with legislated procedures and guidelines.

4) Standards Guiding the Provision of Councils Community and Recreational Facilities

The Recreation and Community Standards Reports was undertaken for Council by AEC Group Ltd in 2006, and updated in 2013 (**TABLED DOCUMENT 3**). The report identifies benchmarks for the provision of community and recreational facilities in the Port Stephens Local Government Area (LGA) and assesses the cost per person of providing these facilities. These figures represent the most up to date costs and have been used to guide recommendations within the draft Medowie Strategy.

The AEC methodology compared the benchmarks currently used by Port Stephens Council to those used by other Councils and agencies in similar circumstances to Port Stephens Council. This enabled a benchmark standard to be developed that was appropriate to Port Stephens Council and which reflected current practice in providing such infrastructure. Benchmarks were developed for a wide range of recreation and community infrastructure, such as sportsfields, community centres, and skate parks. These benchmarks apply across the entire LGA.

The costs take into consideration:

- population projections and forecast demand for services;
- comparable LGAs; and
- construction costs for each community and recreational facilities.

(ATTACHMENT 2) provides an outline of proposed changes to the Port Stephens Section 94 Contributions Plan and Port Stephens Section 94A Contributions Plan in line with AEC standards.

Table 5 summarises the proposed changes to development contributions. Overall, contributions will increase from \$13,839 to \$14,642 across the LGA.

The updated standards have been applied to the draft Medowie Strategy and are considered best practice. These standards have been employed to guide the options presented within this report and a recommended to be adopted by Council as part of this report.

Table 5: Summary of Proposed Updated Section 94 Contributions Levies

Infrastructure type	Development Contribution at plan inception	Current levies December CPI	Proposed changes December CPI
Consumer Price Index (CPI)	87.7	108.4	108.4
Civic Administration - Plan Management	\$577	\$711	\$711
Civic Administration - Works Depots	\$356	\$441	\$433
Recreation, Open Space, Parks and Reserves	\$1,935	\$2,392	\$2,506
Sports and Leisure Facilities	\$4,561	\$5,642	\$6,766
Cultural and Community Facilities	\$2,293	\$2,833	\$2,413
Roadworks	\$1,296	\$1,592	\$1,592
Fire & Emergency Services	\$186	\$228	\$221
TOTAL LGA-WIDE CONTRIBUTION	\$11,204	\$13,839	\$14,642

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Balance the environmental, social and economic needs of Port Stephens for the benefit of present and future generations.	Provide Strategic Land Use Planning Services. Provide Development Assessment and Building Certification Services.

FINANCIAL/RESOURCE IMPLICATIONSStage 1 Ferodale Park Sports Complex Masterplan – Option 2

It is proposed to fund Stage 1 works through a combination of general rate revenue and existing section 94 funds and internal section 94 borrowings as summarised in Option 2. It is anticipated that any internal borrowings could be repaid within 10 years through proposed developments within Medowie and their associated section 94 contributions.

Standards Guiding the Provision of Councils Community and Recreational Facilities

Updating the benchmarks for the provision of community and recreational facilities ensures that Councils community and recreational facilities are adequately costed and funded to meet the changing needs of the population now and into the future. While there is a small decrease in levies charged for community and cultural facilities overall contributions will increase from \$13,839 to \$14,642.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		
Reserve Funds	No		
Section 94	Yes	\$2,888,300	\$679,985 existing section 94 funds and \$2,208,315 from internal borrowing.
External Grants	No		
Other	Yes	\$979,261	\$979,261 cannot be funded through S.94 levies. These funds are anticipated to come from other external funds to be determined.

LEGAL, POLICY AND RISK IMPLICATIONSSection 94 of the NSW Environmental Planning and Assessment Act 1979

Section 94 of the NSW Environmental Planning and Assessment Act 1979 (the Act) allows Council to include a condition in a development consent to require a developer to contribute towards the cost of new/additional infrastructure that meets increased demand arising from the development. A Section 94 plan must demonstrate a nexus between the increased demand and the need for new infrastructure. The required infrastructure is listed in a works schedule within the Section 94 Plan. Infrastructure can be provided in anticipation of future demand and its cost recouped through future section 94 payments, as long a nexus can be demonstrated and the items are contained in the work schedule of the relevant Section 94 Plan.

Port Stephens Section 94 Contributions Plan

Port Stephens Council has adopted both Section 94 and Section 94A Plans. Council has established the nexus between population growth in the Shire and the need for additional community facilities and recreational and open space facilities through 'Standards Guiding the Provision of Councils Community and Recreational Facilities' report prepared by AEC Group Ltd.

Draft Medowie Strategy

At its meeting on 24 November 2015 Council resolved to place on public exhibition the draft Medowie Strategy. The draft Strategy reviews Council's existing Medowie Strategy 2009 and aims to provide local strategic planning guidance for land use planning in Medowie over the next 20 to 25 years. The draft Strategy anticipates that Medowie will grow from an estimated population of 9,400 in 2014 to 16,000 -17,200 over the next 20 to 25 years.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources
There is a risk that if the draft works schedule is not adopted, Stage 1 works will not be funded.	Medium	Adopt the updated works schedule to include Stage 1 works for the purposes of public exhibition.	Yes
There is a risk that pooling of funds may compromise the delivery of existing works within the Section 94 works plan.	Medium	Adopt the recommended option 2 as outlined within the report.	Yes
There is a risk that the draft plan is not adopted with updated benchmarks outdated benchmarks will be applied at a potential cost to Council.	Medium	Adopt updated benchmarks for the provision of community and recreational facilities to be sought by Section 94 Contributions Plans.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Additional population contribute to demand for local infrastructure. If Council does not invest in new and upgraded local infrastructure to meet the needs of the people who live and work in the area, the infrastructure service levels for the existing and future population will decline.

At present there is no current or future works in the Works schedule to meet this additional demand. The inclusion of the multipurpose community facility and playground would meet this additional demand.

The items in the existing Works Schedule are prioritised. To include relevant stage 1 works, the Section 94 Works Schedule need to be amended and assigned a priority.

There is considered limited implications to the existing works schedule where the majority of public infrastructure works have already been funded for the short to medium term whilst further development is already within the pipeline providing for increased contributions into this catchment.

MERGER PROPOSAL IMPLICATIONS

The Office of Local Government released guidelines on Council decision making during merger proposal periods. The guidelines fall under section 23A of the Local Government Act meaning that all Councils must consider them when exercising their functions.

The guidelines require that during a merger proposal period, Councils should only expend monies in accordance with the detailed budget adopted for the purposes of implementing their Operational Plans for the relevant year.

Should such expenditure be outside of a council's adopted budget and be of an amount equal to or greater than \$250,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger), then such a variation shall be advertised and public comments invited.

The Ferodale Sports Complex Masterplan was adopted on 23 June 2015. Stage 1 concept Plans were further endorsed by Council on 8 December 2015 (prior to Council being notified of a potential merger). Stage 1 works are also included within the draft Strategic Asset Management Plan (SAMP) which was endorsed by Council on 22 March 2016 for public exhibition.

This proposal is considered consistent with the guidelines stated above.

CONSULTATION

Under Clauses 28 and 29 of the Environmental Planning and Assessment Regulation 2000, any changes to a Section 94 Contributions Plan is required to be placed on public exhibition for a minimum of 28 days.

A drop in information session will be held in Medowie during the public exhibition period.

Following exhibition a report outlining any submissions received will be reported back to Council.

OPTIONS

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

ATTACHMENTS

- 1) 8 December 2015 Council Report.
- 2) Proposed Amendments - Section 94 and Section 94A Contributions Plan.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Draft Port Stephens Section 94 Development Contributions Plan 2007 (Draft Amendment No. 11).
- 2) Draft Port Stephens Section 94A Development Contributions Plan 2007 (Draft Amendment No. 8).
- 3) Standards Guiding the Provision of Councils Community and Recreational Facilities.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

Councillor Peter Kafer left the meeting at 6.18pm, during Item 4 in Committee of the Whole.

Councillor Paul Le Mottee returned to the meeting at 6.19pm, during Item 4 in Committee of the Whole.

Councillor Peter Kafer returned to the meeting at 6.20pm, during Item 4 in Committee of the Whole.

ITEM NO. 4

**FILE NO: PSC2015-01000V2/116
TRIM REF NO: PSC2011-02341**

FERODALE SPORTS COMPLEX - STAGE 1 IMPLEMENTATION

REPORT OF: JASON LINNANE - GROUP MANAGER FACILITIES & SERVICES
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the concept plans as per **(ATTACHMENT 1)**.
- 2) Endorse the lodgement of a Development Application for the works as per **(ATTACHMENT 1)** and specifically not include a licensed club or gaming facilities.
- 3) Receives a report to consider and determine the Development Application.
- 4) Undertake and fund the works upon determining a suitable source of funds as per Council's budgetary process.

**ORDINARY COUNCIL MEETING - 8 DECEMBER 2015
COMMITTEE OF THE WHOLE RECOMMENDATION**

	<p>RECOMMENDATION:</p> <p>That Council:</p> <ol style="list-style-type: none">1) Endorse the concept plans as per (ATTACHMENT 1).2) Endorse the lodgement of a Development Application for the works as per (ATTACHMENT 1) and specifically not include a licensed club or gaming facilities.3) Receives a report to consider and determine the Development Application.4) Undertake and fund the works upon determining a suitable source of funds as per Council's budgetary process.5) Allocate \$1.5M from the Medowie Section 94 plan and borrow monies for the remaining \$2.367M and fund repayments through future general rate revenue and future Section 94. (This option would be subject to Council's future consideration of potential amendments to the Section 94 Developer Contributions Plan.)
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MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015**ORDINARY COUNCIL MEETING - 8 DECEMBER 2015
MOTION**

387	<p>Councillor Ken Jordan Mayor Bruce MacKenzie</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Endorse the concept plans as per (ATTACHMENT 1).2) Endorse the lodgement of a Development Application for the works as per (ATTACHMENT 1) and specifically not include a licensed club or gaming facilities.3) Receives a report to consider and determine the Development Application.4) Undertake and fund the works upon determining a suitable source of funds as per Council's budgetary process.5) Allocate \$1.5M from the Medowie Section 94 plan and borrow monies for the remaining \$2.367M and fund repayments through future general rate revenue and future Section 94. (This option would be subject to Council's future consideration of potential amendments to the Section 94 Developer Contributions Plan.)
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BACKGROUND

The purpose of this report is to provide information to Council as requested by the Notice of Motion (Minute No. 330) of Council meeting 27 October 2015 **(ATTACHMENT 2)**.

Ferodale Sporting Complex is located in Medowie with access provided via Ferodale Road. The sporting facility comprises 9.85 hectares and contains a sporting oval, four netball courts, an amenities building and informal car parking. Council also has a small maintenance shed on the site which is utilised for the operations of parks maintenance.

It is Council owned land that is classified as Operational Land. The Ferodale Sporting Complex site is zoned RE1 and the parcel of land currently under license to the Medowie Sport and Community Club is zoned RE2 under the 2013 Local Environment Plan.

On 23 June 2015, Council resolved, inter alia, to adopt the draft Ferodale Sports Complex Master Plan. The draft Ferodale Sports Master Plan was developed and exhibited for public comment between 1 April 2015 and 10 May 2015. Feedback received from the community consultation during the exhibition period was used to further develop the design for the Master Plan. The works subject to this report are consistent with the adopted Master Plan.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

The proposed building design is based on it being a multi-purpose community facility similar to what Council provides in many other areas across the local government area. Council has and continues to be very clear that the building will not be designed as a licensed club or for gaming facilities.

The design has similar characteristics to many other multi-purpose community facilities that have been built by Council in past years. The total floor space is 803m². Of this total size, 55% is deemed to be the main hall area. The ratio of main hall space to total space fares favourably with other similar sites that Council has built. As an example, the very successful Raymond Terrace Senior Citizens site has only 48% of its total floor space available for these multi-purpose activities.

At its meeting on 24 November 2015 Council resolved to place on public exhibition the draft Medowie Strategy. As part of the draft Strategy, based on projected population growth in Medowie, there would be demand for an additional community facility based on relevant Council standards.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2015-2019
Provide passive and active recreation and leisure services and facilities.	Maintain and develop recreational facilities for residents and visitors.

FINANCIAL/RESOURCE IMPLICATIONS

Council's Capital Works Section has prepared a preliminary cost estimate for the works proposed at \$3.867M (**ATTACHMENT 3**). This allows for the building, bowling green, playground, earthworks and landscaping and all car parking/roadworks as per the Master Plan. This includes an allowance for construction contingency and design/project management fees. Prior to any works, detailed plans would be prepared that enable thorough estimation, approvals sought and the required procurement process undertaken.

At its meeting on 23 June 2015 Council considered a staging plan and funding strategy for the works. The funding strategy took into account the funding streams that are available to Council for this type of development.

Funding of the project through developer contributions under Section 94 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)* could be available for this type of community facility. The current work schedule outlined in Council's Section 94 Developer Contributions Plan does not include this project as a works item. Accordingly, the use of developer contribution funding for this project would require review and amendment of Council's existing Section 94 Developer contributions plan. This would require Council to consider this matter and resolve separately to review and amend the plan and place on public exhibition as per the processes required under the *EP&A Act*.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

The funding options that are available for Council are:

- 1) Allocate \$1.5M from the Medowie Section 94 plan and borrow monies for the remaining \$2.367M and fund repayments through future general rate revenue and future Section 94. This option would be subject to Council's future consideration of potential amendments to the Section 94 Developer Contributions Plan.
- 2) Borrow monies and fund repayments through current and future Section 94 income and future land sales income. The use of section 94 funds would be subject to Council's future consideration of potential amendments to the Section 94 Developer Contributions Plan.
- 3) Borrow monies and fund repayments through general rate revenue and future land sales income.
- 4) Borrow monies and fund repayments through general rate revenue.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		
Reserve Funds	Yes		
Section 94	Yes		
External Grants	Yes		
Other	Yes	3,867,000	Subject to future budgetary processes.

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal or policy implications to adopting the recommendation.

The risks associated with adopting the recommendations are listed below:

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the estimate based on the concept plan is not accurate leading to an over or under budget allocation for the proposed works.	Medium	Acknowledge that the estimate is based on a concept plan and further investigations will be required to obtain detailed designs and estimates. These detailed designs and estimates will need to be undertaken prior to the allocation of budget through the Council's budget and project management	Yes

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

		processes.	
There is a risk that collected s94 funds will not match the required funds to undertake works leading to a shortfall in required budget and community expectations not being met.	High	Adopt the recommendations and do not commence works until a funding strategy has been approved by Council through the standard budgetary process.	Yes
There is a risk that the building could be used as a licensed club and gaming facility leading to alienation of members of the community	Medium	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The proposed works will enable greater public use and enjoyment of the Sports Complex through the provision of new infrastructure and facilities. The proposal expands the opportunity for organised sporting events as well as informal community interaction at a range of levels.

The Medowie Sports and Community Club who will manage the proposed multi-purpose community facility and bowling greens currently has 88 members. This group has a current license over the one hectare parcel of land at the front of the Ferodale Sporting Complex. Council staff are preparing an extension of this agreement for consideration in the near future.

The 2015 April storm event highlighted the requirement for Council to consider the need to provide additional and appropriately designed centres for evacuation and recovery purposes. The public consultation undertaken as part of the Master Plan process supported this need. The proposal would accommodate this demand through the construction of the multi-purpose community building which could fulfil the need of a community evacuation and recovery centre. The design has many attributes (location, main hall size, number of office spaces, servery, kitchen, storerooms) that would lend itself to such a use.

The proposed location and design inclusions would mean that it would have much appeal to a range of organisations and the broader community. The proposed facility will have capacity to seat 250 people. Internal consultation has identified a range of uses that Council itself would have for such a facility.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

CONSULTATION

Previous Consultation

The Master Plan process included a number of engagement activities:

- 1) A first round of consultation was undertaken during the development of the draft Master Plan with the Medowie Sports Council and the committee of the Medowie Sport and Community Club. This consultation aimed to ensure that members of each of the sporting clubs presently operating in Medowie had the chance to provide input for the review.
- 2) Due to the draft Master Plan's potential environmental implications, preliminary consultation with Council's Strategy and Environment Section has been completed. The aim of this consultation is to ensure a balance is found between the potential community usages of the proposed works and the natural environment of the area.
- 3) Public exhibition from 1 April 2015 to 10 May 2015 on Council's website and copies were also available for viewing at Council's Administration Building, Tomaree Library and Tilligerry Library. Notification of the exhibition was advertised in the Examiner and details were also posted on Council's website.
- 4) A face-to-face community consultation session was held on 4 May 2015 at the Ferodale Sports Complex. Notification of the consultation session was advertised on Council's website, invitations emailed to the Sports Council delegates and flyers distributed to Ferodale Sports Complex, the Medowie Community Centre, Medowie post office and bakery. No members of the community attended this session. Attendance may have been affected by storms of April 2015.
- 5) During the exhibition period the community were able to give feedback via written submissions or taking part in Council's on-line survey. Council received a total of 13 written submissions and received a total of 43 respondents for the survey.

There were no submissions opposing the works that are being proposed as part of this report.

Council staff have undertaken preliminary consultation with the Executive of the Medowie Sports and Community Club as part of developing the concept plan shown as **(ATTACHMENT 1)**.

Future Consultation

Once the Development Application is submitted there will be a required notification period. This will be undertaken to ensure all legislative requirements are fulfilled.

A community drop-in session will also be held at a date and time that is to be determined. Relevant staff will be in attendance to answer any questions that community members may have on the proposal.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

OPTIONS

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

ATTACHMENTS

- 1) Proposed Multi-Purpose Community Facility Site Plan.
- 2) Council Adopted NOM 271015 (Min. No. 330).
- 3) Cost Estimate for Proposed Works - Stage 1.

COUNCILLORS ROOM

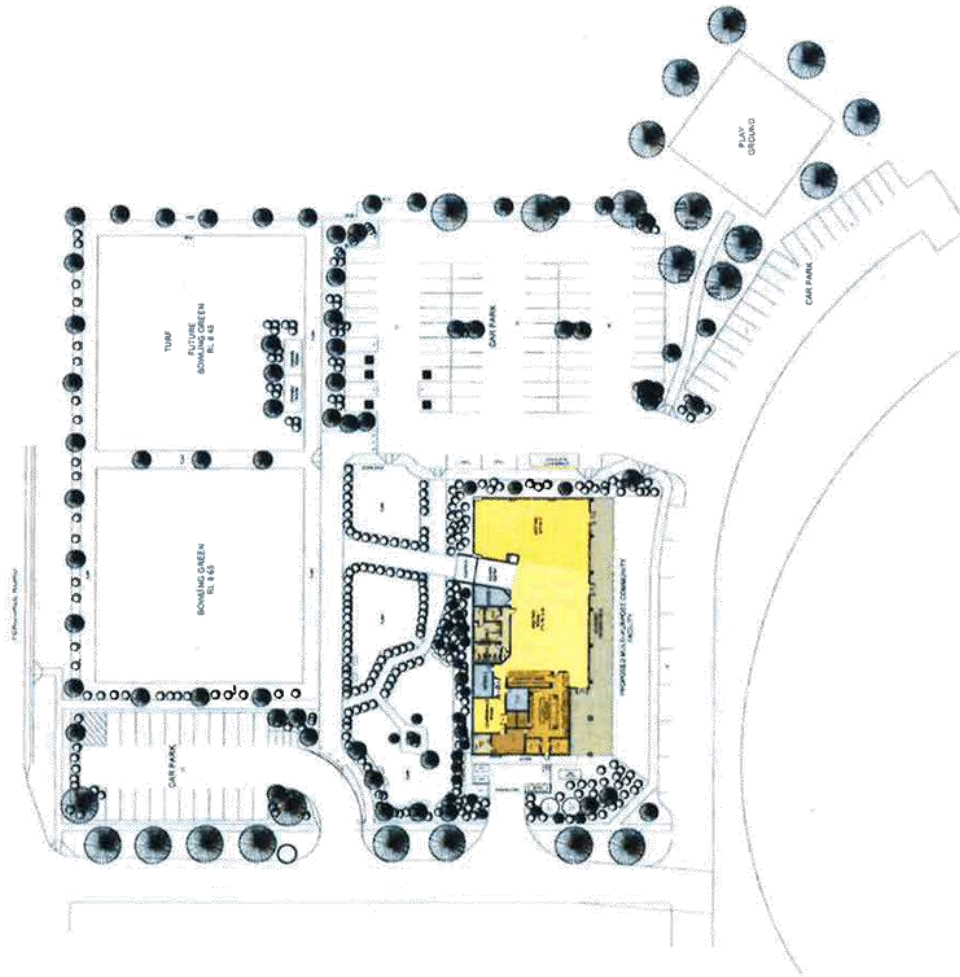
Nil.

TABLED DOCUMENTS

Nil.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

ITEM 4 - ATTACHMENT 1 PROPOSED MULTI-PURPOSE COMMUNITY FACILITY SITE PLAN.



MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

ITEM 4 - ATTACHMENT 2 COUNCIL ADOPTED NOM 271015 (MIN. NO. 330).

MINUTES ORDINARY COUNCIL - 27 OCTOBER 2015

NOTICE OF MOTION

ITEM NO. 4

FILE NO: PSC2015-01000/946

TRIM REF NO: PSC2011-02341

FERODALE SPORTS COMPLEX

COUNCILLOR: CHRIS DOOHAN

THAT COUNCIL:

- 1) Be provided with a report as soon as possible that outlines the concept design, estimate and funding strategy for delivery of stage 1 (community building, car park, access road, playground and bowling green) of the Ferodale Sports Complex Master Plan.

**ORDINARY COUNCIL MEETING - 27 OCTOBER 2015
MOTION**

330	Councillor Chris Doohan Councillor Steve Tucker It was resolved that Council be provided with a report as soon as possible that outlines the concept design, estimate and funding strategy for delivery of stage 1 (community building, car park, access road, playground and bowling green) of the Ferodale Sports Complex Master Plan.
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**BACKGROUND REPORT OF: JASON LINNANE – GROUP MANAGER
FACILITIES AND SERVICES**

BACKGROUND

Council adopted a master plan for the Ferodale Sports Complex in June 2015.

Amongst other things the master plan included a community building, car park, access road, playground and bowling green.

Options for funding the works are currently being investigated which may include section 94 developer contributions, subject to review and amendment of Council's section 94 contributions plan.

MINUTES ORDINARY COUNCIL - 8 DECEMBER 2015

ITEM 4 - ATTACHMENT 2 COUNCIL ADOPTED NOM 271015 (MIN. NO. 330).

MINUTES ORDINARY COUNCIL - 27 OCTOBER 2015

The Ferodale Sports Complex Master Plan (adopted 23 June 2015) is included in the proposed revision of the Medowie Strategy.

Staff have been working on draft designs for the works mentioned in this Notice of Motion. This has included preliminary consultation with the Medowie Sports and Community Club who are the lessees of the site.

ATTACHMENTS

Nil.

MEDOWIE SPORTS COMMUNITY COMPLEX – STAGE 1 ESTIMATE

Component	M²	Rate \$/M	Estimate (\$)
Roadways/Carparks	4,320	\$120	\$518,400
Earthworks and Drainage		Item	\$251,000
Bowling Green	1,444	\$125	\$180,500
Building	803	\$2,700	\$2,168,100
Playground	442	\$220	\$97,240
Landscape/Walkway/Fencing/Lighting/Project Management/Design			\$652,300
Stage 1 Project Estimate Total			\$3,867,540

Attachment 2 - Amending table outlining proposed amendments to Draft Port Stephens Council Section 94 Contributions Plan (Amendment No.11).

Page	Amendment																																								
Various	Formatting and grammatical changes throughout document.																																								
	Update of Amendments table to include summary of this amendment.																																								
Section 1 – Plan Summary																																									
2	Table 1: Dwelling Contribution Rates – Dwellings - Updated with new contributions costs and infrastructure types in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report) and CPI																																								
	<table border="1"> <thead> <tr> <th>Infrastructure type</th> <th>Development Contribution at plan inception</th> <th>Current levies December CPI</th> <th>Proposed changes December CPI</th> </tr> </thead> <tbody> <tr> <td>Consumer Price Index (CPI)</td> <td>87.7</td> <td>108.4</td> <td>108.4</td> </tr> <tr> <td>Civic Administration - Plan Management</td> <td>\$577</td> <td>\$711</td> <td>\$711</td> </tr> <tr> <td>Civic Administration - Works Depots</td> <td>\$356</td> <td>\$441</td> <td>\$433</td> </tr> <tr> <td>Recreation, Open Space, Parks and Reserves</td> <td>\$1,935</td> <td>\$2,392</td> <td>\$2,506</td> </tr> <tr> <td>Sports and Leisure Facilities</td> <td>\$4,561</td> <td>\$5,642</td> <td>\$6,766</td> </tr> <tr> <td>Cultural and Community Facilities</td> <td>\$2,293</td> <td>\$2,833</td> <td>\$2,413</td> </tr> <tr> <td>Roadworks</td> <td>\$1,296</td> <td>\$1,592</td> <td>\$1,592</td> </tr> <tr> <td>Fire & Emergency Services</td> <td>\$186</td> <td>\$228</td> <td>\$221</td> </tr> <tr> <td>TOTAL LGA-WIDE CONTRIBUTION</td> <td>\$11,204</td> <td>\$13,839</td> <td>\$14,642</td> </tr> </tbody> </table>	Infrastructure type	Development Contribution at plan inception	Current levies December CPI	Proposed changes December CPI	Consumer Price Index (CPI)	87.7	108.4	108.4	Civic Administration - Plan Management	\$577	\$711	\$711	Civic Administration - Works Depots	\$356	\$441	\$433	Recreation, Open Space, Parks and Reserves	\$1,935	\$2,392	\$2,506	Sports and Leisure Facilities	\$4,561	\$5,642	\$6,766	Cultural and Community Facilities	\$2,293	\$2,833	\$2,413	Roadworks	\$1,296	\$1,592	\$1,592	Fire & Emergency Services	\$186	\$228	\$221	TOTAL LGA-WIDE CONTRIBUTION	\$11,204	\$13,839	\$14,642
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3	Table 2: Development Contribution Rates – Discounted rates for certain residential development types - Updated with new contributions costs and infrastructure types in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report) and CPI																																								
Section 4 - Contributions																																									
19	Amend the order of categories on page 19																																								
20	Update Civic Administration levies in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report)																																								
22	Update Cultural and Community Facilities in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report)																																								

ITEM 4 - ATTACHMENT 2 PROPOSED AMENDMENTS - SECTION 94 AND SECTION 94A CONTRIBUTIONS PLAN.

25	Update Recreation, Public Open Space, Parks and Reserves in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report)
29	Update Sport and Leisure Centre in line with 'Review of Standards Guiding the Provision of Councils Community and Recreational Facilities 2013' (AEC report)
Section 5 – Work Schedule	
54	Update projects for Open space parks and recreation facilities for Medowie
63	Update projects for Cultural and Community facilities for Medowie
Section 6 - Maps	
95	Inclusion of OS226 Ferodale Sports Complex - playground
116	Inclusion of CLS57 Ferodale Community Centre

Attachment 1 - Amending table outlining proposed amendments to Draft Port Stephens Council Section 94A Contributions Plan (Amendment No.8).

Section 5 – Work Schedule	
54	Update projects for Open space parks and recreation facilities for Medowie
63	Update projects for Cultural and Community facilities for Medowie
Section 6 - Maps	
55	Inclusion of OS226 Ferodale Sports Complex - playground
76	Inclusion of CLS57 Ferodale Community Centre

ITEM NO. 5**FILE NO: 16/282979
RM8 REF NO: PSC2015-00513****AUSTRALIA DAY 2016 - REPORT ON ACTIVITIES****REPORT OF: ROSS SMART - COMMUNICATIONS SECTION MANAGER
GROUP: DEVELOPMENT SERVICES****RECOMMENDATION IS THAT COUNCIL:**

- 1) Note this report on activities held on Australia Day 2016 in Port Stephens.
- 2) Endorse the appointment of the Rotary Club of Raymond Terrace to conduct Australia Day celebrations in Raymond Terrace for 2017 and 2018, to be reviewed after the 2018 event.
- 3) Approve an amendment of annual funds of \$3,000 provided to the Lions Club of Tilligerry Peninsula Inc. to include an increase of CPI per year.
- 4) Approve the provision of \$1,000 to the Karuah Bowling Club to assist with the organisation of 2017 Australia Day activities in Karuah, to be reviewed after this event.

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor Sally Dover Councillor Chris Doohan That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

083	Councillor Ken Jordan Councillor Chris Doohan It was resolved that Council: <ol style="list-style-type: none">1) Note this report on activities held on Australia Day 2016 in Port Stephens.2) Endorse the appointment of the Rotary Club of Raymond Terrace to conduct Australia Day celebrations in Raymond Terrace for 2017 and 2018, to be reviewed after the 2018 event.3) Approve an amendment of annual funds of \$3,000 provided to the Lions Club of Tilligerry Peninsula Inc. to include an increase of CPI per year.
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MINUTES ORDINARY COUNCIL - 12 APRIL 2016

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| 4) | Approve the provision of \$1,000 to the Karuah Bowling Club to assist with the organisation of 2017 Australia Day activities in Karuah, to be reviewed after this event. |
|----|--|

BACKGROUND

The purpose of this report is to provide Council with an overview of the planning and delivery of 2016 Australia Day activities held across the local government area and make recommendations to assist future events.

Australia Day events in Port Stephens were held in four locations:

- Fly Point, Nelson Bay: Organised by the 355c Australia Day Nelson Bay subcommittee with Council financial support of \$12,849.
- Riverside Park, Raymond Terrace: Organised by the Rotary Club of Raymond Terrace under agreement with Port Stephens Council with Council financial support of \$12,849.
- Henderson Park, Lemon Tree Passage: Organised by the Lions Club of Tilligerry Peninsula Inc. with Council financial support of \$3,000.
- Karuah Returned Services League (RSL), Karuah: Organised by the Karuah RSL with no financial support from Council.

Australia Day 355c Committee

Changes to the structure and membership of the Port Stephens Council Australia Day 355c coordinating committee were endorsed by Council in April 2015. Subsequent to this endorsement, the committee structure and membership was redefined with Councillors Jordan, Tucker and Dover appointed to sit on the committee. To ensure full representation on the committee, offers were made for representatives of community groups organising events to become members of the committee. These were accepted by Lions Club of Tilligerry Peninsula and Karuah RSL.

Raymond Terrace Subcommittee EOI and Event

Following endorsement of changes to the 355c coordinating committee, Council called for expressions of interest (EOI) from members of the community to form a new Raymond Terrace subcommittee, which was intended to operate in a similar fashion to the long standing Nelson Bay subcommittee and be funded by Council. This EOI process failed to gain sufficient applications for a subcommittee to be formed.

Council then sought and received expressions of interest from community groups to organise activities in Raymond Terrace. Subsequently, the Rotary Club of Raymond Terrace successfully applied to be the host organisation for the 2016 event, which was highly successful. This appointment saw the Rotary Club of Raymond Terrace assume responsibility for all informal elements of the event, including all

entertainment, market and community stalls, and excluded citizenship ceremony, ambassadorial activities, and community awards.

It is the recommendation of Council staff to enter into negotiations with the Rotary Club of Raymond Terrace to conduct the event again in 2017-2018.

Australia Day Ambassador

For the first time in a number of years, the decision was made to approach and appoint one Australia Day Ambassador to speak at events in Raymond Terrace and Nelson Bay. In previous years, each subcommittee had been responsible for appointing its own ambassador via the Australia Day Council of NSW. The committee agreed to approach Associate Professor Dr Kelvin Kong, an ear nose and throat (ENT) specialist based in Newcastle to be the 2016 Ambassador. Dr Kong is a Worimi man, who grew up in Shoal Bay. His nomination was formally endorsed by the Australia Day Council and he presented a speech at both Raymond Terrace and Nelson Bay. Dr Kong's contribution was widely appreciated with the Nelson Bay subcommittee stating it was the best speech heard at Nelson Bay.

For 2017, it will be logistically possible for a single ambassador to visit these locations as well as Lemon Tree Passage. The coordinating committee agreed that appointing one Ambassador to serve the entire local government area was most appropriate in future.

Port Stephens Community Awards

As in previous years, the Port Stephens Community Awards were announced at the Raymond Terrace ceremony. For the first time, all recipients then travelled to Nelson Bay where they were acknowledged as part of formal proceedings. This was well received in Nelson Bay and it is the intention to continue with this arrangement. Both venues also undertook citizen ceremonies with twenty four people at Nelson Bay and nine at Raymond Terrace taking the pledge of citizenship.

Budget

By Council resolution, funds are currently provided to Raymond Terrace and Nelson Bay (adopted on 26 June 2012, \$12,000 with annual CPI rise) and Tilligerry Peninsula (adopted 23 July 2013, \$3,000 with no CPI rise) on to support Australia Day activities.

The committee proposes to Council that the contribution for Tilligerry Peninsula activities be increased by CPI each year and \$1,000 be offered to the Karuah RSL to assist with 2017 activities at Karuah. This would be reviewed after this event.

Sponsors

Each location attracted sponsors, both cash and in-kind, to support their activities. This support is invaluable and acknowledged by Council. Suez Environment Australia

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

provided waste bins free of charge to the Nelson Bay and Raymond Terrace events.
Other sponsors were:

Raymond Terrace

The Mutual Building Society

Raymond Terrace Bowling Club

Nelson Bay

Marquis Bathrooms

Port Stephens Coaches

Bunnings Warehouse

Woolworths

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Port Stephens has strong governance and civic leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

There are no significant resource implications relating to this report. The request for the additional \$1,000 would require a modest increase in the existing budget.

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

LEGAL, POLICY AND RISK IMPLICATIONS

There are no known legal, policy or risk implications resulting from the recommendations in this report.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council's reputation may be damaged to poorly organised events.	Low	The revitalisation of the coordinating committee and partnership with community groups, Council staff and volunteers with clear plans and budgets.	
There is a risk that attendance at Australia Day events may decrease.	Low	Close involvement of the community in the organisation and management of these activities to ensure community interest is represented in the program of activities.	

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The restructuring of the Port Stephens Australia Day 355c coordinating committee and its membership to ensure community representation has had a positive impact on the running of Australia Day events in Port Stephens. It has already led to better coordination of civic aspects of the events, and it is anticipated that other benefits will develop through collaboration of the various organising bodies.

MERGER PROPOSAL IMPLICATIONS

Newcastle City Council does not have a 355c committee to coordinate Australia Day community activities, events are planned through their events team.

No significant implications will result from the recommendations of this report.

CONSULTATION

Members of the 355c Australia Day committee and other organising community groups.

OPTIONS

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

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 6

**FILE NO: 16/258764
RM8 REF NO: A2004-0230**

POLICY REVIEW - CASH INVESTMENT POLICY

REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the amendments to the Cash Investment Policy shown at **(ATTACHMENT 1)**.
- 2) Place the Cash Investment Policy, as amended, on public exhibition for a period of 28 days and should no submissions be received the policy be adopted, as amended, without a further report to Council.
- 3) Revoke the Cash Investment Policy dated 24 June 2014 (Minute No. 156), shown at **(ATTACHMENT 2)**, should no submissions be received.

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>That the recommendation be adopted.</p>
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**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

<p>084</p>	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Endorse the amendments to the Cash Investment Policy shown at (ATTACHMENT 1).2) Place the Cash Investment Policy, as amended, on public exhibition for a period of 28 days and should no submissions be received the policy be adopted, as amended, without a further report to Council.3) Revoke the Cash Investment Policy dated 24 June 2014 (Minute No. 156), shown at (ATTACHMENT 2), should no submissions be received.
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BACKGROUND

The purpose of this report is to seek Council's endorsement of the revised Cash Investment Policy.

The objective of the policy is to guide Council's cash investment process and specifically:

- To establish Council's investment philosophy;
- To establish investment risk management guidelines;
- To prescribe requirements to be followed in investing surplus funds that are not immediately required for any other purpose;
- To identify the duties of those involved in the investment process;
- To prescribe internal control, investment monitoring and reporting procedures.

The policy proposes a more sophisticated approach to diversification risk management as recommended by Council's financial advisor.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Port Stephens Council's services and assets are sustainable in the longer term.	Council will reduce its underlying deficit to break even in 2015-2016 financial year. Council will increase its revenue from non-rates sources. Manage risks across Council. Attract, retain and develop staff to meet current and future workforce needs. Provide enabling business support services for Council's operations.

FINANCIAL/RESOURCE IMPLICATIONS

Council is responsible for the prudent management of community assets including surplus cash not immediately required for continuous operations.

A Cash Investment Policy assists in ensuring the security of invested funds and achieving a return on funds acceptable to the organisation.

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

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Other	No		
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LEGAL, POLICY AND RISK IMPLICATIONS

Section 23A of the *Local Government Act 1993* requires Council to take guidelines issued by the Chief Executive of the Office of Local Government into consideration before exercising its functions. The redrafted policy complies with the Investment Policy Guidelines.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council's legal responsibilities will not be met if the policy is not implemented, which could cause financial and/or reputational damage.	Medium	Accept the recommendations.	Yes
There is a risk that if a financial institution was to default on repayment, only the first \$250,000 would be government guaranteed. Investment diversification as proposed reduces Council's exposure to investing in lower rated and unrated financial institutions.	Medium	Invest only in APRA approved Australian Authorised Deposit Taking institutions in accordance with the diversification limits with clause 8.1 of the policy. No APRA (established 1998) approved Australian ADI has ever failed to return term deposits. Pyramid Building Society (the last insolvent Australian financial institution) term deposit shortfalls were repaid to investors by the Victorian Government. The last lost deposits were as a result of the failure of the Primary Producers Bank of Australia in 1931.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Income from investments needs to be optimised to ensure Council can provide facilities and services to the community on a sustainable basis.

MERGER PROPOSAL IMPLICATIONS

There are no anticipated implications with the review of this policy.

CONSULTATION

- 1) Council's Financial Services Staff.

OPTIONS

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

ATTACHMENTS

- 1) Cash Investment Policy.
- 2) Existing Cash Investment Policy.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

Policy



FILE NO: A2004-0230
TITLE: CASH INVESTMENT POLICY
POLICY OWNER: FINANCIAL SERVICES SECTION MANAGER

PURPOSE:

The purpose of this policy is to guide Council's cash investment process and specifically:

- Establish Council's investment philosophy;
- Establish investment risk management guidelines;
- Prescribe requirements to be followed in investing surplus funds that are not immediately required for any other purpose;
- Identify the duties of those involved in the investment process;
- Prescribe internal control, investment monitoring and reporting procedures.

CONTEXT/BACKGROUND:

The policy has been subject to periodic review in accordance with Council policy.

SCOPE:

- 1) Council has an obligation under its charter as the custodian and trustee of public assets to effectively account for and manage the assets for which it is responsible.
- 2) All Council investments are to be made in accordance with the following process:
 - a) Determine surplus funds for investment from daily cash flow analysis;
 - b) Determine cash requirements and the required term of the investment;
 - c) Seek quotations from financial institutions, having regard for:
 - i) Section 625 of the *Local Government Act 1993* which details how Council's may invest;
 - ii) The Ministerial Order made under section 625(2) of the *Local Government Act 1993*;
 - iii) Section 14 of the *Trustee Act* which details the powers of investment to which a trustee is to have regard when exercising the power of investment;
 - iv) Clause 212 of the *Local Government (General) Regulation 2005*;

Policy

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- v) The review of NSW Local Government Investments Report (Cole Inquiry Report, April 2008);
- vi) Investment Policy Guidelines - issued in 2010 by the then Chief Executive of the Department of Local Government (now Office of Local Government) under s23A *Local Government Act 1993*;
- vii) Local Government Code of Accounting Practice and Financial Reporting.

DEFINITIONS:

An outline of the key definitions of terms included in the policy.

Cash Investment	Money placed with an approved entity, that provides a return in the form of interest payments.
Surplus Funds	Money remaining after foreseeable cash flows are calculated.
BBSW	Bank Bill Swap Rate.

POLICY STATEMENT:

1) Investment Philosophy and Objectives

- a) Investments are to be allocated to ensure there is sufficient liquidity to meet reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
- b) Preservation of capital and the real value of surplus funds is the principal objective of the investment portfolio.
- c) Investments are expected to achieve a market average rate of return consistent with Council's risk tolerance. One dollar invested today is expected to earn interest so that it will increase in value to more than one dollar in the future, 'the time value of money'.

2) Cash Flow

- a) Council is to plan for future cash flow requirements in its long term financial plan and annual budget.
- b) Cash flow is to be monitored daily.
- c) Council is to have an overdraft facility to be used to meet unforeseen commitments, with the aim of avoiding use of this facility as the interest rate is likely to exceed the interest rate Council receives on its investments.

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- d) When appropriate to do so, daily surplus funds are to be automatically swept into an interest bearing bank account to maximise interest earnings.
- e) Surplus funds that are forecast not to be required for in excess of 30 days are to be identified and invested.

3) Risk Management Criteria

- a) Placement and retention of investments are to be assessed according to the following criteria:
 - Preservation of capital - the requirement for preventing losses in Council's investment portfolio's total value (considering the time value of money).
 - Diversification - setting limits to the amounts invested with individual financial institutions or government authorities to reduce credit risk.
 - Credit risk - the risk that a financial institution or government authority fails to pay the interest or repay the principal invested.
 - Market risk - the risk that the fair value or future cash flows of an investment will fluctuate due to market prices.
 - Liquidity risk - the risk Council is unable to redeem the investment at a fair price within a timely period.
 - Maturity risk - the risk relating to the length of term to maturity. The larger the term the greater the length of exposure and risk of market volatility and interest rate changes.
- b) Financial instruments detailing investments must clearly show they are held in Council's name.

4) Authorised Investments

- a) All investments must be denominated in Australian Dollars (AUD).
- b) Authorised investments are limited to those forms included in the Ministerial Investment Order, presently:
 - Local, State or Commonwealth Government bonds, debentures or securities;
 - Interest bearing deposits, debentures or bonds issued by an authorised deposit taking institution (ADI) regulated by Australian Prudential Regulation Authority, (ie a bank, building society or credit union granted authority by APRA to carry on a banking business in Australia – a full list of ADIs is available on the APRA website www.apra.gov.au);
 - Investments with NSW Treasury Corporation or Hourglass Investment facility.

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Policy



5) Prohibited Investments

- a) This investment policy prohibits any investment carried out for speculative purposes including, but not limited to:
 - Derivative based instruments;
 - Principal only investments or securities that provide potentially nil or negative cash flow and;
 - Stand-alone securities issued that have underlying futures, options forward contracts or swaps of any kind.
- b) This policy also prohibits the use of leveraging (borrowing to invest) of an instrument.

6) Quotations on Investments

- a) Not less than three quotations shall be obtained from authorised institutions whenever an investment is proposed.
- b) The best quote for the day shall be accepted after allowing for administrative costs and also allowing for the diversification limits of this policy.

7) Term to Maturity

- a) The term to maturity of any of Council's direct investments must not exceed 10 years.
- b) When the term to maturity exceeds one year, Council must ensure that a secondary market exists for the investment to enable the disposal of the investment prior to maturity if necessary.
- c) To control liquidity risk Council's investment portfolio should be limited to the following term to maturity thresholds.

Term	Minimum %	Maximum %
< 1 year	30	100
> 1 year	0	70
> 3 years	0	40
> 5 years	0	30

The maturity thresholds above are to be assessed at the time of making a new investment.

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Policy



8) Diversification

- a) Council shall diversify its investments by referencing Standard and Poors long term ratings (or equivalent) and limiting investments with any single financial institution as follows:

S & P Long Term Rating	Portfolio Maximum %	Single Financial Institution Maximum %
AAA (+ or -)	100	40
AA (+ or-)	100	30
A (+ or -)	45	15
BBB (+ or -)	25	10
unrated		5

- b) The Diversification limit above shall be assessed at the time of making a new investment. Any subsequent reduction in portfolio size shall be disregarded in relation to assessing diversification limits of existing investments where there is likely to be significant costs or losses for terminating or disposing of an investment.

9) Reporting

- a) A monthly report shall be provided to Council, detailing the investment portfolio including type of investment, individual amounts invested, financial institution name, maturity date and interest rate. The report is to include a certificate as to whether or not the investments have been made in accordance with the Act, regulations and Council's Investment Policy.
- b) For audit purposes certificates must be obtained from banks and investment brokers confirming the amounts of investments held on Council's behalf as at 30 June each year.

10) Performance Benchmarks

- a) Council seeks to gain a return on investment at least equal to the following measures.

Investment	Performance Benchmark
Cash	RBA Cash Rate
Term Deposits	Australian Term Deposit index as published daily
Enhanced Investments	90 day BBSW

Policy

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Policy



11) Duties and Responsibilities of Council Officers

- a) The General Manager is responsible for ensuring that Council's decisions with respect to this investment policy are implemented. The General Manager has delegations to staff in place to make investments in accordance with this policy.
- b) *Cl 212 of the Local Government (General) Regulation 2005* requires the Responsible Accounting Officer to provide a monthly written report to Council on its investments. The Responsible Accounting Officer is responsible for keeping Council's accounting records, ensuring they are kept up to date and in an accessible form. The Financial Services Section Manager is the Responsible Accounting Officer in Port Stephens Council and delegations to staff are in place to keep accounting records and report as required.
- c) Council officers involved in investing funds are required to have appropriate skills to undertake the investment function, have delegations in place and read and comply with this investment policy.
- d) Council officers involved in investing funds should act with the duty of care, skill, prudence and diligence that a prudent person would exercise when investing and managing their own funds and have regard to the requirements under the *Trustee Act 1925*.
- e) Council officers involved in investing funds must not engage in activities that would conflict with the proper implementation and management of Council's investments.
- f) The Finance Officer - Revenue Team Leader or other delegated Council officer is required to:
 - Monitor cash flow on a daily basis and estimate cash requirements;
 - Ensure proposed investment products comply with this investment policy;
 - Recommend investment of funds in accordance with the requirements of this policy;
 - Reconcile principal invested on at least a monthly basis;
 - Estimate and account for receipt of all interest due on investments;
 - Ensure financial instruments, investment certificates and related documents are kept in safe custody;
 - Prepare a monthly report for Council to the satisfaction of the Responsible Accounting Officer;
 - Cause the investment register to be updated on Council's website monthly;
 - Store all relevant documents, interest advices, market valuations in HPRM.
- g) To ensure adequate internal controls and separation of duties the Finance Revenue Coordinator is to authorise investment transactions. If the Finance Revenue Coordinator

Policy

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is absent investment transactions are to be authorised by the Financial Services Section Manager or Group Manager Corporate Services or General Manager.

12) Investment Advisor

- a) When ensuring a proposed investment product complies with this investment policy it may be necessary to obtain independent financial advice.
- b) Before considering independent financial advice Council must ensure the financial advisor is licensed by the Australian Securities and Investment Commission. The advisor must confirm that they do not have any conflicts of interest in relation to the investment products being considered.
- c) When recommending or reviewing investments any independent financial advisor must provide written confirmation that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.
- d) Council is to undertake separate reference checks before relying on information provided by an advisor.

POLICY RESPONSIBILITIES:

- 1) Finance Officer - Revenue Team Leader.
- 2) Finance Revenue Coordinator.
- 3) Financial Services Section Manager.

RELATED DOCUMENTS:

- 1) *Local Government Act 1993.*
- 2) *Local Government Act 1993 - s625 Investment Order (of the Minister) as made from time to time.*
- 3) *Local Government Act 1993 s23A Investment Policy Guidelines issued in 2010 by the then Chief Executive of the Department of Local Government (now Office of Local Government).*
- 4) *Local Government (General) Regulation 2005.*
- 5) *The Trustee Act 1925 - s14 - Powers of Investment.*
- 6) *Banking Act 1959 - Division 2AA Financial Claims Scheme.*

Policy

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RM8 container No	A2004-0230	RM8 record No	16/265484
Audience	Council staff and community		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	Two years	Next review date	
Adoption date	20 December 2005		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	20/12/05	Financial Services Section Manager	Policy adopted.	382
2.0	27/03/12	Financial Services Section Manager	Amended policy adopted.	048
3.0	24/06/14	Financial Services Section Manager	Amended policy adopted.	156

Policy

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4.0	02/02/16	Financial Services Section Manager	<p>This policy has been reviewed and formatted into the new template.</p> <p>Removed all references to Grandfathered Investments as Council no longer holds any investments that do not comply with the most recent Ministerial Investment Order.</p> <p>Removed all references to CDO's as council no longer holds any of these.</p> <p>Updated the Responsible Accounting Officer from the General Manager to the Financial Services Section Manager.</p> <p>Updated position titles to reflect current organisational chart.</p> <p>Updated the 'related documents' section to reflect current policies and legislation.</p>	
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Policy

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Port Stephens

C·O·U·N·C·I·L

POLICY

Adopted: 20/12/2005
Minute No: 382
Amended: 27/03/2012
Minute No: 048
Amended: 24/06/2014
Minute No: 156

FILE NO: A2004-0230

TITLE: CASH INVESTMENT POLICY

REPORT OF: FINANCIAL SERVICES MANAGER

BACKGROUND

This Policy has been subject to periodic review in accordance with Council policy.

OBJECTIVE

The purpose of this Policy is to guide Council's cash investment process and specifically:

- Establish Council's investment philosophy;
- Establish investment risk management guidelines;
- Prescribe requirements to be followed in investing surplus funds that are not immediately required for any other purpose;
- Identify the duties of those involved in the investment process;
- Prescribe internal control, investment monitoring and reporting procedures.

PRINCIPLES

- 1) Council has an obligation under its charter as the custodian and trustee of public assets to effectively account for and manage the assets for which it is responsible.
- 2) All Council investments are to be made in accordance with the following process:
 - a) Determine surplus funds for investment from daily cash flow analysis;
 - b) Determine cash requirements and the required term of the investment;
 - c) Seek quotations from financial institutions, having regard for:
 - i) Section 625 of the Local Government Act which details how Councils may invest;

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

- ii) The Ministerial Order made under section 625(2) of the Local Government Act 1993;
- iii) Section 14 of the Trustee Act which details the powers of investment to which a trustee is to have regard when exercising the power of investment;
- iv) Clause 212 of the Local Government (General) Regulation 2005;
- v) The review of NSW Local Government Investments Report (Cole Inquiry Report, April 2008);
- vi) Investment Policy Guidelines – issued by the Director General of the Division of Local Government under s23A Local Government Act 1993;
- vii) Local Government Code of Accounting Practice and Financial Reporting.

POLICY STATEMENT

1. Investment Philosophy and Objectives

- 1.1. Investments are to be allocated to ensure there is sufficient liquidity to meet reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
- 1.2. Preservation of capital and the real value of surplus funds is the principal objective of the investment portfolio.
- 1.3. Investments are expected to achieve a market average rate of return consistent with Council's risk tolerance. One dollar invested today is expected to earn interest so that it will increase in value to more than one dollar in the future, 'the time value of money'.

2. Cash Flow

- 2.1. Council is to plan for future cash flow requirements in its long term financial plan and annual budget.
- 2.2. Cash flow is to be monitored daily.
- 2.3. Council is to have an overdraft facility to be used to meet unforeseen commitments, with the aim of avoiding use of this facility as the interest rate is likely to exceed the interest rate Council receives on its investments.
- 2.4. When appropriate to do so, daily surplus funds are to be automatically swept into an interest bearing bank account to maximise interest earnings.
- 2.5. Surplus funds that are forecast not to be required for in excess of 30 days are to be identified and invested.

3. Risk Management Criteria

3.1. Placement and retention of investments are to be assessed according to the following criteria:

- Preservation of Capital – the requirement for preventing losses in Council's investment portfolio's total value (considering the time value of money);
- Diversification – setting limits to the amounts invested with individual financial institutions or government authorities to reduce credit risk;
- Credit risk – the risk that a financial institution or government authority fails to pay the interest or repay the principal invested;
- Market risk – the risk that the fair value or future cash flows of an investment will fluctuate due to market prices;
- Liquidity risk – the risk Council is unable to redeem the investment at a fair price within a timely period;
- Maturity risk – the risk relating to the length of term to maturity. The larger the term the greater the length of exposure and risk of market volatility and interest rate changes.

3.2 Financial instruments detailing investments must clearly show they are held in Council's name.

4 Authorised Investments

4.1 All investments must be denominated in Australian Dollars (AUD).

4.2 Authorised investments are limited to those forms included in the Ministerial Investment Order, presently:

- Local, State or Commonwealth Government bonds, debentures or securities;
- Interest bearing deposits, debentures or bonds issued by an authorised deposit taking institution (ADI) regulated by Australian Prudential Regulation Authority, (ie. a bank, building society or credit union granted authority by APRA to carry on a banking business in Australia – a full list of ADIs is available on the APRA website www.apra.gov.au);
- Investments with NSW Treasury Corporation or Hourglass Investment facility.

5 Grandfathered Investments

5.1 New investments must comply with the most recent NSW Local Government Ministerial Investment Order.

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

5.2 Council holds existing investments that do not comply with the most recent Ministerial Investment Order, but complied with the Ministerial Investment Order in force at the time the investments were made. Under the provisions of the most recent Ministerial Investment Order changes to the Investment Order were grandfathered.

5.3 Council may hold to maturity, redeem or sell these investments which include Collateralised Debt Obligations (CDO's), derivative based instruments, and subordinated debt.

6. Prohibited Investments

6.1 This investment policy prohibits any investment carried out for speculative purposes including, but not limited to:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow and;
- Stand-alone securities issued that have underlying futures, options forward contracts or swaps of any kind.

6.2 This Policy also prohibits the use of leveraging (borrowing to invest) of an instrument. However, nothing in this previous paragraph will limit the grandfathering clause pertaining to already purchased investments.

7. Quotations on Investments

7.1 Not less than three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed.

7.2 The best quote for the day shall be accepted after allowing for administrative costs and also allowing for the diversification limits of this policy.

8. Term to Maturity

8.1 The term to maturity of any of Council's direct investments must not exceed ten (10) years.

8.2 When the term to maturity exceeds one (1) year, Council must ensure that a secondary market exists for the investment to enable the disposal of the investment prior to maturity if necessary.

8.3 To control liquidity risk Council's investment portfolio should be limited to the following term to maturity thresholds.

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

TERM	MINIMUM PERCENTAGE	MAXIMUM PERCENTAGE
< 1 year	30%	100%
> 1 year	0%	70%
> 3 years	0%	40%
> 5 years	0%	30%

The maturity thresholds above are to be assessed at the time of making a new investment.

9. Diversification

9.1 Council shall diversify its investments by referencing Standard and Poors long term ratings (or equivalent) and limiting investments with any single financial institution as follows:

S & P LONG TERM RATING	PORTFOLIO MAXIMUM %	SINGLE FINANCIAL INSTITUTION MAXIMUM %
AAA (+ or -)	100%	40%
AA (+ or -)	100%	30%
A (+ or -)	45%	15%
BBB (+ or -)	25%	10%
unrated		5%

9.2 The Diversification limit above shall be assessed at the time of making a new investment. Any subsequent reduction in portfolio size shall be disregarded in relation to assessing diversification limits of existing investments where there is likely to be significant costs or losses for terminating or disposing of an investment.

10. Reporting

10.1 A monthly report shall be provided to Council, detailing the investment portfolio including type of investment, individual amounts invested, financial institution name, maturity date, interest rate, percentage exposure within the total portfolio and current market value. The report is to include a certificate as to whether or not the investments have been made in accordance with the Act, regulations and Council's investment policy.

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

10.2 Current market values are to be sought monthly for Council's grandfathered investments such as CDO's. Due to the timing of the provision of such valuations the most recent valuations will be presented in the monthly report to Council which might not include valuations received after the business paper cycle is closed.

10.3 For audit purposes certificates must be obtained from banks and investment brokers confirming the amounts of investments held on Council's behalf and their current market value as at 30 June each year.

11 Performance Benchmarks

11.1 Council seeks to gain a return on investment at least equal to the following measures.

Investment	Performance Benchmark
Cash	RBA Cash Rate
Term Deposits	Australian Term Deposit index as published daily
Enhanced Investments	90 day BBSW

12. Duties and Responsibilities of Council Officers

12.1. The General Manager is responsible for ensuring that Council's decisions with respect to this investment policy are implemented. The General Manager has delegations to staff in place to make investments in accordance with this policy.

12.2. CI 212 of the Local Government (General) Regulation 2005 requires the Responsible Accounting Officer to provide a monthly written report to Council on its investments. The Responsible Accounting Officer is responsible for keeping Council's accounting records, ensuring they are kept up to date and in an accessible form. The General Manager is the Responsible Accounting Officer in Port Stephens Council and delegations to staff are in place to keep accounting records and report as required.

12.3. Council officers involved in investing funds are required to have appropriate skills to undertake the investment function, have delegations in place and read and comply with this investment policy.

12.4. Council officers involved in investing funds should act with the duty of care, skill, prudence and diligence that a prudent person would exercise when investing and managing their own funds and have regard to the requirements under the Trustee Act 1925.

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

12.5. Council officers involved in investing funds must not engage in activities that would conflict with the proper implementation and management of Council's investments.

12.6. The Revenue Team Leader or other delegated Council officer is required to:

- Monitor cash flow on a daily basis and estimate cash requirements;
- Ensure proposed investment products comply with this investment policy;
- Recommend investment of funds in accordance with the requirements of this policy;
- Reconcile principal invested on at least a monthly basis;
- Estimate and account for receipt of all interest due on investments;
- Ensure financial instruments, investment certificates and related documents are kept in safe custody;
- Obtain monthly valuations of grandfathered securities;
- Prepare a monthly report for Council to the satisfaction of the Responsible Accounting Officer;
- Cause the investment register to be updated on Council's website monthly;
- Store all relevant documents, interest advices, market valuations in TRIM.

12.7. To ensure adequate internal controls and separation of duties the Accounting and Revenue Coordinator is to authorise investment transactions. If the Accounting and Revenue Coordinator is absent investment transactions are to be authorised by the Financial Services Manager or Group Manager Corporate Services or General Manager.

13. Investment Advisor

13.1. When ensuring a proposed investment product complies with this investment policy it may be necessary to obtain independent financial advice.

13.2. Before considering independent financial advice Council must ensure the financial advisor is licensed by the Australian Securities and Investment Commission. The advisor must confirm that they do not have any conflicts of interest in relation to the investment products being considered.

13.3. When recommending or reviewing investments any independent financial adviser must provide written confirmation that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

13.4. Council is to undertake separate reference checks before relying on information provided by an advisor.

ITEM 6 - ATTACHMENT 2 EXISTING CASH INVESTMENT POLICY.

RELATED POLICIES

- 1) Restricted Funds Policy;
- 2) Property Investment and Development Policy;
- 3) Business Development Funding Policy.

SUSTAINABILITY IMPLICATIONS

SOCIAL IMPLICATIONS

Nil.

ECONOMIC IMPLICATIONS

Nil.

ENVIRONMENTAL IMPLICATIONS

Nil.

RELEVANT LEGISLATIVE PROVISIONS

- 1) Local Government Act 1993 – s 625;
- 2) Local Government Act 1993 – s 625 Investment Order (of the Minister) as made from time to time;
- 3) The Trustee Act 1925 – s 14 - Powers of Investment;
- 4) Local Government (General) Regulation 2005 – cl 212;
- 5) Local Government Act 1993 s 23A Investment Policy Guidelines issued by the Director General of the Division of Local Government;
- 6) Banking Act 1959 – Division 2AA Financial Claims Scheme.

IMPLEMENTATION RESPONSIBILITY

- 1) Accounting and Revenue Coordinator.

PROCESS OWNER

- 1) Accounting and Revenue Coordinator.

REVIEW DATE

- 1) 31 May 2016.

ITEM NO. 7

**FILE NO: 16/295611
RM8 REF NO: PSC2016-00757-001**

TENDER: T221516HUN PROVISION OF HEALTH MANAGEMENT SERVICES

REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) That pursuant to section 10A(2)(d) of the *Local Government Act, 1993*, the Council resolve to close to the public that part of its meetings to discuss Item 7 on the Ordinary Council agenda namely Tender: T221516HUN Provision of Health Management Services.
 - 2) That the reasons for closing the meeting to the public to consider this item be that:
 - i) The report and discussion will include details of commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the tenderers; and
 - ii) In particular, the report includes confidential pricing information in respect of the Tender: T221516HUN Provision of Health Management Services.
 - 3) That on balance, it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as disclosure of the confidential commercial information could compromise the commercial position of the tenderers and adversely affect Council's ability to attract competitive tenders for other contracts.
 - 4) That the report of the closed part of the meeting is to remain confidential and that Council makes public its decision including the name and amount of the successful tenderer in accordance with Clause 179 of the *Local Government (General) Regulation 2005*.
 - 5) That Council accept the tender submitted from the following suppliers as a panel of contractors for a total budget spend each year of \$56,000 for the provision of health management services.
 - CS Health Pty Ltd (a business unit of Coal Services)
 - Ethos Health Pty Limited
 - IPAR Proprietary Limited
 - 6) That the contract will commence on 1 April 2016 for a period of two years, terminating on 31 March 2018 with an option to extend for a further 12 month period.
-

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

ORDINARY COUNCIL MEETING - 12 APRIL 2016 COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor Paul Le Mottee</p> <p>That the recommendation be adopted.</p>
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ORDINARY COUNCIL MEETING - 12 APRIL 2016 MOTION

085	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) That Council accept the tender submitted from the following suppliers as a panel of contractors for a total budget spend each year of \$56,000 for the provision of health management services.<ul style="list-style-type: none">• CS Health Pty Ltd (a business unit of Coal Services)• Ethos Health Pty Limited• IPAR Proprietary Limited2) That the contract will commence on 1 April 2016 for a period of two years, terminating on 31 March 2018 with an option to extend for a further 12 month period.
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BACKGROUND

The purpose of this report is to recommend the acceptance of a panel of contractors for the provision of Health Management Services. The tender was performed through Regional Procurement where an open panel source tender was conducted in accordance with Clause 166(a) of the *Local Government (General) Regulation 2005*.

Pre-employment medicals are an important component of Council's recruitment and selection process. They allow Council to make informed decisions on a candidate's suitability for a position. This ensures that candidates are fit to undertake the inherent requirements of the position and helps to guard against work related illness and injury occurring subsequent to the candidate's appointment with Council.

Injury management allows Council to liaise directly with a medical provider who can provide assistance to allow injured workers to return to the workplace as safely and quickly as possible. Services that would be required include an assessment of injured workers, development of return to work plans and administering Council's immunisation programs.

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

The tender was advertised and closed 9 June 2015 with a total of eight submissions (with one non-conforming) received at the close of the tender period, a summary of which is included as **(ATTACHMENT 1)**.

This project was coordinated by Regional Procurement and its purpose was for the participating organisations to appoint preferred medical service providers (General Practitioners), for the referral of employees on injury management and other work related matters.

CS Health Pty Ltd, Ethos Health Pty Limited and IPAR Proprietary Limited were chosen as the preferred suppliers as their submissions were deemed more competitive and provided "value for money".

CS Health Pty Ltd (a business unit of Coal Services) has over 60 years' experience and is well recognised in providing health services to the Hunter region, based locally at Speers Point. They have additional branches in Woonona, Singleton, Mudgee and Lithgow.

Ethos Health Pty Limited, established in 2009, is a locally based service provider having offices at Newcastle and Lake Macquarie.

IPAR Proprietary Limited has been trading since 2003, founded in Melbourne, and has 45 offices nationally. They have a local office in Newcastle supporting the Hunter region.

The intent to appoint a panel of suppliers rather than a single supplier is to ensure the service can be provided to suit the diverse needs of Port Stephens Council. This incorporates the needs of the Corporates Services Group within Council predominately for pre-employment assessments and other medical related services as per the detailed specification.

In the last two financial years Council has spent approximately \$85,000 on Health Management Services across the organisation.
The weightings agreed for this tender were:

Criteria	Weighting (%)
Table 1 Price Items 1 & 2	15
Table 2 Price Items 6, 7 & 8	15
Table 3 Price Items 17 A, B & C	20
Referees	10
Quality Assurance	15
WHS	15
Customer Service	5
Previous Experience	5
Total	100

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Port Stephens Council's services and assets are sustainable in the longer term.	<p>Council will reduce its underlying deficit to break even in 2015-2016 financial year.</p> <p>Council will increase its revenue from non-rates sources.</p> <p>Manage risks across Council.</p> <p>Attract, retain and develop staff to meet current and future workforce needs.</p> <p>Provide enabling business support services for Council's operations.</p>

FINANCIAL/RESOURCE IMPLICATIONS

There are no significant financial or resource implications.

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

LEGAL, POLICY AND RISK IMPLICATIONS

There are no significant legal and policy implications.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that there is not a formalised provider for Health Management Services which may result in a breach of procurement requirements under the <i>Local Government Act 1993</i> .	Medium	Implement contract/s to suitably qualified provider/s of Health Management Services meeting the specification of Council.	Yes

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that persons employed by Council with significant medical issues could increase risk and/or workers compensation premiums.	High	All prospective employees are to be subject to a pre-employment medical based on the inherent requirements of the role.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

There are no significant sustainability implications.

MERGER PROPOSAL IMPLICATIONS

This tender was called prior to the merger proposal being announced. The body of work is considered necessary for the day to day operations of Council.

CONSULTATION

- 1) Group Manager Corporate Services.
- 2) Organisation Development Section Manager.
- 3) Human Resources Manager.
- 4) Regional Procurement.
- 5) Contract Management Specialist.
- 6) Expenditure Coordinator.
- 7) Employment Coordinator.
- 8) Return to Work Coordinator.

OPTIONS

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

ATTACHMENTS

- 1) CONFIDENTIAL Weighted Criteria Methodology Summary.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 8

**FILE NO: 16/296204
RM8 REF NO: PSC2015-01247**

NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT - NOTICE OF MOTION

REPORT OF: GREGORY KABLE - CAPITAL WORKS SECTION MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- Endorse the following proposed Notice of Motion to be put forward at the National Assembly of the Australian Local Government Association in June 2016.

"NOTICE OF MOTION:

That the Commonwealth Government make the following changes to the Natural Disaster Relief and Recovery Arrangements:

- Review and revision of the limitation on cost recovery for restoration works, under which 'only additional council resources such as overtime and extra shifts and additional contracted services are eligible for reimbursement'.
This request is based on the additional and unnecessary cost to councils and the wider community brought about by the inability of councils to recover the cost of restoration works undertaken by councils using their day labour resources during ordinary hours of work. This approach does nothing but add cost to the recovery phase.
- The current closing date for the submission of claims for the recovery of costs of 'Emergency Works' needs to be more flexible. The current three week (21 day) limitation in most cases will not be appropriate and requires extension.
- Increased support and flexibility in respect to cooperation and assistance from the NSW Environment Protection Authority (EPA) in relation to the collection, storage, processing, re-use and disposal (as necessary) of waste from events.
While Council generally supports the approach that the EPA has in respect to management of waste in NSW, in times of major disasters, flexibility and support is needed to assist local communities in dealing with this major impost.
- Exemption from the NSW Waste Levy for the disposal of all material as a result of a natural disaster.
This cost has a considerable impact on local communities and requires review. Further, when there is a decision to exempt the levy there should also be more flexibility in the time period that this applies subsequent to an event.
- Increased funding for works in the planning and preparation phases of emergency management, so that required mitigation works can be planned and implemented.
It is shown through research and review undertaken by experts in the field of emergency management that this will provide substantial long term financial,

MINUTES ORDINARY COUNCIL - 12 APRIL 2016

social and environmental benefits. The recently released Productivity Commission findings support a re-think by Governments on this issue.

ORDINARY COUNCIL MEETING - 12 APRIL 2016 COMMITTEE OF THE WHOLE RECOMMENDATION

	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>That the recommendation be adopted.</p>
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ORDINARY COUNCIL MEETING - 12 APRIL 2016 MOTION

086	<p>Councillor Ken Jordan Councillor Chris Doohan</p> <p>It was resolved that Council endorse the following proposed Notice of Motion to be put forward at the National Assembly of the Australian Local Government Association in June 2016.</p> <p>"NOTICE OF MOTION:</p> <p>That the Commonwealth Government make the following changes to the Natural Disaster Relief and Recovery Arrangements:</p> <ul style="list-style-type: none">• Review and revision of the limitation on cost recovery for restoration works, under which 'only additional council resources such as overtime and extra shifts and additional contracted services are eligible for reimbursement'. <p>This request is based on the additional and unnecessary cost to councils and the wider community brought about by the inability of councils to recover the cost of restoration works undertaken by councils using their day labour resources during ordinary hours of work. This approach does nothing but add cost to the recovery phase.</p> <ul style="list-style-type: none">• The current closing date for the submission of claims for the recovery of costs of 'Emergency Works' needs to be more flexible. The current three week (21 day) limitation in most cases will not be appropriate and requires extension.• Increased support and flexibility in respect to cooperation and assistance from the NSW Environment Protection Authority (EPA) in relation to the collection, storage, processing, re-use and disposal (as necessary) of waste from events. <p>While Council generally supports the approach that the EPA has in respect to management of waste in NSW, in times of major</p>
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	<p>disasters, flexibility and support is needed to assist local communities in dealing with this major impost.</p> <ul style="list-style-type: none">• Exemption from the NSW Waste Levy for the disposal of all material as a result of a natural disaster. <p>This cost has a considerable impact on local communities and requires review. Further, when there is a decision to exempt the levy there should also be more flexibility in the time period that this applies subsequent to an event.</p> <ul style="list-style-type: none">• Increased funding for works in the planning and preparation phases of emergency management, so that required mitigation works can be planned and implemented. <p>It is shown through research and review undertaken by experts in the field of emergency management that this will provide substantial long term financial, social and environmental benefits. The recently released Productivity Commission findings support a re-think by Governments on this issue.</p>
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BACKGROUND

The purpose of this report is to recommend a Notice of Motion to be put on behalf of Council to the National General Assembly of Local Government in June 2016 and to enable Councillors to put forward and consider any additional Notices of Motion to be submitted to the Assembly.

The National General Assembly of Local Government is taking place in Canberra between 19-22 June 2016. This is a major event which typically attracts more than 700 Mayors, Councillors and Senior Officers from Councils across Australia. The Australian Local Government Association (ALGA) Board is calling for Motions for the Congress under this year's theme 'Partners in an Innovative and Prosperous Australia'.

To be eligible for inclusion in the Assembly business papers, motions must follow the principles set out by the ALGA Board namely:

- Be relevant to the work of local government nationally.
- Be consistent with the themes of the Assembly.
- Complement or build on the policy objectives of your state and territory local government association.
- Propose a clear action and outcome.
- Not be advanced on behalf of external third parties that may seek to use the National General Assembly to apply pressure to Board members or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of local government.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Port Stephens Council is recognised as a leading local government organisation across the State.	Strengthen Council's brand and reputation.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

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

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal or policy implications, risk implications are addressed in the table below.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the continuation of the current funding arrangement exposes Council to significant financial loss.	High	Council approve the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

A continuation of the current natural disaster relief and recovery arrangements exposes Council to significant financial risk that could threaten its ongoing financial sustainability. Events such as the April 2015 storm have the capacity to alter Council's bottom line by more than 10% of budget which is well above estimated surplus projections in Council's long term financial plan.

MERGER PROPOSAL IMPLICATIONS

The current natural disaster relief and recovery arrangements apply to all NSW Councils. The impact of changes to these arrangements would be beneficial to both Councils.

CONSULTATION

Nil.

OPTIONS

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

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 9

FILE NO: 16/303639
RM8 REF NO: PSC2016-00015**INFORMATION PAPERS**REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE**RECOMMENDATION IS THAT THAT COUNCIL:**

Receives and notes the Information Papers listed below being presented to Council on 12 April 2016.

No:	Report Title	Page:
1	LGNSW Tourism Conference March 2016 - Byron Bay	107
2	DESIGNATED PERSONS' RETURN	109

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor Ken Jordan Councillor Paul Le Mottee That the recommendation be adopted.
087	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council move out of Committee of the Whole.

**ORDINARY COUNCIL MEETING - 12 APRIL 2016
MOTION**

088	Councillor Ken Jordan Councillor Chris Doohan					
	<p>It was resolved that Council receives and notes the Information Papers listed below being presented to Council on 12 April 2016.</p> <hr/> <table><thead><tr><th>No:</th><th>Report Title</th></tr></thead><tbody><tr><td>1</td><td>LGNSW Tourism Conference March 2016 - Byron Bay</td></tr><tr><td>2</td><td>DESIGNATED PERSONS' RETURN</td></tr></tbody></table>	No:	Report Title	1	LGNSW Tourism Conference March 2016 - Byron Bay	2
No:	Report Title					
1	LGNSW Tourism Conference March 2016 - Byron Bay					
2	DESIGNATED PERSONS' RETURN					

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 16/296353
RM8 REF NO: PSC2015-03390**

LGNSW TOURISM CONFERENCE MARCH 2016 - BYRON BAY

REPORT OF: JOHN NELL - COUNCILLOR
GROUP: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to advise Councillors of feedback from LGNSW Tourism conference attend by Cr John Nell on 9-11 March 2016.

The LGNSW's Tourism Conference was held in Byron Bay from 9–11 March 2016, and co-hosted by Byron Shire and Ballina Shire councils.

Byron Bay is a successful tourist destination because it is unique. In the 1960s and 70s soul surfers and hippies discovered Byron Bay's idyllic beaches and the rolling hills of its hinterland. The business community, which had been reeling from a gradual decline of its older rural industry, was more than happy to take advantage of these nature lovers. Tourism in Byron Bay is successful because it's a melting pot of surf culture, alternative philosophies and hedonistic indulgence.

Tourism is an important driver of economic development and employment growth but it also has impacts on communities and the environment. Tourism gives an economic value to our Natural Environment and encourages us to maintain and cherish our National/Marine Parks. Tourism is an important source of economic activity and creates jobs for school-leavers in both large and small communities.

Discussion

The role and usefulness of Visitor Information Centres (VIC) was discussed. Technology is unlikely to make VICs redundant because tourists appreciate the face to face advice from an enthusiastic local resident. This enhances the quality of a visit and encourages tourists to spend more, stay longer and come back for a return visit.

The use of trained, enthusiastic Volunteers in a VIC helps to contain the cost of the service. Nowadays VICs are there to assist the tourists, who have arrived rather than those planning to come and visit, as that role has largely been taken over by the Web and the Social Media. Word of mouth is still the most effective advertising tool, but much of this is now done on Social Media. It should be noted that we tend to tell more of our friends and acquaintances about our bad experiences rather than our good ones.

Culture and Heritage Tourism

Although Port Stephens is blessed with great waterways, the Hunter River in Raymond Terrace and the Port Stephens estuary, with its many picturesque villages around its shores, we should not underestimate the drawing power of our culture and heritage. We need to do more to identify the cultural resources to enable the promotion of cultural heritage tourism.

The Port Stephens Community Arts Centre is already an active participant in the Tourist industry and it is encouraging that the Worimi Local Aboriginal Land Council at Murook is also promoting tourism with Aboriginal Cultural tours. I feel however that we should promote the history of our fishing and oyster industry as well as the role played by the Tomaree Peninsula during WW II. As individuals and as a community we are all shaped by our culture and history.

Tourism Potential of National Parks

Port Stephens already does a great job with Ecotourism. We have dolphin and whale watch tours, sand dune activities in the Worimi Conservation Lands of the Stockton Bight and a fantastic coastal walk from Big Rocky to Barry Park in Fingal Bay. Most of the trails in the Tomaree National Park are only used by a few local mountain bike riders so more could be done to develop this as a tourist activity.

Acknowledgement

I would like to thank Port Stephens Council for facilitating my participation at the Local Government Tourism Conference 2016.

MERGER PROPOSAL IMPLICATIONS

There are no implications resulting from attendance at this conference.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 2

**FILE NO: 16/300817
RM8 REF NO: PSC2016-00018**

DESIGNATED PERSONS' RETURN

REPORT OF: TONY WICKHAM - GOVERNANCE MANAGER
GROUP: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to advise Council of new Council staff who have submitted their Designated Persons' Return/s (Return).

In accordance with Section 450A of the *Local Government Act 1993*, all new staff are required to lodge a Return within three (3) months of commencement. These Returns are to be tabled at the first Council meeting after the lodgement date.

The following is a list of position/s who has submitted Return/s:

- Strategy and Environment Section Manager (PSC755)
- Tourism and Events Coordinator (PSC636)

MERGER PROPOSAL IMPLICATIONS

This are no merger proposal implications associated with this Information Paper.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Designated Persons' Return.

There being no further business the meeting closed at 6.13pm.