

ATTACHMENTS UNDER SEPARATE
COVER

ORDINARY COUNCIL MEETING
24 NOVEMBER 2020



PORT STEPHENS
C O U N C I L

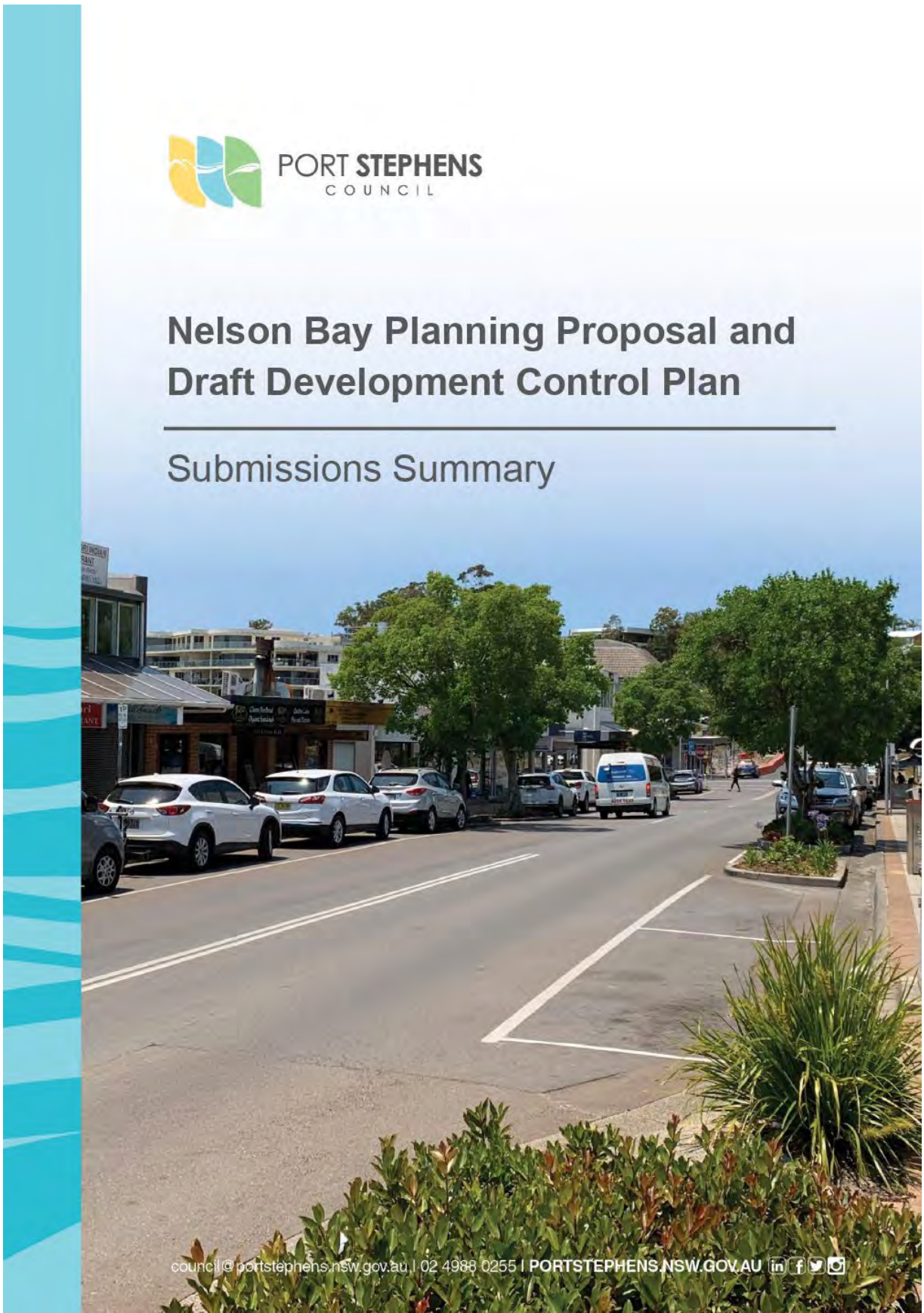
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Nelson Bay Planning Proposal and Draft Development Control Plan

Submissions Summary



council@portstephens.nsw.gov.au | 02 4988 0255 | PORTSTEPHENS.NSW.GOV.AU social media icons for LinkedIn, Facebook, Twitter, and Instagram.

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Abbreviations

The following abbreviations are used in this document

DCP	Port Stephens Development Control Plan 2014
draft DCP	Draft amendment to Part D5 Nelson Bay Centre and Part D6 Nelson Bay West of the Port Stephens Development Control Plan 2014
the proposal	Nelson Bay Planning Proposal
the delivery program	Progressing the Nelson Bay Town Centre and Foreshore Strategy: A revised implementation and delivery program 2018
FSR	Floor space ratio
LSPS	Port Stephens Local Strategic Planning Statement
LEP	Port Stephens Local Environmental Plan 2013
the Nelson Bay Strategy	Nelson Bay Town Centre and Foreshore Strategy 2012

Introduction

The Nelson Bay Planning Proposal and Draft Development Control Plan were exhibited for a period of 42 days, finishing on 14 August 2020. The proposal and draft DCP have been prepared as part of the revitalisation plan for Nelson Bay and implement specific actions in the adopted Progressing the Nelson Bay Town Centre and Foreshore Strategy: A revised implementation and delivery program 2018.

Executive Summary

A total of 136 submissions were received during the exhibition, with the majority of submissions relating to changes in height of building provisions in the proposal. Matters raised in submissions largely related to the impact of new development on local character and the village feel of Nelson Bay.

Height of building provisions are supported by new provisions for active street frontages, minimum building widths and floor space ratios in the proposal. These provisions were generally supported, however a number of submissions raised a desire to decrease floor space ratios in some areas.

The amendments in the proposal are supported by changes to the DCP that strengthen requirements for new development to demonstrate design excellence and enhance the character of the Bay. As a result of the submissions received, additional new objectives and controls are proposed to be added to the DCP to ensure the controls meet the community's vision for the Bay.



Submissions on the Nelson Bay Planning Proposal

A total of 136 parties made submissions to the Nelson Bay Planning Proposal. Of these:

- 113 submissions objected to the proposed provisions
- 19 submissions supported some proposed provisions and objected to other proposed provisions
- 3 submissions supported the proposed provisions and sought to increase the extent of the proposed changes, including increased building heights
- 1 submission supported all provisions, as drafted

Of the submissions that objected to the proposed provisions, 14 submitters did not provide explanations or reasons for their objection. A further opportunity was provided to the authors of these submissions to provide additional comments to support their objections, however none of the authors provided any further information to explain the objections.

During the exhibition of the delivery program in 2018, a large number of submissions were made objecting to changes in height of building controls, which similarly did not include provide reasons for the objection. As a result of this, significant investigation was carried out into the impacts of taller buildings and how these impacts might be mitigated. These mitigation measures have been addressed in the planning proposal and draft DCP, which include provisions and controls to maintain and enhance the important elements of character which could be impacted by changes to building heights. Consequently, the planning proposal is considered to have adequately addressed the 14 unsubstantiated objections made during this exhibition.

Height of Buildings

132 submissions objected to proposed increases in height of building controls. 3 submissions objected to the proposed height changes because they requested that the height of building controls be increased beyond that proposed in the planning proposal.

Response to submissions

The following table summarises the key issues raised in submissions, identifies the number of submissions that raised that issue, and provides a response.

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
1	A finer grained approach should be taken to building heights along the foreshore, to take advantage of the rise in terrain to the south of Teramby Road, and to accord with the planning priorities in the LSPS to make business growth easier, and to support tourism.	1	<p>Additional investigations would be required in order to amend the planning proposal as proposed by the submission. In particular, an assessment of the visual impact of new development located on the subject land, above the level identified in the planning proposal.</p> <p>As the planning proposal is consistent with proposed height of building provisions on this land that were adopted by Council as part of the delivery program and that were the subject of extensive previous community consultation, it is not proposed to amend the provisions to respond to the submission at this time.</p>
2	The proposed height of building provisions are not consistent with the local character and 'village feel' of the existing town centre	43	<p>Significant consultation has been undertaken by Council over a period of more than 30 years to determine the important elements of character in Nelson Bay. One of these elements is the 'village feel' to the town centre. The feel of the town centre is experienced from street level by pedestrians and is influenced by the visible façade of buildings from this perspective. A village feel can be retained despite tall buildings, if appropriate controls manipulate the pedestrian experience. Existing controls within the DCP enable buildings to interface directly with the public realm for up to two storeys, and then require higher floors to be setback from the front boundary line. This creates a highlighting effect of the lower two floors, that contributes to a village feel as the upper storeys recede.</p> <p>To strengthen the visual focus on these lower floors, part D5 Nelson Bay Centre of the DCP includes character statements that identifies this element of character. The draft DCP proposes a number of changes to strengthen the village feel of the Nelson Bay town centre, including a requirement for new development to be consistent with these character statements, and will reinforce and enhance the local character. Following a review of submissions, additional controls will be added to the DCP to further strengthen these aspects of new development, and ensuring the village feel is retained.</p> <p>Whilst it is not proposed to amend the height of the building provisions to respond to these submissions, controls in the draft DCP will be strengthened to retain and enhance the local character of the town centre, in particular as it is experienced by a pedestrian, as described above.</p>
3	Height of building provisions that allow 8 and 12 storey buildings are not consistent with the local character and 'village feel' of the town centre	76	<p>These submissions include those that objected to any change to height of building provisions as outlined in item 2 above, and 33 submissions that specifically objected to height of building provisions that would allow 8 storey (28m high) and 12 storey (42m high) buildings.</p>

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			<p>A number of these submissions specifically provided support for the 17.5m height of building provision, to allow for practical construction of a 5 storey building (with 3.5m per storey).</p> <p>A number of these submissions supported provisions that would enable buildings up to 7 storeys (24.5m), where design excellence has been demonstrated.</p> <p>To support design excellence, new DCP controls that were exhibited with the planning proposal outline the role of the Urban Design Panel, which will provide independent design advice on new development. The changes proposed to the draft DCP described in item 2 above will further strengthen the requirements for design excellence in all new development, and will incorporate the need to demonstrate architectural excellence. This will include specific controls in relation to the interface between new development facades and public spaces.</p> <p>The DCP controls will be supplemented by the proposed minimum building width provisions in the proposal which will ensure new development is of appropriate scale so as to allow for suitable setbacks from side and rear boundaries, permitting sunlight penetration to street level. Floor space ratio provisions in the proposal also ensure that the bulk and scale of new buildings is reduced, further contributing to and enhancing a village feel to the town centre.</p> <p>Existing provisions in the NSW Government Apartment Design Guidelines will continue to apply to all relevant new developments (i.e. residential flat buildings), and includes requirements to respect and enhance local character.</p> <p>The supporting provisions, DCP controls and Apartment Design Guidelines, in conjunction with the advice of the Urban Design Panel, will ensure that all new development respects and enhances the local character and village feel of the town centre.</p> <p>It is noted that the proposal for 12 storeys is limited to a relatively small area which is situated some distance to the south of the core of the town centre. This land is not currently subject to height of building provisions. The introduction of height of building provisions for this land was motivated by a need to preserve views from key vantage points to the surrounding vegetated ridgelines. A 42m height of building provision in this location provides a unique opportunity for larger development that is otherwise prejudiced in the town centre given the current fragmentation of lots. The physical separation of this land from the core of the town centre will also reduce the impact of new development on this site. The proposal represents the introduction of a height restriction in this location and aims to regulate future development of this land to retain important views and vistas.</p>

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			Further, the proposed height of building provisions in the proposal were endorsed by Council following extensive community consultation when the delivery program was adopted on 25 September 2018. The proposal is consistent with Council's adopted policy position for height of building provisions in Nelson Bay town centre at this time and it is not proposed to amend the height of the building provisions to respond to these submissions. Despite this, the draft DCP will be amended to strengthen controls that seek to retain and enhance the local character of the town centre, and set a standard for architectural excellence in new development.
4	Height of building provisions that allow 12 storey buildings are not consistent with the local character and a village feel to the town centre	82	<p>These submissions include those that objected to any change to height of building provisions, changes that would allow 8 and 12 storey buildings, and 6 submissions that specifically objected to height of building provisions that would allow 12 storey (42m high) buildings in the town centre.</p> <p>As described above, it is noted that the area of land subject to a proposed 12 storey (42m high) height of building standard is very limited. The land on which the 42m height of building provision is proposed to apply is also situated some distance to the south of the core of the town centre and does not have a current height restriction. The introduction of height of building provisions for this land was motivated by a need to preserve views from key vantage points to the surrounding vegetated ridgelines. A 42m height of building provision in this location provides a unique opportunity for larger development that is otherwise prejudiced in the town centre given the current fragmentation of lots. The physical separation of this land from the core of the town centre will also reduce the impact of new development on this site. The proposal represents the introduction of a height restriction in this location and aims to regulate future development of this land to retain important views and vistas.</p> <p>Changes to the controls within the draft DCP as outlined in items 2 and 3 above will also ensure that all new development respects and enhances the local character and village feel of the town centre.</p> <p>Whilst it is not proposed to amend the height of the building provisions to respond to these submissions, controls in the draft DCP will be amended to strengthen design controls to retain and enhance local character.</p>
5	New development, particularly tall buildings, will unacceptably impact views to the water and surrounding vegetated ridgelines	18	A visual analysis of the impacts of proposed development was undertaken in the preparation of the proposal. The analysis identified that majority of key views and vistas ran along existing street lines, most of which are not terminated by developable land. Therefore proposed provisions will not result in new development in most of the identified key views and vistas.

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			<p>A key view, southward along Yacaaba Street looks across land where a height of building control will be introduced to ensure views of the distant ridgeline are maintained. This new height of building provision will ensure that views from the water retain access to Kurrara Hill.</p> <p>The visual analysis undertaken also demonstrated the ability of new development to frame views along key view corridors, drawing the eye to the water and surrounding vegetated ridgelines, reinforcing the connection of the town to the surrounding environment.</p> <p>As outlined above, some building height provisions have been proposed to retain key views and vistas to the vegetated ridgeline behind the town centre, including the introduction of a 12 storey height control (42m) for the small area south of the town centre core. This area previously had unlimited height potential.</p> <p>It is not proposed to amend the height of building provisions to respond to these submissions.</p>
6	New development, particularly tall buildings, will result in unacceptable loss of solar access and increased overshadowing of the public domain and neighbouring sites	19	<p>To ensure that new development maintains acceptable levels of solar access to neighbouring properties and public places, the planning proposal introduces floor space ratio and minimum building width provisions to the LEP that will limit the bulk and scale of new buildings. The Urban Design Analysis included as Appendix 17 to the Planning Proposal includes indicative diagrams of solar access outcomes resulting from both the existing and proposed provisions. These demonstrate that the maximum built form resulting from the proposed provisions will provide <i>increased</i> penetration of sunlight to ground level compared to development permitted under current provisions.</p> <p>In addition, existing requirements such as those outlined in the Apartment Design Guidelines require new development to demonstrate that solar access is not unacceptably impeded for neighbouring properties and public places. These guidelines continue to apply to development in Nelson Bay, and will be supported by strengthened controls in the draft DCP that identified solar access as a key characteristic to be retained in Nelson Bay.</p> <p>Whilst it is not proposed to amend the height of building provisions to respond to these submissions, controls in the draft DCP will be strengthened to ensure solar access is prioritised during assessment.</p>
7	There is insufficient car parking availability and capacity in the road network to cater for population increase	21	<p>A traffic and parking study undertaken for the purposes of the planning proposal (Appendix 10) has confirmed that the existing road network has sufficient capacity to cater for increased vehicle movements that may result from new development in Nelson Bay.</p>

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	likely to occur as a result of the proposed provisions		<p>In addition, funding for a range of projects to further improve the road network and car parking supply was endorsed by Council in May 2020. These projects exceed the upgrades identified as necessary to support population and tourism growth anticipated as a result of the planning proposal.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
8	There is insufficient infrastructure such as water supply, power supply, sewer capacity, footpaths, hospitals and suitable fire fighting vehicles to cater for population increase likely to occur as a result of the proposed provisions	14	<p>Consultation was undertaken with relevant service providers and infrastructure authorities during development of the planning proposal, and again during the exhibition period. None of the providers or authorities identified insufficiencies in relevant infrastructure that would occur as a result of the planning proposal.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
9	The provisions will reduce support for local businesses	4	<p>One of the aims of the planning proposal is to provide a framework that makes new development within Nelson Bay feasible and encourage investment in the Bay. This is consistent with Council's adopted delivery program for the town centre, which was informed by extensive community consultation. As stated in the delivery program, one of the aims of the planning proposal (and the other actions in the program) is to revitalise Nelson Bay by stimulating new development in order to realise the significant benefits, with an increased population contributing to the local economy and the revitalisation of Nelson Bay.</p> <p>The submissions identified a range of reasons why people in taller buildings may be less likely to utilise local shops, including that local car parking access will decrease and drive shoppers to other centres and because it is harder for residents to get out of taller buildings to access local shops.</p> <p>New residents in new buildings facilitated by the proposal are more likely to support local business in the Nelson Bay town centre, consistent with the analysis set out in the delivery program.</p> <p>For visitors to the Bay, the outcomes of the planning proposal is supported by a smart parking program that will improve access to and utilisation of public car parking spaces. In addition, a Council works program has been endorsed that will increase the number of public car parking spaces in the town centre to respond to increased utilisation of the town centre resulting from the planning proposal.</p>

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			<p>Improvements to the public domain that will be delivered as part of the endorsed works program will provide a street environment that attracts people to the town centre, providing increased support for local businesses and an economic environment that supports new businesses.</p> <p>These improvements will draw a greater number of residents and visitors to the town centre, and will incentivise new residents and visitors to utilise the town centre.</p> <p>The proposed provisions are likely to improve support for local businesses and are not proposed to be amended to respond to these submissions.</p>
10	The provisions will result in impacts to the local environment as a result of an increased population	7	<p>The proposal will encourage infill development to be carried out within an existing urban footprint, reducing the demand for greenfield development that will directly impact the surrounding environment and require clearing of vegetation or disruption of ecosystems. There are also sufficient public spaces in the natural environment such as parks, walking trails and the foreshore to provide access sufficient for an expanded local population.</p> <p>Given urban consolidation represents the most environmentally sustainable option for achieving the objectives of the adopted delivery program, it is not proposed to amend the provisions to respond to these submissions.</p>
11	Changes to the look and feel of the town centre, parking and access, that result from the proposed provisions, will reduce the appeal of Nelson Bay for tourists and visitors	24	<p>The proposed provisions will contribute to the revitalisation of the town centre, and will be supported by public domain and car parking upgrades. This will result in a town centre where people enjoy spending time and supporting an expansion to the services and retail options available in the town centre. In addition, the proposed provisions will provide additional accommodation options that will attract more visitors to the town centre.</p> <p>It is not proposed to amend the provisions as a result of these submissions.</p>
12	There is a lack of demand for dwellings in tall buildings	31	<p>Reasoning provided in these submissions centred almost completely around the lack of progress on developing residential building sites approved in Church Street and Donald Street, and the lack of development applications in general lodged in the town centre.</p> <p>Development has proceeded elsewhere on the Tomaree peninsula at a rate commensurate with the NSW average. The lack of development in Nelson Bay town centre therefore supports the findings of the development feasibility study undertaken in preparation of the delivery program and informing planning proposal.</p>

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			<p>The proposed provisions will make new development more feasible in Nelson Bay, which will service the demand for new housing on the Tomaree peninsula.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
13	Occupancy rates in existing medium rise buildings are low. New buildings will not increase the local population	45	<p>The Tomaree peninsula has experienced consistent population growth according to census data, however the population of Nelson Bay has remained relatively static. This supports the feasibility study undertaken in the preparation of the delivery program and informing planning proposal.</p> <p>The proposed provisions will increase the feasibility of new development in the town centre, which will provide housing options for residents moving to the Tomaree peninsula. In addition, improvements to the public domain and economic environment will make Nelson Bay an attractive place to live, drawing residents to the area.</p> <p>Given the attractiveness of the locality, new development will attract an increased number of visitors to the town centre. It is not proposed to amend the provisions to respond to these submissions.</p>
14	Other coastal towns have been revitalised without changing height of building provisions	28	<p>These submissions cited a number of examples of coastal towns where existing building heights of 2-4 storeys predominated. Some of these examples actually had height of building provisions permitting development up to 40m, but limited actualised development investment.</p> <p>Existing height of building provisions in Nelson Bay permit development up to 5 storeys, however a feasibility study undertaken in the preparation of the planning proposal identified that this height of building provision does not allow for feasible development in the particular circumstances of Nelson Bay.</p> <p>If development up to only 5 storeys were feasible and provided a reasonable rate of return, a pattern of new development would be evident in the town centre. Instead Council has experienced a pattern of development applications seeking to vary the existing height controls, demonstrating that changes to height of building provisions are an important element of enabling new development in Nelson Bay.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
15	There has been strong community opposition to changes to height of	42	<p>As a result of previous consultation undertaken in relation to planning provisions and controls in Nelson Bay, consideration was given to the impacts of changes in height of building controls.</p> <p>Three key issues were identified as of most concern to the community, being impacts on:</p>

11: Port Stephens Council

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	building provisions in the past, which has been ignored by Council		<ul style="list-style-type: none"> • the look and feel of the town centre, • solar access, and • views. <p>Consideration was also given to the future vision for Nelson Bay, defined by the community during consultation, which identified a need to better support local businesses, grow the offering of retail and service options in the town centre, and improve the quality of the public environment.</p> <p>In order to achieve the future community vision, an increased number of people is required to contribute directly to the local economy. Additionally, the variation in economic trade needs to be rationalised between peak and off-peak tourist periods. In order to achieve this vision, an increased resident population is required.</p> <p>Nelson Bay is surrounded by a highly valued natural environment, which does not support greenfield development. To achieve an increased resident population, infill housing will provide for additional dwellings in the town centre, whilst preserving and protecting the surrounding environment. This form of development also aligns with the State government direction to provide a compact urban form in and around centres and to plan for an increased population in Nelson Bay to grow the local economy.</p> <p>It is acknowledged that the community has previously expressed strong feelings over how this approach will impact the look and feel of the town centre. Accordingly, additional provisions and controls have been proposed which will ensure that the key impacts of taller buildings will be mitigated, and preserve and enhance the important elements of local character.</p> <p>Floor space ratio controls and minimum building width provisions will ensure that the bulk and scale of new development retains appropriate levels of solar access, and will ensure that the upper storeys of new development do not dominate the streetscape. In addition, controls in the DCP will ensure that the visual façade of new development maintains a low scale presentation to the street, with requirements for new developments demonstrating design excellence.</p> <p>As a result of these submissions, the proposed controls in the draft DCP will be further strengthened to ensure appropriate presentation to the street, particularly for pedestrians, and to require new development to demonstrate architectural excellence. This will ensure that new development displays strategic public benefit and contributes appropriately to the town centre.</p>

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			Whilst it is not proposed to amend the height of building provisions to respond to these submissions, the provisions in the draft DCP will be amended to strengthen the controls to achieve architectural excellence and streetscapes that retain the village feel in Nelson Bay.
16	The proposed provisions will increase land values in the town centre, resulting in land owners holding out for increased sale prices and consequent stagnation of new development	6	<p>The proposed provisions will also improve feasibility for existing landowners to undertake new development on their land within Nelson Bay, therefore changes to land prices will not necessarily result in stagnation of new development in the town centre. Further if land prices increase there is a greater chance that land will be sold and developed, rather than held for fear of opportunity loss. The value of existing improvements on land will continue to depreciate, with only the land component appreciating in value. As improvements on land depreciate, this can have a negative impact on land appreciation. Consequently, increases in land value are not considered to be a serious impediment to future development of land.</p> <p>The risk of increasing land prices causing development stagnation is not sufficient justification for retaining the current planning provisions in the town centre and it is not proposed to amend the provisions to respond to these submissions.</p>
17	Council should adopt a lower height limit to encourage development. Proposed a building height limit of 2-4 storeys	2	<p>Existing height of building controls allow for 2-4 storey development, however such development has not occurred in the town centre in recent times. A feasibility study carried out for the purposes of the delivery program and used to inform the planning proposal has demonstrated that development of this height is not feasible in Nelson Bay, with height of building controls being a key limiting factor. The planning proposal includes revised height of building controls in order to achieve feasibility to encourage new development.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
18	Council should adopt a 7 storey height limit	2	<p>The submissions raising this issue did not specify the location where 7 storey development was considered acceptable in the Nelson Bay town centre, and it is unknown whether this was intended to apply to all land, or only those areas where height of building provisions are proposed above this height. There is some evidence that these submissions intended that 7 storey provisions should apply to all land within the town centre, based on comments relating to the 'additional storeys' provisions originally described in the Nelson Bay Strategy from 2012.</p> <p>A 5 storey height of building provision is being retained through the core of the town centre in the planning proposal to provide an appropriate building form will respond to the village feel of the pedestrianised central business area, and ensure appropriate solar access to street level in these locations.</p>

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			<p>Surrounding 8 storey height of building provisions in the planning proposal will ensure feasibility is achieved for new development in these areas, and reinforces the natural amphitheatre of the town centre.</p> <p>The planning proposal achieves an appropriate mix of building height provisions in the town centre taking into account local character, development feasibility and natural landforms to achieve the objectives of the adopted delivery program for Nelson Bay. Therefore is not proposed to amend the provisions to respond to these submissions.</p>
19	The proposal will only benefit land owners and developers, and will not benefit the broader public	6	<p>The planning proposal will encourage new development within Nelson Bay, providing housing for new residents and supporting the local economy. A thriving and revitalised town centre is in the public interest as it will help support local business and fund local infrastructure improvements, including the upgrades identified in the Nelson Bay Public Domain Plan.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
20	The proposal will increase density, which can increase the rate of spread of diseases	4	<p>Residential density in Nelson Bay will remain significantly lower than the urban areas that have experienced increased transmission rates during the current COVID-19 pandemic or other health crises as a result of built form. It is considered that there is not enough evidence that density of a scale proposed by the planning proposal has a significant impact on the spread of infectious disease, therefore this issue is not sufficient to warrant amendment to the proposed provisions.</p>
21	The proposal will result in increased AirBnB premises which will create noise nuisance issues	1	<p>The proposal will increase the feasibility for new development that incorporates new dwellings. Owners of new dwellings may choose to make their properties available for short term letting, subject to the relevant regulations. Neighbours of short term letting properties may seek to address noise or other complaints through Council and Police enforcement. It is also noted that the State government has recently announced changes to strengthen the regulation of short term letting, including by introducing stricter measures for repeat nuisance complaints, including a register maintained by NSW Fair Trading.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
22	The proposal will increase density which will result in increases to crime rates and drug use	2	<p>Residential density in Nelson Bay will remain significantly lower than many urban areas that experience crime and drug use related to residential density and built form. The evidence from other areas of NSW shows that other social and economic factors are more likely to have an influence on these issues than the densities proposed in the planning proposal.</p>

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			It is not proposed to amend the provisions to respond to these submissions.
23	The proposal will result in buildings that create wind tunnels	5	<p>The planning proposal includes a range of provisions such as minimum building width and FSR which will ensure that new development does not form tunnel-like walls along streets. Sufficient separation between upper floors of development will ensure that wide does not become tunnelled along streets.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
24	The proposal will result in new developments, which are ugly whilst being constructed.	1	The planning proposal is intended to encourage new development in the town centre. The impact of building works of new development is not considered to represent an unacceptable impact and so the provisions are not proposed to be amended as a result of this submission.
25	The proposal will negatively impact property prices	2	<p>The planning proposal will increase the feasibility of redevelopment of existing land, which is not anticipated to negatively impact property prices.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
26	The proposal will increase property prices for new development due to increased construction costs	1	<p>As described in the feasibility study prepared for the purposes of the delivery program and planning proposal, construction costs do not increase linearly as the number of storeys increases. In order to achieve feasibility, development of 8 storeys is required to take advantage of decreased per-floor construction costs.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
27	The proposal will set a precedent for changes to height of building controls in surrounding areas	4	<p>Changes to height of building provisions are subject to an assessment of strategic merit and community consultation. Any assessment will respond to local factors, including consistency with Council adopted plans and policies, and precedence in surrounding areas is not a determining or relevant matter in an assessment.</p> <p>It is not proposed to amend the provisions to respond to this submissions.</p>
28	Taller buildings are more expensive to replace and so the provisions will reduce the rate of urban renewal in the future	1	As described in the feasibility study prepared for the purposes of the delivery program and planning proposal, construction costs do not increase linearly as the number of storeys increases. In order to achieve feasibility, development of 8 storeys is required to take advantage of decreased per-floor construction costs.

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			Development resulting from the planning proposal is not anticipated to detrimentally impact the feasibility of future urban renewal and the provisions are not proposed to be amended to respond to this submission.
29	The provisions will deincentivise large format commercial development	3	<p>Nelson Bay town centre provides a boutique shopping experience, generally consisting of smaller footprint shops that provide a more intimate and specialised retail shopping environment. The planning proposal includes new provisions for active street frontages that will require ground floor retail or business premises, which will encourage interactivity between shops and pedestrians on the street to support the boutique shopping experience. These premises can be appropriately provided as an interface between ground floor service areas and parking to service upper floor residences, and the street. This vision for the Nelson Bay town centre is consistent with Council's adopted delivery program which was prepared in consultation with the community.</p> <p>Office space and other uses that may require large floor space tenancies can be provided at first floor or above, where service areas and parking do not impact available floor area.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
30	The provisions will allow for poor development practices which have been noted for tall buildings in other locations	1	<p>Building practices are set out in the National Construction Code and are regulated by the NSW Department of Fair Trading. Buildings constructed in accordance with the National Construction Code achieve some of the highest standards of stability and amenity in the world. It would be inappropriate for a planning proposal to be prejudiced on consideration of the risk of future non-compliance with the code.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
31	Changes to height of building provisions along the foreshore will negatively impact views, solar access and the village feel	2	<p>Proposed changes to height of building provisions for foreshore land along Teramby Road were derived in response to local topography, which includes an escarpment rising towards the west. The proposed height of building provisions will ensure that new development will not alter the apparent landform when viewed from the water.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
32	The proposed FSR of 3:1 for land with a 42m height provision will make development of that land unfeasible.	1	<p>The land to which this submission relates consists of allotments of significant size, which would allow for feasible new development up to the proposed height of building provision.</p> <p>It is not proposed to amend the provisions as a result of this submission.</p>

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
33	The proposal has not considered the potential for increased reflected heat resulting from new development	1	<p>The planning proposal is supported by a range of other actions in the adopted delivery program, including a public domain plan which includes a significant increase in street tree plantings. Street trees provide significant micro-climate benefits, including the attenuation of heat. The impact of increase reflected solar heat is not considered to be of significant impact.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
34	The principles of environmentally sustainable development have not been considered in the proposal	1	<p>The planning proposal includes provisions that will promote urban infill, significant reducing the impact of the natural environment, consistent with the principles of environmentally sensitive development. The planning proposal also includes provisions such as FSR, minimum building width and active street frontages that will create high amenity public places. These provisions will secure appropriate solar access, provide a built form that engenders a village feel, and provide a high level of interactivity between users of the of the public and business realm.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
35	Building heights should be kept lower than the tree lines	1	<p>Building heights already extend beyond the height of existing trees, and so it is assumed that this submission relates to the height of buildings relative to surrounding vegetated ridgelines.</p> <p>A visual analysis prepared as part of the planning proposal has identified important vistas and view corridors. The proposed provisions have been developed with consideration to protecting views of surrounding vegetated ridgelines, consistent with this submission.</p> <p>It is not necessary to amend the provisions to respond to this submission.</p>
36	There is sufficient population to support existing businesses. Struggling businesses are a result of poor management	2	<p>Existing businesses face a high variability in seasonal trade, presenting a significant challenge to business operations. Consequently, there has been relatively restrained growth in retail and service offerings in Nelson Bay. The community vision for the future of the town centre as described in the adopted delivery program includes increased support for local businesses and an expansion in retail and service offerings.</p> <p>The planning proposal includes provisions that will increase feasibility for new development, delivering an increased resident population, to help deliver the future vision.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
37	The proposed provisions will increase land value and make small or medium rise development unfeasible	1	<p>The feasibility study undertaken to inform the delivery program and planning proposal has demonstrated that small and medium rise development is unfeasible under the current planning provisions with existing land values. The planning proposal includes provisions that will increase the feasibility of development, which will help to revitalise Nelson Bay in accordance with the adopted Delivery program.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>
38	The proposed provisions should reinforce the natural amphitheatre shape of the town centre	1	<p>Height of building provisions are included in the planning proposal which include a lower height at the bowl of the amphitheatre, with increasing heights towards the top of the amphitheatre. This will accentuate the natural topography and reinforce the natural amphitheatre shape of the town centre.</p> <p>It is not necessary to amend the provisions to respond to this submission.</p>
39	Lower building heights should be adopted to encourage new development	2	<p>The feasibility assessment undertaken for the preparation of the delivery program and planning proposal has demonstrated that the current height of building provisions make new development unfeasible in Nelson Bay. In the past this has resulted in a number of requests for exceptions to development standards under Clause 4.6 of the LEP. The proposed height of building provisions will increase the feasibility of development, whilst supporting minimum building width and FSR provisions will ensure new development maintains and enhances important elements of character.</p> <p>The new provisions will also be supported by strengthened DCP controls that require development to demonstrate consistency with the local character.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
40	New buildings will only be used as tourist accommodation	3	<p>The feasibility study undertaken in the preparation of the planning proposal gave consideration to development that includes dwellings. This is consistent with the development applications that have been lodged in the last 10 years for new development in the town centre, which have predominantly included residential accommodation.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
41	The block bounded by Dowling Street, Stockton Street and Tomaree Street should have building height provisions	1	<p>This submission states that the subject land is currently underutilised and is suitable for redevelopment, and the feasibility outcomes acknowledged in the feasibility study undertaken in</p>

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
	increased to 28m, to reinforce the amphitheatre effect of the town centre and provide an appropriate transition to the 42m area to the south of Dowling Street		<p>the preparation of the delivery program and planning proposal, are relevant consideration for the future redevelopment of this site.</p> <p>The submission also states that the topography of the land is such that it forms an upper portion of the amphitheatre land form, consistent with other areas identified for a 28m height limit. In addition, new development on the site will provide a smoother transition with new development on land to the south of the site which is proposed to have a 42m height limit.</p> <p>Additional investigations would be required in order to amend the planning proposal as proposed by the submission. In particular, an assessment of the visual impact of new development located on the subject land, above the level identified in the planning proposal.</p> <p>As the planning proposal is consistent with proposed height of building provisions on this land that were adopted by Council as part of the delivery program and that were the subject of extensive previous consultation, it is not proposed to amend the provisions to respond to the submission at this time.</p>
42	FSR of 3:1 is excessive and exceeds the feasibility recommendation of 2.5:1	20	<p>A feasibility study undertaken for the preparation of the planning proposal has demonstrated that feasibility continues to increase as FSR increases to 3:1. Whilst feasibility may be achieved at lower FSRs, the 3:1 FSR will provide greater flexibility to absorb land price increases. Further, the proposed FSR will allow for a greater variety in built form outcomes, providing more opportunity for development to achieve the architectural excellence controls that will be added to the draft DCP.</p> <p>The feasibility study has been misquoted in the majority of these submissions as recommending a 2.5:1 FSR, over a 3:1 FSR. The feasibility study notes that for 8 storey buildings, 2.5:1 FSRs are more commonly seen than 3:1 FSRs. However it also notes the increased feasibility of 3:1 FSRs compared to 2.5:1 FSRs. This supports the outcomes of the adopted delivery program.</p> <p>Introduction of FSR provisions will ensure new development achieves an acceptable built form and secures appropriate levels of solar access.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
43	FSR of 2.5:1 is excessive in residential areas with a proposed 17.5m height of building provisions. The FSR should be reduced to 2:1 in these areas	1	<p>Similarly to the response to the use of 3:1 FSRs for areas with 8 and 12 storey height of building control provisions, a 2.5:1 FSR for areas with 5 storey height of building provisions will allow suitable flexibility in building design, and increase feasibility for new development.</p> <p>It is not proposed to amend the provisions to respond to this submission.</p>

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
44	Proposed active street frontage provisions are supported	19	<p>The proposed active street frontage provisions will increase interactivity between business and retail premises and the public realm, providing more interest and a sense of activity when visiting the town centre. Active frontages interfacing with the public realm will also reinforce the village feel to the town centre.</p> <p>It is proposed to endorse the active street frontage provisions included in the proposal.</p>
45	Proposed FSR provisions are supported	11	<p>The FSR provisions included in the planning proposal will ensure that development maintains suitable bulk and scale, and solar access at street level.</p> <p>It is proposed to endorse the FSR provisions including in the planning proposal.</p>
46	Proposed minimum building width provisions are supported	20	<p>The minimum building width provisions will ensure that development achieves width to height proportions that are consistent with a village feel in the town centre, and ensure suitable solar access to street level.</p> <p>It is proposed to endorse the minimum building width provisions included in the planning proposal.</p>
47	Proposed height of building provisions are supported	1	<p>The proposed height of building provisions will increase feasibility for new development in the town centre. This will provide additional dwellings that support the local economy, and improve the variety of retail and service offerings available in the town centre.</p> <p>Other proposed provisions and draft DCP provisions will ensure that new development maintains and enhances important elements of local character.</p> <p>It is proposed to endorse the height of building provisions included in the planning proposal.</p>
48	Council should reduce rent for businesses rather than increasing economic support through increased local population and tourist accommodation	3	<p>Rental properties in Nelson Bay town centre are not within the control of Council.</p> <p>It is not proposed to amend the provisions to respond to these submissions.</p>
49	The application of the active street frontage provisions should be reduced	1	<p>Active street frontage provisions are proposed to land zoned B2 Local Centre, to ensure that new commercial opportunities are not jeopardised by residential development in the town centre. This provision will also require that ground floor development includes retail or business</p>

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Key Issue	No. of Subs	Response
	to the main commercial area so as to not disincentivise new development		premises, which provides activity and interest at street level, and contributes to a revitalised town centre. It is not proposed to amend the provisions to respond to this submission.
50	Proposed height of building provisions on land zoned B2 should be increased by 0.5m to allow for adaptable ground floor units	1	The proposed height of building provisions will allow for a range of floor to ceiling heights, and it is anticipated that smaller floor to ceiling heights of upper floors will provide flexibility to allow for adaptable ground floors. It is not proposed to amend the provisions to respond to this submission.
51	The effectiveness of the proposed provisions will be undermined by the Clause 4.6 Policy which provides a level of acceptability for variations	1	The Clause 4.6 Policy does not include any enabling provisions. Rather, the policy sets out the process for consideration of a request for exception to a development standard of the LEP. This provision is standard and mandatory in every council's LEP. Council policies are reviewed every two years. Any relevant matters raised in this submission will be considered during the upcoming review of the Clause 4.6 Policy.
52	The narrative of the character of Nelson Bay should be redefined to attract developments of architectural merit. New buildings should be required to set a defining character of high quality built form within the town centre.	1	Important elements of character in the Nelson Bay town centre relate primarily to the connection to surrounding natural elements (sky, water and vegetated ridgelines), and building mass. Nelson Bay does not feature a building style that is typical to the area, and so this does not currently form an important element of character. The submission states that through this process, a characteristic building style should be defined. The submission further argues that the style should imbue architectural excellence. Architectural excellence differs from design excellence, with a greater emphasis on the look and feel of development, both internally and externally. The Urban Design Panel is well positioned to provide comments in relation to architectural excellence. The propose DCP includes provisions for the referral of DAs to the Panel. As a result of this submission, additional changes are proposed to the draft DCP to add controls relating to architectural excellence.

Submissions on the draft Nelson Bay DCP

DCP

19 submissions were received that addressed the draft Nelson Bay DCP. 17 of these supported the draft DCP. 2 submissions recommended additional changes.

As a result of the submissions recommending additional changes to the draft DCP, objectives and controls are proposed to be added requiring new development to demonstrate architectural excellence. It is also proposed to include residential parts of Thurlow Avenue and Magnus Street in a precinct that recognises the residential nature of these locations.

Addressing impacts of increased height of building provisions

The majority of submissions lodged in relation to the Nelson Bay Planning Proposal objected to various aspects of the proposed changes to height of building provisions that were included in the proposal. Justification for this largely related to how resulting development would impact the local character and the village feel of Nelson Bay. In response to these submissions, additional controls are proposed to be added to the draft DCP the further strengthens controls relating to local character and design excellence.

Response to matters raised in submissions

The following table responds to the matters raised in the submissions, and identifies the number of submissions that raised that issue.

ITEM 1 - ATTACHMENT 4 SUMMARY OF SUBMISSIONS.

Item	Issue	Subs	Council Response
1	The proposed changes to the Nelson Bay chapter of the DCP are supported	17	The draft DCP controls enhance existing local character by requiring new development to demonstrate consistency with the local character statements contained within the DCP. The new controls also outline the role of the Urban Design Panel in providing advice on new development, however as outlined below, this control is proposed to be further strengthened.
2	The areas to which the Nelson Bay Strategy boundary has been extended in Thurlow Avenue and Magnus Street should not be included in the Foreshore Precinct	1	This submission identifies requirements for development in the Foreshore precinct that are not appropriate for the identified land. In particular the requirement for public art in these locations. As a result of this submission it is intended to add an additional precinct with similar controls to the Town Centre Living precinct, with a stronger emphasis on residential character of development.
3	The DCP should include controls that set a design character of architectural excellence to ensure new development contributes to revitalisation of Nelson Bay	1	This submission identifies that the important elements of the character of Nelson Bay do not relate to building style or architecture, and states that these elements are critical contributory elements to a revitalised town centre. The submission describes how a lack of consistency of building styles in Nelson Bay presents an opportunity to set a standard of architectural excellence for new development in the town centre. As a result of this submission, objectives and controls are proposed to be added to the draft DCP to require new development to demonstrate architectural excellence.

Public Authority Consultation

Consultation was undertaken with the following public authorities during the exhibition period:

- Ausgrid
- Hunter Water Corporation
- NSW Rural Fire Service
- Transport for NSW
- Crown Land in NSW
- NSW Government Architect

Public Authority Submissions

Transport for NSW (TfNSW) submitted correspondence advising that the Traffic and Parking Study undertaken for the purposes of the planning proposal should be updated to:

- Consider impacts on midblock and intersection capacities of the road network due to additional trips generated by the planning proposal
- Extend the boundary of the study to the part of Stockton Street identified as a classified State road
- Identify trip generation threshold triggers for any potential upgrades on Stockton Street, including the intersection with Church Street

The submission requested access to traffic data and modelling for review.

TfNSW confirmed in subsequent correspondence that the above matters do not form an objection to the planning proposal, that the planning proposal could proceed to be made, and any of the above matters could be addressed as part of other actions outlined in the delivery program.

No comments were received from other public authorities as a result of this consultation.



116 Adelaide Street | PO Box 42
Raymond Terrace NSW 2324
council@portstephens.nsw.gov.au
02 4988 0255

PORTSTEPHENS.NSW.GOV.AU
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ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

A

INTRODUCTION

A Introduction

A1 Name of this Plan

The name of this Plan is the Port Stephens Development Control Plan 2014 (*PSDCP 2014*).

A2 Aim of this Plan

The aim of this Plan is to facilitate development in accordance with the *Local Environmental Plan* applying to the land to which this Plan applies.

A3 Commencement of this Plan

This Plan was adopted by Council on 14 July 2015 and commenced on 6 August 2015. The following amendments have occurred since this Plan commenced:

No.	Date	Amendment
1	3 September 2015	Plan amended to give effect to Council's resolution of 25 August 2015. Changes limited to Part B1 – Tree Management.
2	10 December 2015	Plan amended to give effect to Council's resolution of 24 November 2015. Changes limited to D1 – Heatherbrae Industrial and D11 – Raymond Terrace Town Centre.
3	To be determined	Draft amendment to Part B5 Flooding
43	22 February 2018	Plan amended to give effect to Council's resolution of 13 February 2018. Minor amendments and corrections were made throughout the <i>PSDCP 2014</i>
54	26 April 2018	Plan amended to give effect to Council's resolution of 13 February 2018. Amendment to Part D9 North Medowie – Medowie (Bower Estate)
65	21 June 2018	Plan amended to give effect to Council's resolution of 12 June 2018. Amendment inserts Part D16 Medowie Strategy (Precinct E) for the purposes of satisfying clause 6.3 of the <i>Local Environmental Plan</i>
76	23 August 2018	Plan amended to give effect to Council's resolution of 10 July 2018. Amendment makes administrative changes including references to the <i>Environmental Planning and Assessment Act 1979</i> and the repeal of savings and transitional provisions
87	25 July 2019	Plan amended to give effect to Council's resolution of 9 July 2019. Amendment to the aircraft noise planning map to reflect 2025 ANEF .
98	5 September 2019	Plan amended to give effect to Council's resolution on 27 August. Amendment to part D13 Rees James Rd-Raymond Terrace.
10	To be determined	Draft amendment to Section D

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A

INTRODUCTION

119	12 December 2019	Plan amended to give effect to Council's resolution on 27 August. Amendment to part D13 Rees James Rd-Raymond Terrace.
12	To be determined	Draft amendment
1310	12 May 2020	Plan amended to give effect to Council's resolution of 12 May 2020. Amendment removes Chapter A11 Development Notification.

A4 Land to which this Plan applies

This Plan applies to the land within the Port Stephens local government area.

A6 Development to which this Plan applies

This Plan applies to all **development** requiring **development consent** in accordance with Part 4 Development Assessment of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

In determining a **development application** Council is to provide consideration to this Plan under section 4.15 of the *EP&A Act*.

This Plan does not apply to **development** that is:

- identified as permissible without consent
- carried out under Part 5 Environmental assessment of the *EP&A Act*
- assessed under the provisions of another *Environmental Planning Instrument (EPI)* that excludes the provisions of the *Local Environmental Plan*

A6 Interpretation

Terms requiring definition are bold and italicised; they are defined under E1 Glossary.

Abbreviated terms are bold and italicised; they are listed under E2 Acronyms.

A reference to any Australian Standard, legislation or supporting documentation includes a reference to any amendment or replacement as made.

A7 Structure of this Plan

This Plan is divided into sections, parts, objectives and requirements. The Sections are as follows:

- Quick Start Guide, Table of Contents and Checklists
 - Provides tools to increase the useability of the Plan
- Section A - Introduction
 - Explains the purpose of this Plan and legislative requirements

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A

INTRODUCTION

- Section B - General Provisions
 - Provides **development** objectives and requirements that relate to the site in all locations in which **development** is proposed. This Section is to be referenced by all **development applications**.
- Section C - Development Types
 - Provides **development** objectives and requirements that relate to specific **development types**. **Development** will generally fall within one or more of these specified **development types**. The Requirements under this Section are to be read in conjunction with the General Provisions, which relate to all **development applications**.
- Section D - Specific Areas
 - Provides **development** objectives and requirements that relate to a specific locality in which **development** is proposed. The provisions of this Section provide specific location requirements that apply in conjunction with other sections and prevail to the extent of any inconsistency.
- Section E - Schedules
 - Provides important terms and references to assist in the accurate interpretation of the Plan, such as technical specifications

This structure seeks to facilitate permissible **development** and support alternative **merit-based approaches** to **development** that is permissible under the **Local Environmental Plan**. This is consistent with the purpose and status of a development control plan under section 3.42 of the **EP&A Act** as follows:

- (1) *The principal purpose of a development control plan is to provide guidance on the following matters to the persons proposing to carry out development which this Part applies and to the consent authority for any such development:*
 - (a) *Giving effect to the aims of any environmental planning instrument that applies to the development*
 - (b) *Facilitating development that is permissible under any instrument*
 - (c) *Achieving the objectives of land zones under any such instrument*

The provisions of a development control plan made for that purposes are not statutory requirements.
- (2) *The other purpose of a development control plan is to make provisions of the kind referred to in section 3.43 (1) (b)–(e).*
- (3) *Subsection (1) does not affect any requirement under Division 4.5 in relation to complying development.*

AE Explanation of Development Objectives and Requirements

The relevant parts of this Plan contain **development** objectives and requirements. A **development** objective clearly states the intent of a **development** requirement.

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A

INTRODUCTION

Where the **development** requirement cannot be achieved, the applicant is provided with the opportunity to demonstrate through alternative **merit-based** solutions how the proposed **development** complies with the **development** objective. This approach seeks to encourage a **merit-based approach** to the evaluation of **development applications**, while ensuring appropriate consideration is provided to the intent of the **development** requirements.

A9 Relationship to Legislation, Plans and Policies

This Plan must be read in conjunction with the **Local Environmental Plan**. This Plan:

- was prepared in accordance with section 3.43 of the **EP&A Act** and Part 3 of the *Environmental Planning and Assessment Regulation 2000*
- identifies further detail of Council's requirements for local **development** requiring **development consent**
- is consistent with the provisions of the **Local Environmental Plan** and other applicable **EPI**, however, in the event of any inconsistency, the requirements of the **EPI** will prevail in accordance with section 3.28 Inconsistency between instruments of the **EPA&A Act**
- replaces the whole of the Port Stephens Development Control Plan 2013 (**PSDCP 2013**)
- is to be applied in conjunction with other Council **development** guidelines, policy, specifications and technical manuals, where cited

A10 Monitoring and Review

Section 3.21 of the **EP&A Act** requires councils to keep their local environmental plans and development control plans under regular and periodic review for the purpose of ensuring that the objects of this Act are -- having regard to such changing circumstances as may be relevant -- achieved to the maximum extent possible.

Port Stephens Council (**PSC**) will aim to regularly review this Plan.

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B

B General Provisions

The Parts listed below apply to all *land-use types* to which this Plan applies.

B General Provisions			
No	Part	This Part applies to development that:	Page
B1	Tree Management	<ul style="list-style-type: none"> is to remove or prune trees or other vegetation within non-rural areas 	B-13
B2	Natural Resources	<ul style="list-style-type: none"> is located on land or is within 500m of land that contains items of environmental significance, such as; threatened species or communities, listed migratory species, wildlife corridors, wetlands or riparian corridors and has the potential to impact biodiversity; or is seeking to use biodiversity offsets; or is located on land containing noxious weeds; or is located on land identified as koala habitat 	B-18
B3	Environmental Management	<ul style="list-style-type: none"> is located on land that contains acid sulfate soils; or has the potential to produce air pollution (such as dust or odour); or has the potential to produce adverse offensive noise; or is defined as or involves earthworks 	B-22
B4	Drainage and Water Quality	<ul style="list-style-type: none"> increases impervious surfaces; or requires connection to public drainage; or involves a controlled activity within 40m of waterfront land 	B-24
B5	Flooding	<ul style="list-style-type: none"> is situated within the flood planning area or at/or below the flood planning level 	B-29
B6	Essential Services	<ul style="list-style-type: none"> is not connected to essential services, being water, electricity, sewerage, stormwater drainage and suitable vehicular access 	B-33
B7	Williamstown RAAF Base - Aircraft Noise and Safety	<ul style="list-style-type: none"> is situated within the 2025 ANEF, bird strike zone, extraneous lighting area or the Williamstown RAAF Base Obstacle Limitations or Operations Surface Map and Height Trigger Map 	B-34
B8	Heritage	<ul style="list-style-type: none"> is situated on land that contains a heritage item or within a heritage conservation area 	B-44
B9	Road Network and Parking	<ul style="list-style-type: none"> has the potential to impact on the existing road network or creates demand for on-site parking 	B-46
B10	Social Impact	<ul style="list-style-type: none"> is deemed to have a significant social impact 	B-54

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B4

DRAINAGE AND WATER QUALITY

B4 Drainage and Water Quality

Application	
<p>This part applies to development that:</p> <ul style="list-style-type: none"> increases impervious surfaces; or drains to the public drainage system; or involves a controlled activity within 40m of waterfront land. 	
Objective	
B4.A	<p>Stormwater Drainage Plan</p> <ul style="list-style-type: none"> To ensure a stormwater drainage plan is submitted when development either increases impervious surfaces or drains to the public drainage system To ensure the stormwater drainage plan details a legal and physical point of discharge to minimise impacts on water balance, surface water and groundwater flow and volume regimes and flooding To implement sustainable mitigation systems that can be maintained using resources available to the maintainer
Requirement	
B4.1	<p>Development that applies to this Part is to provide a stormwater drainage plan and a written description of the proposed drainage system within the SEE</p> <p>Note: C1.H also provides drainage requirements for development relating to subdivision</p> <p>Note: Hydrological/hydraulic calculations and designs shall be prepared in accordance with the approaches outlined in the current Australian Rainfall and Runoff Guidelines using the current Hydrologic Soil Mapping data for Port Stephens available from Council. Other current Australian published design guides may also be applied to particular design situations.</p>
Objective	
B4.B	<p>On-site Detention / On-site Infiltration</p> <p>To regulate the impacts on the capacity of the public drainage system</p>
Requirements	
B4.2	<p>On-site detention / on-site infiltration is required in stormwater requirement areas where:</p> <ul style="list-style-type: none"> the post-development flow rate or volume exceeds the pre-development flow rate or volume; or impervious surfaces exceed the total percentage of site area listed under Figure BD; or it is identified under Section D Specific Areas of the PSDCP 2014; or the stormwater catchment is identified to have stormwater issues <p>Note: A map of stormwater requirement areas is published on Council's website.</p>
B4.3	<p>On-site detention / on-site infiltration is to be:</p> <ul style="list-style-type: none"> sized so that the post-development flow rate and volume equals the pre-development flow rate and volume for all storm events up to and including the 1% Annual Exceedance Probability (AEP) storm event

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B4

DRAINAGE AND WATER QUALITY

	<ul style="list-style-type: none"> provided by either underground chambers, surface storage or a combination of the two and are generally positioned: <ul style="list-style-type: none"> under grassed areas for any cellular system (which can be easily maintained) under hardstand areas such as driveways for any concrete tank structures <p>Note: A Neutral or Beneficial Effect (NorBE) on water quality must be designed for all storm events.</p>
B4.4	<p>Details of the on-site detention / on-site infiltration concept design must be provided in the stormwater drainage plan and the written description and must include information on:</p> <ul style="list-style-type: none"> the location and type of detention / infiltration system demonstrated flow rate / volume for all design storm events up to the 1% AEP pipes, pits, overland flow and discharge point surface grates and maintenance access points orifice type, location and screening facility slope/gradient of the land post-development flow rate and volume for the site equal to pre-development flow rate and volume for the site <p>Note: B4.8 states that on-site detention / on-site infiltration may not be required for single dwellings and dual occupancy development if the water quality requirements under Figure BF have been satisfied</p>

Figure BD: Maximum **Impervious Surface** Table

Land Use Zone	Maximum Impervious Surface Area (%)
E4, R5, RU1, RU2 & RU3	Refer to Table BE (below)
E1, E2, E3, IN4, RE1, RE2, SP1, SP2, W1 & W2	merit-based approach
R1, R2 & RU5	60
R3	75
B5, B7, IN1 & IN2	90
B1, B2, B3 & B4	100

NOTE: This figure has been relocated to follow the controls to which it relates

Figure BE: Lot Area **Impervious Surface** Table

Lot Area (m ²)	Maximum Impervious Surface Area (%)
>5000	7.5
2000 to 5000	30
900 to 2000	40
<900	60

Note: Figure BE above only applies to land zoned E4, R5, RU1, RU2 and RU3

NOTE: This figure has been relocated to follow the controls to which it relates

Objectives		
B4.C	Water Quality	<ul style="list-style-type: none"> To ensure development does not detrimentally impact on water quality through the use of water quality modelling, such as SSSQM or MUSIC Modelling, and subsequent WSUD measures To safeguard the environment by improving the quality of stormwater run-off

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B4

DRAINAGE AND WATER QUALITY

- To ensure water quality is protected and maintained during the construction phase through the conditioning of appropriate measures
- To provide further guidance to clauses in the local environmental plan relating to water quality for **development in drinking water catchments**

Requirements

B4.5 **Development** is to provide Stormwater Quality Improvement Devices (SQIDs) in accordance with Table BF: Water Quality Table, unless a WSUD Strategy that applies to the land has been approved by Council and is listed on Council's website for the purposes of this requirement. A document listing approved WSUD Strategies is available on Council's webpage.

- a WSUD Strategy that applies to the land has been approved by Council and is listed on Council's website for the purposes of this requirement.
- the development is a dwelling house, semi-detached dwelling, secondary dwelling, and/or ancillary structure to residential development, or,
- the development is for alterations and additions to a dwelling house, semi-detached dwelling, secondary dwelling, and/or ancillary structure to residential development, or,
- the development is for other minor alterations and additions on a lot of less than 250m²

A document listing approved WSUD Strategies is available on Council's webpage.

Where an approved WSUD Strategy applies to the land, details are to be provided which demonstrate that any requirements outlined in the list of approved WSUD Strategies have been incorporated into the development.

Note: The list of approved WSUD Strategies should be consulted for the purpose of determining whether SQIDs are required for a Complying Development proposal.



B-15

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B4

DRINKING AND WATER QUALITY

B4.6	Stormwater Quality Improvement Devices (SQIDs) are designed to be taken off-line from minor and major drainage systems
B4.7	Development submits the evidence of how the water quality targets have been achieved (e.g. SSSQM Certificate, MUSIC or MUSIC-LINK Report)
B4.8	On-site detention / on-site infiltration may not be required for single dwellings and dual occupancy development if the water quality requirements under Figure BF for sites less than 2,500m ² have been satisfied
B4.9	Erosion and sediment measures are provided during the construction phase in accordance with the issued conditions of consent
B4.10	Development that, in the opinion of the Council, has the potential to significantly adversely affect the water quality of the drinking water catchment will be referred to Hunter Water under section 51 of the <i>Hunter Water Act 1991</i> . Hunter Water is provided with a period of 21 days to provide a submission. After a period of 21 days, no response is deemed as a non-objection. Development or activities which pose unacceptable risks to a drinking water catchment are not likely to be supported by Hunter Water. Note: Refer to Hunter Waters' document 'Guidelines for developments in the drinking water catchments' for development types that will likely trigger referral to Hunter Water. Note: B4.5 requires a Vegetation Management Plan (VMP) when a proposal to remove 20 or more trees is submitted to Council

Figure BF: Water Quality Table

Type of Development or Site Area	Water Quality Targets		Tool used to achieve target
	Development within a Drinking Water Catchment	Development outside a Drinking Water Catchment	
Dwelling house, semi-detached dwelling, secondary dwellings, and ancillary structures to residential development	No water quality measures are required	No water quality measures are required	!
Alterations and additions to dwelling house, semi-detached dwelling, secondary dwellings, and ancillary structures to residential development	No water quality measures are required	No water quality measures are required	!
Other minor alterations and/or additions on a lot with a site area less than 250m ²	No water quality measures are required	No water quality measures are required	-
Lots with a site area greater than	Before water is released into public drainage , the water	Before water is released into public drainage it must	Either:

NOTE: This figure has been relocated to follow the controls to which it relates

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250m ² and less than 2,500m ²	quality outcomes shall achieve: <ul style="list-style-type: none"> • NorBE; or • Council's water quality stripping targets whichever achieves the better water quality outcome.	achieve Council's water quality stripping targets	<ul style="list-style-type: none"> • Water Quality Modelling, such as SSSQM or MUSIC; or <ul style="list-style-type: none"> • Compliance with a Standard Drawing produced by Council for the purposes of clause B4.5 published on Council's website
Lots with a site area equal to or greater than 2,500m ²	Before water is released into public drainage , the water quality outcomes shall achieve: <ul style="list-style-type: none"> • NorBE; or • Council's water quality stripping targets whichever achieves the better water quality outcome.	Before water is released into public drainage it must achieve Council's water quality stripping targets	Water Quality Modelling, such as MUSIC Modelling

Objective		
B4.D	Riparian Corridors	To protect and retain riparian corridors as localities of environmental importance
Requirements		
B4.11	Development involving a controlled activity within waterfront land (within 40m from the highest bank of the river, lake or estuary) adheres to the <i>Water Management Act 2000</i>	Note: Council can advise on the location and order of waterfront land
B4.12	Development provides the following buffers to riparian corridors that are generally consistent with the recommendations of the NSW Office of Water. 2012, 'Guidelines for riparian corridors on waterfront land' ¹⁶ : <ul style="list-style-type: none"> • 50m buffer from 3rd order water courses or above with a 40m vegetated riparian zone and 10m vegetated buffer • 30m buffer from 1st-2nd order water courses with a 20m vegetated riparian zone and 10m vegetated buffer 	
B4.13	Riparian corridors are dedicated as public open space when Council agrees to take ownership of that land	

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B6

B6 Essential Services

Application	
This Part applies to development not connected to essential services being, water, electricity, sewerage, stormwater drainage and suitable vehicular access	
Objective	
B6.A	Essential Services To facilitate development by ensuring it is accompanied by the essential services of water, electricity, sewerage and suitable vehicular access
Requirements	
B6.1	<p>To give effect to the provisions of the Local Environmental Plan that relate to essential services and provision of public utility infrastructure, a development application must demonstrate that any of the following services that are essential for the development are available or that adequate arrangements have been made to make them available when required:</p> <ul style="list-style-type: none"> • the supply of water <ul style="list-style-type: none"> - development must make adequate arrangements for the supply of water either through reticulated services or on-site supply and storage • the supply of electricity <p>Note: In areas where it is demonstrated that connection to the grid is unreasonable Council may accept alternate electrical supply measures (e.g. dwelling solar panels).</p> • the disposal and management of sewage <ul style="list-style-type: none"> - development without access to reticulated sewer demonstrates that the proposal for the disposal and management of sewage is consistent with the Port Stephens On-site Sewage Development Assessment Framework¹³ - subdivision without access to reticulated sewer contains a minimum 4,000m² of usable land per lot for the purpose of sustaining an On-Site Sewage Management System (OSMS) in accordance with the On-Site Development Assessment Framework contained within the Port Stephens Council, 2004, 'On-Site Sewage Management Policy'^{16, & 17} <ul style="list-style-type: none"> • subdivision that cannot demonstrate 4,000m² of usable land for the purpose of sustaining an OSMS must provide connection to a sewerage reticulation system or demonstrate through more site specific investigations how the proposal provides a long term sustainable wastewater management solution in accordance with the Port Stephens On-site Sewage Development Assessment Framework¹³ • stormwater drainage or on-site conservation <ul style="list-style-type: none"> - refer to Part B4 of this Plan • suitable vehicular access <ul style="list-style-type: none"> - refer to Part B9 of this Plan

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B7

WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

B7 Williamtown RAAF Base – Aircraft Noise and Safety

Application
 This Part applies to **development** that is situated within the **2025 ANEF, bird strike zone, extraneous lighting area** or the **Williamtown RAAF Base Obstacle Limitations or Operations Surface Map and Height Trigger Map**

Objectives

B7.A	Site Acceptability	<ul style="list-style-type: none"> To ensure development satisfies the requirements of the Local Environmental Plan To ensure appropriate consideration is given to land burdened by aircraft noise
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Requirements

B7.1	<p>When development is located within the 2025 ANEF, which is identified by Figure BM it is classified into one of the following classifications through referencing Figure BJ</p> <ul style="list-style-type: none"> Acceptable – no design measures required to reduce aircraft noise, or Conditionally acceptable – design measures required, or <ul style="list-style-type: none"> An acoustic report is required for the following: <ul style="list-style-type: none"> to support development that is classified as conditionally acceptable to support subdivision of land and subsequent permissible development types by referencing Figure BJ and Figure BK Unacceptable – development is generally unacceptable. However, details submitted with a development application that demonstrate the following will be considered on a merit-based approach: <ul style="list-style-type: none"> Development on a vacant pre-existing lot within the ANEF 25-30 noise contours that satisfies AS 2021 – Acoustics – Aircraft noise intrusion – Building siting and construction indoor noise requirements²⁰ Replacement of a pre-existing dwelling in any of the ANEF noise contours satisfies the AS 2021 – Acoustics – Aircraft noise intrusion – Building siting and construction indoor noise requirements²⁰ Development on land zoned B7 Business Park and adjacent to the Williamtown (Newcastle) Airport <p>Note: Part D15 - DAREZ provides site specific requirements for land zoned B7 Business Park and adjacent to the Williamtown Airport</p>
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Figure BJ: Development acceptability based on ANEF Zone

Development Type	Acceptable	Conditionally Acceptable	Unacceptable
	ANEF Zone		
<ul style="list-style-type: none"> residential accommodation caravan parks 	<20	20 – 25	25>
<ul style="list-style-type: none"> tourist & visitor accommodation 	<25	25 – 30	30>
<ul style="list-style-type: none"> educational establishments 	<20	20 – 25	25>
<ul style="list-style-type: none"> respite day care centres 	<20	20 – 25	25>

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WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

• health services facilities			
• places of public worship	<20	20 – 30	30>
• entertainment facility			
• information and education facility			
• commercial premises	<25	25 – 35	35>
• general industry	<30	30 – 40	40>
• light industry			
• heavy industry	Acceptable in any ANEF Zone		

Figure BK: Indoor Design Sound Levels

Development type	Indoor Design Average Maximum Sound Level <i>dB(A)</i>
residential accommodation & caravan parks	
• sleeping areas & dedicated lounges	50
• habitable room other than sleeping areas & dedicated lounges	55
• bathrooms, toilets & laundries	60
tourist and visitor accommodation	
• relaxing & sleeping	55
• social activities	70
• service activities	75
educational establishments	
• libraries & study areas	50
• teaching & assembly areas	55
• workshop areas & gymnasias	75
respite day care centres & health facilities	
• wards, theatres, treatment & consulting rooms	50
• laboratories	65
• service areas	75
public buildings	
• places of public worship	50
• entertainment facility	40
• information & education facility	50
commercial buildings, offices & retail premises	
• private offices & conference rooms	55
• drafting & open offices	65
• typing & data processing	70
• shops, supermarkets & showrooms	75

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WILLIAMTOWN RAAF BASE - AIRCRAFT NOISE AND SAFETY

Development type	Indoor Design Average Maximum Sound Level <i>dB(A)</i>
industrial	
• inspection, analysis & precision work	75
• light machinery, assembly & bench work	80
• heavy machinery, warehouse & maintenance	85

Objective		
B7.B	Indoor Noise	To ensure acceptable levels of indoor noise in accordance with the relevant Australian Standards
Requirements		
B7.2	Development must satisfy the maximum internal sound levels specified in Figure BK by providing an acoustic report	
B7.3	Noise attenuation levels that comply with Figure BK are not considered to be reasonable or practicable for a dwelling when seeking to achieve noise reduction greater than: <ul style="list-style-type: none"> • 35 dB(A) for sleeping areas • 30 dB(A) for habitable spaces 	
Objective		
B7.C	Alterations & Additions	To facilitate alterations and additions of existing development within the 2025 ANEF
Requirements		
B7.4	Additions and/or alterations less than 40% of gross floor area of an existing building must be constructed to the same indoor sound levels as the existing building	
B7.5	Additions and/or alterations greater than 40% gross floor area of an existing building requires noise attenuation measures consistent to meet the indoor noise levels listed in Figure BK	
Objective		
B7.D	Bird Strike Impacts on Operation of Aircraft	To ensure that the operational needs of the Williamtown RAAF Base are considered
Requirement		
B7.6	When development is located within the bird strike zone , which is identified by Figure BN, the Department of Defence is notified and provided with a period of 14 days to provide a submission. After a period of 14 days, no response is deemed as a non-objection. <ul style="list-style-type: none"> • Group A—The following development types are avoided within 13km from airport runways <ul style="list-style-type: none"> - Putrescible waste disposal sites • Group B—The following development types are avoided within 3km of an airport runway or provide measures that prevent food sources attracting wildlife within 8km of an airport runway <ul style="list-style-type: none"> - Commercial fish processing - Artificial water bodies - Bird sanctuaries and fauna reserves 	

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WILLIAMSTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

- Sewer treatment facilities
- Aquaculture
- Turf farming
- Animal farming that attracts birds/bats
- Fruit farming
- Fruit processing plants
- Group C – The following **development types** within 3km of an airport runway should include measures to manage waste disposal
 - Race tracks
 - Sports grounds
 - Fair grounds
 - Outdoor theatres
 - Dine in restaurants

When **development types** listed in column 1 are proposed in the bird strike zone, which is identified by Figure BU, the development application must be prepared in accordance with the provisions of column 2.

Figure BU – Development types to be avoided or where impacts can be mitigated in a bird strike zone

Development type	Column 2		
	Group A (3km Radius from airport runway)	Group B (3km - 8km Radius from airport runway)	Group C (8km - 13km Radius from airport runway)
Agriculture			
Intensive plant agriculture (Turf farm)	A	Mi	Mo
Horticulture (Fruit tree farm)	A	Mi	Mo
Livestock produce industry (Fish processing / packing plant)	A	Mi	Mo
Intensive livestock agriculture (Piggery)	A	Mi	Mo
Intensive livestock agriculture (Cattle, dairy or poultry farm)	Mi	Mi	Mo
Conservation			
Environmental Protection Works (Wildlife sanctuary - wetland)	A	Mi	Mo
Environmental Protection Works (Wildlife sanctuary - dryland)	Mi	Mi	Mo
Recreation			
Recreation facility - major (Showground)	A	Mi	Mo
Recreation facility - major (Racecourse, sports stadium, theme park)	Mi	Mi	Mo
Recreation facility – outdoor (Golf course, park, playground, sports)	Mi	Mi	Mo
Camping Ground	Mi	Mi	Mo
Commercial			
Agricultural produce industry (Food processing plant)	A	Mi	Mo
Utilities			
Waste or resource management facility (Food / organic waste facility)	A	Mi	Mo
Waste disposal facility (Putrescible waste facility – landfill / transfer station)	A	Mi	Mo
Waste disposal facility (Non-putrescible waste – landfill / transfer station)	Mi	Mi	Mo
Sewage treatment plant (Sewage / waste water treatment facility)	Mi	Mi	Mo

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B7

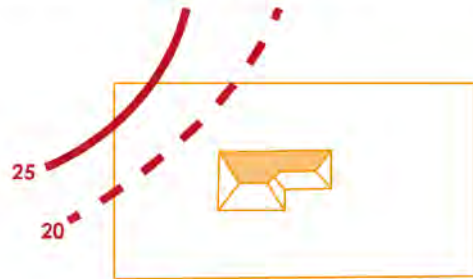
WILLIAMTOWN RAAF BASE - AIRCRAFT NOISE AND SAFETY

	<p>Avoid (A) – Development not supported.</p> <p>Mitigate (Mi) - Waste management report is required which demonstrates that the development will not increase the risk of bird strike to aircraft.</p> <p>Monitor (Mo) – Demonstrate compliance with B7.7.</p> <p>Note: Development within the birdstrike zone should adhere to the National Airports Safeguarding Advisory Group (NASAG) – Guideline C: Managing the Risk of Wildlife Strikes in the Vicinity of Airports (Wildlife Strike Guidelines).</p>	
B7.7	Any development located within the bird strike zone is to limit, cover and/or enclose any organic waste and/or the storage of bins on site.	
B7.8	Outdoor lighting installed as part of development in the area identified in Figure BP and/or Figure BQ is to comply with the extraneous lighting controls detailed in the CASA Manual of Standards (MOS-139) Aerodromes.	
<p>Note: Development on land identified on the RAAF Base Williamtown Obstacle Limitation Surface Map as shown in Figure BO is subject to Section 7.4 (Airspace operations) of the PSLEP 2013.</p>		
<p>Objective</p>		
B7.E	Referral Requirements	To ensure that the operational needs of the Williamtown RAAF Base are considered
<p>Requirements</p>		
B7.8	<p>When development deemed to be noise sensitive development is located within the 2025 ANEF, which is identified by Figure BM, the Department of Defence is notified and provided with a period of 14 days to provide a submission. After a period of 14 days, no response is deemed as a non-objection.</p> <p>Note: The Port Stephens Community Engagement Strategy details general notification requirements to be administered by Council Officers</p>	
B7.9	<p>When development seeks to penetrate the RAAF Base Williamtown Obstacle Limitations or Operations Surface or Procedures for Air Navigation Systems Operations Surface as identified by Figure BO the Department of Defence is notified and provided with an opportunity for comment.</p> <p>Note: Development that does not seek to penetrate these surfaces has complied with the Commonwealth Department of Defence requirements of PSLEP 2013 clause 7.4 Airspace Operations</p> <p>Note: PSLEP 2013 clause 7.4 requires the consent authority to be provided with the Commonwealth's consideration of the Limitation or Operations Surface</p>	
B7.10	<p>When development is proposed within the extraneous lighting boundaries as identified by Figure BP and Figure BQ the Department of Defence is notified and provided with a period of 14 days to provide a submission. After a period of 14 days, no response is deemed as a non-objection.</p> <p>Note: The Port Stephens Community Engagement Strategy details general notification requirements to be administered by Council Officers</p>	

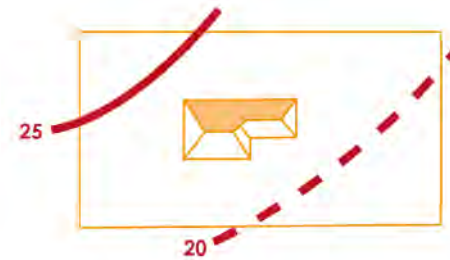
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WILLIAMTOWN RAAF BASE - AIRCRAFT NOISE AND SAFETY

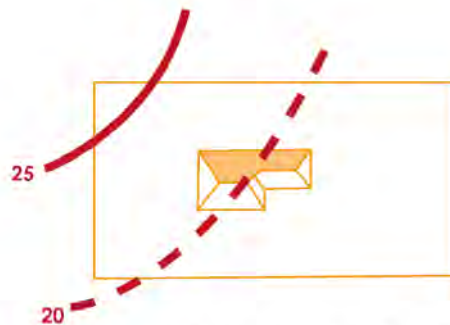
Figure BL: Illustration of Building Site Acceptability based on ANEF Zone



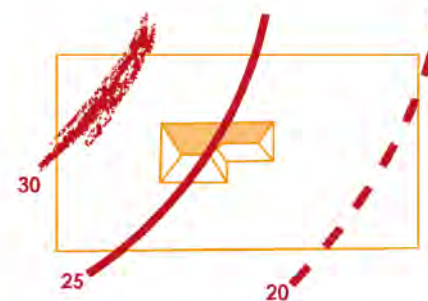
Acceptable - No design measures are required to reduce aircraft noise



Conditionally Acceptable - Design measures are required to reduce aircraft noise



Conditionally Acceptable - Design measures are required to reduce aircraft noise

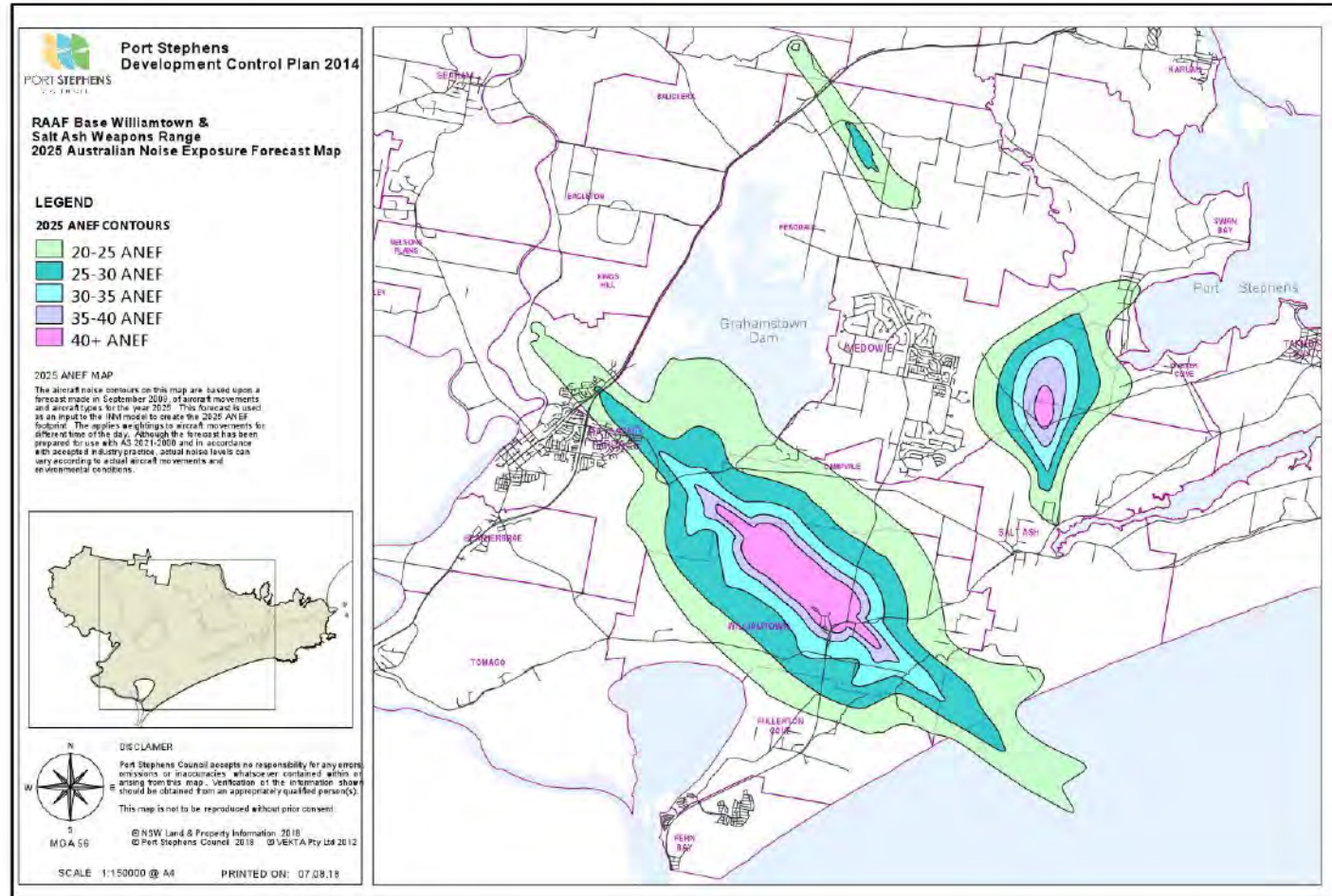


Where the contour line is placed over part of a building the higher contour will be applied

B7

WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

Figure BM:
2025 ANEF
shown on the
RAAF Base
Williamtown &
Salt Ash
Weapons
Range 2025
Australian
Noise
Exposure
Forecast Map

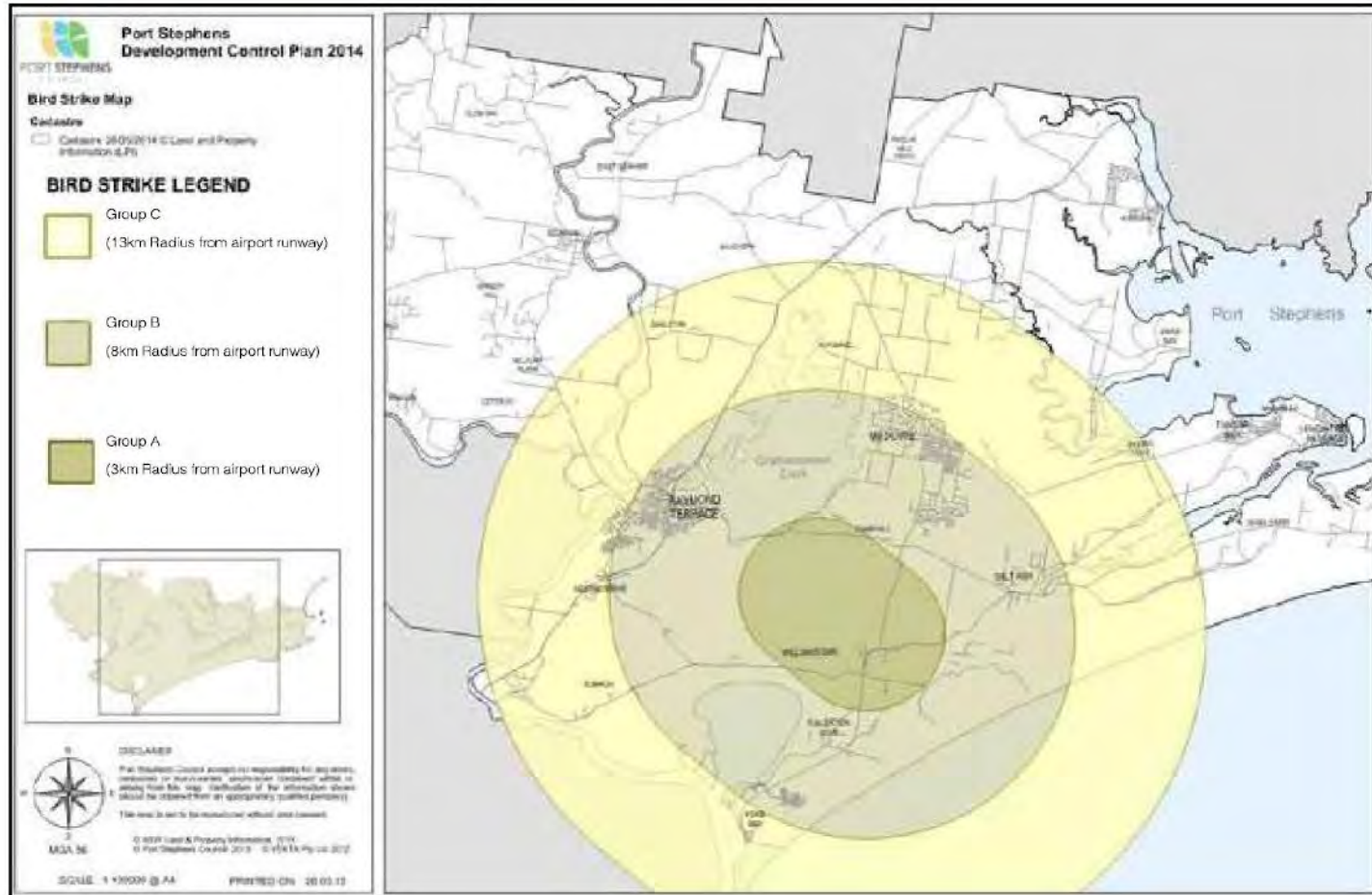


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WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

Figure BN: Bird Strike Zone

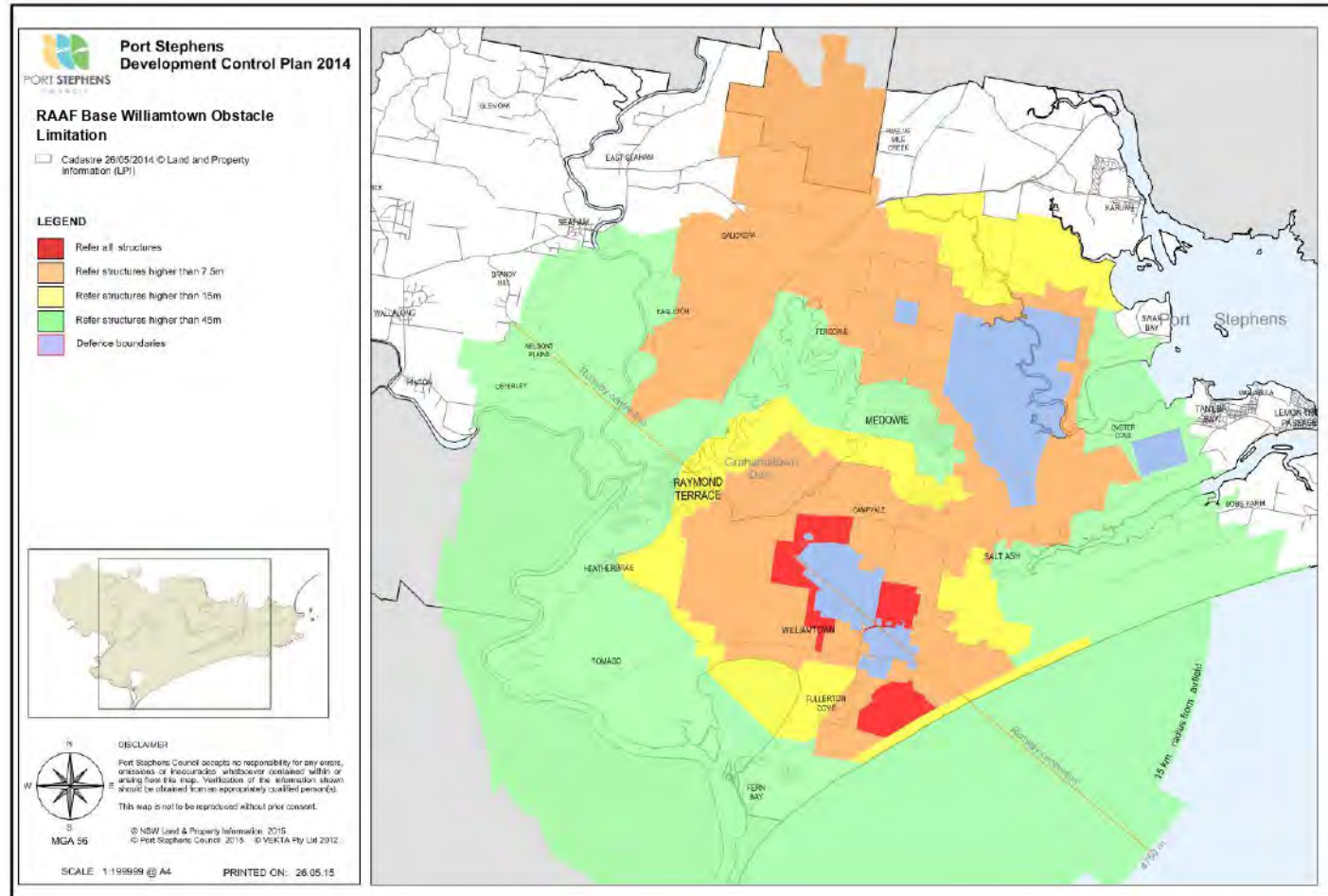


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WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

Figure B0:
RAAF Base
Williamtown
Obstacle
Limitation of
Operations
Surface Map
and Height
Trigger Map

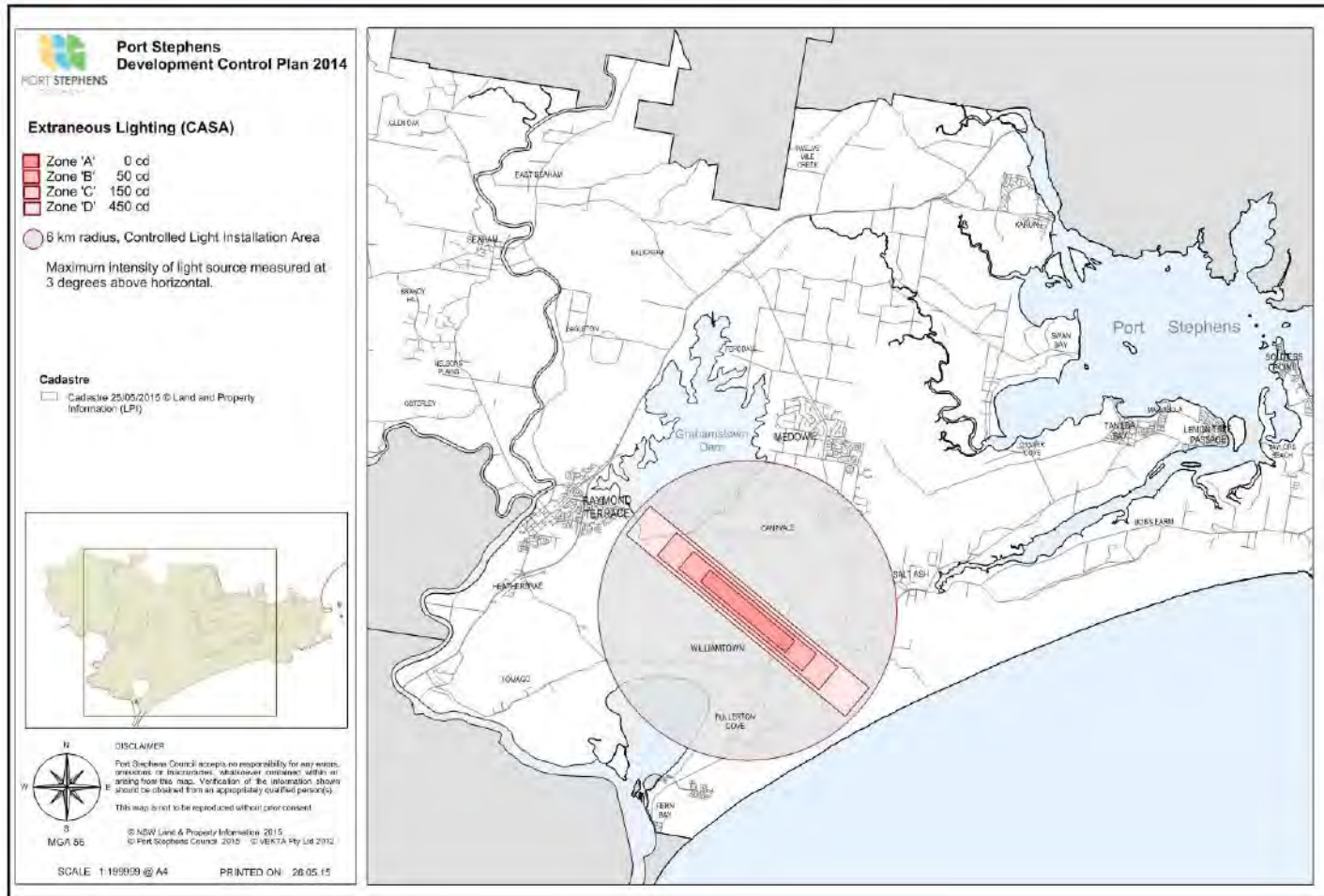


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WILLIAMTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

Figure BP:
Extraneous
Lighting Map 1

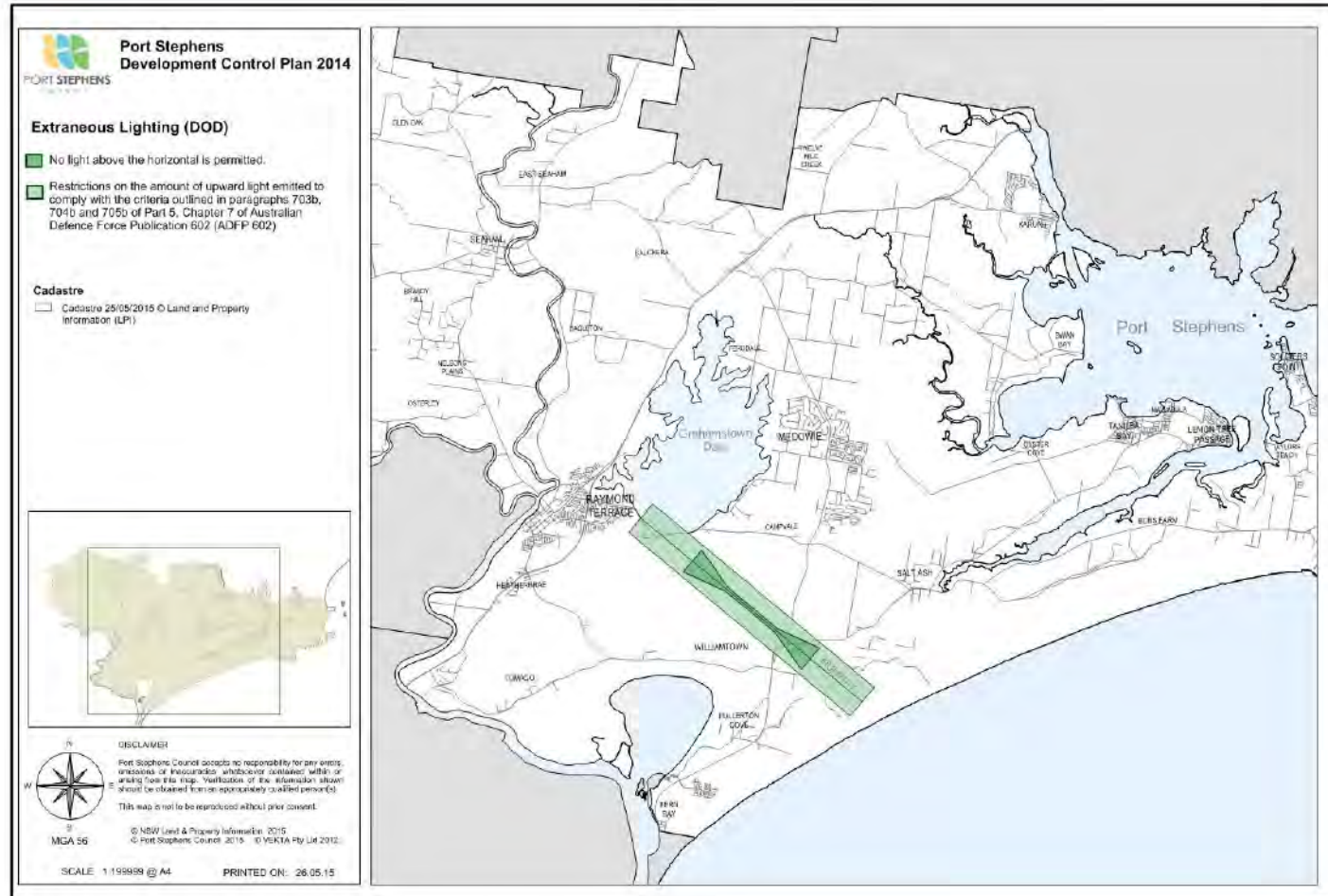


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WILLIAMSTOWN RAAF BASE – AIRCRAFT NOISE AND SAFETY

Figure BQ:
Extraneous
Lighting Map 2



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B9

road network and parking

B9 Road Network and Parking

Application		
This Part applies to development with the potential to impact on the existing road network or create demand for on-site parking . This Part lists general requirements more specific requirements relating to development types may be provided under Section C Development Types		
Objective		
B9.A	Traffic Impacts	To ensure that the impacts of traffic generating development are considered and that the existing level of service of the road network is maintained
Requirements		
B9.1	The SEE details:	<ul style="list-style-type: none"> • car parking location, number and dimensions; • access arrangements; • traffic implications on the existing road network and junctions; • street features, such as trees, footpaths and pipes; and • pedestrian impacts and access for disabled persons.
B9.2	A Traffic Impact Assessment (TIA) is required for:	<ul style="list-style-type: none"> • development for 20 or more dwellings; • development defined as traffic generating development; or • development deemed in Council's opinion to impact on the existing road network.
B9.3	A construction management plan is provided prior to the issuing of a construction certificate or subdivision works certificate when development will impact on traffic movements during the construction phase	
Objectives		
B9.B	On-Site Parking Provisions	<ul style="list-style-type: none"> • To ensure development provides adequate on-site parking, loading and servicing spaces • To ensure that vehicle access is in a safe location and has minimal impacts on existing transit movements • To ensure driveways have adequate sight distances for traffic and pedestrians on footpaths
Requirements		
B9.4	Except as required by B9.5, B9.6, or B9.7 , all development that has the potential to create demand for on-site parking must provide parking in accordance with Figure BT.	<ul style="list-style-type: none"> • Where these parking requirements cannot be provided on-site in accordance with Figure BT, Council may consider alternative off-site arrangements for parking demand, such as: <ul style="list-style-type: none"> - Parking provision on another site in proximity - A planning agreement for contribution to common public parking areas in Raymond Terrace or Nelson Bay, if available • A reduction in the number of spaces required in accordance with Figure BT may be considered when supported by a TIA in the following circumstances: <ul style="list-style-type: none"> - Parking has a negative visual impact on heritage

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Development Control

	<ul style="list-style-type: none"> - The current land use has been approved with a parking shortfall and the proposed parking concession does not exceed the current shortfall for the approved use calculated in accordance with Figure BT - Peak demand between commercial and residential development types is shared - An upgraded public transit facility, such as a bus stop, is provided in proximity to the site
--	--

Figure BT: On-Site Parking Requirements

Development Type	Parking Requirements	Accessible Parking
Commercial Premises		
bulky goods	<ul style="list-style-type: none"> • 1 car space per 55m² floor area • 1 bike space per 20 employees 	<ul style="list-style-type: none"> • 1 car space per 30 parking spaces
entertainment facilities and function centres	<ul style="list-style-type: none"> • A traffic impact study is required • 1 bike space per 20 employees • 1 bike space per 20 visitors 	<ul style="list-style-type: none"> • 1 car space per 20 car spaces
food and drink premises, including restaurants, cafes and take-away drink premises	<ul style="list-style-type: none"> • 1 car space per 25m² floor area within commercial premises • 15 car spaces per 100m² floor area or 1 car space per 3 seats outside of commercial premises • Minimum queuing area of 5 cars for drive-thru • 1 bike space per 200m² 	<ul style="list-style-type: none"> • 1 car space per 30 parking spaces
garden centre and plant nursery	<ul style="list-style-type: none"> • 1 car space per 130m² nursery area 	<ul style="list-style-type: none"> • 1 car space
hardware building supplies and industrial retail outlets	<ul style="list-style-type: none"> • 1 car space per 55m² floor area 	<ul style="list-style-type: none"> • No requirement
market	<ul style="list-style-type: none"> • 2.5 car spaces per stall 	<ul style="list-style-type: none"> • No requirement
motor showroom and vehicle sales or hire premises	<ul style="list-style-type: none"> • 0.75 car spaces per 100m² vehicle display area • 1 bike space per 20 employees 	<ul style="list-style-type: none"> • 1 car space per 30 car spaces
office premises and business premises	<ul style="list-style-type: none"> • 1 car space per 40m² floor area • 1 bike space per 200m² floor area 	<ul style="list-style-type: none"> • 1 car space per 30 parking spaces
pub and registered clubs	<ul style="list-style-type: none"> • 1 car space per 7m² of floor area within commercial centres • 1 car space per 10m² courtyard / beer garden within commercial centres • 1 car space per 3.5m² of floor area outside of commercial centres • 1 bike space per 25m² bar area • 1 bike space per 100m² courtyard/ beer garden • 1 bike space per 20 accommodation rooms 	<ul style="list-style-type: none"> • 1 car space per 20 parking spaces

NOTE: This figure has been relocated to follow the controls to which it relates

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roadside stall	<ul style="list-style-type: none"> 4 car spaces 	<ul style="list-style-type: none"> No requirement
rural supplies, timber yards, landscaping material supplies and wholesale supplies	<ul style="list-style-type: none"> 1 car space per 130m² of supplies area 1 bike space per 20 employees 	<ul style="list-style-type: none"> No requirement
service station	<ul style="list-style-type: none"> 4 car spaces per work bay 1 car space per 20m² floor area 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space
sex services premises	<ul style="list-style-type: none"> 2 car spaces per room used for prostitution 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
shop	<ul style="list-style-type: none"> 1 car space per 20m² floor area 	<ul style="list-style-type: none"> 1 car space per 30 car spaces
veterinary premises and health consulting rooms	<ul style="list-style-type: none"> 3 car spaces per practitioner 1 car space per 2 employees not a practitioner 2 bike space per 10 practitioners and other employees not practitioners 	<ul style="list-style-type: none"> 1 car space per 10 car spaces
Industry		
heavy industrial storage establishments, heavy industry and general industry	<ul style="list-style-type: none"> 1 car space per 100m² floor area or 4 space per work bay 1 bike space per 20 employees 	<ul style="list-style-type: none"> 1 car space per 30 car spaces
light industry	<ul style="list-style-type: none"> 1 car space per 100m² 1 car space for each employee 1 bike space per 20 employees 	<ul style="list-style-type: none"> No requirement
rural industries	<ul style="list-style-type: none"> Merit-based approach 	<ul style="list-style-type: none"> No requirement
vehicle body repair workshops and vehicle repair stations	<ul style="list-style-type: none"> 4 car spaces per work bay 	<ul style="list-style-type: none"> No requirement
warehouse or distribution centres, storage premises and depots	<ul style="list-style-type: none"> 1 car space per 200m² 1 bike space per 20 employees 	<ul style="list-style-type: none"> 1 car space
Infrastructure		
bowling alley	<ul style="list-style-type: none"> 3 car spaces per bowling alley 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
bowling green	<ul style="list-style-type: none"> 30 car spaces for first bowling green, then 15 for each additional bowling green 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
charter and tourism boating facilities	<ul style="list-style-type: none"> 4.5 car spaces per 100m² floor area or 1 space per 10 passengers 	<ul style="list-style-type: none"> 1 car spaces per 20 car spaces
child care centre	<ul style="list-style-type: none"> 1 car space for every 4 childcare places 	<ul style="list-style-type: none"> 1 car space
community facilities	<ul style="list-style-type: none"> Merit-based approach 	<ul style="list-style-type: none"> 1 car space per 20 car spaces

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educational establishment	<ul style="list-style-type: none"> 1 car space per employee 1 car space per 8 senior high school students 2 bike spaces per 20 employees and students 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
gymnasium	<ul style="list-style-type: none"> 5 car space per 100m² 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
indoor soccer/cricket/netball	<ul style="list-style-type: none"> 15 car spaces per pitch/court 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
Marina	<ul style="list-style-type: none"> 0.6 spaces per wet berth 0.2 spaces per dry storage berth 0.2 spaces per swing mooring 0.5 spaces per marina employee 1 bike space per 15 employees <p>Note: Additional car parking is to be provided for the uses carried out as part of, or ancillary to a marina which are identified in this Figure and car parking is to be provided for those uses in accordance with the relevant rates set out in this Figure.</p>	<ul style="list-style-type: none"> No requirement
medical centres	<ul style="list-style-type: none"> 1 car space per 25m² floor area 	<ul style="list-style-type: none"> 1 car space per 10 car spaces
passenger transport facility	<ul style="list-style-type: none"> Merit-based approach 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
place of public worship	<ul style="list-style-type: none"> Merit-based approach 2 bike spaces per 20 employees and visitors 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
squash/tennis courts	<ul style="list-style-type: none"> 3 car spaces per tennis court 1 bike space per 15 employees 	<ul style="list-style-type: none"> 1 car space per 20 car spaces
Residential Accommodation		
boarding houses, secondary dwellings , supported accommodation and group homes	<ul style="list-style-type: none"> Refer to State Environmental Planning Policy (Affordable Housing) 2009 1 car space per 20 rooms 	<ul style="list-style-type: none"> Refer to SEPP (Affordable Housing) 2009
dwelling house, dual occupancy and semi-detached dwellings	<ul style="list-style-type: none"> 1 car space for one and two bedroom dwellings 2 car spaces for three > bedroom dwellings 	<ul style="list-style-type: none"> No requirement
home business or home industry	<ul style="list-style-type: none"> 1 car space, plus 1 car space for each employee 	<ul style="list-style-type: none"> No requirement
hostels	<ul style="list-style-type: none"> 1 car space per 10 beds 1 car space for every 2 employees 1 parking space for services and deliveries 	<ul style="list-style-type: none"> No requirement

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B9

ROAD NETWORK AND PARKING

residential flat buildings , attached dwellings, multi dwelling housing and shop-top housing	<ul style="list-style-type: none"> 1 car space for one and two bedroom dwellings 2 car spaces for three > bedroom dwellings 1 visitor space for every three dwellings 	<ul style="list-style-type: none"> No requirement
seniors housing	<ul style="list-style-type: none"> Refer to SEPP (Housing for Seniors or People with a Disability) 2004 	
Tourist and Visitor Accommodation		
backpackers accommodation	<ul style="list-style-type: none"> 1 car space per 10 beds or 1 space per 5 rooms 1 car space per 2 employees 	<ul style="list-style-type: none"> 1 space per 20 parking spaces
bed and breakfast establishment and farm stay	<ul style="list-style-type: none"> 1 car space per guest room 	<ul style="list-style-type: none"> No requirement
camping ground and caravan park	<ul style="list-style-type: none"> 1 car space per site 1 visitor space for every 10 sites 	<ul style="list-style-type: none"> No requirement
hotel or motel accommodation, and eco-tourist facilities	<ul style="list-style-type: none"> 1 car space for each accommodation unit 1 car space per 2 employees 1 bike space per 20 accommodation units 	<ul style="list-style-type: none"> 1 space per 20 parking spaces
serviced apartments	<ul style="list-style-type: none"> Refer to PSLEP 2013 7.13 Serviced apartments 	

B9.5	Where the parking requirements for B9.4 cannot be provided for onsite in accordance with Figure BT, Council may consider alternative off-site arrangements for parking demand, such as providing parking on another site in proximity to the development.
B9.6	<p>A reduction in the number of spaces required in accordance with Figure BT may be considered when supported by a TIA in the following circumstances:</p> <ul style="list-style-type: none"> - Parking has a negative visual impact on heritage - The current land use has been approved with a parking shortfall and the proposed parking concession does not exceed the current shortfall for the approved use calculated in accordance with Figure BT - Peak demand between commercial and residential development types is shared - An upgraded public transit facility, such as a bus stop, is provided in proximity to the site - Where it can be demonstrated that ancillary uses carried out as part of, or ancillary to a marina do not generate demand for on-site parking, consistent with the relevant rate prescribed in Table BT.
B9.7	<p>A reduction in the number of spaces required in accordance with Figure BT (p. B-56) may be considered for commercial premises on land zoned B2 Local Centre or B3 Commercial Core when dedicated car sharing service spaces equipped with electric vehicle charging provisions are provided. The maximum reduction is not to exceed:</p> <ul style="list-style-type: none"> - For development requiring up to 5 spaces – no reduction - For development requiring more than 5 and up to 20 spaces – 1 space - For development requiring more than 20 spaces – 5% <p>Note: dedicated car sharing service spaces are included as a car parking space for the purposes of calculating the total number of spaces provided.</p>

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B9

On-Site Parking

B9.5 8	All internal driveways and parking areas of public car parks are concrete pavement or gravel sealed with bitumen or asphalt
B9.6 9	Walking routes through large car parks are to be delineated by markings, signage , grade separation and pedestrian crossings in accordance with AS 2890 – Parking facilities
B9.7 10	Parking for people with a disability is designed and constructed: <ul style="list-style-type: none"> in accordance with AS 2890 – Parking facilities and AS 1428 – Design for access and mobility to be located as close to wheelchair accessible entrances/lifts and linked by an accessible/ continuous path
B9.8 11	On-site parking is located behind the building line or setback by 1m Note: C4.18 requires a minimum garage setback of 1m behind the building line or setback

Objectives

B9.C	On-Site Parking Access	<ul style="list-style-type: none"> To ensure that vehicle access is located in a safe location, where it least impacts on existing transit movements To ensure driveway exits maximise intersection sight distances for traffic and pedestrians on footpaths
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Requirements

B9.9 12	The entry, exit and driveway separation widths of access points from a site to a street frontage is provided in accordance with these steps: <ol style="list-style-type: none"> Determine the class of parking, either being A, B or C Determine the ingress/egress category by identifying whether that class is located on either an arterial road or local street and by referencing the number of parking spaces that are required, which is determined by B9.4 Determine entry, exit and driveway separation widths by using the ingress/egress category
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Step 1.

Class	Examples of Uses	Required Door Opening
A	All-day parking – resident, employee, commuter parking and universities	Front door, first stop
B	Medium-term parking – long-term city and town centre parking, sports facilities, entertainment centres, hotels, motels and airport visitors	Front door, second stop
C	Short-term parking – town Centre parking, shopping centres, department stores, supermarkets, hospitals and medical centres	Rear door, full-opening

Step 2.

Street Hierarchy		Number of Parking Spaces				
		<25	25-100	101-300	301-600	>600
Class		Ingress/Egress Category				
A	Arterial	1	2	3	4	5
	Local	1	1	2	3	4
B	Arterial	2	2	3	4	5
	Local	1	2	3	4	5

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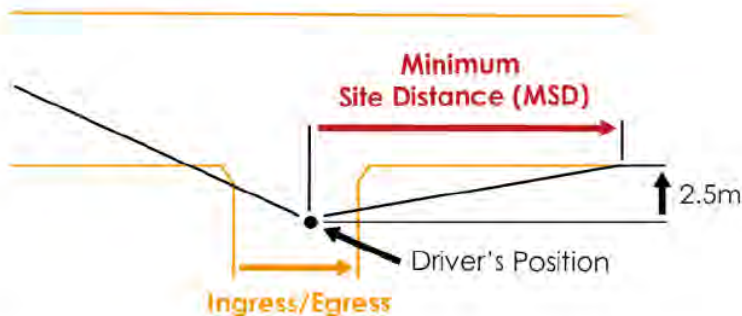
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B9

ingress/egress to parking areas

C	<i>Arterial</i>	2	3	4	4	5
	<i>Local</i>	1	2	3	4	4
Step 3.						
	Ingress / Egress Category	Entry Width	Exit Width	Driveway Separation		
	1	Single Maximum: 3m Double Maximum: 4m	Combined	-		
	2	6- 9m	Combined	-		
	3	6m	4-6m	1-3m		
	4	6-8m	6-8m	1-3m		
	5	Direct connection from a dedicated public road via controlled intersection				
<p>Ingress/Egress dimensions may need to be increased to 6.5m for the first 6m inside the property boundary when:</p> <ul style="list-style-type: none"> ingress/egress exceeds 30m in length <ul style="list-style-type: none"> Ingress/Egress exceeding 30m in length provides passing bays at 30m intervals sight distance in accordance with Figure BR cannot reasonably be achieved development provides direct access to an arterial road 						

Figure BR: Illustration of Ingress and Egress Minimum Site Distances



B9.401 3	<p>Ingress and egress to parking areas is:</p> <ul style="list-style-type: none"> not located in proximity to intersections or where queuing and sight distances are restricted not located opposite other traffic generating developments, unless separated by a median strip not located within the sections of kerb illustrated by Figure BS to provide a minimum of 0.5m from the side boundary at the front property line and minimum 0.5m clearance from the edge of existing street furniture intersect with the road between 70 to 90 degrees to provide a driveway cross-fall for the first 3 metres, which is to match the longitudinal gradient of the kerb/road pavement to ensure vehicles can enter and leave in a forward direction
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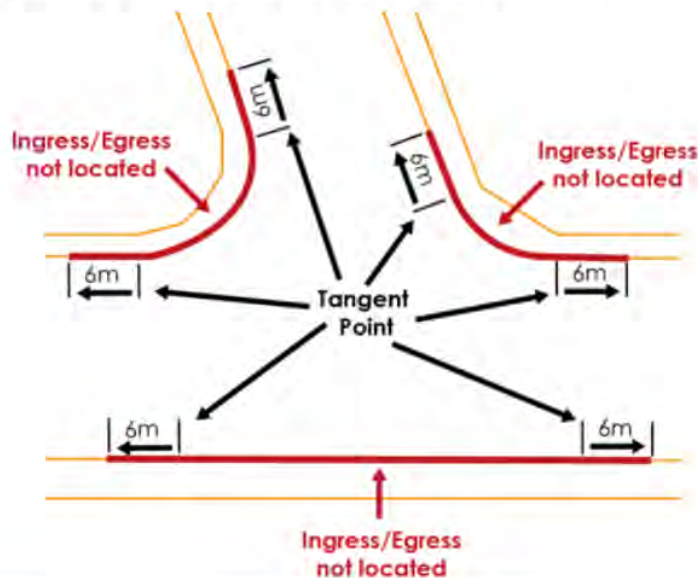
B9

ROAD NETWORK AND PARKING

- to provide the **Minimum Sight Distances (MSD)** required by Figure BR in accordance with the following table:

Road Speed km/h	Large Car Park MSD		Residential MSD
	Safe Intersection Side Distance (SISD)	Stop Site Distance	
40	65	40	30
50	90	55	40
60	115	75	55
70	140	90	70
80	170	115	95
90	200	140	-
100	235	165	-

Figure BS: Ingress/Egress is not supported in identified locations



Objectives

B9.D	Visitor Parking & Loading Facilities	<ul style="list-style-type: none"> To ensure visitor parking is conveniently located and easily identifiable To ensure loading facilities do not adversely impact on the road network and are visually concealed
------	---	---

Requirements

B9.411 4	Visitor parking is clearly marked, signposted and located in proximity to the main building of the development
B9.421 5	Service areas, car parking and loading bays are provided: <ul style="list-style-type: none"> At the basement or ground level at rear Away from pedestrian public spaces Away from residential areas

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B9
non-transporting places

	<ul style="list-style-type: none"> Separately to staff and customer parking 		
B9.131 6	Parking layouts provide direct pedestrian paths to building entries and street frontage and is screened from the street		
Objective			
B9.E	<table border="1"> <tr> <td>Access to Public Transport for 20 or more dwellings</td> <td>To encourage more active lifestyles and ecologically sustainable development by providing convenient and accessible public transport options</td> </tr> </table>	Access to Public Transport for 20 or more dwellings	To encourage more active lifestyles and ecologically sustainable development by providing convenient and accessible public transport options
Access to Public Transport for 20 or more dwellings	To encourage more active lifestyles and ecologically sustainable development by providing convenient and accessible public transport options		
Requirements			
B9.141 7	<p>A development application for 20 or more dwellings shall demonstrate that bus stops and shelters are:</p> <ul style="list-style-type: none"> Existing and fully accessible to current standards within a 400m walking catchment or bus stops within a 400m catchment are able to be upgraded (at the proponents cost). Located as close as possible to the common destination, being the development site, and are connected to the entry of the development by a continuous accessible footpath 		
B9.151 8	Council may require the provision of taxi, private vehicle and bus/coach drop off/set down areas for significant scale developments , such as educational establishments or commercial premises		
B9.161 9	<p>Ensure clear crossing points adjacent to public transport stops that are designed for pedestrian desire lines</p> <ul style="list-style-type: none"> Development unable to demonstrate the above is required to liaise with the public transport providers and Transport for NSW to meet the requirements 		

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B10

B10 Social Impact

Application	
This Part applies to development deemed to have a significant social impact	
Objectives	
B10.A	<p>Social Impact</p> <ul style="list-style-type: none"> • To promote community well-being and quality of life • To achieve intergeneration equity • To ensure social impacts are measured and effective mitigation strategies implemented • To implement the Port Stephens Council, 2014, 'Social Impact Policy'²⁷
Requirement	
B10.1	<p>A social impact assessment is required for development with the potential to have a significant social impact, which may include:</p> <ul style="list-style-type: none"> • backpacker accommodation • boarding houses • caravans parks • entertainment facilities • hostels • major subdivisions • pubs • registered clubs • restricted premises • sex services premises • tourist and visitor accommodation • transitional group homes • any other development deemed by Council to have a significant social impact <p>Note: All development types are defined under the Local Environmental Plan with the exception of major subdivisions, which is defined under this Plan</p>

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C

DEVELOPMENT TYPES

C Development Types

The Parts listed below apply to all *land-use types* to which this Plan applies.

C Development Types			
No	Part	This Part applies to development that:	Page
C1	Subdivision	<ul style="list-style-type: none"> is defined as subdivision 	C-56
C2	Commercial	<ul style="list-style-type: none"> is defined as commercial premises 	C-61
C3	Industrial	<ul style="list-style-type: none"> is defined as industry and/or development within the Zone B5 Business Development. 	C-67
C4	Dwelling Houses, Secondary Dwelling, Dual Occupancy or Ancillary Structures	<ul style="list-style-type: none"> is defined as a dwelling house is defined as a secondary dwelling is defined as a dual occupancy is defined as an ancillary structure, which includes a swimming pool, shed, fence, retaining wall or shipping container 	C-71
C5	Multi Dwelling Housing or Seniors Housing	<ul style="list-style-type: none"> is defined as multi dwelling housing is defined as seniors housing 	C-78
C6	Home Business or Home Industry	<ul style="list-style-type: none"> is defined as home business or home industry 	C-87
C7	Restricted or Sex Services Premises	<ul style="list-style-type: none"> is defined as restricted premises is defined as sex services premises 	C-88
C8	Signage	<ul style="list-style-type: none"> is defined as signage 	C-90
C8	Ancillary Development	<ul style="list-style-type: none"> is defined as ancillary structures, including: sheds, swimming pools, fencing, retaining walls and shipping containers. 	C-90

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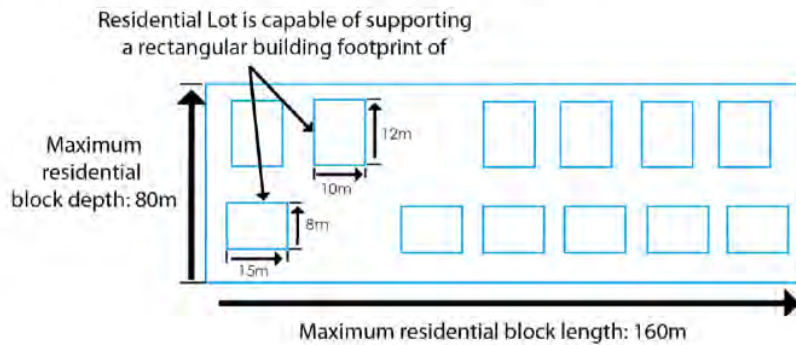
C1
SUBDIVISION

C1 Subdivision

NOTE: The order of the controls in Chapter C1 Subdivision have been re-arranged to improve readability, and to clearly identify controls that only apply to major subdivisions. Additions to existing controls have been highlighted in yellow.

Application		
This Part applies to development that is defined as subdivision .		
Objective		
C1.A	All Subdivision - Lot Size and Dimensions	To ensure all new lots have a size and shape appropriate to their proposed use, and to allow for the provisions of necessary services and other requirements
Requirements		
C1.6 C1.1	Lot Size	Subdivision adheres with Local Environmental Plan Part 4
C1.7 C1.2	Rectangular Footprint	A residential lot is capable of supporting a rectangular building footprint of 15m x 8m or 10m x 12m as illustrated by Figure CA
C1.8 C1.3	Battle-axe Lots	All lots provide direct street frontage <ul style="list-style-type: none"> • Battle-axe lots are only considered when there is no practical way to provide direct street frontage • Right of carriageway is constructed prior to the issuing of a subdivision certificate and is provided in accordance with Figure CB <ul style="list-style-type: none"> - Alternative solutions are to be considered for lots created prior to the Local Environmental Plan, but only where safety is not impeded
C1.9 C1.4	Splay Corners	Splay corners are provided for corner lots and must be a minimum of: <ul style="list-style-type: none"> • 4m x 4m for residential zones • 8m x 8m for commercial and industrial zones • 6m x 6m or merit-based approach for other zones

Figure CA: Residential Block Dimensions and Rectangular Building Footprint



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Figure CB: *Battle-axe Lot* Requirements

	Entry Width	Max Length	Misc.	Torrens
▪ <i>Dwelling house</i> ▪ <i>Dual occupancy</i>	3.6m	30m	Max 2 <i>dwellings</i>	Max 3
▪ <i>Multi dwelling housing</i> ▪ <i>Residential flat building</i>	6m	50m	-	-
▪ Business ▪ Industrial	10m	-	-	Max 3
▪ Rural less than 2 lots	6.5m	200m	-	Max 3
▪ Rural greater than 3 lots	10m	200m	-	Max 3

Objectives		
C1.B	All Subdivision - Street trees	To ensure street tree planting is of an appropriate species and undertaken in accordance with Council's guidelines.
Requirement		
C1.5	Street Tree Requirements	Street trees are required as a component of the <i>road reserve</i> for the following: <ul style="list-style-type: none"> residential <i>subdivisions</i> commercial <i>subdivisions</i> industrial <i>subdivision</i> creating 10 or more lots <ul style="list-style-type: none"> Street trees are provided in accordance with the <i>tree technical specification</i>¹ <ul style="list-style-type: none"> Attachment 1 – Tree Planting Guidelines of the <i>tree technical specification</i>¹ provides guidance to the application of Attachment 2 to determine the total number of trees to be provided
C1.6	Street Tree Replacement	Where street trees are required to be removed to facilitate development, they must be replaced in a practical location, in accordance with Section 4.6 of the <i>tree technical specification</i> ¹
Objective		
C1.C	All Subdivision - Solar Access	To maximise <i>solar access</i> for residential <i>dwellings</i>
Requirement		
C1.10 C1.7	Solar Access	Residential <i>subdivision</i> addresses the following guidelines for <i>solar access</i> . Any inconsistency clearly justifies how alternative energy efficiency is achieved <ul style="list-style-type: none"> Where possible, lots should be oriented to provide one axis within 30 degrees east and 20 west of true solar north Where a northern orientation of the long axis is not possible, lots should be wider to allow <i>private open space</i> on the northern side of the <i>dwelling</i>

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		<ul style="list-style-type: none"> Topography and landform should inform the subdivision layout in order to maximise solar access opportunities
Objective		
C1.D	All Subdivision - Public Scale Drainage	To ensure further guidance is provided for subdivision that is consistent with B4 Drainage and Water Quality and the infrastructure specification – design¹¹ (where relevant).
Requirements		
C1.19 C1.8	Inter-allotment Drainage	Each lot must be able to be gravity drained through the drainage system to public drainage
C1.20 C1.9		Inter-allotment drainage may be required for subdivision where a lot does not drain directly to the road kerb
C1.24 C1.10	Drainage Reserves	An overland flow path is provided for the 1% Annual Exceedance Probability(AEP) storm event and is a drainage reserve dedicated to Council as operational land

Objectives														
C1.E	Major Subdivision - Block and Street Layout	<ul style="list-style-type: none"> To ensure local streets are well-connected to the street network with obvious pedestrian and cycle links to higher order streets To ensure priority is provided to residents' needs when designing local streets to encourage usability To ensure pathways follow desire lines 												
Requirements														
C1.1 C1.11	Block Dimensions	<p>A block seeks to achieve the following dimensions:</p> <table border="1"> <thead> <tr> <th>Zone</th> <th>Maximum depth</th> <th>Maximum length</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>80m</td> <td>160m</td> </tr> <tr> <td>Commercial</td> <td>50m</td> <td>80m</td> </tr> <tr> <td>Industrial</td> <td>120m</td> <td>200m</td> </tr> </tbody> </table>	Zone	Maximum depth	Maximum length	Residential	80m	160m	Commercial	50m	80m	Industrial	120m	200m
Zone	Maximum depth	Maximum length												
Residential	80m	160m												
Commercial	50m	80m												
Industrial	120m	200m												
C1.2 C1.12	Technical Specifications	Street layout complies with the road network specifications in infrastructure specification – design¹¹												
C1.3 C1.13	Street Layout Attributes	<p>The street layout addresses the following:</p> <ul style="list-style-type: none"> All street components are integrated, such as kerbing, pavement type, width, street tree planting, footpaths, on road cycleway, shared paths, lighting and seating are provided as specified in infrastructure specific – design¹¹ Road widths accommodate the necessary movements of service and emergency vehicles Driveways and footpaths are provided at subdivision as a part of the subdivision works Footpaths and shared paths follow desire lines Street layout is interconnected to provide a grid-like structure Street layout is informed by street connections for future subdivisions on adjacent lands 												

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		<ul style="list-style-type: none"> Street layout enables each lot to front a street and for corner lots to face both streets Street layout seeks to provide a perimeter road between residential dwellings and; <ul style="list-style-type: none"> bush fire prone land open space defined as a regional park, district park or local park Street layout ensures public access to public open space is maintained and encouraged Street layout responds to the topographical features of the site, such as: <ul style="list-style-type: none"> where land slopes at a grade of 6% or more the predominant street alignment is perpendicular to the contours straight or gently curved to frame vistas <p>Note: Development should have consideration for the Port Stephens Pathways Plan.</p>																				
C1.4 C1.14	Cul-de-sacs	<p>Cul-de-sacs are generally only supported where:</p> <ul style="list-style-type: none"> the existing street layout does not permit a through street connectivity to an adjoining street is not required the cul-de-sac has a maximum length of 75m access is provided to no more than 10 allotments clear line of sight is provided from the nearest intersection 																				
Objectives																						
C1.F	Major Subdivision - Public Open Space	<ul style="list-style-type: none"> To provide a hierarchy of public open space in accordance with public open space hierarchy To provide parks that are multi-functional To ensure parks achieve centrality by being located near transport nodes, public buildings, waterfronts, libraries or places of public worship To ensure public open space meets the demands of the local community to encourage usability and critical mass 																				
Requirements																						
C1.11 C1.15	Open Space Hierarchy	<p>Council may require the provision of public open space in accordance with the following:</p> <table border="1"> <thead> <tr> <th></th> <th>Category</th> <th>Area</th> <th>Catchment</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>regional park</td> <td>merit-based approach</td> <td>merit-based approach</td> </tr> <tr> <td>B</td> <td>district park</td> <td>1-2ha</td> <td>500-800m</td> </tr> <tr> <td>C</td> <td>local park</td> <td>0.5ha</td> <td>150-400m</td> </tr> <tr> <td>D</td> <td>corridor open space</td> <td>merit-based approach</td> <td>-</td> </tr> </tbody> </table>		Category	Area	Catchment	A	regional park	merit-based approach	merit-based approach	B	district park	1-2ha	500-800m	C	local park	0.5ha	150-400m	D	corridor open space	merit-based approach	-
	Category	Area	Catchment																			
A	regional park	merit-based approach	merit-based approach																			
B	district park	1-2ha	500-800m																			
C	local park	0.5ha	150-400m																			
D	corridor open space	merit-based approach	-																			
C1.12 C1.16	Open Space Reduction	<p>The quantity of public open space may be reduced if:</p> <ul style="list-style-type: none"> accessibility is improved through such measures as providing extended connections to the wider pedestrian network; 																				

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		<ul style="list-style-type: none"> value of open space is improved through such measures as an increased amount and/or quality of park furniture, amenities, play equipment, sports infrastructure; or
C1.13 C1.17	Open Space Attributes	<p>Public open space for the purpose of a local park, district park or regional park must:</p> <ul style="list-style-type: none"> be of regular shape (rectangle/square) to maximise recreation opportunities; Note: Long narrow open spaces are not acceptable unless used for linkages. be generally flat and centrally located near transport nodes, public buildings, waterfronts, libraries or places of public worship to maximise accessibility for all members of the public; provide for safe and convenient access by being located on pedestrian and cycle routes; clearly demonstrate that it is a public space and be bounded by a street and faced by lots zoned or used for residential or commercial purposes; be designed with consideration to CPTED principles; and include access for services (e.g. garbage collection, maintenance, water, sewerage and electricity) <p>Note: The provision of playgrounds is assessed on a case by case basis by primarily considering proximity to other community and recreation facilities.</p> <p>Note: Further attributes specific to a local park, district park and regional park are provided in Part E1 of the PSDCP 2014.</p>
C1.14 C1.18		<p>Land that may be deemed unsuitable as public open space for the purposes of a local park, district park or regional park includes:</p> <ul style="list-style-type: none"> contaminated land; land primarily used for stormwater management or drainage control purposes; land containing sites or items of cultural significance; or land identified as an Asset Protection Zone (APZ).
C1.15 C1.19		<p>Corridor open spaces are drainage reserves classified as operational land under the <i>Local Government Act 1993</i></p>
Objective		
C1.G	Major Subdivision - Infrastructure	To ensure detailed consideration is provided to the provision of integrated and quality public infrastructure
Requirements		
C1.16 C1.20	Technical Specifications	Infrastructure in accordance with the infrastructure specification – design ¹¹ is identified on the Concept Utility Plans or more detailed Preliminary Engineering Plans.
C1.17 C1.21	Public Infrastructure	Subdivision provides public infrastructure within the adjoining road or public land, including kerb/gutter, stormwater drainage, footpaths, street lighting, street trees and bus shelters, excluding:

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SUBDIVISION

		<ul style="list-style-type: none"> Public utilities, such as water and electricity, are kept within private lot boundaries and are not located within the road reserve
C1-18 C1.22	Lifecycle and Maintenance	<p>Lifecycle and maintenance costs are a key determinant when considering alternative methods, products and manufacturers to those specification in the infrastructure specification – design¹¹</p> <ul style="list-style-type: none"> Council will request life cycle costing and maintenance manual details for infrastructure to assist in ongoing maintenance

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C2

COMMERCIAL

C2 Commercial

Application		
This Part applies to development defined as commercial premises		
<ul style="list-style-type: none"> This Part also provides additional requirements for bulky goods premises 		
Objectives		
C2.A	Height	<ul style="list-style-type: none"> To ensure development is of an appropriate height that minimises privacy loss and over-shadowing To ensure that floor to ceiling height allows for flexible uses over time
Requirements		
C2.1	Building Height	Building height is provided in accordance with the Local Environmental Plan clauses 4.3 and 5.6
C2.2	Floor to Ceiling Height	Minimum ground floor to ceiling height for all new development within a commercial zone is 3.5m
C2.3		Minimum first floor and above floor to ceiling height for commercial premises is 3m
C2.4		Minimum first floor and above floor to ceiling height for residential accommodation is 2.7m
C2.5		Ground level (finished) must be between 100-500mm above adjacent footpath levels
Objective		
C2.B	Site Frontage and Setbacks	To ensure development provides continuity and consistency to the public domain
Requirements		
C2.6	Site Frontage for buildings higher than 10.5m	Minimum 20m site frontage where development is proposed to be more than 10.5m in height
C2.7	Front Setback and Façade Articulation	Development is built to the front property line for the ground and first floor
C2.8		Minimum 3m front setback from the front property line for the second floor and above
C2.9		Minimum 3.5m front setback from the front property line for mixed use development for second floor and above
C2.10		Parts of a building may give variation in setback to provide design articulation
C2.11	Side Setback	Development should be built to the side boundary to maximise continuous activate street frontage , except where side access is provided
C2.12	Rear Setback	Commercial premises adjacent to a lot that is zoned or used for residential purposes or a public reserve is to provide a minimum rear setback of 5m, plus an additional 0.5m for each metre of the height of the building that exceeds 8m

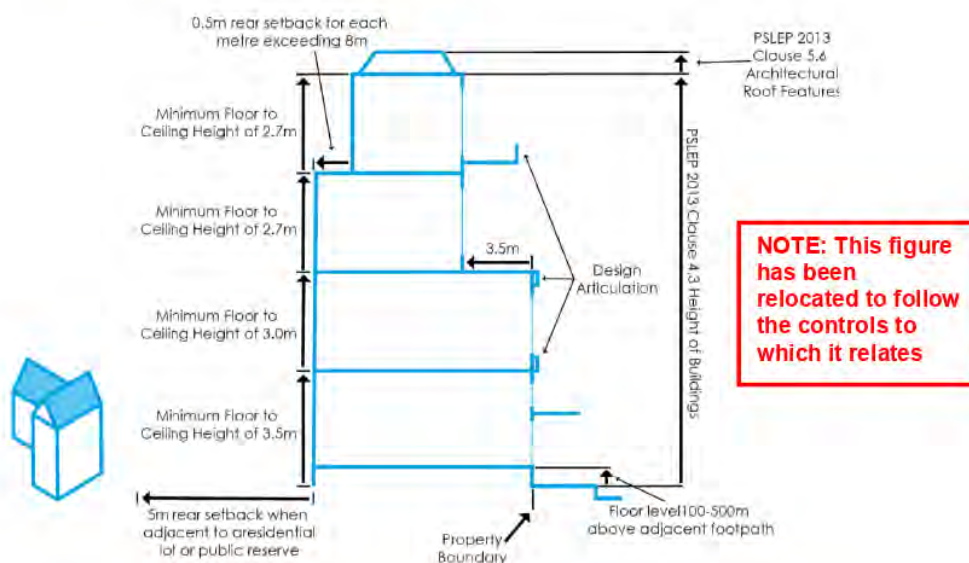
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C2.13		Rear setback is built for purpose and informed by a site analysis plan
C2.14	Longitudinal gradient	Where there is a level of change in excess of 500mm at the front property boundary the floor plate and rooflines of development steps with the longitudinal grade of street

Figure CDC: Illustration of Commercial Building Envelope



Objective		
C2.C	Building Form and Massing	To ensure development reinforces, compliments and enhances the visual character of the street
Requirements		
C2.15	Amenity	Building mass does not result in unreasonable loss of amenity to adjacent properties or the public domain
C2.16	Proportions	Building proportion is complimentary to the form, proportions and massing of existing building patterns
Objectives		
C2.D	Facades	<ul style="list-style-type: none"> To ensure street activation and passive surveillance through active street frontage To facilitate development that is safe and secure for pedestrians and contributes to public domain safety by

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		<p>incorporating principles of Crime Prevention through Environmental Design (CPTED), such as:</p> <ul style="list-style-type: none"> - Territorial Re-enforcement - Surveillance - Access Control - Space/Activity Management <ul style="list-style-type: none"> • To ensure the bulk of large floor plate development is concealed by a sleeve of smaller buildings fronting the street
Requirements		
C2.17	Materials	Building facades use materials, colours and architectural elements to reduce bulk and scale that are complimentary to existing built-form and natural setting
C2.18	Active Street Frontage	<ul style="list-style-type: none"> • Development provides continuity of an active street frontage for localities where business premises or retail premises predominately face the street and have direct pedestrian access from the street, which may be identified in Part D- Specific Areas • An active street frontage provides the following: <ul style="list-style-type: none"> - Maximum unarticulated wall is 2m in length - Minimum 50% of ground floor front is windows, which does not include false windows <p>Note: C1.3 requires that the street layout enable each lot to front a street or corner lots to face both streets</p>
C2.19		<p>A big box development may achieve an active street frontage by providing a sleeve of smaller buildings that conceal its bulk to the street frontage</p> <p>Note: C2.K provides additional requirements for bulky goods premises</p>
C2.20		Development incorporates Crime Prevention through Environmental Design (CPTED) principles by providing passive surveillance to public spaces through building design and orientation
C2.21	Public Footpath	Development provides paving to the public footpath for the entire length of the development street frontage
Objectives		
C2.E	Awnings	<ul style="list-style-type: none"> • To ensure continuous awnings along pathways to provide shelter where most pedestrian activity occurs • To ensure awning design is integrated with the building façade to integrate with adjoining buildings
Requirements		
C2.22	Awnings	<p>Awnings must be provided over pedestrian pathways</p> <ul style="list-style-type: none"> • New awnings must maintain the same dimensions, alignment and materials of existing awnings along the street • A continuous or stepped solid box awning should be provided for the full extent of the building frontage with awnings 3m in width or setback 750mm from the curb, whichever is less

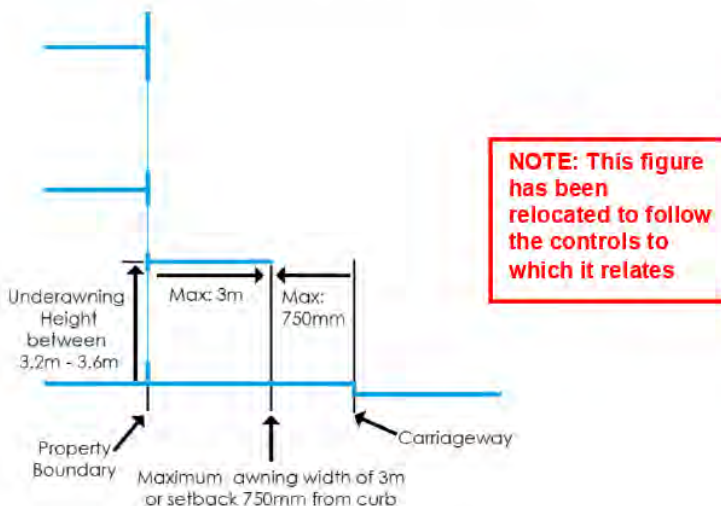
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	<ul style="list-style-type: none"> Under awning height will be between 3.2m and 3.6m Awnings on sloping sites should be a cantilevered steel box section that steps with street slope Awnings are varied when there is a need to highlight the location of a major building entrance
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Figure CCD: Illustration of Commercial Awning Dimensions



Objective		
C2.F	Building Entries	To provide clear direction to access points
Requirements		
C2.23	Access Points	Provide a recognisable entry from the primary street <ul style="list-style-type: none"> Entries on corner sites address both streets by providing a splayed entry on that corner A separate and secure access point that provides a clear sense of building address is provided for the residential component of mixed-use development
C2.24	Entry Structures	Entry structures, such as access ramps, are located within the site behind the property boundary so as not to obstruct pedestrian footpaths in the public domain
Objective		
C2.G	Building Facilities and Services	To appropriately locate building facilities and services that do not adversely impact on the public domain
Requirement		
C2.25	Location of Building	Plant, equipment, storage areas, communication structures and servicing areas are located at the rear of a building and

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	Facilities and Services	not be visible from streets, parks and other public spaces, except for service lanes
C2.26	Public Toilets	Commercial development with a capital investment value over \$2 million shall provide toilets that are accessible to the public
Objective		
C2.H	Public Art	To ensure that features of the public domain contribute to identity, character, safety, amenity and accessibility
Requirements		
C2.27	Public Art	Commercial development with a capital investment value over \$2 million and that provides frontage to the public domain shall incorporate public art in accordance with Council's <i>Public Art Policy</i> and <i>Guidelines for the approval and installation of public art in Port Stephens</i> Note: Evidence must be provided with a commercial development application value over \$2 million demonstrating that the developer has obtained Public Art Approval from Council.
Objective		
C2.I	Shipping Container Stacks	To ensure development that proposes the use of shipping containers does not impact upon the amenity of the area
Requirements		
C2.28	Scale and Height	The scale and height of shipping container stacks shall have regard to the scale and height of nearby buildings.
C2.29	Siting	Shipping container stacks shall be located at the rear of the site where possible, unless the rear of the site abuts a sensitive use.
C2.30	Formation	Shipping containers stacked adjacent to landscaped areas or along property boundaries shall be stacked in a tier or pyramid formation to reduce their visual bulk.
Objectives		
C2.J	Landscaping	<ul style="list-style-type: none"> • To enhance the appearance and amenity of developments through the retention and/or planting of large and medium sized trees. • To encourage landscaping between buildings for screening. • To ensure landscaped areas are consolidated and maintainable spaces that contribute to the open space structure of the area. • To improve the aesthetics of commercial areas, especially major commercial road corridors, through landscape works and co-ordination of architectural and signage elements • To reduce hydrocarbon emission by providing shading of untendered vehicles • To reduce energy consumption through microclimate regulation • To reduce air borne pollution by reducing the heat island effect

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C2

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		<ul style="list-style-type: none"> To intercept stormwater to reduce stormwater runoff
Requirements		
C2.31	Landscaping Coverage	<p>Landscaping is provided as follows:</p> <ul style="list-style-type: none"> 10% of the site area consisting of deep soil planting 30% shading over car park areas <p>Note: The canopy coverage of specimen trees can be used to calculate deep soil landscaping</p>
C2.32	Landscaping Dimensions	To be counted as part of the total landscaping coverage the landscaped area must be at least 1.5m wide and 3m long.
C2.33	Landscaping Qualities	<p>Landscaping is in accordance with the following:</p> <ul style="list-style-type: none"> Landscape works incorporate adequate screening from the street and adjacent neighbours; Corner lots provide landscaping to both street frontages; Tree and landscape planting shall be of a scale and extent that reflects the scale of the proposed development's buildings and pavement areas Structural soil and/or structural cells should be used to reduce competition between specimen trees and infrastructure Street trees are to be within the footpath, verge or in the parking lane and be consistent with the Port Stephens Council tree technical specification¹
C2.34	Rear Setback	<p>The rear setback area is to be:</p> <ul style="list-style-type: none"> a deep soil landscape planting area where the development adjoins a residential zone or land used for residential purposes; or assessed by a merit-based approach where the development does not adjoin a residential zone or land used for residential purposes
C2.35	Species Selection	Landscape species are to be selected in accordance with the Landscape Technical Specification ⁴
Objectives		
C2.K	Bulky Goods Premises	<ul style="list-style-type: none"> Establish requirements for bulky goods premises Ensure the design of bulky goods contributes positively to the streetscape and public domain through quality architecture, materials and finishes
Requirements		
C2.36	Bulky Goods Premises Principles	<p>Bulky goods premises are to be designed to:</p> <ul style="list-style-type: none"> incorporate detail and architectural interest avoid creating ambiguous external spaces with poor pedestrian amenity and security provide a clearly identifiable and dedicated pedestrian access to the building and across the site from the primary street frontage provide pick-up areas next to the entrance to reduce unnecessary movement of heavy objects across the site

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C2

COMMERCIAL

Objective		
C2.L	Signage	To ensure signage is complementary to its surroundings
Requirement		
C2.37	Types of Signage	<p>The following types of signage are generally not supported:</p> <ul style="list-style-type: none"> • Flashing signs <p>Note: Flashing signs may be permitted in the road reserve if the text is a road safety message</p> <ul style="list-style-type: none"> • Roof signs • Vehicular signs where the primary use of the vehicle is for advertising. • Above awning signs • Anchored balloons or airborne signs • Inflatable signs • Hoarding signs • A-Frame signs

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C3

INDUSTRIAL

C3 Industrial

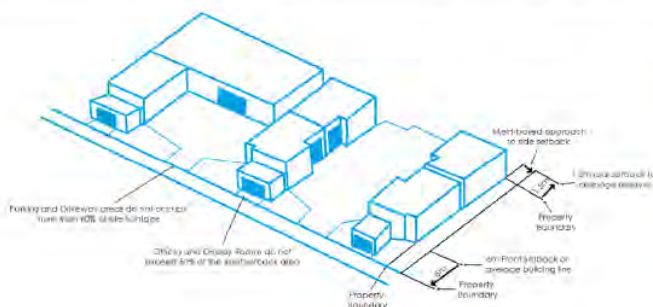
Application	
This Part applies to development defined as industry and/or development within the Zone B5 Business Development.	

Objectives		
C3.A	Height	<ul style="list-style-type: none"> To ensure the height of buildings is appropriate for the context and character of the area To ensure building heights reflect the hierarchy of centres and land use structure

Requirement		
C3.1	Building Height	<p>Development must not exceed a height of 15m</p> <p>Note: The Local Environmental Plan clause 4.3 Height of buildings overrides this requirement, if a height is specified</p>

Objective		
C3.B	Building Siting and Design	To ensure development is situated within an appropriate building envelope

Requirements		
C3.2	Front Setback	Maximum 6m front setback from the front property line or in line with the existing average building line
C3.3		<p>Single storey offices and display rooms within the front setback must:</p> <ul style="list-style-type: none"> not exceed 50% of the front setback area ensure sightlines are maintained for pedestrian and vehicle movement
C3.4	Side Setback	Side boundary setbacks are to be in accordance with the BCA
C3.5	Rear Setback	Merit-based approach to rear setback with a 1.5m buffer zone provided to drainage reserves



NOTE: This figure has been relocated to follow the controls to which it relates

Figure CFE: Illustration of Industrial Building Principles

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C3

INDUSTRIAL

Objective		
C3.C	Shipping Container Stacks	To ensure development that proposes the use of shipping containers does not impact upon the amenity of the area
Requirements		
C3.6	Scale and Height	The scale and height of shipping container stacks shall have regard to the scale and height of nearby buildings.
C3.7	Siting	Shipping container stacks shall be located at the rear of the site where possible, unless the rear of the site abuts a sensitive use.
C3.8	Formation	Shipping containers stacked adjacent to landscaped areas or along property boundaries shall be stacked in a tier or pyramid formation to reduce their visual bulk.
Objective		
C3.D	Fencing	To avoid the dominance of fences on the streetscape and similar hostile design, and to soften the built environment in industrial areas
Requirements		
C3.9	Fencing Height	Fencing forward of the building line must not exceed a height of 1.2m.
C3.10	Fencing Materials	Fencing forward of the building line must be constructed of masonry or dark coloured picket in combination with vegetation
C3.11	Security Fencing	Security gates and other fencing may be utilised behind the setback, provided that it does not exceed a height of 2m
Objectives		
C3.E	Facades and Articulation	<ul style="list-style-type: none"> To ensure facades consist of appropriate materials and colours that contribute to streetscape amenity To ensure weather protection is provided at building entrances
Requirements		
C3.12	Colours and Materials	Building colours and materials are sympathetic to the natural environment and existing site context
C3.13	Awnings	Weather protection awnings are provided for building entrances
C3.14	Building Access	The building access point provides a clear sense of building address for residents and their visitors
C3.15	Building Frontage	Offices, showrooms and customer service areas are located towards the front of the development
C3.16		Parking and driveway areas do not occupy more than 60% of the site frontage
C3.17		Buildings face the street and provide clear entry points
C3.18	Blank Walls	Blank walls are minimised by incorporating an opening or change in the wall's articulation. This should include a combination of change in materials, setback variation, architectural details or landscaping

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C3

INDUSTRIAL

C3.19	Screening	Screening of poorly designed buildings with vegetation is not an acceptable streetscape treatment. A combination of quality building design and landscaping is to be used to provide a positive contribution to the streetscape
Objectives		
C3.F	Landscaping	<ul style="list-style-type: none"> To enhance the appearance and amenity of developments through the retention and/or planting of large and medium sized trees. To encourage landscaping between buildings for screening. To ensure landscaped areas are consolidated and maintainable spaces that contribute to the open space structure of the area. To minimise the visual impact and noise pollution generated by development on nearby residential areas and road corridors To use land efficiently and minimise disturbance to the local natural environment To integrate existing landscape features and/or architecture into development To reduce energy consumption through microclimate regulation To reduce air borne pollution by reducing the heat island effect To intercept stormwater to reduce stormwater runoff
Requirements		
C3.20	Landscaping Coverage	<p>Landscaping is provided as follows:</p> <ul style="list-style-type: none"> 20% of the site area consisting of deep soil planting 30% shading over car park areas <p>Note: The canopy coverage of specimen trees can be used to calculate deep soil landscaping</p>
C3.21	Landscaping Dimensions	To be counted as part of the total landscaping coverage the landscaped area must be at least 1.5m wide and 3m long.
C3.22	Landscaping Qualities	<p>Landscaping is in accordance with the following:</p> <ul style="list-style-type: none"> Landscape works incorporate adequate screening from the street and adjacent neighbours; Corner lots provide landscaping to both street frontages; Landscape planting must provide adequate shading to the eastern and western elevations of poorly insulated buildings Tree and landscape planting shall be of a scale and extent that reflects the scale of the proposed development's buildings and pavement areas Remnant trees are retained and protected where possible Structural soil and/or structural cells should be used to reduce competition between specimen trees and infrastructure

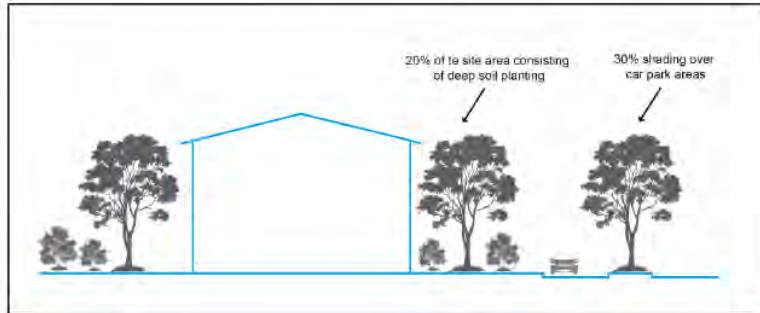
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C3

INDUSTRIAL

		<ul style="list-style-type: none"> Street trees are to be within the footpath, verge or in the parking lane and be consistent with the Port Stephens Council tree technical specification¹
C3.23	Species Selection	Landscape species are to be selected in accordance with the Landscape Technical Specification ⁴

Figure CEF: Landscape design requirements for *industry development*



Objective		
C3.G	Signage	To ensure signage is complementary to its surroundings
Requirement		
C3.24	Types of Signage	The following types of signage are generally not supported: <ul style="list-style-type: none"> Flashing signs Note: Flashing signs may be permitted in the road reserve if the text is a road safety message Roof signs Vehicular signs where the primary use of the vehicle is for advertising. Above awning signs Anchored balloons or airborne signs Inflatable signs Hoarding signs A-Frame signs

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

C4

DWELLING HOUSE, SECONDARY DWELLING, **C2** DUAL OCCUPANCY OR ANCILLARY STRUCTURES

C4 Dwelling House, Secondary Dwelling, or Dual Occupancy or Ancillary Structures

Application											
This Part applies to development that is defined as a dwelling house, secondary dwelling or dual occupancy or ancillary structure , which includes a swimming pool , shed, fencing, retaining wall or shipping container											
Objectives											
C4.A	Height	<ul style="list-style-type: none"> To ensure the height of buildings is appropriate for the context and character of the area To ensure building height reflects the hierarchy of centres and land use structure 									
Requirements											
C4.1	Building Height	Maximum height limit of 8m or a merit-based approach is taken where no height limit is specified under Local Environmental Plan clause 4.3 Note: C2.4 requires a minimum first floor and above ceiling height for residential accommodation in a commercial zone of 2.7m									
Objective											
C4.B	Setbacks	<ul style="list-style-type: none"> To ensure development provides continuity and consistency to the public domain To ensure development contributes to the streetscape and does not detract from the amenity of the area 									
Requirements											
C4.2	Front Setback	Minimum 4.5m front setback from the front property line for a greenfield site within a residential or RU5 Rural-Village zone									
C4.3		Minimum 4.5m front setback or the average building line from the front property line for an infill site, whichever is less, within a residential or RU5 Rural-Village zone									
C4.4		Minimum 10m front setback from the front property line for rural (other than RU5 Village), environmental or R5 Large Lot Residential zones									
C4.2	Setback Requirements	Development is to be setback from the subject property boundary, in accordance with the provisions outlined in Table C4.1 . Table C4.1 – Setbacks for dwellings, dual occupancies and secondary dwellings <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Residential or RU5 (Village) zone</th> <th>Rural, Environmental or R5 (Large lot residential) zone</th> </tr> </thead> <tbody> <tr> <td>Front setback</td> <td>Greenfield - 4.5m Infill - 4.5m or the average building line (whichever is less)</td> <td>10m</td> </tr> <tr> <td>Secondary setback (corner lots)</td> <td>2m</td> <td>10m</td> </tr> </tbody> </table>		Residential or RU5 (Village) zone	Rural, Environmental or R5 (Large lot residential) zone	Front setback	Greenfield - 4.5m Infill - 4.5m or the average building line (whichever is less)	10m	Secondary setback (corner lots)	2m	10m
	Residential or RU5 (Village) zone	Rural, Environmental or R5 (Large lot residential) zone									
Front setback	Greenfield - 4.5m Infill - 4.5m or the average building line (whichever is less)	10m									
Secondary setback (corner lots)	2m	10m									

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C4

DWELLING HOUSE, SECONDARY DWELLING, **C2** DUAL OCCUPANCY OR ANCILLARY STRUCTURES

		Side setback – ground level (finished)	0.9m	5m
		Side setback – upper storey	2m	5m
		Rear setback – ground level (finished)	2m	5m
		Rear setback – upper storey	6m	5m
C4-5 C4.3	Front setback encroachment	Maximum 1.5m encroachment of front setback for architectural features, such as an entry porch or deck		
C4-6 C4.4	Secondary dwelling setback	Development for a secondary dwelling must be located behind the building line of the principal dwelling it is in conjunction with		
C4-7	Secondary Setback	Minimum 2m secondary setback		
C4-8	(Corner Lots)	Minimum 10m secondary setback for rural (other than RU5 Village) or environmental zones		
C4-9 C4.5	Secondary setback encroachment	Maximum 1m encroachment to secondary setback for architectural features, such as an entry porch or deck		
C4-10	Side Setback – ground level (finished)	Minimum 0.9m side boundary setback for the ground level (finished)		
C4-11		Minimum 5m side boundary setback for the ground level (finished) in rural (other than RU5 Village) or environmental zones		
C4-12	Side Setback – upper storey	Minimum 2m side boundary setback for an upper storey		
C4-13		Minimum 5m side boundary setback for an upper storey in rural (other than RU5 Village) or environmental zones		
C4-14	Rear Setback – ground level (finished)	Minimum 2m rear setback for the ground level (finished)		
C4-15		Minimum 5m rear setback for the ground level (finished) in rural (other than RU5 Village) or environmental zones		
C4-16	Rear Setback – upper storey	Minimum 6m rear setback for an upper storey		
C4-17		Minimum 5m rear setback for an upper storey in rural (other than RU5 Village) or environmental zones		
C4-18 C4.6	Garage Setback	Garage setback minimum 1m behind the building line or setback		
C4-19 C4.7	Public Reserve and Waterfront Setback	Minimum 3m setback from a public reserve boundary		
C4-20 C4.8		Minimum 4.5m setback from a waterfront reserve boundary		
C4-21 C4.9		Minimum 1m setback from waterfront land from the access boundary		
C4-22 C4.10	Battle-axe Lot Handle	Minimum 1m setback from a battle-axe lot handle, access corridor or easement that is required for access Note: C1.13 details when battle-axe lots are provided		

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C4

DWELLING HOUSE, SECONDARY DWELLING, OR DUAL OCCUPANCY OR ANCILLARY STRUCTURES

C4.27 C4.15	Privacy and Two-Storey Development	Two storey development is to include a balcony or deck facing the street on the upper floor at least 1.5m deep across 25% of the dwelling frontage
C4.28 C4.16		Balconies are to be located to minimise overlooking of adjoining properties
C4.29 C4.17		Privacy screens are required for balconies and patios, which result in unreasonable privacy impacts to properties
C4.30 C4.18		Privacy screens , high-light windows or opaque glass is to be used for windows of habitable rooms (other than bedrooms) which overlook adjoining properties
Objective		
C4.D	Private Open Space	To ensure private open space with solar access is provided to allow opportunity for passive and active outdoor recreation
Requirements		
C4.31 C4.19	Private Open Space Dimensions	Minimum of 50m ² of ground floor private open space comprising a minimum of 35m ² that is usable. Private open space is considered usable if it: <ul style="list-style-type: none"> • has minimum dimensions of 4m x 4m; • has direct access from internal living areas; • is not located within a front setback; and • has a northerly aspect.
C4.32 C4.20		Where development cannot provide private open space on the ground floor, provisions shall be made for a balcony of not less than 20m ² with a minimum width of 3m for the use as private open space
C4.33 C4.21	Solar Access	Minimum of 2 hours sunlight to the principal private open space area between the hours of 9am-3pm midwinter
C4.34 C4.22		Minimum of 30% of private open space of adjoining dwelling s must remain unaffected by any shadow for a minimum of 3 hours between 9am-3pm midwinter
Objective		
C4.E	Car Parking and Garages	To ensure car parking caters for anticipated vehicle movements to and from the development and does not adversely impact on building articulation
Requirements		
C4.35 C4.23	Driveway Width	A driveway should have a minimum width of 3m 3-6m Note: B9.9 requires ingress/egress widths to provide the listed dimensions
C4.36 C4.24	Garage Dimensions	Maximum garage door width of 6m for residential lots or 50% of the building frontage, whichever is less
C4.37 C4.25		Maximum garage width of 9m for lots exceeding 1,500m ²
Objectives		

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C4

DWELLING HOUSE, SECONDARY DWELLING, OR DUAL OCCUPANCY OR ANCILLARY STRUCTURES

C4.F	Landscaping	<ul style="list-style-type: none"> To enhance the appearance and amenity of developments through the retention and/or planting of large and medium sized trees. To encourage landscaping between buildings for screening. To ensure landscaped areas are consolidated and maintainable spaces that contribute to the open space structure of the area. To add value and quality of life for residents and occupants within a development in terms of privacy, outlook, views and recreational opportunities. To create and enhance vegetation links between natural areas and reduce weed potential to environmentally sensitive areas To reduce energy consumption through microclimate regulation To reduce air borne pollution by reducing the heat island effect To intercept stormwater to reduce stormwater runoff
Requirements		
C4.38 C4.26	Dwelling House	<p>Development located on land that slopes at more than 18 degrees to the horizontal or that is within 50m of land that contains:</p> <ul style="list-style-type: none"> a SEPP-14 Coastal Wetland identified in State Environmental Planning Policy (Coastal Management) 2018; or koala habitat; or species or communities listed within the TSC Act Biodiversity Conservation Act 2016 <p>must provide landscaping that:</p> <ul style="list-style-type: none"> will enhance the environmental constraints of the site; retains trees within the outer protection area of the APZ identified by a bushfire report; and constrains turf areas within the inner protection area of the APZ identified by a bushfire report.
C4.39 C4.27	Dual Occupancy Landscaping Coverage	<p>Landscaping is provided as follows:</p> <ul style="list-style-type: none"> 20% of the site area; or 40% of the site area where development is located within 50m of: <ul style="list-style-type: none"> a SEPP-14 Coastal Wetland identified in State Environmental Planning Policy (Coastal Management) 2018; or koala habitat; or species or communities listed within the TSC Act Biodiversity Conservation Act 2016; or a public reserve; and 30% shading over uncovered car park areas
C4.40 C4.28	Dual Occupancy	To be counted as part of the total landscaping coverage the landscaped area must be at least 1.5m wide and 3m long.

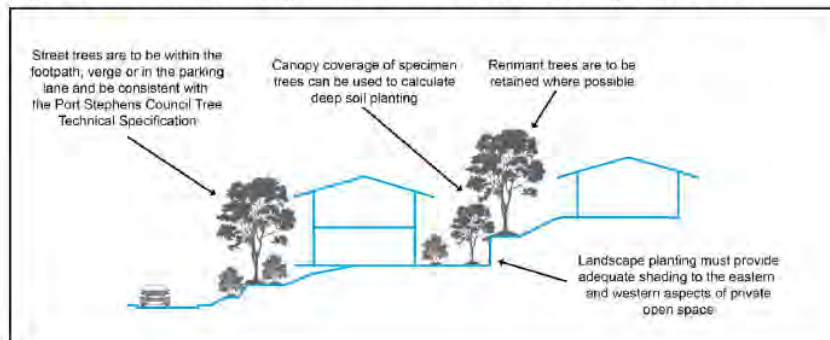
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C4

DWELLING HOUSE, SECONDARY DWELLING, **C2** DUAL OCCUPANCY OR ANCILLARY STRUCTURES

	Landscaping Dimensions	
C4.41 C4.29	Dual Occupancy Landscaping Qualities	<p>Landscaping is in accordance with the following:</p> <ul style="list-style-type: none"> • Landscape works incorporate adequate screening from the street and adjacent neighbours. • Corner lots provide landscaping to both street frontages. • Front boundary structures (e.g. fencing and retaining walls) provide visual relief with the use of landscape planting. • Street trees are to be within the footpath, verge or in the parking lane and be consistent with the Port Stephens Council tree technical specification¹ • Landscape planting must provide adequate shading to the eastern and western aspects of private open space • Structural soil and/or structural cells should be used to reduce competition between specimen trees and infrastructure <p>Note: The canopy coverage of specimen trees can be used to calculate deep soil landscaping</p>
C4.42 C4.30	Species Selection	Landscape species are to be selected in accordance with the Landscape Technical Specification ⁴
Objective		
C4.G	Site Facilities and Services	To ensure development provides appropriate facilities and services in the most appropriate site location.
Requirements		
C1.31	Waste Storage	An adequately screened waste storage and recycling area is to be provided behind the building line
C1.32	Clothes Drying	A suitable open-air area for clothes drying is to be provided for each dwelling behind the building line with a northerly aspect

Figure CGH: Landscape design requirements for **dual occupancy development**



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C5

MULTI DWELLING HOUSING OR SENIORS HOUSING

C5 Multi Dwelling Housing or Seniors Housing

Application
<p>This Part applies to development that is defined as multi dwelling housing or seniors housing</p> <p>Note: Development defined as a residential flat building refers to SEPP No 65 – Design Quality of Residential Apartment Development</p>

Objectives		
C5.A	Landscaping	<ul style="list-style-type: none"> To enhance the appearance and amenity of developments through the retention and/or planting of large and medium sized trees. To encourage landscaping between buildings for screening. To ensure landscaped areas are consolidated and maintainable spaces that contribute to the open space structure of the area. To add value and quality of life for residents and occupants within a development in terms of privacy, outlook, views and recreational opportunities. To reduce energy consumption through microclimate regulation To reduce air borne pollution by reducing the heat island effect To intercept stormwater to reduce stormwater runoff
Requirements		
C5.1	Landscaping Coverage	<p>Landscape area is provided as follows:</p> <ul style="list-style-type: none"> 15% of the site area consisting of deep soil planting where the lot is equal to or less than 250m² and zoned R1 – General Residential or R2 – Low Density Residential; or 20% of the site area consisting of deep soil planting where the lot is greater than 250m² and zoned R1 – General Residential or R2 – Low Density Residential; or 10% of the site area consisting of deep soil planting when the site is zoned R3- Medium Density Residential or B4 – Mixed Use; and <p>Note: The canopy coverage of specimen trees can be used to calculate deep soil landscaping</p> <ul style="list-style-type: none"> 50% of the landscaped area must be located behind the building line to the primary road; and 30% shading over uncovered car park areas
C5.2	Landscaping Dimensions	To be counted as part of the total landscaping coverage the landscaped area must be at least 1.5m wide and 3m long.
C5.3	Landscaping Qualities	<p>Landscaping is in accordance with the following:</p> <ul style="list-style-type: none"> Landscape works incorporate adequate screening from the street and adjacent neighbours.

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C5

MULTI DWELLING HOUSING OR SENIORS HOUSING

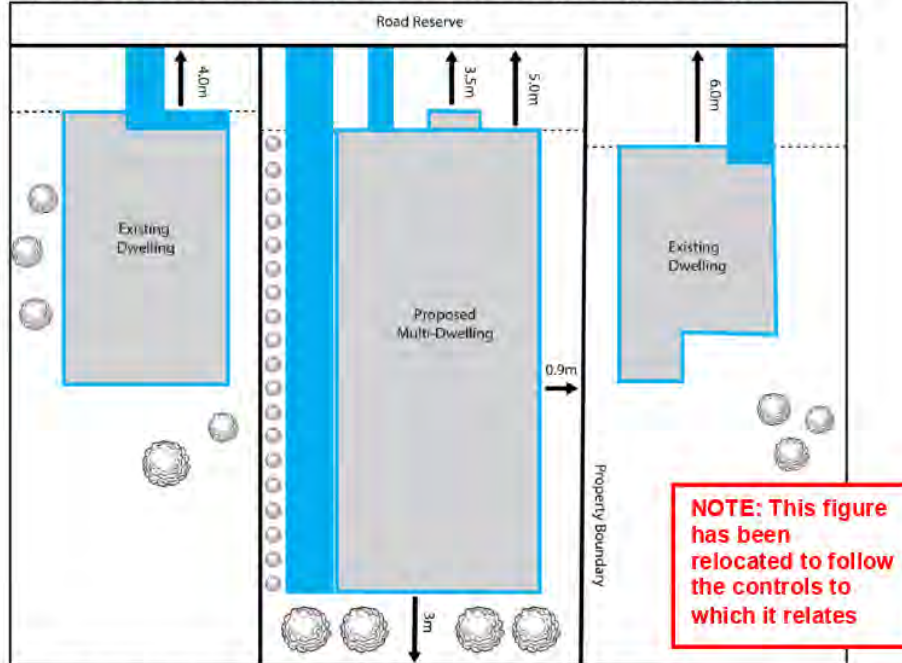
		<ul style="list-style-type: none"> Corner lots provide landscaping to both street frontages. Front boundary structures (e.g. fencing and retaining walls) provide visual relief with the use of landscape planting. Structural soil and/or structural cells should be used to reduce competition between specimen trees and infrastructure Street trees are to be within the footpath, verge or in the parking lane and be consistent with the Port Stephens Council tree technical specification¹
Objectives		
C5.B	Height	<ul style="list-style-type: none"> To ensure building height is appropriate for the context and character of the area. To ensure building heights reflect the hierarchy of centres and land use structure. To ensure ceiling heights achieve sufficient ventilation and daylight access. To ensure ceiling heights increase the sense of space and provides for well-proportioned rooms. To ensure ceiling heights contribute to the flexibility of building use over the life of the building.
Requirements		
C5.4	Building Height	<p>Maximum height limit of 8m or a merit-based approach is taken where no height limit is specified under the Local Environmental Plan clause 4.3</p> <p>Note: C2.4 requires a minimum first floor and above ceiling height for residential accommodation in a commercial zone of 2.7m</p>
C5.5	Floor to Ceiling Height	Minimum floor to ceiling heights of 2.4m
Objective		
C5.C	Setbacks	<ul style="list-style-type: none"> To ensure development provides continuity and consistency to the public domain. To ensure adequate space between buildings to enable effective landscaping. To alleviate impacts on amenity including privacy, solar access, acoustic control and natural ventilation. To reduce the visual bulk of buildings from the street. To maintain the rhythm and built form on the street.
Requirements		
C5.6	Front Setback	<p>Minimum 4.5m front setback from the front property line or the existing average building line for 75% of the building façade.</p> <p>The remaining 25% of the façade may allow a 2m encroachment provided the encroachment contains habitable rooms, terraces, balconies or bay windows.</p>

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MULTI DWELLING HOUSING OR SENIORS HOUSING

Figure C1: Ground level (finished) setbacks for the existing average building line



Note: The Figure C1 demonstrates application of the formula: $G = (A + B)/2$

C5.7		Podium structures and basement car parks are not to be within the front setback area
C5.8		Setback areas are not to be used for at grade parking.
C5.9		Minimum 5.5m front setback from the front property line for a garage to enable a parked car to be situated in front of the garage.
C5.10	Secondary Setback (Corner Lots)	Minimum 3m secondary setback , except for an open veranda, porch or deck which must be setback a minimum of 2m
C5.11	Side Setbacks	Minimum 0.9m side boundary setback for any part of a building at or below 5.5m in height
C5.12		Minimum 3m side boundary setback for any part of a building above 5.5m in height
C5.13		Despite the above requirements, a dwelling may be built to a side boundary if within a commercial zone or the zone R3 – Medium Density Residential, if the following is achieved: <ul style="list-style-type: none"> The maximum wall height is 6m and the maximum wall length is 6m and there will be no impact on privacy, use of private open space and solar access for adjoining properties unless these properties have approval/are proposed for medium density residential. Wall openings comply with the fire resistance levels of the BCA.

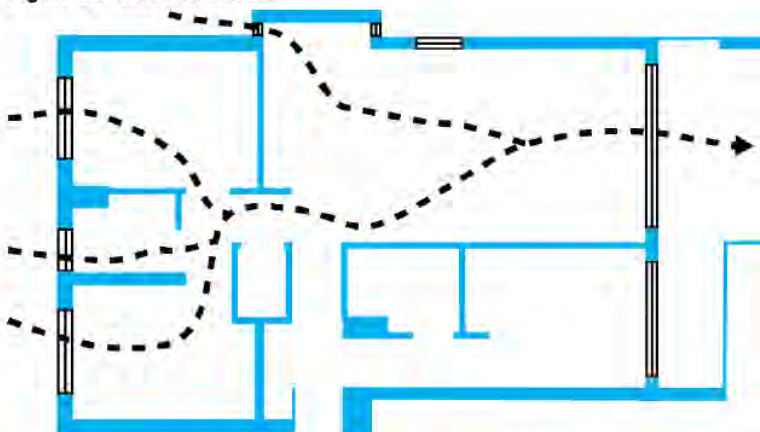
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MULTI DWELLING HOUSING OR SENIORS HOUSING

		<ul style="list-style-type: none"> The wall height and length match a similarly constructed wall on the adjoining site.
C5.14	Rear Setbacks	For the ground level (finished) , rear setback must not exceed whichever of the following is greater: <ul style="list-style-type: none"> Minimum 3m from the rear boundary, or 25% of the average of the length of the side boundaries.
C5.15		Minimum 4m rear setback for the upper levels.
C5.16		Despite the above requirements, development may be built to the rear boundary on lots that have rear lane access.
C5.17		Podium structures and basement car parks are not to be placed in the rear setback area.
C5.18	Driveway Setback	Minimum 0.9m side boundary setback to provide for landscaping, which can be included in calculations.
Objectives		
C5.D	Natural Ventilation	<ul style="list-style-type: none"> To ensure all habitable rooms are naturally ventilated. To ensure a comfortable indoor environment is created for residents.
Requirements		
C5.19	Natural Ventilation	The buildings orientation maximises capture and use of prevailing breezes for natural ventilation in habitable rooms .
C5.20		Depths of habitable rooms support natural ventilation.
C5.21		Doors and openable windows maximise natural ventilation opportunities by using the following design solutions: <ul style="list-style-type: none"> Adjustable windows with large effective openable areas; A variety of window types that provide safety and flexibility such as awnings and louvres; and Windows which the occupants can reconfigure to funnel breezes into the dwelling such as vertical louvres, casement windows and externally opening doors.

Figure CJ: Cross-Ventilation



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MULTI DWELLING HOUSING OR SENIORS HOUSING

Objective		
C5.E	Streetscape and Privacy	To ensure development activates streetscape to provide passive surveillance and privacy
Requirements		
C5.22	Access	Dwellings that have street frontage provide direct and legible pedestrian access from the street to the front entry. Note: Development should have consideration for the Port Stephens Pathways Plan.
C5.23	Openings	The front door entrance of each dwelling must be sheltered and be located forward of the designated car parking space
C5.24		Windows and walls are located to avoid noise sources from adjacent lots and streets
C5.25		Windows on the second floor considers impacts on the privacy or amenity of neighbouring buildings
C5.26		Privacy screens , high-light windows or opaque glass is to be used for windows of habitable rooms (other than bedrooms) which overlook adjoining properties.
C5.27	Colour Schemes	Building colours should adopt a colour scheme to express building massing, articulation and detailed façade elements
C5.28	Corner Lots	Development on a corner lot has one or more dwellings facing each street frontage.
C5.29	Façade	The façade of each dwelling within a building should be identifiable as such to indicate that the building consists of separate dwellings . Subtle changes provide individuality between the proposed dwellings while seeking to maintain pattern continuity of the overall building.
C5.30		Unbroken roof ridgelines should not exceed 10m in length and blank walls without a window should not exceed 5m in length.
C5.31		The dwelling with street frontage provides a recognisable pedestrian entry point from the street.
C5.32	Privacy	Balconies, terraces and decks must include privacy screens where they face onto side boundaries or are orientated to avoid direct overlooking onto adjoining lots.
Objectives		
C5.F	Noise	<ul style="list-style-type: none"> To minimise noise transfer through the siting of buildings and building layout To ensure noise impacts are mitigated within units through layout and acoustic treatments
Requirements		
C5.33	Noise	Window and door openings are generally oriented away from noise sources
C5.34		Noisy areas within buildings including building entries and corridors should be located next to or above each other and quieter areas next to or above quieter areas
C5.35		Storage, circulation areas and non-habitable rooms should be located to buffer noise from external sources

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C5

MULTI DWELLING HOUSING OR SENIORS HOUSING

C5.36		The number of part walls (a common wall shared with another dwelling) are limited and are appropriately insulated
Objectives		
C5.G	Car Parking and Garages	<ul style="list-style-type: none"> To ensure car parking caters for anticipated vehicle movements to and from the development and does not adversely impact on building articulation. To ensure vehicular access has minimal impacts on neighbouring dwellings. To ensure that vehicular access points and parking is safe and convenient for residents, visitors and service providers.
Requirements		
C5.37	Driveway Width and Access	Where a common driveway is to be provided it is to have a minimum width of 3.6m
C5.38		Where a common driveway is not provided and individual driveways connect to the street, the garage is to be setback 5.5m to allow for a parked car to be situated in front of the driveway door.
C5.39		Visual impact of long driveways should be minimised through changing alignments and screen planting
C5.40		Traffic calming devices, such as changes in paving material or textures, should be used where appropriate.
C5.41		<p>Pedestrian and vehicle access should be separated and distinguishable. Design solutions may include:</p> <ul style="list-style-type: none"> changes in surface materials; level changes; the use of landscaping for separation.
Objective		
C5.H	Private Open Space	To ensure private open space with solar access is provided to allow the opportunity for passive and active outdoor recreation
Requirements		
C5.42	Private Open Space Dimensions	<p>Minimum of 16m² of ground floor private open space for each dwelling containing one or two bedrooms that:</p> <ul style="list-style-type: none"> has minimum dimensions of 4m x 4m; has direct access from internal living areas; is not located within a front setback; and has a northerly aspect.
C5.43		<p>Minimum area of 25m² of ground floor private open space for each dwelling containing three or more bedrooms that:</p> <ul style="list-style-type: none"> has minimum dimensions of 4m x 4m; has direct access from internal living areas; is not located within a front setback; and has a northerly aspect.

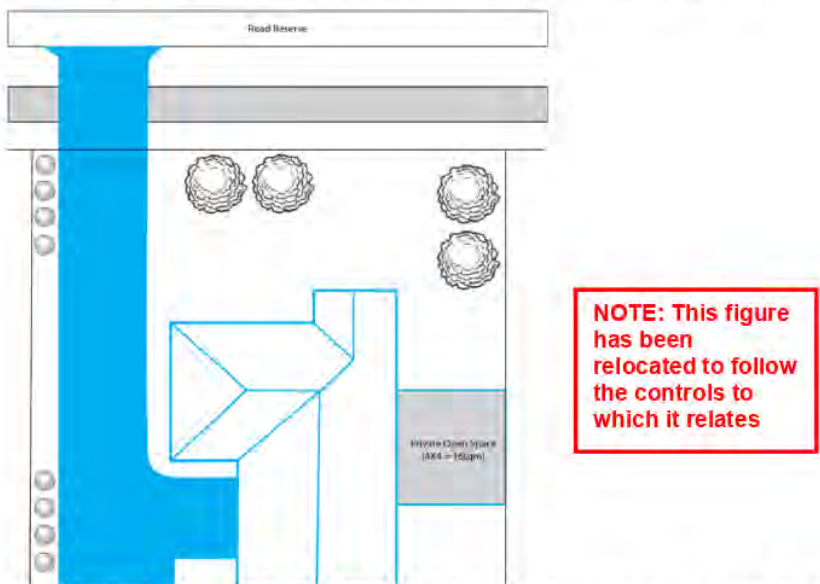
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C5.44		Where development cannot provide private open space on the ground floor, provisions shall be made for a balcony of not less than 16m ² with a minimum width of 2.4m and minimum depth of 1.5m for the use as private open space
C5.45	Private Open Space Dimensions for Seniors Housing	Despite the above requirements, ground floor private open space for each dwelling in development for seniors housing may be reduced to a minimum area of 9m ² and minimum dimensions of 3m x 3m

Figure CK: **Private open space** requirements for one or two bedroom **dwelling**s.



Note: **Dwellings** containing three or more bedrooms must provide a minimum **private open space** area of 25m²

C5.46	Solar Access	Minimum of two hours sunlight to the private open space area between the hours of 9am-3pm midwinter
C5.47		Minimum of 50% of private open space of adjoining dwelling s is not affected by any shadow for a minimum of three hours between 9am-3pm mid-winter
Objective		
C5.1	Site facilities and services	To ensure development provides appropriate facilities and services in the most appropriate site location
Requirements		
C5.48	Equipment	Equipment, such as water tanks, pool pumps and air conditioners, are to be located and shielded to minimise the impact of noise on adjoining dwelling s

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C5.49	Waste Storage	Adequately screened waste storage and recycling area are to be provided behind the building line or setback of a dwelling
C5.50	Mail boxes	Mail boxes are adjacent to the major entrance
C5.51	Street Numbers	Street/unit numbers are identifiable form the street
C5.52	Clothes Drying	A suitable open-air area for clothes drying is to be provided for each dwelling behind the building line or setback with a northerly aspect
C5.53	Site Facilities & Services	The provision of electricity and gas for new dwelling s should be provided underground.
C5.54	Storage	In addition to storage in kitchens, bathrooms and bedrooms, the following storage is to be provided: <ul style="list-style-type: none"> • 6m³ for one bedroom units • 8m³ for two bedroom units • 10m³ for three or more bedroom units
Objective		
C5.J	Additional Requirements for Seniors Housing	<ul style="list-style-type: none"> • To establish additional requirements for seniors housing development • To ensure development for seniors housing provides adequate area for communal open space • To provide communal open space within seniors housing development that is accessible from dwellings and promotes interaction between residents • To allow a merits based assessment of communal open space dependant on the quality of facilities, accessibility, furniture, and landscaping and feature elements <p>To ensure adequate community facilities are provided for residents in seniors housing development</p>
Requirements		
C5.55	Communal Open Space	<p>Development for seniors housing must provide communal open space that:</p> <ul style="list-style-type: none"> • has a minimum area equal to 25% of the site or a merit-based approach; • is clearly identifiable and easily accessible to all residents; • is overlooked by windows of habitable rooms; • incorporates a landscaped area between 10% and 25% of the total communal open space area. Landscaped areas should be vegetated with native species; • provides seating areas connected to dwellings by a continuous sealed pathway according with AS 1428.1 – Design for access and mobility; • contains ornamental features such as sculptures, ponds, water features, art work and the like; and • provides a barbeque area for development of 20 or more dwellings.

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C5

MULTI DWELLING HOUSING OR SENIORS HOUSING

C5.56	Community Facilities	<p>Community facilities such as common rooms, libraries, gyms and the like are to facilitate use by on-site residents and should comply with the following:</p> <ul style="list-style-type: none"> • A minimum floor to ceiling height of 3m; • Be accessible from common areas; • Be serviced by a minimum of three on-site car parking spaces or spaces provided at a rate of one space per twenty dwellings, whichever is the greater; and • Meet enhanced access and mobility requirements of AS 1428.2 – Design for access and mobility.
C5.57		<p>Outdoor community or common facilities/spaces are to meet the requirements of AS1428.1 and are to include accessible access options such as ramps or lifts into swimming pools.</p>
C5.58		<p>Where dwellings are serviced by contractors such as cleaners, rubbish collectors or the like, storage and support structures may be centralised.</p>

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C6

HOME BUSINESS OR HOME INDUSTRY

C6 Home Business or Home Industry

Application		
This Part applies to development that is defined as home business or home industry		
Objective		
C6.A	Operational Requirements	To ensure operating hours do not adversely impact on residential amenity
Requirements		
C6.1	Hours of Operation	Hours of operation merit-based or considered: <ul style="list-style-type: none"> • Monday to Friday, 8am-6pm • Saturday, 9am-12pm • Sunday or Public Holidays, not allowed to operate <ul style="list-style-type: none"> - Hours of operation may be further restricted depending on the location and nature of the development
C6.2	Goods Storage	Storage of goods or equipment must be contained within the confines of the building
Objective		
C6.B	Vehicle Repair and Trucking Operations	To ensure adequate consideration is given to the impacts of vehicle repair operations on neighbourhood amenity
Requirements		
C6.3	Vehicles and Trailers	A maximum of two vehicles or trucks associated with the operation of the home business or home industry may be kept on the site at any one time
C6.4		Only one trailer per truck is permitted
C6.5	Vehicle Storage	Vehicle storage areas are located behind the building line
Objective		
C6.C	Signage	To ensure signage is complementary to its surroundings
C6.6	Types of Signage	The following types of signage are generally not supported: <ul style="list-style-type: none"> • Flashing signs <ul style="list-style-type: none"> Note: Flashing signs may be permitted in the road reserve if the text is a road safety message • Roof signs • Vehicular signs where the primary use of the vehicle is for advertising. • Above awning signs • Anchored balloons or airborne signs • Inflatable signs • Hoarding signs • A-Frame signs

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SIGNAGE

C8 Signage

Application	
This Part applies to development that is defined as signage	

Objective	
C8.A	General To ensure signage is complimentary to its surroundings

Requirements	
C8.1	<p>Local Environmental Plan</p> <p>The Local Environmental Plan Schedule 2 Exempt Development details what signage is defined as exempt development</p>
C8.2	<p>Integration</p> <p>Signage is integrated with the building facade</p>
C8.3	<p>Types of Signage</p> <p>The following types of signage are generally not supported:</p> <ul style="list-style-type: none"> • Flashing signs Note: Flashing signs may be permitted in the road reserve if the text is a road safety message • Roof signs • Vehicular signs where the primary use of the vehicle is for advertising. • Above awning signs • Anchored balloons or airborne signs • Inflatable signs • Hoarding signs

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C8

ANCILLARY STRUCTURES

C8

Ancillary Structures – Sheds, swimming pools, fencing, retaining walls and shipping containers

Application
This Part applies to development that is defined as ancillary structures , including: <i>sheds, swimming pools, fencing, retaining walls and shipping containers.</i>

Objective		
C8.A	Ancillary Structures	<ul style="list-style-type: none"> To provide further guidance for ancillary structures to ensure consistent and desired amenity is attained To ensure ancillary structures do not adversely impact upon the amenity of the surrounding area To ensure ancillary structures are consistent in terms of height, bulk and scale with the surrounding area

Requirements		
C8.1	Sheds (Residential)	<p>Except as provided for in C8.2, development in a residential zone (except R5 Large Lot Residential) adheres to a:</p> <ul style="list-style-type: none"> maximum gross floor area of 72m²; maximum height of 3.6m; minimum side and rear setback of 0.9m; and minimum 1m behind the building line or setback <p>Note: SEPP (Exempt and Complying Development Codes) 2008, Subdivision 9 Cabanas, cubby house, ferneries, garden sheds, gazebos and greenhouses generally classifies a shed to a maximum floor area of 20m² in a residential zone to be exempt development</p>
C8.2	Exceptions for Residential Sheds (except on land zoned R5 Large Lot Residential)	<p>Development for the purposes of a shed in a residential zone (except R5 Large Lot Residential) may exceed the limits in C8.1 where the following can be demonstrated:</p> <ul style="list-style-type: none"> The shed does not unreasonably impact the amenity of an adjoining property, such as by reason of bulk and scale, privacy or overshadowing The shed is not located within 1.8m of a dwelling on an adjacent lot, The shed does not exceed 5% site coverage of the lot, The shed height considers the change in topography from neighbouring allotments, The shed is located so that it does not detract from the dwelling being the primary use of the land, The shed uses colours and materials consistent with the dwelling on the land, The shed is of a similar bulk and scale to surrounding sheds,

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C8

ANCILLARY STRUCTURES

		<ul style="list-style-type: none"> The shed is consistent with the context and character of the area. Must not be a shipping container 																		
C8.3	Sheds (R5 Large Lot Residential)	<p>Except as provided for in C8.4, development in the R5 Large Lot Residential zone, adheres to the following:</p> <table border="1"> <thead> <tr> <th>R5 Large Lot Residential</th> <th>Site <4,000m²</th> <th>Site >4,000m²</th> </tr> </thead> <tbody> <tr> <td>Maximum floor area</td> <td>120m²</td> <td>200m²</td> </tr> <tr> <td>Maximum eave height</td> <td colspan="2">4.8m</td> </tr> <tr> <td>Minimum front setback</td> <td>Behind the front building line of the dwelling</td> <td>15m</td> </tr> <tr> <td>Minimum side boundary and rear setback</td> <td colspan="2">5m</td> </tr> <tr> <td>Colour scheme</td> <td colspan="2">Consistent with the existing character of the area.</td> </tr> </tbody> </table> <p>Note: SEPP (Exempt and Complying Development Codes) 2008, Subdivision 9 Cabanas, cubby house, ferneries, garden sheds, gazebos and greenhouses generally classifies a shed to a maximum floor area of 50m² in a RU1, RU2, RU3, RU4, RU6 or R5 zone to be exempt development</p>	R5 Large Lot Residential	Site <4,000m ²	Site >4,000m ²	Maximum floor area	120m ²	200m ²	Maximum eave height	4.8m		Minimum front setback	Behind the front building line of the dwelling	15m	Minimum side boundary and rear setback	5m		Colour scheme	Consistent with the existing character of the area.	
R5 Large Lot Residential	Site <4,000m ²	Site >4,000m ²																		
Maximum floor area	120m ²	200m ²																		
Maximum eave height	4.8m																			
Minimum front setback	Behind the front building line of the dwelling	15m																		
Minimum side boundary and rear setback	5m																			
Colour scheme	Consistent with the existing character of the area.																			
C8.4	Exceptions for Sheds (R5 Large Lot Residential)	<p>Development for the purposes of a shed on land zoned R5 Large Lot Residential may exceed the limits in C8.3 where the following can be demonstrated:</p> <ul style="list-style-type: none"> The shed does not unreasonably impact the amenity of an adjoining property, such as by reason of bulk and scale, privacy or overshadowing The shed is not located within 10m of a dwelling on an adjacent lot The shed does not exceed 5% site coverage of the lot The shed does not result in the combined site coverage of all ancillary structures on the land exceeding 7.5% site coverage The shed is located so that it does not detract from the dwelling being the primary use of the land The shed uses colours and materials consistent with the dwelling on the land The shed is of a similar bulk and scale to surrounding sheds The shed is consistent with the context and character of the area Must not be a shipping container 																		
C8.5	Sheds (Rural)	<p>Development in a rural zone adheres to a:</p> <ul style="list-style-type: none"> minimum 10m side boundary and rear setback; minimum 5m setback from another building; and 																		

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C8

ANCILLARY STRUCTURES

		<ul style="list-style-type: none"> colour scheme consistent with the existing character of the area. <p>Note: SEPP (Exempt and Complying Development Codes) 2008, Subdivision 9 Cabanas, cubby house, ferneries, garden sheds, gazebos and greenhouses generally classifies a shed to a maximum floor area of 50m² in a RU1, RU2, RU3, RU4, RU6 or R5 zone to be <i>exempt development</i></p>
C8.6	Swimming Pools	The water edge must be setback at least 1m from the side and rear boundaries
C8.7		Maximum decking height of 1.4m in height if the pool is located more than 600mm above the ground level (finished)
C8.8	Front (Including Forward of the Building Line) Fences	Maximum height of 1.2m and is not of solid infill construction
C8.9		Maximum height of 1.5m along main roads and secondary street frontages
C8.10		Compatible with street facilities, such as mailboxes, and allow easy access to public utilities
C8.11	Side and Rear Fences	Maximum height of 1.8m
C8.12		Side fences must not encroach on the front setback area of any dwelling
C8.13		Solid sheet fencing is not to be used. Fencing materials should reflect context and character of the area
C8.14		Fences within the root zone of an existing tree must be constructed of light weight suspended panels supported by posts with pier footings
C8.15	Retaining Walls	Maximum height of 1m
C8.16		Masonry construction within 0.9m of the property boundary when greater than 0.6m in height
C8.17		Retaining walls are wholly contained within the site
C8.18	Shipping Containers	Shipping containers are to be sited behind existing buildings, not be located in front of the established or proposed building line and be screened from view from any adjoining property.
C8.19		The total number of shipping containers ancillary to residential accommodation development must not exceed more than 2 per lot.
C8.20		Shipping containers are to be placed at ground level only and may not be stacked on top of another shipping container.

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D

SPECIFIC AREAS

D Specific Areas

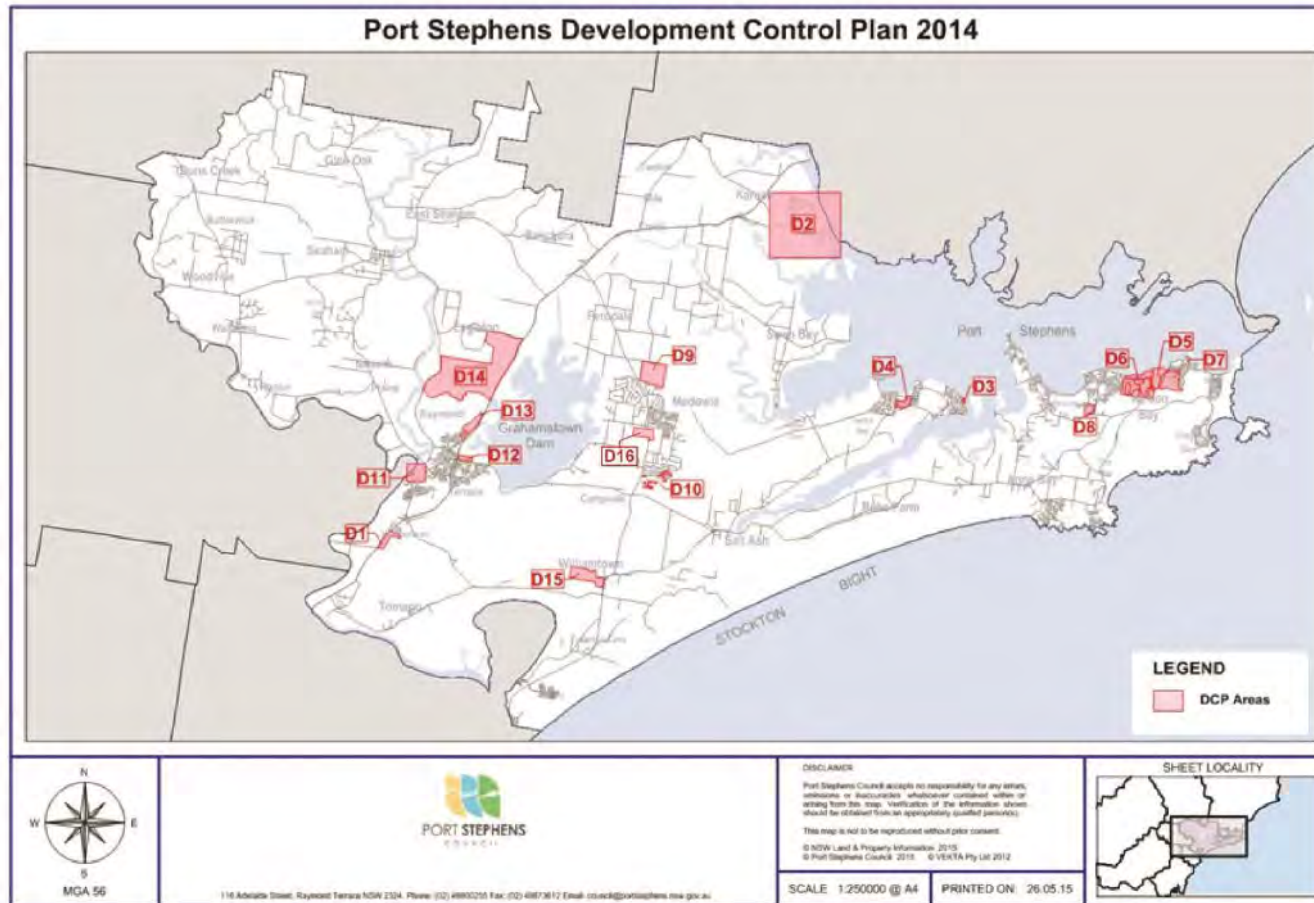
The Parts listed in the table below apply to **development** proposed within the relevant Land Application Map.

D Specific Areas			
No	Part	This Part applies to development that:	Page
D1	Heatherbrae Industrial	<ul style="list-style-type: none"> is situated within Heatherbrae 	D-93
D2	Karuah	<ul style="list-style-type: none"> is situated within Karuah 	D-97
D3	Lemon Tree Passage	<ul style="list-style-type: none"> is situated within Lemon Tree Passage 	D-101
D4	Koala Bay - Tanilba Bay	<ul style="list-style-type: none"> is situated within Koala Bay –Tanilba Bay 	D-105
D5	Nelson Bay Centre	<ul style="list-style-type: none"> is situated within Nelson Bay Centre 	D-107
D6	Nelson Bay West	<ul style="list-style-type: none"> is situated within Nelson Bay West 	D-113
D7	Seabreeze Estate – Nelson Bay	<ul style="list-style-type: none"> is situated within Seabreeze Estate – Nelson Bay 	D-117
D8	Salamander Bay Shopping Centre – Nelson Bay	<ul style="list-style-type: none"> is situated within Salamander Bay – Nelson Bay 	D-119
D9	North Medowie - Medowie	<ul style="list-style-type: none"> is situated within North Medowie 	D-121
D10	Pacific Dunes - Medowie	<ul style="list-style-type: none"> is situated within Pacific Dunes - Medowie 	D-125
D11	Raymond Terrace Centre	<ul style="list-style-type: none"> is situated within Raymond Terrace Centre 	D-131
D12	Richardson Rd – Raymond Terrace	<ul style="list-style-type: none"> is situated within Richardson Rd – Raymond Terrace 	D-137
D13	Rees James Rd – Raymond Terrace	<ul style="list-style-type: none"> is situated within Rees James Rd – Raymond Terrace 	D-141
D14	Kings Hill – Raymond Terrace	<ul style="list-style-type: none"> is situated within Kings Hill – Raymond Terrace 	D-146
D15	William Defence and Airport Related Employment Zone	<ul style="list-style-type: none"> is situated within Williamtown Defence and Airport Related Employment Zone (DAREZ) 	D-159
D16	Medowie Planning Strategy (Precinct E)	<ul style="list-style-type: none"> is situated within Medowie Planning Strategy (Precinct E) 	D-163

D

SPECIFIC AREAS

Figure DA: D Specific Areas - Land Application Map



ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D1

HEATHERBRAE INDUSTRIAL

D1 Heatherbrae Industrial

Application		
This Part applies to the land identified in Figure DB as Heatherbrae Industrial		
Objective		
D1.A	Setback	To ensure development has regard to the Pacific Hwy
Requirements		
D1.1	Pacific Highway Setback	Provide a minimum 10m front setback from the Pacific Highway road reserve
D1.2	Landscaping	Provide 5m of landscaping from the building line or setback and define this as a 'restriction to user' under section 88D of the <i>Conveyancing Act 1919</i>
Objective		
D1.B	Street Trees	To ensure suitable street trees are appropriately sited
Requirement		
D1.3	Street Trees	Development continues the row of Hills Figs on the western side and replicates the row of Hill Figs on the eastern side of the Pacific Highway, Heatherbrae Note: C1.5 requires street trees as a component of the road reserve at subdivision
Objective		
D1.C	Street Layout	To ensure a permeable and connected street network with safe access from the Pacific Highway
Requirements		
D1.4	Street Layout	Street layout adheres with Figure DC <ul style="list-style-type: none"> Giggins Road connects to Griffin Street Extension of Camfield Drive
D1.5		Access to the Pacific Highway is restricted to those two intersections identified on Figure DC
D1.6		Internal intersections contain concrete mediums with either a give-way or stop treatment Note: C1.7E ensures the street layout adheres to the infrastructure specification –design¹¹
Objective		
D1.D	Drainage	To mitigate for negative impacts on water quality
Requirement		
D1.7	Water Quality Control Measures	Water quality measures comply with the <i>Hunter Water Regulation 2015</i> given the area's location within the Tomago Sandbeds Catchment. Note: B4.5 requires water quality measures to provide further guidance to clauses in the relevant Local Environmental Plan relating to water quality

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D1

HEATHERBRAE INDUSTRIAL

Objective		
D1.E	Airport Operational Requirements	To ensure that the operational needs of the Williamstown RAAF Base are provided consideration in the development of lands in proximity to the Airport
Requirement		
D1.8	General Requirements	Note: Heatherbrae is located within the Williamstown RAAF Base Obstacle Limitations or Operations Surface Map and Height Trigger Map. B76 provides requirements relating to the Williamstown RAAF Base Obstacle Limitations or Operations Surface Map and Height Trigger Map
Objective		
D1.F	Gateway Signage	To ensure the location of gateway signage is appropriately sited to signify an entry point
Requirement		
D1.9	Gateway Signage	Gateway signage is provided in the locations identified on Figure DC

D1

HEATHERBRAE INDUSTRIAL

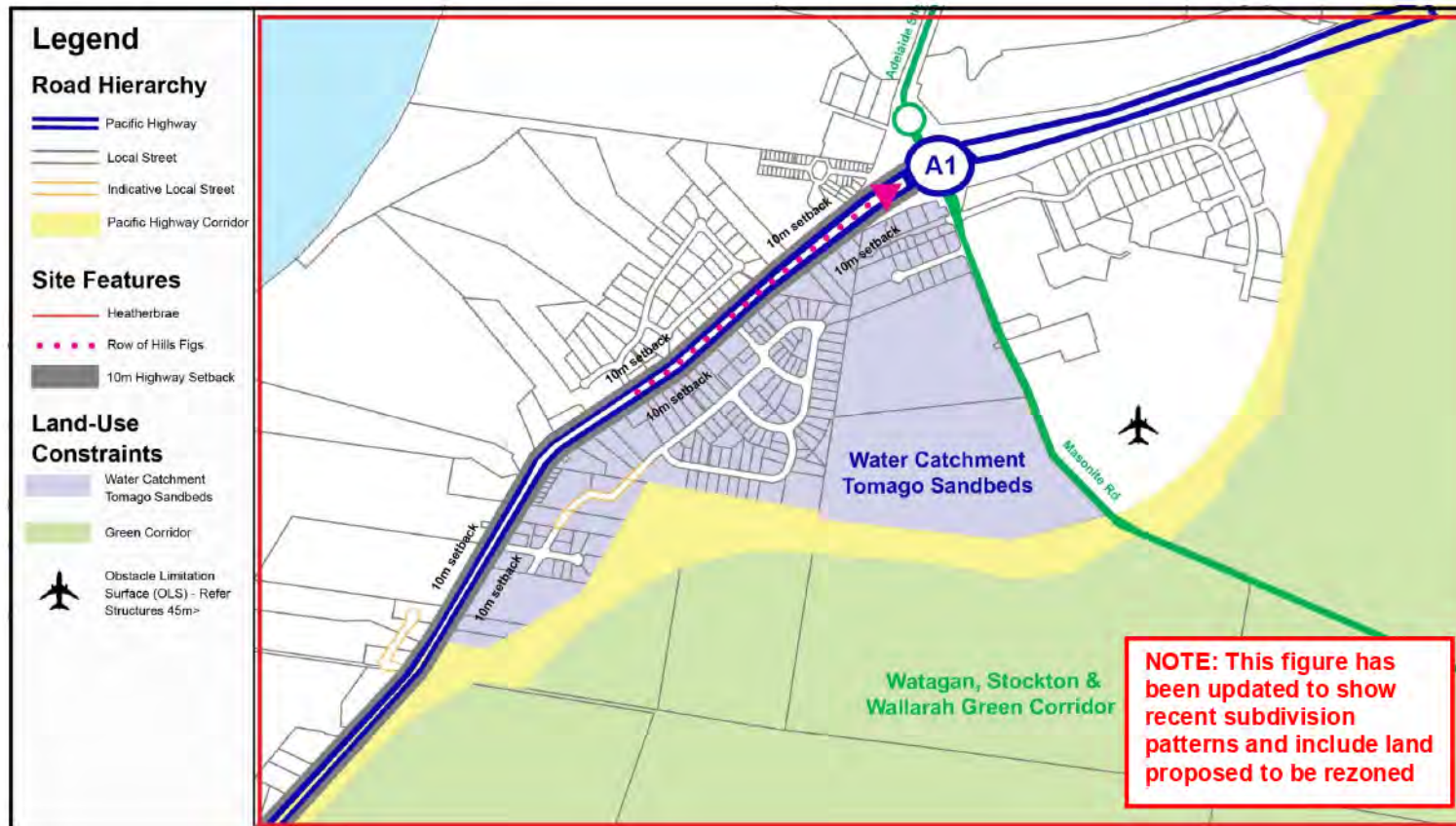
Figure DB:
Heatherbrae
Industrial Land
Application
Map



D1

HEATHERBRAE INDUSTRIAL

Figure DC: Heatherbrae Industrial Locality Controls Map



ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D16

MEDOWIE PLANNING STRATEGY (PRECINCT E)

D16 Medowie Planning Strategy (Precinct E)

Application		
This part applies to the land identified in Figure DAG Medowie Planning Strategy (Precinct E) Land Application Map.		

Objectives		
D16.A	Layout and Staging	<ul style="list-style-type: none"> To ensure the timely and efficient release of urban land. To make provision for necessary infrastructure and sequencing. To ensure consideration is given to the overall planning and coordination of development within the precinct and sub-precincts.

Requirements		
D16.1	Layout	Overall development layout needs to be consistent with the Figure DAH.
D16.2	Staging	A development application for large-scale residential accommodation or major subdivision must include a staging plan demonstrating that development will occur in a coordinated sequence.
D16.3		Initial residential accommodation or major subdivision is to take place in proximity to the main intersection with Medowie Road and be staged sequentially from that location.
D16.4	Sub-Precincts	A development application for large-scale residential accommodation or major subdivision is able to occur separately within 'sub-precincts': one on the western side of Medowie Road and another on the eastern side of Medowie Road.
D16.5	'Lifestyle' Developments	A development application for 'lifestyle' residential accommodation must include a master plan demonstrating consideration and achievement of the objectives of C5 Multi Dwelling Housing or Seniors Living and identifying key common development design controls for dwellings (for example dwelling setbacks).

Objectives		
D16.B	Natural Resources	<ul style="list-style-type: none"> To provide an overall landscaping strategy for the protection and enhancement of riparian areas and remnant vegetation, including visually prominent locations, and landscaping requirements for both the public and private domain. To provide an attractive and low maintenance landscape along Medowie Road.

Requirements		
D16.6	General	Environmental areas, corridors and additional planting with koala feed trees will be retained and enhanced in general accordance with Figure DAH.
D16.7	Vegetation management	Development must take into consideration the implications of the Vegetation Management Plan that applies to land within

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D16

MEDOWIE PLANNING STRATEGY (PRECINCT E)

D16.8	and biodiversity offsets	the precinct. Clearing of land on the eastern side of the precinct shall not occur until the requirements of the associated Vegetation Management Plan are implemented (a Vegetation Management Plan has been prepared that provides for vegetation offsets and improvements to vegetation corridors within the site – refer to Vegetation Management Plan, Kleinfelder, 10 March 2017).
D16.9	Landscaping along Medowie Road	A landscaping plan for major residential development or major subdivision must provide for an attractive and low maintenance landscape along the frontage with Medowie Road.
Objectives		
D16.C	Transport Movement Hierarchy	<ul style="list-style-type: none"> To provide an overall transport movement hierarchy for major circulation routes and connections to achieve a simple and safe movement system for private vehicles, public transport, pedestrians and cyclists. To maintain good traffic flow and safety along Medowie Road. To achieve connection between adjoining land and potential future residential precincts identified by the <i>Medowie Planning Strategy</i>. To ensure pedestrian and cycle connections are provided to the town centre, the Ferodale Park Sports Complex and the Medowie Community Centre for precinct residents and the broader community.
Requirements		
D16.10	General	The transport movement hierarchy for private vehicles, pedestrians and cyclists needs to be generally consistent with the layout shown in precinct plan at Figure DAH.
D16.11	Road Connections to other Precincts	The road layout must provide for potential future connections to other potential future residential planning precincts identified by the <i>Medowie Planning Strategy</i> including Brocklesby Road.
D16.12	Road Connections to Medowie Road	A roundabout intersection must be provided to Medowie Road to serve as the main access point for development.
D16.13		The main roundabout intersection must be designed to accommodate upgrades for increased future traffic flows along Medowie Road identified by the <i>Medowie Planning Strategy</i> .
D16.14		The main roundabout intersection may be provided by a staged approach to facilitate development of a single sub-precinct. Consideration for the future roundabout intersection must be included in the design and construction of any interim intersection.
D16.15		Additional intersections (intersections in addition to the main roundabout intersection with Medowie Road) must be limited in number and provided as left-in/left-out only.
D16.16		No direct driveway access to and from Medowie Road is permitted.
D16.17	Shared Path Connections	Walking and cycling infrastructure which connects the precinct to adjacent areas must be made accessible to precinct residents and the broader community.
D16.18		A shared path must be provided along the eastern side of

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D16

MEDOWIE PLANNING STRATEGY (PRECINCT E)

		Medowie Road, in conjunction with the development of the land on the eastern side of Medowie Road. The shared-use path must be provided along the eastern frontage with Medowie Road and connect north to Ferodale Road (to the extent that a shared path is able to be accommodated).
D16.19		A shared path must be provided along the western side of Medowie Road, in conjunction with the development of land on the western side of Medowie Road. The shared path must be provided along the western frontage with Medowie Road and connect north to Ferodale Road and connect south to the small local neighbourhood centre (to the extent that a shared path is able to be accommodated).
D16.20		A shared path must be provided directly linking the precinct to the Ferodale Sports Complex, in conjunction with the development of land on the western side of Medowie Road - subject to engineering, risk, and cost/benefit assessment. Alternative solutions and routes can be considered.
D16.21		Consideration must be given to a potential mid-block shared path linking the western sub-precinct to the Medowie Community Centre - subject to engineering, risk, and cost/benefit assessment. Alternative solutions and routes can be considered.
Objectives		
D16.D	Managing Risk from Agricultural Land Uses	<ul style="list-style-type: none"> To ensure the land is suitable for residential occupation in relation to previous agricultural land uses. To ensure the potential for negative effects from the operation of poultry sheds on residential amenity are adequately managed.
Requirements		
D16.22	Managing the potential requirement for land remediation	A development application for large-scale residential accommodation or major subdivision must be accompanied by the contamination and remediation reports identified by NSW State Environmental Planning Policy No. 55 – Remediation of Land with particular regard to the previous agricultural activities on the subject land.
D16.23	Managing Potential Risk from Odour and Noise from Poultry Farming	New residential allotments and dwellings must not be constructed until the poultry sheds at 733 Medowie Road (Lot 199 DP 17437) are decommissioned.
Objective		
D16.24	Road Noise	To ensure that development is not adversely affected by noise and vibration from traffic on Medowie Road.
Requirement		
D16.25	Considering Road Noise from Medowie Road	A development application for large-scale residential accommodation or major subdivision must demonstrate by provision of an acoustic report that future residential development will meet appropriate noise and vibration standards for development along Medowie Road.

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

D16

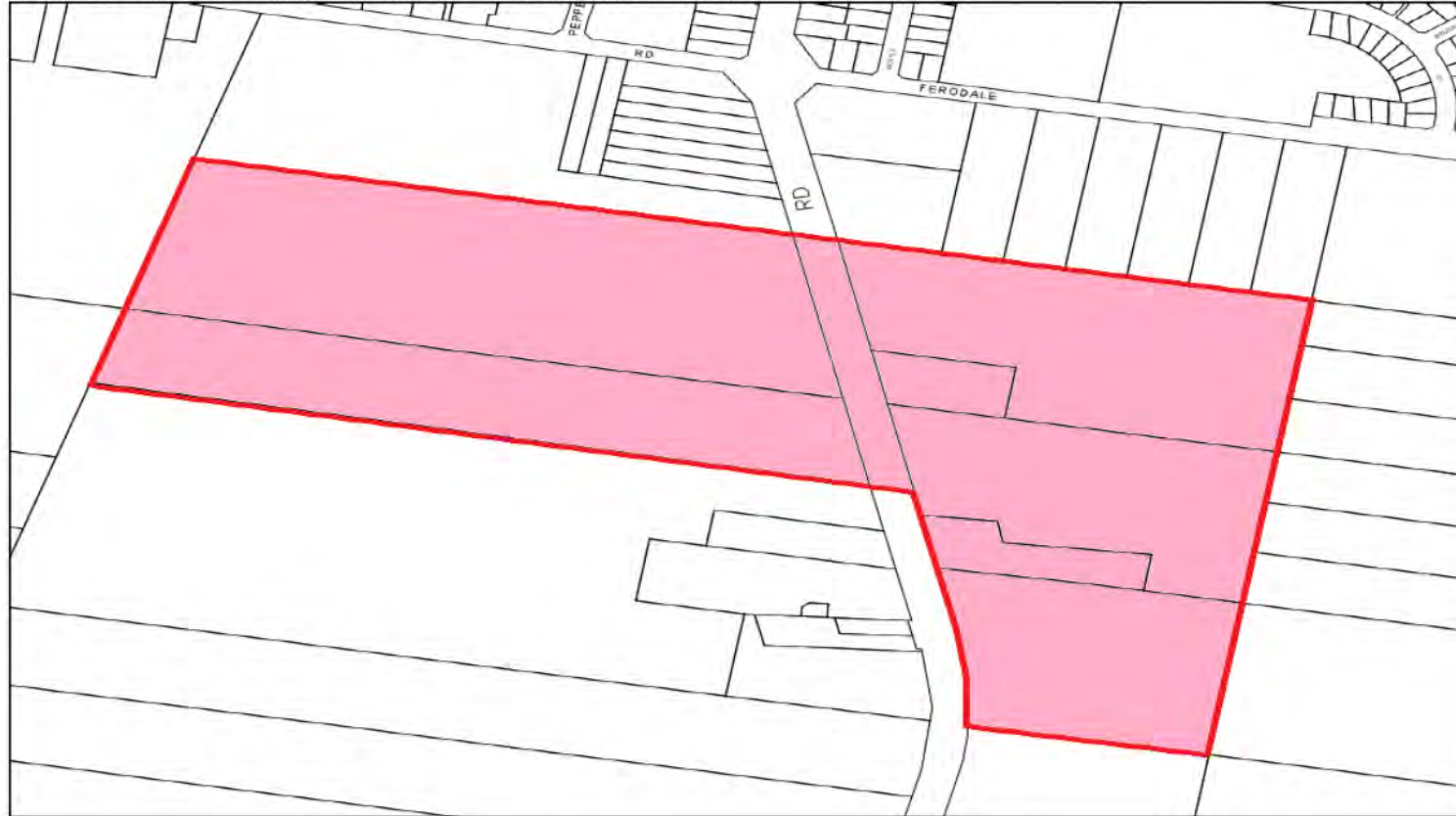
MEDOWIE PLANNING STRATEGY (PRECINCT E)

Objective		
D16.26	Stormwater	<ul style="list-style-type: none"> To provide for common and adequate stormwater management within the precinct.
Requirements		
D16.27	Stormwater Basins	Stormwater basins are located in general accordance with Figure DAH.
D16.28	Stormwater Culverts under Medowie Road	Development must address the potential effect on the two main culverts under Medowie Road (the desirable design standard for these culverts is 1% AEP+0.3m obvert freeboard for 2100 climate change conditions).
Objective		
D16.29	Williamstown RAAF Base – Aircraft Safety	<ul style="list-style-type: none"> To ensure that development adequately considers aircraft safety.
Requirement		
D16.30		Any requirements for dwellings are placed on the title of the land (for example for extraneous lighting and building height).

D16

MEDOWIE PLANNING STRATEGY (PRECINCT E)

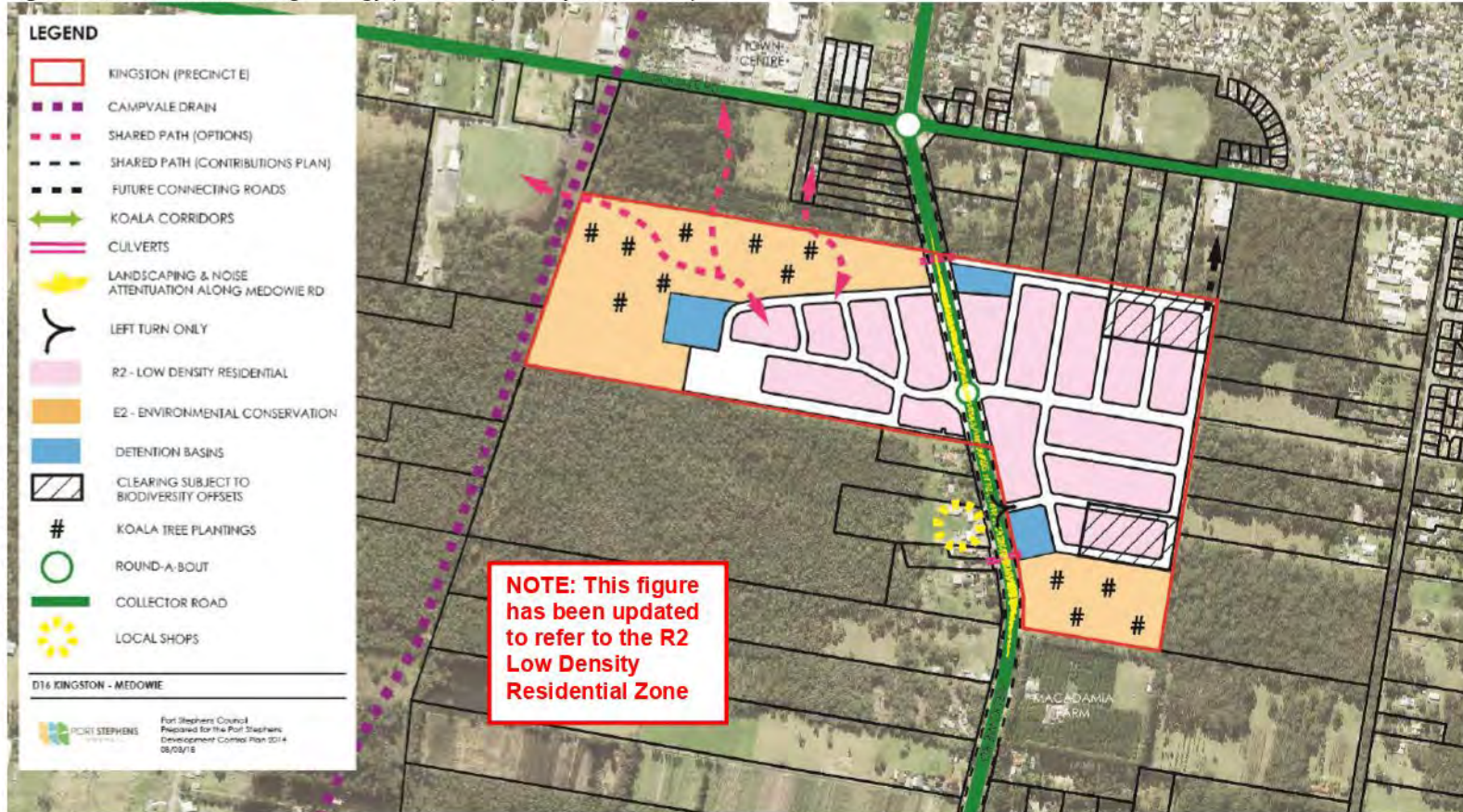
Figure DAG: Medowie Planning Strategy (Precinct E) Land Application Map



D16

MEDOWIE PLANNING STRATEGY (PRECINCT E)

Figure DAH: Medowie Planning Strategy (Precinct E) Locality Controls Map



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E

SCHEDULES

E Schedules

E Schedules			
No	Part	This Part:	Page
E1	Glossary	<ul style="list-style-type: none">defines terms used in this Plan	E-170
E2	Acronyms	<ul style="list-style-type: none">expands acronyms used in this Plan	E-195
E3	Reference List – Endnotes	<ul style="list-style-type: none">provides a Reference List for those documents referenced throughout this Plan	E-197

ITEM 2 - ATTACHMENT 1 PORT STEPHENS DEVELOPMENT CONTROL PLAN 2014 - AMENDMENT.

E1

GLOSSARY

- operational plan; and
- maintenance plan.

Stormwater Quality Improvement Devices (SQIDs) mean engineering methods that are used to protect the creeks, rivers and beaches that our stormwater drains into. They trap or collect rubbish and pollution that ends up in our stormwater drains. Examples include litter collection cages, trash racks or constructed wetlands

stormwater requirements area means land identified on a map on Council's website where additional stormwater control devices may be required

subdivision means an area or lot of land being subdivided into smaller lots. **Subdivision** under this Plan is either **minor subdivision** or **major subdivision** as defined under C1.2 of this Plan

subdivision certificate means a certificate that authorises the registration of a plan of subdivision under Part 23 of the *Conveyancing Act 1919*.

Note: subdivision certificate has the same meaning as in the *EP&A Act*

subdivision works certificate means a certificate to the effect that subdivision work completed in accordance with specified plans and specifications will comply with the requirements of the regulations.

Note: subdivision works certificate has the same meaning as in the *EP&A Act*

surface water means water on the surface of the planet, such as in a stream, river, lake, **wetland**, or ocean

super lot means an area of land created by **subdivision** and intended to be further subdivided into additional lots.

supplementary koala habitat means koala habitat that is supplementary to **preferred koala habitat** as defined under the Port Stephens Comprehensive Koala Plan of Management¹⁰

swimming pool means an excavation, structure or vessel:

- that is capable of being filled with water to a depth greater than 300 millimetres, and
- that is solely or principally used, or that is designed, manufactured or adapted to be solely or principally used, for the purpose of swimming, wading, paddling or any other human aquatic activity

and includes a spa pool, but does not include a spa bath, anything that is situated within a bathroom or anything declared by the regulations not to be a **swimming pool** for the purposes of this Act

Note: swimming pool has the same meaning as in the *Swimming Pools Act 1992*

traffic generating development means **development** defined as **traffic generating development** under Schedule 3 of the State Environmental Planning Policy (Infrastructure) 2007

Traffic Impact Assessment (TIA) means an assessment to quantify the traffic impacts and associated parking requirements that result from proposed **development**

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.



Amendment to Schedule 2 of Port
Stephens Local Environmental Plan 2013 –
Exempt Development (Water Storage
Facilities)



1

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

FILE NUMBERS

Council: PSC2015 – 00703

Department: PP_2015_PORTS_003_00 (15/04617)

SUMMARY

Subject land: The Planning Proposal applies to land within certain zones in the Port Stephens Local Government Area

Proponent: Port Stephens Council

BACKGROUND

The planning proposal seeks to implement a Notice of Motion (dated 10 February 2015) by amending the *Port Stephens Local Environmental Plan 2013* (PSLEP 2013) by adding exempt development provisions for certain water storage facilities.

Under the provisions of the PSLEP 2013 a farm dam is not currently considered as exempt development and therefore requires a development application to be lodged with Council. The planning proposal seeks to remove the need for a development application for small dams by specifying this class of development as exempt, subject to meeting the criteria.

It is important to note that the construction of farm dams may trigger other requirements for development approval or licences separate to its development classification. In this regard, there are a number of provisions related to water licensing requirements as outlined in the NSW Farm Dams Policy. As such, the proposed amendment to the PSLEP 2013 has been drafted to reflect the need to adhere to the NSW Farm Dams Policy.

In addition, the PSLEP 2013 requires development consent for certain ground disturbance activities within areas of the LGA mapped as Acid Sulfate Soils (ASS). This can be addressed in the planning proposal through specifying exclusion from Class 1 to 4 ASS and reflecting the specific depth restrictions for land mapped as Class 5 ASS.

Although the planning proposal applies to all land within the RU1 Primary Production and RU2 Rural Landscape zones, due to a number of constraints, it is unlikely that rural land holders outside of the north and western portions of the Local Government Area will be able to utilise the clause. **ATTACHMENT 1** shows the areas where the clause is likely to be used.

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

PART 1 – Objective of the proposed Local Environmental Plan Amendment

The objectives of the planning proposal are to allow certain Water Storage Facilities to be built without development consent on certain land in the Port Stephens LGA.

PART 2 – Explanation of the provisions to be included in proposed LEP

The planning proposal aims to amend the Port Stephens Local Environmental Plan 2013 by adding the following to Schedule 2 Exempt Development:

Adding the following to Schedule 2 Exempt Development:

Water Storage Facilities

- a) Must only be constructed on land zoned RU1 Primary Production or RU2 Rural Landscape;
- b) Must be less than 1 Megalitre if the subdivision was approved before 1 January 1999 with harvestable water rights or be built on minor streams that capture a maximum of 10 per cent of the property's average regional rainfall run-off;
- c) Must not be on land mapped as Class 1, 2, 3 or 4 on the Acid Sulfate Soils Map;
- d) Maximum depth of 5 metres Australian Height Datum when within 500m of adjacent Class 1, 2, 3 or 4 Acid Sulfate Soil Land and by which the water table is likely to be lowered below 1 metre Australian Height Datum on adjacent Class 1, 2, 3 or 4 land;
- e) Minimum distance from any property boundary – 10m;
- f) Must not contain a spillway more than 1m in height;
- g) Must not involve works within 40m of the banks of a named watercourse.

Note: Farm dams must comply with the NSW Farm Dams Policy (Harvestable Dams Policy), a copy of which can be obtained from the NSW Office of Water or relevant State Government Authority.

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

PART 3 – Justification for the Planning Proposal

SECTION A – Need for the Planning Proposal

1. Is the planning proposal a result of any strategic study or report?

The planning proposal is the result of a Notice of Motion to Council on 10 February 2015, in which Council resolved to immediately prepare the planning proposal.

A copy of the Notice can be found at **ATTACHMENT 1**.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The planning proposal is the only means of achieving the desired outcome, as an amendment to the Port Stephens Local Environmental Plan is required.

SECTION B – Relationship to Strategic Planning Framework

3. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?

Lower Hunter Regional Strategy (LHRS)

The LHRS emphasises the importance of agriculture in the Lower Hunter. The planning proposal will have potential benefits for the agricultural use of rural zoned land by removing the requirement for development applications for certain water storage facilities that are used for agricultural purposes.

4. Is the planning proposal consistent with the local Council's Community Strategic Plan, or other local strategic plan?

Community Strategic Plan

The proposal is consistent with Council's Integrated Strategic Plan (Port Stephens 2022) as it will provide a practical solution for the assessment of development applications, which will assist in achieving the performance measures outlined in Strategic Direction 3.7 'Provide development and building assessment and compliance services'.

Port Stephens Planning Strategy

Council's Port Stephens Planning Strategy recognises the importance of rural land in the LGA. It seeks to ensure that current and future agriculture is not compromised by the fragmentation of rural land. The PSPS also recognises the significance of environmentally sensitive land within the LGA. The planning proposal will not compromise the integrity of rural or environmental land in the LGA as it provides strict parameters for the proposed exempt development.

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

5. Is the planning proposal consistent with applicable state environmental planning policies?

There are no existing or draft State Environmental Planning Policies that prohibit or restrict the proposed amendments as outlined in this planning proposal. However, further discussion with relevant government agencies will be undertaken regarding SEPP 14 – Coastal Wetlands. An assessment of relevant State Environmental Planning Policies against the planning proposal is provided below.

Table A: Relevant State Environmental Planning Policies

SEPP	Relevance	Consistency and Implications
SEPP 14 – Coastal Wetlands	This SEPP places restrictions on development on land to which the plan applies and seeks to ensure that the coastal wetlands are preserved and protected in the environmental and economic interests of the State.	The proposal includes a provision that excludes dams within 40m of a named stream from being exempt. In order to reduce potential implications on SEPP 14 wetlands, the amendment could include the following: g) Must not involve works within 40m of the banks of a 3 rd order or higher watercourse; Further consultation with the Department of Primary Industries – Office of Water and the Office of Environment and Heritage is required on this direction.
SEPP (Rural Lands) 2008	The SEPP aims to facilitate economic use and development of rural lands, reduce land use conflicts and provides development principles.	The planning proposal will include a provision that a dam cannot be constructed as exempt development within 10m of a property boundary – this will minimise potential conflict with neighbouring properties. Further, the planning proposal will aid in the facilitation of the

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

		agricultural use of rural land as it will minimise the need for a development application for certain farm dams.
SEPP (exempt and complying development codes) 2008	This Policy aims to provide streamlined assessment processes for development by identifying types of exempt and complying development that have minimal impact.	The planning proposal seeks to add an exempt provision to the LEP, which is in addition to the SEPP. The proposed provision includes a number of will have a minimal impact.

6. Is the planning proposal consistent with applicable Ministerial Directions?

The planning proposal is consistent with all applicable Ministerial Directions with the exception of Direction 4.3 Flood Prone Land. An assessment of the planning proposal against the relevant s.117 Directions is provided in the following table:

Ministerial Direction	Aim of Direction	Consistency and Implications
1. EMPLOYMENT AND RESOURCES		
1.2 Rural Zones	The objective of this direction is to protect the agricultural production value of rural land.	The proposal does not include a provision to increase densities in rural land.
1.5 Rural Lands	The objective of this direction is to protect the agricultural production value of rural and facilitate the orderly and economic development of rural lands for rural and related purposes.	The proposal will facilitate the agricultural use of certain rural land by reducing the need for a development application for some farm dams.
2. ENVIRONMENT AND HERITAGE		
2.1 Environmental Protection Zones	The objective of this direction is to protect and conserve environmentally sensitive areas.	Development will only be exempt where there is minimal environmental impact. A dam will not be exempt where it removes trees or is within 40m of a

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

		named watercourse. The planning proposal is consistent with this direction.
2.2 Coastal Protection	The objective of this direction is to implement the principles in the NSW Coastal Policy.	Development undertaken through the proposed provisions would be of minimal significance.
2.3 Heritage Conservation	The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	The proposed exemptions do not apply to land on which an item of heritage significance is located.
3. HOUSING, INFRASTRUCTURE AND URBAN DEVELOPMENT		
3.1 Residential Zones	Encourage a variety and choice of housing types to provide for existing and future housing needs, make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and minimise the impact of residential development on the environment and resource lands.	The proposed exemptions do not apply to residential land.
4. HAZARD AND RISK		
4.1 Acid Sulfate Soils	The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.	To avoid any impacts from acid sulfate soils, the following provisions are proposed: a) Must not be on land mapped as Class 1, 2, 3 or 4 on the Acid Sulfate Soils Map; b) Maximum depth of 5 metres Australian Height Datum when within 500m of

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

		<p>adjacent Class 1, 2, 3 or 4 Acid Sulfate Soil Land and by which the water table is likely to be lowered below 1 metre Australian Height Datum on adjacent Class 1, 2, 3 or 4 land;</p> <p>The planning proposal is consistent with the direction.</p>
4.3 Flood Prone Land	<p>The objectives of this direction are to ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the <i>Floodplain Development Manual 2005</i>, and that the provisions of an LEP on flood prone land are commensurate with flood hazard and include consideration of the potential flood impacts both on and off the subject land.</p>	<p>This Direction states that a planning proposal must not contain provisions that apply to the flood planning areas which: permit development to be carried out without development consent except for the purposes of agriculture (not including dams, drainage canals, levees, buildings or structures in floodways or high hazard areas), roads or exempt development.</p> <p>The planning proposal is inconsistent with this direction as it proposes to allow certain water storage facilities (dams) to be exempt. Consultation with OEH was undertaken on this matter. OEH confirmed that the planning proposal is inconsistent with the direction and have raised a number of concerns regarding the inclusion of water storage facilities as exempt development.</p>

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

5. REGIONAL PLANNING		
5.1 Implementation of Regional Strategies	The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.	The planning proposal will support agricultural and environmental outcomes, and this is consistent with the Strategy.

SECTION C – Environmental, Social and Economic Impact

7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The planning proposal includes provisions that minimise environmental impacts by not allowing exempt development on ASS

8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

No additional environmental effects are anticipated as a result of this amendment.

9. Has the planning proposal adequately addressed any social and economic effects?

The planning proposal will have minimal social or economic impacts.

SECTION D – State and Commonwealth interests

10. Is there adequate public infrastructure for the planning proposal?

The amendment does not warrant changes to the delivery of public infrastructure.

11. What are the views of the State and Commonwealth public authorities consulted in accordance with the gateway determination?

Department of Planning and Environment

The Department of Planning and Environment provided a Gateway Determination on 16 June 2015. A copy of the determination can be found in **ATTACHMENT 2**.

The Gateway Determination required Council to consult with the Department of Primary Industries (Office of Water), the Office of Environment and Heritage and the Hunter Water Corporation and to consider the exempt

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

provisions in other Local Environmental Plans prior to the planning proposal being exhibited.

Department of Primary Industries (Water)

DPI Water generally supports the proposal to add exempt development provisions to dams that comply with the current Harvestable Rights Orders, as published in the NSW Government Gazette 40 dated 31 March 2006. DPI Water recommends, however, that the exemption be reworded to clearly reference the Harvestable Rights Orders.

A copy of the Department's comments is located in **ATTACHMENT 3**.

Comment

It is anticipated that the planning proposal will be amended after the public exhibition period to reflect the comments provided by the Department of Primary Industries (Water).

Office of Environment and Heritage (OEH)

OEH do not support the proposed exempt provisions for water storage facilities in the LEP as the significant earthworks required for a farm dam are not considered to meet the 'minimal impact' criteria required for exempt development classification. OEH have raised the following concerns regarding the proposal, including:

- Impact on wetlands and associated communities that are not classified as SEPP 14 and small watercourses which are not a 'named watercourse'.
- By including the exempt provisions, council will not be in a position to limit the impacts on sensitive wetland areas, and clearing will be undertaken without approval via the 'routine agricultural management activities' provision of the Native Vegetation Act 2013.
- The planning proposal is inconsistent with section 117 Direction No. 4.3.
- The requirement for exempt development to obtain licensing under the provisions of the NSW Farm Dams is inconsistent with exempt complying development category, which implies that the development will have no adverse impact on the environment or adjoining properties.
- The construction of a farm dam can require significant earthworks and environmental disturbance and the scale of these earthworks makes it unsuitable for exempt development. The scale for earthworks which is appropriate for exempt development is generally that required for retaining walls and excavations not exceeding 600mm in depth and the legislation for this type of development includes provisions regarding management of erosion and water control.
- The provisions apply to minor unnamed streams only, however these are not defined and do not refer to the Strahler system used in the Office of Water license guidelines. The provision should refer to compliance with the harvestable rights criteria from the Office of Water

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

because these are based on whole of property entitlement, not 10% of a property's average runoff.

- A minimum setback of 10m with no provisions for the management of flow direction or dam hydraulics and spillway is not supported.
- No provisions are made with respect to scour control downstream of spillways or environmental management during construction.
- Provisions applying to acid sulfate soils could be extended to include SEPP 14 wetlands, however council would need to make sure that accurate mapping of these areas has taken place.

If the exempt provision is necessary, OEH provided additional considerations for Council to add in order to minimise environmental impact, such as:

- Full compliance with the requirements of the Office of Water
- Environmental management during construction, including erosion and sediment control
- Scour protection for spillways
- Control over imported soil/construction material
- Measures to ensure flows are not diverted from or to adjoining properties
- Increase setbacks from boundaries to greater than 10m.

A copy of the Office of Environment and Heritage comments (dated 4 August 2015) is located in **ATTACHMENT 4**.

Council undertook additional consultation with OEH to discuss the inclusion of additional considerations, however OEH have advised that the planning proposal cannot be supported due to the issues raised in the original correspondence. A copy of OEH's comments dated 12 November 2015 is located in **ATTACHMENT 5**.

Comment

OEH have advised that they will not support the planning proposal in any form, including amendments discussed in their submission.

Prior to undertaking public consultation on this matter, Council is requesting advice from the Department of Planning & Environment regarding OEH's comments.

Hunter Water Corporation

Hunter water provided verbal advice on 30 July 2015 that they do not object to the planning proposal.

Part 4 – Mapping

The planning proposal does not seek any amendments to the Port Stephens Local Environmental Plan 2013 mapping.

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.**Part 5 – Community Consultation**

The Gateway Determination requires the planning proposal to be publically exhibited for a period of fourteen (14) days.

Part 6 – Project Timeline

The project is expected to be completed within 12 months from Gateway Determination. The following timetable is proposed:

	Task Description	Estimated Timeline
1.	Gateway Determination	June 2015
2.	Completion of required technical information	June 2015
3.	Government agency consultation	July 2015
4.	Public exhibition period	February 2016
5.	Consideration of submissions	March 2016
	Report to Council	April 2016
6.	Submission to Department to finalise the LEP	May 2016
7.	Parliamentary Counsel	May 2016

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ATTACHMENT 1: Notice of Motion (10 FEBRUARY 2015)

NOTICE OF MOTION

ITEM NO. 1

FILE NO: A2004-0217 &
PSC2009-06567

**PLANNING PROPOSAL TO AMEND THE LEP – EXEMPT DEVELOPMENT –
WATER STORAGE FACILITIES**

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:

Water Storage Facilities

- a) Must only be constructed on land zoned RU1 Primary Production or RU2 Rural Landscape;
- b) Must be less than 1 Megalitre if the subdivision was approved before 1 January 1999 with harvestable water rights or be built on minor streams that capture a maximum of 10 per cent of the property's average regional rainfall run-off;
- c) Must not be on land mapped as Class 1, 2, 3 or 4 on the Acid Sulfate Soils Map;
- d) Maximum depth of 5 metres Australian Height Datum when within 500m of adjacent Class 1, 2, 3 or 4 Acid Sulfate Soil Land and by which the water table is likely to be lowered below 1 metre Australian Height Datum on adjacent Class 1, 2, 3 or 4 land;
- e) Minimum distance from any property boundary – 10m;
- f) Must not contain a spillway more than 1m in height;
- g) Must not involve works within 40m of the banks of a named watercourse.

Note: Farm dams must comply with the NSW Farm Dams Policy (Harvestable Dams Policy), a copy of which can be obtained from the NSW Office of Water or relevant State Government Authority

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ORDINARY COUNCIL – 10 FEBRUARY 2015

**BACKGROUND REPORT OF: TIM CROSDALE – STRATEGY & ENVIRONMENT
SECTION MANAGER, DEVELOPMENT SERVICES**

BACKGROUND

Under the provisions of the Port Stephens Local Environmental Plan 2013 (PSLEP 2013) a Farm Dam is not currently considered as exempt development and in turn requires a development application to be lodged with Council. This Notice of Motion seeks to remove the need for an application to be lodged with Council for small dams by specifying this class of development as exempt subject to meeting the criteria.

Upper Hunter Shire and the Mid-Western Regional Council have achieved this through similar amendments to their respective LEPs.

In consideration of this Notice of Motion it is important to note that the construction of farm dams may trigger other requirements for development approval or licences separate to its development classification. In this regard there are a number of provisions related to water licensing requirements as outlined in the NSW Farm Dams Policy.

As such a proposed amendment to the PSLEP 2013 would need to be drafted to reflect the need to adhere to the NSW Farm Dams Policy. This is consistent with the approach taken by both Upper Shire and Mid-Western Regional Councils in their amendments to their LEP provisions.

Moreover, the PSLEP 2013 requires development consent for certain ground disturbance activities within areas of the LGA mapped as Acid Sulphate Soils (ASS). This can be addressed in the planning proposal through specifying exclusion from Class 1 to 4 ASS and reflecting the specific depth restrictions for land mapped as Class 5 ASS.

The Notice of Motion would result in those rural landowners in the north and western portions of the Local Government Area not being required to submit a development application for the construction of farm dams subject to meeting the criteria. The area of application of this Notice of Motion is shown on **(ATTACHMENT 1)**.

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.

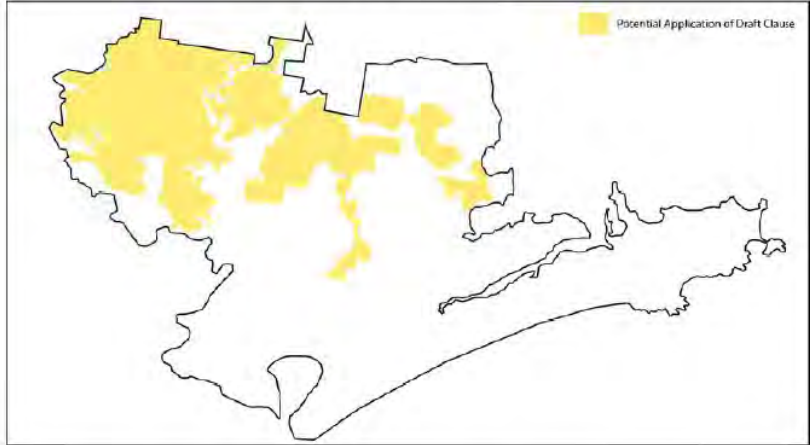
ATTACHMENT

- 1) Locations where the proposed Clause applies.

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.


ORDINARY COUNCIL - 10 FEBRUARY 2015

ATTACHMENT 1
Locations where the proposed Clause applies



ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ATTACHMENT 2: Gateway Determination (16 June 2015)



NSW
GOVERNMENT

**Planning &
Environment**

PORT STEPHENS COUNCIL
Information Services

17 JUN 2015

File No. PSC2015-00703

Action by S. Connell

R.H.C.

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

Our ref: PP_2015_PORTS_003_00 (15/04617)
Your ref: PSC2015-00703

Att: Ms Sarah Connell

Dear Mr Wallis

Planning proposal to amend Port Stephens Local Environmental Plan 2013

I am writing in response to Council's letter dated 10 March 2015 and subsequent email advice of 14 May 2015, requesting a Gateway determination under section 56 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") in respect of the planning proposal to:

- 1) add 'water storage facilities (farm dam)' to Schedule 2 Exempt Development for land zoned RU1 Primary Production or RU2 Rural Landscape;
- 2) expand on the current Code SEPP subdivision provisions by adding subdivision / realignment of boundary provisions to Schedule 2 Exempt Development; and
- 3) add a clause in Part 4 Principal Development Standards to enable exceptions to the minimum lot size standards in rural and environmental zones.

Council on 14 May 2015, requested the Department to progress item 1) for formal Gateway consideration. Council also advised its intention to provide further justification and information in support of item 2) and 3) as part of a separate future planning proposal. On this basis, the Department has only progressed the assessment of item 1) at this time.

As delegate of the Minister for Planning, I have now determined that item 1) of the planning proposal to add 'water storage facilities (farm dam)' to Schedule 2 Exempt Development of Port Stephens LEP 2013 should proceed subject to the conditions in the attached Gateway determination.

In preparing this future proposal relating to items 2) and 3) Council should consult the Department of Primary Industries and the Office of Environment and Heritage concerning the proposed amending subdivision / realignment of boundary provisions.

Prior to public exhibition Council is to consult with the:

- Department of Primary Industries - Office of Water, in relation to consistency of the proposed water storage facilities (farm dam) provisions with the *NSW Farms Dams Policy (Harvestable Dams Policy)* Department of Primary Industries. Council may still need to obtain the Department's approval to comply with the requirements of S117 Direction 4.3 Flood Prone Land. Council should ensure this occurs prior to the plan being made.

Hunter and Central Coast Region - Hunter Office - Level 2 26 Honeysuckle Drive (PO Box 1226) Newcastle NSW 2300
Phone 02 4904 2700 Fax 02 4904 2701 Website planning.nsw.gov.au

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

- Department of Primary Industries – Office of Water and the Office of Environment and Heritage about the proposed provisions relating to SEPP 14 Wetlands.
- The Hunter Water Corporation about potential impacts on the water storage catchments in the LGA.

The Minister delegated plan making powers to councils in October 2012. It is noted that Council has accepted this delegation. I have considered the nature of Council's planning proposal and have decided to issue an authorisation for Council to exercise delegation to make this plan.

The amending Local Environmental Plan (LEP) is to be finalised within 12 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 directly to Parliamentary Counsel's Office 6 weeks prior to the projected publication date. A copy of the request should be forwarded to the Department for administrative purposes.

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 EP&A Act if the time frames outlined in this determination are not met.

Should you have any queries in regard to this matter, I have arranged for Brian Murphy from the Hunter office to assist you. He can be contacted on (02) 4904 2712.

Yours sincerely,



16 June 2015

David Rowland
General Manager
Hunter and Central Coast Region
Planning Services

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.



Planning & Environment

Gateway Determination

Planning proposal (Department Ref: PP_2015_PORTS_003_00): to add water storage facilities (farm dam)" to Schedule 2 Exempt Development.

I, the General Manager, Hunter and Central Coast Region at 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 add water storage facilities (farm dam)" to Schedule 2 Exempt Development as described in Council's Proposal, should proceed subject to the following conditions:

1. Prior to public exhibition Council is to amend the planning proposal to remove provisions and other information relating to the realignment of boundaries. This is because Council intends to provide additional justification and information to progress this matter as part of a separate future planning proposal.
2. Prior to public exhibition Council should update the planning proposal as necessary following Council's consideration of Schedule 2 Exempt Development water storage / farm dam provisions included in other Standard Instrument LEPs (e.g. Upper Hunter LEP 2013, Greater Taree LEP 2010, Port Macquarie-Hastings LEP 2011). The map identified as 'Attachment 1' is also to be included with the planning proposal and the text referring to the attachment is to be amended to remove any ambiguity about where the proposed water storage / farm dam provisions are to apply in the LGA.
3. Prior to public exhibition under section 56(2) (d) of EP&A Act and in response to relevant s117 directions and to assess impacts on water catchments consultation is required with the:
 - Department of Primary Industries - Office of Water to ensure the proposed water storage facilities (farm dam) provisions are consistent with the NSW Farms Dams Policy (harvestable Dams Policy).
 - Department of Primary Industries – Office of Water and Office of Environment and Heritage about the proposed provisions relating to SEPP 14 Wetlands.
 - Hunter Water Corporation about potential impacts on water storage catchments in the LGA.

The proposed Schedule 2 provisions and consideration of s117 Direction 4.3 Flood Prone Land and SEPP 14 Wetlands should be updated as necessary.

4. A Copy of the amended Proposal should be provided to the Department for information and comment prior to exhibition.
5. Community consultation is required under section 56(2)(c) and 57 of the Environmental Planning & 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 (Department of Planning & Environment 2013) and must be made publicly available for a minimum 14 days; and

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

- b) The relevant authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be publicly available along with planning proposals as identified in section 5.5.2 of A guide to preparing LEPs (Department of Planning & Infrastructure 2013).
- 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 time-frame for completing the LEP is to be 12 months following Gateway Determination. A 12 month time-frame is recommended because of the need for council to undertake agency consultation and amend the planning proposal prior to exhibition.

Dated 16th day of June 2015.



**David Rowland
General Manager
Hunter and Central Coast Region
Planning Services
Department of Planning and Environment
Delegate of the Minister for Planning**

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.



WRITTEN AUTHORISATION TO EXERCISE DELEGATION

Port Stephens Council is authorised to exercise the functions of the Minister for Planning under section 59 of the *Environmental Planning and Assessment Act 1979* that are delegated to it by instrument of delegation dated 14 October 2012, in relation to the following planning proposal:


Number	Name
PP_2015_PORTS_003_00	Planning proposal to amend Port Stephens LEP 2013 to add water storage facilities (farm dam) to Schedule 2 Exempt Development.

In exercising the Minister's functions under section 59, the Council must comply with the Department's "A guideline for the preparation of local environmental plans" and "A guide to preparing planning proposals".

Dated 16th of June 2015

David Rowland
General Manager
Hunter and Central Coast Region
Planning Services
Department of Planning and Environment

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.



PLAN MAKING PROCESS POST GATEWAY – FOR DELEGATED MATTERS

- 1. Post Exhibition Review**
 - Any unresolved s117 directions must be finalised before progressing with LEP
 - If planning proposal is revised, council is to email a copy of the revised proposal to the regional planning team - hunter@planning.nsw.gov.au under Section 58(2) of the Act prior to requesting LEP to be made.
 - If changes to planning proposal are substantial then may no longer be authorised by the Gateway determination and a Gateway amendment may be required before LEP is made. Councils are encouraged to contact regional planning team to seek advice before finalising the LEP under delegation.
- 2. Legal Drafting of the LEP**
 - Council's request to draft and finalise the plans should be made as soon as possible to ensure timeframes are met.
 - Council should upload the maps and GIS data directly to the department's FTP site (ftp://lepup:lep_upload@203.3.194.247/). Once uploaded Council should email hunter@planning.nsw.gov.au and advise maps are available for checking. Any questions about uploading can be directed to Brent Condliffe ph 9228 6542.
 - Unless otherwise negotiated the department will only undertake a technical review of any maps, to ensure they comply with LEP mapping technical guidelines.
 - No maps or mapping/GIS data is to be sent directly to PCO.
 - The request for legal drafting should be send to PCO at parliamentary.counsel@pco.nsw.gov.au including the planning proposal, a copy of the gateway determination and details of any change to the proposal arising from the gateway determination. The name and contact details of the council contact officer should also be supplied.
 - A copy of the request to PCO should also be forwarded to the department for administrative purposes only – hunter@planning.nsw.gov.au
- 3. Making of the draft LEP s59**
 - Council's delegate resolves to finalise the LEP by signing the instrument (see example below).
 - If council's delegate decides not to make plan or defer a matter, council should liaise with regional team for assistance.
 - Council must also notify PCO if plan not proceeding
- 4. Notification of LEP**
 - Council advises and requests the department to make the plan, email request to hunter@planning.nsw.gov.au and the following documents to be provided for notification
 1. Signed LEP - which includes full name of LEP and PCO file reference,
 2. Signed map cover sheet and associated maps,
 3. Name and position of the delegate who signed the LEP and date,
 4. Completed Attachment 5 - delegated plan making reporting template,
 5. Copy of council's assessment (s 59 report) which is usually the council report/minutes,
 6. PC opinion.
 - Request to hunter@planning.nsw.gov.au by Tuesday of the week will enable notification by Friday.

Example of signature front page

Fred Smith
General Manager

As delegate for the Minister for Planning
12/12/14

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

Delegated plan making reporting requirements

(Attachment 5 from "A guide to preparing local environmental plans")

Notes:

- The department will fill in the details of Table 3
- RPA is to fill in details for Table 2
- If the planning proposal is exhibited more than once, the RPA should add additional rows to **Table 2** to include this information
- The RPA must notify the relevant contact officer in the regional office in writing of the dates as they occur to ensure the Department's publicly accessible LEP Tracking System is kept up to date
- A copy of this completed report must be provided to the Department with the RPA's request to have the LEP notified

Table 1 – To be completed by the Department

Stage	Date/Details
Planning Proposal Number	PP_2015_PORTS_003_00
Date Sent to Department under s56	2015-05-14
Gateway determination date	

Table 2 – To be completed by the RPA

Stage	Date/Details
Dates draft LEP exhibited	
Date of public hearing (if held)	
Date sent to PCO seeking Opinion	
Date Opinion received	
Date Council Resolved to Adopt LEP	
Date LEP made by GM (or other) under delegation	
Date sent to Department requesting notification (hunter@planning.nsw.gov.au)	
Brief Description of Purpose of planning proposal	

Table 3 – To be completed by the Department

Stage	Date/Details
Notification Date and details	

Additional relevant information:

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ATTACHMENT 3: Comments from Department of Primary Industries – Water (6 August 2015)



Department of
Primary Industries
Water

Contact: Brendan Mee
Phone: 02 4904 2524
Email: Brendan.mee@dpi.nsw.gov.au
Our ref: ER23872
Your ref: PSC 20015-00703

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

Attention: Sarah Connell

Dear Sarah,

**Re: Planning Proposal – Exempt development, water storage facilities
Section 56(2)(d) – Public authorities consultation under the Environmental Planning and
Assessment Act, 1979**

Thankyou for providing the Department of Primary Industries (DPI) Water an opportunity to comment on the above planning proposal. DPI Water has reviewed the proposal and provides comments below.

DPI Water generally supports the proposal to add exempt development provisions to dams that comply with the current Harvestable Rights Orders, as published in the NSW Government Gazette 40 dated 31 March 2006. DPI Water recommends, however, that the exemption be reworded to clearly reference the Harvestable Rights Orders.

The current wording of paragraph (i) in the proposed exemption is not currently consistent with the provisions of the Orders. The paragraph currently suggests that all properties subdivided before 1 January 1999 must have dam capacity less than 1 Megalitre, irrespective of the property size. There are also a number of other provisions in the Orders that may be relevant to whether a dam could be considered under harvestable rights. It is recommended that this paragraph be replaced with the following: "must comply with the Harvestable Rights Orders, as published in the NSW Government Gazette 40 dated 31 March 2006 or any replacement policy (a copy of which can be obtained from NSW DPI Water)."

Table A of the Planning Proposal proposes a clause restricting the proximity of dams to SEPP 14 wetlands. The Harvestable Rights Orders specify that land of special environmental or cultural significance which could be adversely impacted by the exercise of the harvestable right are not subject to the order. These are listed as lands within 3 km of a wetland included in the List of Wetlands of International Importance of the International Convention on Wetlands (Ramsar, Iran, 1971).

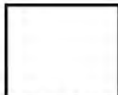
Whilst SEPP14 wetlands are not currently specified in the Orders, DPI Water agrees with the proposal to include this provision to ensure impacts on SEPP14 wetlands are avoided. It is also recommended the reference in this clause to "named watercourses" be replaced with "3rd order or higher watercourses".

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

The proposal requests comments from DPI Water on its inconsistency with Flood Prone Land Ministerial Directions. It is recommended that council seeks comment from the Office of Environment and Heritage regarding this inconsistency.

If you require further information please contact Brendan Mee, Water Regulation Officer on (02) 4904 2524.

Yours sincerely



Mitchell Isaacs
Manager, Strategic Stakeholder Liaison
6 August 2015

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ATTACHMENT 4: Office of Environment & Heritage comments dated 4 August 2015



Office of Environment & Heritage

Your reference: PSC 20015-00703
 Our reference: DOC15/272046-1
 Contact: Karen Thumm, 49273153

Mr Wayne Wallis
 General Manager
 Port Stephens Council
 PO Box 42
 RAYMOND TERRACE NSW 2324

Attention: Sarah Connell

PORT STEPHENS COUNCIL
 Information Services

- 7 AUG 2015

File No. PSC2015-00703
 Action by SARAH H CONNELL
 R.H.C

Dear Mr Wallis

RE: PLANNING PROPOSAL - PROPOSED AMENDMENT TO PORT STEPHENS LOCAL ENVIRONMENTAL PLAN TO ALLOW FOR WATER STORAGE FACILITIES TO BE INCLUDED IN SCHEDULE 2: EXEMPT DEVELOPMENT

I refer to your letter dated 17 July 2015 requesting comment under Section 56(2)(d) of the *Environmental Planning and Assessment Act 1979* on a planning proposal amending the Port Stephens Local Environmental Plan 2013 by adding exempt development provisions for water storage facilities. The Office of Environment and Heritage (OEH) is unable to support this amendment as presented and provides the following comment on matters of concern.

Biodiversity

Although the amendment includes provisions which will limit the potential for impacts on environmentally sensitive lands, OEH is concerned that the provisions could still lead to the removal of some high environmental values. It is acknowledged that provisions have been included to protect State Environmental Planning Policy No. 14 (SEPP 14) wetlands and to provide a buffer to areas mapped as SEPP 14. However, there are a diverse range of wetland communities which are unlikely to be protected by the provisions provided, as they may not include trees, but still have the potential to be a wetland that is an endangered ecological community protected under the *Threatened Species Conservation Act 1995*. Also, there are many small watercourses, which likewise may be associated with a wetland endangered ecological community but will not be protected as they are not a 'named watercourse'. These areas could also be threatened species habitat of species such as the Grass Owl or Green and Golden Bell Frogs.

By including these provisions in Schedule 2 of the Local Environmental Plan, Council will not be in a position to limit impacts on sensitive wetland areas, as there will no longer be the requirement for dual consent and the controls provided by the provision of 'Routine Agricultural Management Activities' under the Native Vegetation Regulation 2013 which allow clearing without approval for the construction of dams.

Flood Planning

Construction of a water storage facility under exempt development provisions appears to be inconsistent with Section 117(2) direction Part 4.3 Part 6, in particular parts a, b and e.

Locked Bag 1002 Dangar NSW 2309
 Level 4/26 Honeysuckle Drive Newcastle NSW 2300
 rog.hcc@environment.nsw.gov.au
 ABN 30 841 387 271
 www.environment.nsw.gov.au

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

Page 2

A planning proposal must not contain provisions that apply to the flood planning areas which:

- a) permit development in floodway areas,
- b) permit development that will result in significant flood impacts to other properties,
- c) permit a significant increase in the development of that land,
- d) are likely to result in a substantially increased requirement for government spending on flood mitigation measures, infrastructure or services, or
- e) permit development to be carried out without development consent except for the purposes of agriculture (not including dams, drainage canals, levees, buildings or structures in floodways or high hazard areas), roads or exempt development.

There is a requirement noted in the Council documents for compliance with provisions of the NSW Farm Dams requirements. It appears to be inconsistent to move an item which may require licensing from the NSW Office of Water to an exempt development category. An exempt development category implies that there are minimal compliance requirements and the development will not have adverse effects on the environment or the adjoining properties.

Construction of a farm dam can require significant earthworks and environmental disturbance even if constructed under the license requirements of the Office of Water. The size of dams is linked to harvestable rights and therefore may be structures of significant size. The scale of earthworks which is appropriate for exempt development is generally that required for retaining walls and excavations not exceeding 600 millimetres in depth and the provisions in the legislation for this type of exempt development include provisions regarding management of erosion and water flows.

The provisions proposed by Council are noted to apply to minor unnamed streams only, however, these are not defined and do not refer to the Strahler system used in the Office of Water license guidelines. The Council provisions also nominate that a dam may capture a maximum of 10 per cent of the properties average regional runoff. This item should refer to compliance with the harvestable rights criteria from the Office of Water because these are based on the whole property entitlement and all dams on the property. Without reference to these criteria 10 per cent per property may be interpreted as 10 per cent per dam. In addition guidelines for farm dams from the Office of Water may change over time and listing values in the LEP may not necessarily reflect these changes.

The document indicates a minimum setback of 10 metres from boundaries with no provisions for management of flow direction or hydraulics of the dam and spillway. If a dam and spillway is constructed in line, the hydraulics of the flow may not have reverted back to initial conditions within a 10 metre distance. There are no provisions in the guidelines to ensure that there are no changes to direction and nature of flow downstream of the water storage area. Incorrect location of spillways may divert flow to adjoining properties. No provisions are made with respect to scour control downstream of spillways or environmental management during construction. It also noted there are provisions applying to acid sulfate soils and may be extended to include SEPP14 wetlands. Council would need to ensure that mapping of these areas has taken place over the entire area to which the exempt development provision is proposed to apply to ensure that restrictions are communicated appropriately.

If it is necessary for Water Storage Facilities to be included in exempt development schedules then the following minimum additions should be considered:

- full compliance with the requirements of the Office of Water needs to be the primary consideration
- additional requirements regarding environmental management during construction including erosion and sediment control need to be added
- scour protection for spillways is required
- control over imported soil/construction material may be needed
- measures to ensure flows are not diverted from or to adjoining properties need to be in place
- setbacks from boundaries for exempt development should be much greater than 10 metres.

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ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

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Farm dams appear to be too large a development to meet the minimal impact criteria required for exempt development classification.

If you have any enquiries concerning this advice, please contact Karen Thumm, Conservation Planning Officer, on 4927 3153.

Yours sincerely



4 AUG 2015

RICHARD BATH
Senior Team Leader Planning, Hunter Central Coast Region
Regional Operations

ITEM 3 - ATTACHMENT 2 PLANNING PROPOSAL TO MAKE WATER STORAGE FACILITIES EXEMPT DEVELOPMENT.

ATTACHMENT 5: Office of Environment & Heritage comments dated 12 November 2015



Your reference: PSC 20015-00703
Our reference: DOC15/410369-1
Contact: Karen Thumm, 4927 3153

Mr Wayne Wallis
General Manager
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

Attention: Sarah Connell

Dear Mr Wallis

RE: PROPOSED AMENDMENT TO PORT STEPHENS LOCAL ENVIRONMENTAL PLAN TO ALLOW FOR WATER STORAGE FACILITIES TO BE INCLUDED IN SCHEDULE 2: EXEMPT DEVELOPMENT

I refer to your email dated 14 October 2015 concerning a revised planning proposal amending the Port Stephens Local Environmental Plan 2013 that adds exempt development provisions for water storage facilities.

The Office of Environment and Heritage (OEH) does not support this revised amendment as no changes appear to have been made that take into account the advice provided on 4 August 2015 (Reference: DOC15/272046-1). In summary, these concerns are:

- A diverse range of wetland communities are unlikely to be protected by the provisions. These are likely to be endangered ecological communities.
- The amendment is inconsistent with s117 Direction 2.1.
- Council will no longer be in a position to limit impacts on sensitive wetland areas as there will no longer be the requirement for dual consent.
- A requirement for a dam to have no impact on the adjoining property is very difficult to enforce with exempt development as it bypasses the approvals process.
- The scale of development and potential impacts required for construction of a farm dam exceed the threshold which should apply to exempt development.

If you have any enquiries concerning this advice, please contact Karen Thumm, Conservation Planning Officer, on 4927 3153.

Yours sincerely

A rectangular box intended for a signature, currently empty.

12 NOV 2015

RICHARD BATH
Senior Team Leader Planning, Hunter Central Coast Region
Regional Operations

Locked Bag 1002 Dangar NSW 2309
Level 4/26 Honeysuckle Drive Newcastle NSW 2300
rog.hcc@environment.nsw.gov.au
ABN 30 841 387 271
www.environment.nsw.gov.au

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Planning Proposal

Rezoning of Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and the Rezoning and Reclassification of Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay)

Part 1 - Objectives or Intended Outcomes

The purpose of the proposal is to:

- (i) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from public recreation to residential;
- (ii) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from public recreation to environmental protection; and,
- (iii) reclassify Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from community to operational land. The remainder of the site is already classified as operational land.

The proposal seeks to facilitate development and disposal of Council owned land zoned 6(a) General Recreation, adjacent to an existing residential neighbourhood.

The Strategic Review of Council Owned Lands at Salamander/Soldiers Point identified that the land would be best developed for residential purposes rather than remain as open space.

It seeks to facilitate the implementation of the residential development objectives of the Port Stephens Planning Strategy and a range of other Council policies, such as the Integrated Strategic Plan.

The site is adjacent to a residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with water, sewer and telecommunication services.

There is sufficient open space nearby, and the site is not required for recreational purposes.

Part 2 - Explanation of Provisions

It is proposed to amend either the Port Stephens Local Environmental Plan 2000 or the Port Stephens Local Environmental Plan 2013 (whichever instrument is in force at the time this proposal is finalised) as follows:

Port Stephens Local Environmental Plan 2000

- (i) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) zoned 2(a) Residential A;
- (ii) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) zoned 7(a) Environmental Protection "A"; and,
- (iii) including the land in Part 2 in Schedule 1 of the Port Stephens Local Environmental Plan 2000 as follows:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2000 (Amendment No XX)"	Nil.

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Port Stephens Local Environmental Plan 2013

Should the Port Stephens Local Environmental Plan 2013 be in force when this planning proposal is finalised, then the proposal will amend this LEP as follows:

Land Zoning Map

- (iv) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from Zone RE1 Public Recreation to Zone R2 Low Density Residential.
- (v) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from Zone RE1 Public Recreation to Zone E2 Environmental Conservation.

Lot Size Map

- (vi) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 500m² for all land proposed to be rezoned to Zone R2 Low Density Residential.
- (vii) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 40 hectares for all land proposed to be rezoned to Zone E2 Environmental Conservation.

Height of Buildings Map

- (viii) Amend the Height of Buildings Map (HOB_005B) by adopting a maximum building height of 9.0 metres for all land proposed to be rezoned to Zone R2 Low Density Residential.

Land Reclassification Map

- (ix) Insert a new Land Reclassification Map (RPL_005B) that identifies Part Lot 51 DP 803471 as "operational land".

Land Reclassification

- (vi) including the following text in Part 2 in Schedule 4 in the Port Stephens Local Environmental Plan 2013:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2013 (Amendment No XX)"	Nil.

Council resolved on 20 December 2011: "That Council as landowners, submit a planning proposal, to rezone Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a), and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2."

The relevant Council reports and resolutions are attached.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**Part 3 - Justification****Section A - Need for the planning proposal.****1. Is the planning proposal a result of any strategic study or report?**

The planning proposal is the result of a strategic study or report. It is an outcome of the 2008 Strategic Review of Council Owned Lands at Salamander/Soldiers Point.

The subject land is surplus to Council's open space requirements based on a set of selection criteria in Council's 2010 draft Open Space Strategy, and the land would not be identified as suitable for open space under the draft Open Space Strategy. Lot 598 was not acquired for open space purposes.

Council's Port Stephens Planning Strategy seeks to ensure a sufficient supply of a diverse range of housing in the Local Government Area (LGA). The Lower Hunter Regional Strategy projects 5300 additional infill dwellings in Port Stephens by 2031. The development of this land for housing will assist in achieving this projection.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Planning Proposal is the best way of making the site available for uses which meet Council's policy objectives.

The land does not meet Council's criteria for open space, and the surrounding area is supplied with open space to at least Council's standards of provision. From an open space perspective the proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a nearby bushland reserve, and a playground/ kick around area within 400m.

A study of the land by *Ecological Australia*, titled "Offset Requirements for Development of 22 Homestead Street Salamander Bay", examined the biodiversity status of the land and assessed three options for the development of the land (copy at Attachment 6). These options were:

- (1) Develop the entire site
- (2) Retain the endangered ecological community on the site and develop the remainder, and
- (3) Develop only the cleared lands.

The Study concluded that it would be theoretically possible to offset the biodiversity impacts of development under all three options, with required offsets of 7-9ha, 3-4 ha, and 0 hectares for each of the options respectively.

Ecological Australia Option 2 conserved some vegetation however the areas conserved were not an offset for the areas being impacted. Most importantly, *Ecological Australia* Option 2 still had an adverse impact on the north south biodiversity corridor by narrowing its width at a critical location. Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clearly distinguish it from the *Ecological Australia* Option 2.

A variant on *Ecological Australia* Option 2 (Option 2A) has been developed by Council. Council Option 2A has a reduced impact on the width of the north south biodiversity corridor and a reduced impact on vegetation generally relative to *Ecological Australia* Option 2, and was adopted by Council as the basis of this Planning Proposal. *Ecological Australia* Option 3 was not considered by Council to be capable of delivering a viable development parcel and *Ecological Australia* Option 1 was viewed as having an excessive impact on biodiversity.

Council has resolved as a land manager to submit a planning proposal based on Council Option 2A to rezone the land shown edged with a thick black line in Figure 9 to 2(a) Residential (Part Lot 598 DP 27382 and Part Lot 51 DP 803471), and to 7(a) Environmental Protection (the balance of

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Lot 598 DP 27382), and reclassify that part of Lot 51 DP 803471 within the thick black line in Figure 9 from Community to Operational Land.

The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and more detailed environmental investigation is undertaken commensurate with the greater level of detail required at that stage.

It is considered that any biodiversity offsets should be determined and provided at the development application stage when the actual extent of vegetation loss (if any) has been confirmed.

Figure 1: Lands proposed for rezoning and/ reclassification



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Section B - Relationship to strategic planning framework.

- 3. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?**

The proposal is consistent with the Lower Hunter Regional Strategy's (LHRS) policies which encourage residential infill development and increased housing choice. The proposal is not contrary to the Lower Hunter Conservation Plan.

- 4. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?**

The proposal is consistent with Council's Integrated Strategic Plan (Port Stephens 2022) which states that Council should provide for a range of lot sizes and housing types to respond to demographic needs and affordability, and that Council should provide a diverse range of fit-for-purpose, quality recreational assets which are safe and highly accessible – balanced with the ability to maintain these on a financially sustainable basis.

Council's Port Stephens Planning Strategy seeks to encourage a sufficient supply of a diverse range of housing in the Local Government Area (LGA).

The proposal is an outcome of Council's comprehensive Open Space Consolidation Review and draft Open Space Strategy, and accordingly is consistent with these strategic plans.

- 5. Is the planning proposal consistent with applicable State Environmental Planning Policies?**

SEPP (Affordable Rental Housing) 2009

The proposal potentially facilitates increased development on land to which the SEPP applies, and accordingly has the potential to increase the supply of affordable housing.

SEPP (Exempt and Complying Development Codes) 2008

The proposal potentially facilitates development on land to which the Exempt and Complying Development Code may be applied.

SEPP (Infrastructure)

The proposal is consistent with this SEPP.

SEPP (Building Sustainability Index: BASIX) 2004

The proposal is consistent with this SEPP.

SEPP (Housing for Seniors and People with a Disability) 2004

The proposal potentially facilitates development on land upon which housing for seniors and people with a disability may be developed.

SEPP 71 (Coastal Protection)

The land is affected by SEPP 71. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents would also need to be considered in any development application applying to the site.

SEPP 55 Remediation of Land

While there is no known contamination of the land, clause 6 in this SEPP requires the consent authority

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to be satisfied that the land does not have the potential to be contaminated as part of the rezoning process, particularly where land is proposed to be rezoned for residential purposes. In this regard, it is appropriate that a preliminary land contamination report be prepared and submitted to Council before the planning proposal is placed on public exhibition.

SEPP 44 Koala Habitat Protection

The subject land is subject to the Port Stephens Comprehensive Koala Plan of Management (PSCKPOM). Council's koala habitat mapping shows the western and southern part of the site is "preferred habitat", and the balance of the site is "mainly cleared" or "buffer over cleared" with the exception of a small area of "link over cleared" in the centre of the site. This would need to be considered in any development application for the land and development would need to avoid those area confirmed as "preferred habitat", and measures undertaken within the buffer area to protect koala movement, survival and impacts on habitat.

SEPP 9 Group Homes

The proposal facilitates development on land upon which group homes may be developed.

6. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?1.4 Oyster Aquaculture

Priority oyster aquaculture areas exist in the receiving waters of the catchment draining the subject land. Provided any development applies best practice water quality treatment for any runoff, it is considered that the aquaculture areas will not be adversely affected. This should be confirmed at the development application stage. It is considered that the proposal is consistent with this Direction.

2.1 Environment Protection Zones

The objective of this direction is to protect and conserve environmentally sensitive areas.

The proposal does affect environmental sensitive lands. Two studies undertaken by *Ecological Australia* have confirmed that the vegetated areas along the western and southern boundaries of the subject site are environmentally significant. The first study was undertaken as part of the Strategic Review of Council Owned Lands at Salamander/Soldiers Point, and the second more detailed study focused on the subject land and is at Attachment 6 to this Proposal). The environmentally significant land in the west of the subject site is also at a critical narrowing of a north-south wildlife movement corridor which links Stoney Ridge Reserve with ecologically significant lands to the south near Taylors Beach. Figure 2 shows the significant vegetation on the land.

The proposal being advanced (Council Option 2A) seeks to minimise impacts on significant vegetation and on the north south biodiversity corridor while achieving a viable development parcel. Part of Lot 598 DP 27382, 22 Homestead Street is proposed to be zoned for environmental protection. The proposal will require consultation with the NSW Office of Environment and Heritage in the first instance. Because the final development footprint is not known, it is proposed to determine biodiversity offsets at the development application stage.

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Figure 2: Environmentally sensitive areas



2.2 Coastal Protection

The objective of this direction is to implement the principles in the NSW Coastal Policy.

The land is within the coastal zone. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents such as the Coastal Design Guidelines would also need to be considered in any development application applying to the site.

2.3 Heritage Conservation

The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.

A search of the Australian Heritage Database, the Aboriginal Heritage Information Management system (AHIMS), the NSW Department of Planning Heritage Database and the Post Stephens Local Environmental Plan indicate that the site does not contain known areas of heritage significance.

2.4 Recreation Vehicle Areas

The objective of this direction is to protect sensitive land or land with significant conservation values from adverse impacts from recreation vehicles.

It is not proposed to enable a recreational vehicle area to be developed.

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3.1 Residential Zones

The objectives of this Direction are:

- To encourage a variety and choice of housing types to provide for existing and future housing needs
- To make an efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services
- To minimise the impact of residential development on the environment and resource lands.

The proposal facilitates additional housing in an established residential area

3.4 Integrating Land Use and Transport

The objective of this Direction is to ensure that development:

- Improves access to housing, jobs and services by walking, cycling and public transport;
- Increases the choice of available transport and reducing dependence on cars;
- Reduces travel demand including the number of trips generated by development and the distances travelled, especially by car;
- Supports the efficient and viable operation of public transport services; and
- Provides for the efficient movement of freight.

The proposal facilitates an increased yield on residentially zoned land in close proximity to neighbourhood level services. A weekday bus route is within 400 m of the site. Neighbourhood shops are within 500m of the site.

4.1 Acid Sulfate Soils

The objective of this Direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.

The southeastern third of the subject site is Category 1 –works below 2m below natural ground surface, the balance of the site is Category 2-works below ground surface. Council will require appropriate measures to be taken at a development application stage. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage the impacts of development on acid sulfate soils.

4.3 Flood Prone Land

The objectives of this Direction are:

- To ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005
- To ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.

The southernmost part of the land is flood prone according to Council's GIS mapping. Because of the location and topography, the nature of any flooding is likely to be slow acting, low depth and low velocity. The low lying nature of the land means that sea level rise may increase the flood risk. A flood assessment would be required prior to any development of the site. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage proposed development on flood prone land. It is noted that the adjacent residential and industrial areas also identified as flood prone on the Council's GIS mapping.

4.4 Planning for Bushfire Protection

The objectives of this Direction are to protect life, property and the environment from bushfire hazards, by discouraging the establishment of incompatible land uses in bushfire prone areas and to encourage sound management of bushfire prone areas.

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The proposal is rated as "vegetation buffer" except for the vegetated areas along to western and southern boundaries, which are Category 1. This will need to be taken into account in any development application for the site.

5. Implementation of Regional Strategies

The proposal is consistent with the Lower Hunter Regional Strategy.

6.2 Reserving Land for Public Purposes

The objectives of this direction are:

- to facilitate the provision of public services and facilities by reserving land for public purposes, and
- to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.

The Planning Proposal will remove a reservation of land for public purposes.

The proposal seeks to reclassify community land to operational land, and should this reclassification be supported, the public reserve status of Part Lot 51 will be no longer appropriate and will be revoked. The reasons for this are provided elsewhere in this report.

Section C - Environmental, social and economic impact.

7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The proposal may adversely affect critical habitat or threatened species, populations or ecological communities, or their habitats. The Planning Proposal seeks to minimise the ecological impact of the proposed rezoning by restricting vegetation loss. The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and investigation is undertaken commensurate with the greater level of detail required at that stage. A detailed environmental assessment would be undertaken at the development application stage in order to guide the final form of the development/subdivision.

A copy of a report on "Offset Requirements for 22 Homestead Street Soldiers Point" is attached. Ecological Australia Option 2 in the "Offset Report" proposes more extensive development and vegetation loss than the adopted Council Option 2A upon which this Planning Proposal is based. Council Option 2A has an impact between that of Ecological Australia Options 2 and 3 that are discussed in the "Offset Report". Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clear distinguish it from the Ecological Australia Option 2.

The land is not located within the LHRS green corridor or any areas identified by the Lower Hunter Conservation Plan as being of conservation significance.

8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

No significant effects.

9. Has the planning proposal adequately addressed any social and economic effects?

Yes. The nearest community land is adjacent and offers a range of recreational experiences.

The social impacts of the proposal are:

- A potential increase in the supply of housing, albeit in an area affected by aircraft noise.

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- Possible community reaction to the reclassification- which will be determined through the public exhibition process.

The economic effects are:

- Potential employment creation associated with the construction and on going occupation of any dwelling on the site
- Infrastructure efficiencies achieved as a result of infill development.

The environmental impacts of the proposal are:

- The potential loss of vegetation on the site
- The environmental impacts associated with the construction and ongoing operation of any dwelling on the site.
- The rezoning and protection of open space zoned land as environmental protection.

These negative impacts of the proposal can be reduced by any resultant dwelling complying with BASIXs and any other environmental policies which may apply at a local, State or National level, by minimising the impact of the final development footprint on significant vegetation and by providing biodiversity offsets if appropriate.

Section D - State and Commonwealth interests.

10. Is there adequate public infrastructure for the planning proposal?

The reclassification proposal does not require additional public infrastructure.
Water, sewer, electricity and telecommunication services are currently provided to the area.

11. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

Consultation with relevant authorities will be undertaken following the gateway determination.

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Part 4 – Mapping

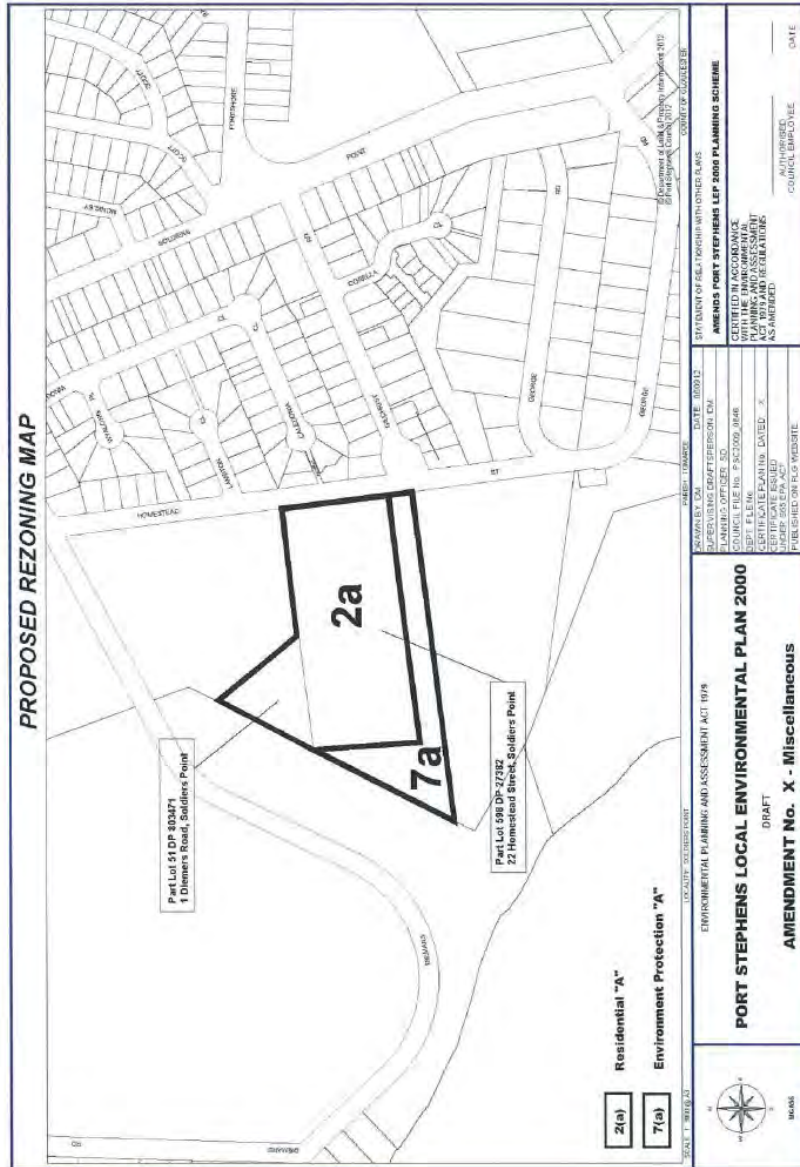
Locality Map



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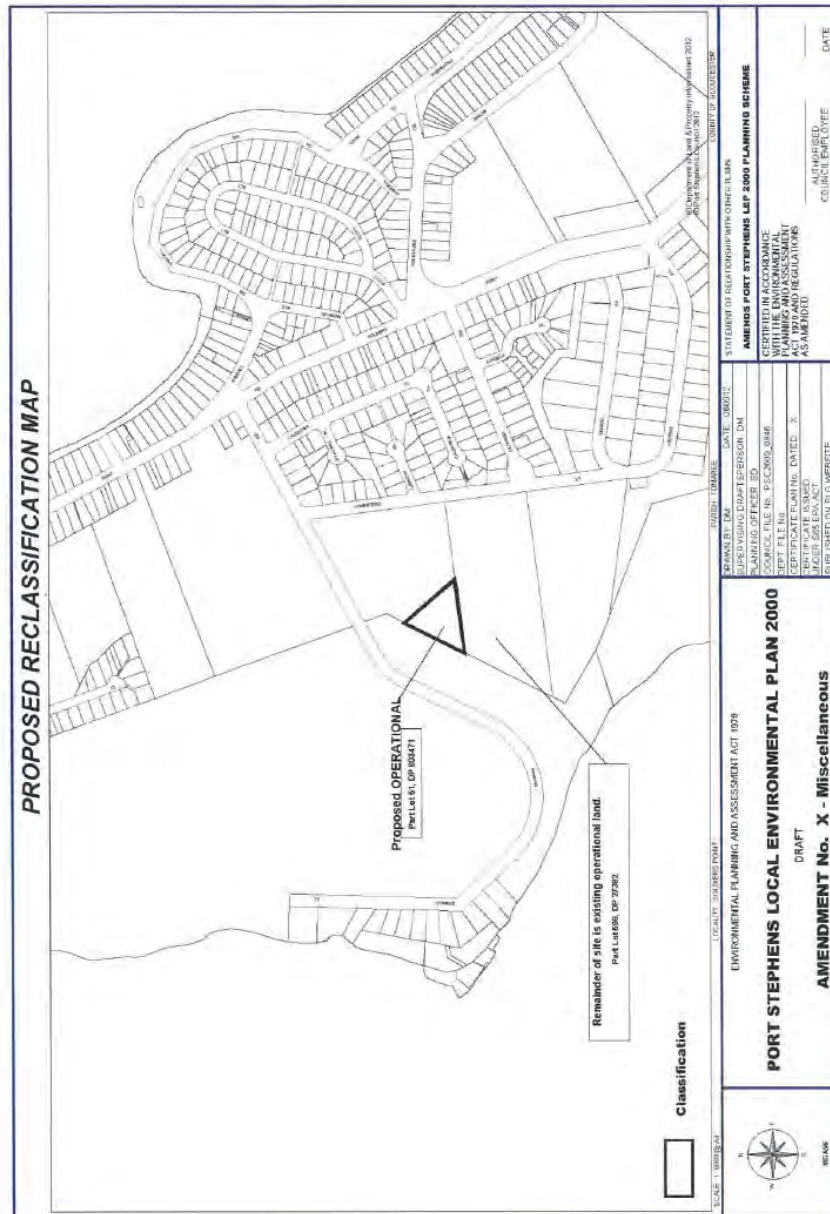
Proposed Rezoning Map



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Proposed Land Reclassification Map



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Part 5 – Community Consultation

The planning proposal will be exhibited in accordance with the requirements of the Environmental Planning and Assessment Act and the Local Government Act and their regulations, and in accordance with Sections 5.5.2 and 5.5.3 of the Department of Planning and Infrastructure guideline "A guide to preparing Local Environmental Plans" (April, 2013). The LEP Practice Note PN 09-003 "Classification and reclassification of public land through a local environmental plan" and the *Best Practice Guideline for LEPs and Council Land* will also be included in the public exhibition documentation.

This includes public notification of the exhibition, inviting public submissions, and holding a public hearing.

Notice of the arrangements for the public hearing will be given in a local newspaper; and in a letter to each person who may have made a submission, at least 21 days before the date of the hearing. Notice of the public hearing will not be given before the conclusion of the public exhibition of the planning proposal to ensure each person making a submission is given the requisite 21 days notice.

The exhibition period will be for a minimum of 28 days or the period specified in the Gateway Determination and will include the availability of hard copy exhibition material at a local venue, Council libraries, the Council administration building and for download from the internet.

Following the exhibition, the public submissions and the outcome of the public hearing will be assessed, and a recommendation made to Council for their consideration.

Part 6 – Project Timeline

The planning proposal will require consultation with the NSW Office of Environment and Heritage and the preparation of a preliminary land contamination report. Accordingly, a 6 month period has been allocated for these tasks. Council anticipates that the draft LEP will be finalised by June 2014.

	Task Description	Estimated Timeline
1.	Gateway Determination	June 2013
2.	Completion of required technical information	December 2013
3.	Government agency consultation	December 2013
4.	Public exhibition period	February 2014
5.	Public hearing	March 2014
6.	Consideration of submissions and finalise the draft plan	May 2014
7.	Submission to Department with request to make the plan.	June 2014

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ADDITIONAL INFORMATION

Comments relevant to LEP Practice Note PN 09-003.

Location

The land proposed for rezoning is Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay). Land proposed for reclassification is Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) ("the site"). The subject land is shown on the map at Figure 1 and Attachment 4. An aerial photograph of the site is at Attachment 5.

The site is located in a suburban area in the suburb of Soldiers Point in the Port Stephens Local Government Area.

Figure 1: Subject land shown outlined in red



Site description

Lot 598 is 38076 square metres in area and Part Lot 51 is approximately 5300 square metres. Lot 598 has a frontage to Homestead Street of approximately 130 metres. Figure 2 shows that site is largely cleared, with native vegetation containing canopy trees and understorey shrubs towards the western and southern boundaries of the site (see also Figure 3). The triangular area of land occupied by Part Lot 51 is cleared over one third and the balance covered by large native canopy trees with a grass understorey (Figure 4). Part Lot 51 is a southern part of the Stoney Ridge Reserve.

A detached dwelling was located near the centre of Lot 598 and has been demolished along with any other improvements on the land, with the exception of boundary fencing.

The site is adjacent to a residential neighbourhood- with largely detached dwellings to the east (across Homestead Street) (Figure 5) and a manufactured home village immediately to the north Figures 6 and 7). A sewer pump station is located within the manufactured home estate, adjacent to the boundary with Lot 598. There is a 70-100 m wide corridor of native vegetation to the west, part of which is on the subject land, and beyond a quarry. To the south the land is covered by swamp sclerophyll forest, part of which is on the subject land (Figure 8).

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Occupants of the manufactured home village appear to be using the triangular shaped Part Lot 51 for the storage of caravans and the like. (Figure 4)

The site is relatively flat and low lying. It appears to drain toward the south and southeast.

The site has no signs of being used for formal or informal recreation activity.

Homestead Street is sealed but does not have kerbing and guttering adjacent to the site. It would require a more formalised drainage and road shoulder treatment if the subject land is to be developed.

The land:

- Has access to urban infrastructure, including services, local shops and parks
- Is adjacent to land zoned for residential and other development permissible in a 2(a) Residential A zone.
- Is mainly cleared
- Can probably be developed in way which achieves substantial residential development, and at the same time achieve an "improve or maintain" biodiversity outcome.
- Contains habitat for endangered species
- Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management.
- Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours.
- Is mainly flood prone
- Is partially bushfire prone
- Needs to be carefully managed for acid sulfate soils
- Has community land nearby for informal recreation.

Figure 2: Aerial photograph showing surrounding dwellings, vegetation to the south and west, and dwellings to the north and east.



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Figure 3: Panorama photograph of the Site, looking W from Homestead Street



Figure 4: Part Lot 51 showing private use of Council land



Figure 5: Looking N along Homestead Street, the subject land to the left, detached dwellings to the right.



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HOMESTEAD STREET, SALAMANDER BAY.**

Figure 6: Looking NE across the Site to the manufactured home village.



Figure 7: Manufactured Home Estate along the northern property boundary



Figure 8: Environmentally significant vegetation to the S and W of the subject land



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**Current classification**

Lot 598 is classified as Operational Land, and Part Lot 51 is classified as Community Land and categorised as Natural Area (Bushland).

Current zoning

The subject land is zoned 6(a) General Recreation under the Port Stephens Local Environmental Plan 2000. The adjacent land to the north and east is zoned 2(a) Residential A. The adjacent land to the west and south is zoned 6(a) General Recreation.

Reasons why Council acquired an interest

Council acquired Lot 598 in 1996. It was intended that Lot 598 and the Council owned Lot 599 would be rezoned and developed as light industrial land. This did not eventuate.

It is believed Council acquired Lot 51 in 1955 as part of the acquisition of a much larger area of land from the Commonwealth of Australia. This land had been intended for the establishment of a naval base, however this did not eventuate and the site was sold to the Council by the Commonwealth.

Any current agreements over the land

There is no current agreement over the land.

Financial implications for Council

Council would receive revenue from the proposed disposal of the land. Council would achieve minor operational cost savings from no longer maintaining the land. The 2010 Notice of Valuation by the Valuer General states that the value of the Lot 598 as open space is \$ 450,000. The value of Part Lot 51 has not been estimated at this time.

The development of a residential subdivision is estimated by Council to yield approximately 30 lots. The current cost of developing lots is around \$80,000 per lot, making a project cost of around \$2.4 million. The lots may be marketed for \$160,000-\$180,000 per lot based on other residential estates in the area. Adopting \$170,000 as the median price, the total income from the development has the potential to return from \$5.1 million gross, or \$2.7 million net.

Related asset management objectives

The rezoning and reclassification, and proposed disposal of the land are consistent with Council's asset management and policy framework for open space.

Any proposal to extinguish or retain other interests in the land through reclassification

It is proposed to revoke the public reserve status applying to Part Lot 51.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.****A justification/ explanation as to why such interests are being extinguished**

Part Lot 51 is not required to be community land to fulfil its proposed purpose and it is proposed to reclassify the site as operational land. The public reserve status of the land would no longer be appropriate.

Any rezoning associated with the reclassification

It is proposed to rezone Part Lot 51 from 6(a) General Recreation to 2(a) Residential A.

Council's intention

Council's intention is to rezone and reclassify the land, as described, in order to permit the development of most of the land and to dispose of most of the land consistent with the adjacent residential zoned land, while at the same time protecting the majority of the land of biodiversity significance by rezoning 7(a) Environmental Protection "A" and retaining Council ownership.

Is there a net community benefit?

The site is adjacent to an existing residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with electricity, water, sewer and telecommunication services.

The proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a playground and kick around area within 400m. The Stoney Ridge reserve also provides informal recreation opportunities, with public access being located adjacent to the site.

As described above, development of the site for residential purposes along the lines of Council Option 2A (the Planning Proposal) aims to achieve a balance between the conservation of vegetation and development viability.

There is a net community benefit from the reclassification of the land. It is not serving a public purpose and is not required for alternative community uses. The eventual disposal of most of the land will provide for additional housing in the area, and will generate revenue for Council to meet the need for facilities and services within the LGA. Most of the vegetation on the site is not affected by the proposed rezoning and will be protected under an environmental protection zoning.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT I

COUNCIL REPORT OF 13 DECEMBER 2011

COUNCIL COMMITTEE – 13 DECEMBER 2011

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL

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

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

BACKGROUND

The purpose of this report is for Council as landowner to submit a Planning Proposal to the Environmental and Development Planning Section to partially rezone 22 Homestead Street Lot 598 DP 27382 Salamander Bay from 6(a) Recreation to 2(a) Residential and Environmental 7(a) and reclassify and rezone Part Lot 51 DP 803471 from Community to Operational and from 6(a) to Residential 2(a) (see Attachment 1).

Council purchased the 3.8ha (22 Homestead Street) parcel of land in late 1996. The land was zoned 6(a) Open Space. Upon acquisition by Council the land was classified "Operational. It was the intention of Council at the time of the acquisition that the land be consolidated with the adjoining Council owned lot (Lot 599) with a view to extend the light industrial zoning and create 40 industrial allotments (attachment 4). Prior to Council's purchase of the land the previous owner of 22 Homestead Street had made approaches to Council regarding lodging an application to rezone the lot to residential. 22 Homestead Street is located in a suburban area in the suburb of Salamander. Adjoining the land to the north and east is existing residential dwellings and it would be a logical extension of the adjacent residential zoning. A report was prepared by Strategy Hunter in January 2008 on various sites in Salamander Bay and Soldiers Point of which 22 Homestead Street was one. The report recommended that 22 Homestead Street be rezoned to part 2(a) Residential and Part 7(a) environmental.

Council resolved on the 8 June 2010 that Council investigate rezoning the whole site to residential and that Council have the opportunity to have another ecologist review the site and potential offsetting.

Additionally the Hunter Strategy Report recommended the reclassification and rezoning of a triangular piece of land adjoins 22 Homestead Street to the south and existing residential to the west. This will provide an improved urban and development outcome.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
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To facilitate the rezoning and reclassification a Planning Proposal was prepared by Hunter Strategy to submit firstly to Council then to the Department of Planning and Infrastructure under the provisions of the "Gateway Process". The ecological review forms part of the Planning Proposal.

The Planning Proposal that has been prepared supports that the land does not meet the criteria for Open Space and that the surrounding area is supplied with open space to at least Council's standards of provision.

Additionally the report makes the following observations:

The site:

Has access to urban infrastructure, including services to local shops and parks
Is adjacent to land zoned for residential and other development permissible in a 2(a) residential zone
Is mainly cleared
Can probably be developed in a way which achieves substantial residential development and at the same time achieve an "improve or maintain" biodiversity outcome
Contains habitat for endangered species
Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management
Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours
Is mainly flood prone
Needs to be carefully managed for acid sulphate soils
Has community land nearby for informal recreation.

The previous ecological assessment found the subject site offers high value interconnectivity between vegetation remnants to the southwest and southeast and linking to the north, it states that it is essential that the integrity of the corridor is retained in perpetuity. The vegetation in the southern part of the site was also found to comprise of Swamp Mahogany Forest, an Endangered Ecological Community. This part of the subject site is also mapped as preferred koala habitat in the Port Stephens Comprehensive Koala Plan of Management.

The most recent study of the land by Ecological Australia prepared in April 2011 noted that 32% of the site contained Endangered Ecological Community (EEC) listed under the NSW Threatened Species Conservation Act (Swamp Mahogany – Paperbark Forest).

The report then considered three options for the development of the land and considered the options capability to achieve the "improve and maintain outcome" as calculated by the Biodiversity Certification Assessment Methodology. An improved and maintain outcome is achieved where there is no impact on "red flagged" species or ecosystems and where all losses of non – red flagged species and ecosystems are fully offset.

The options were:

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

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Option 1 - Develop the entire site

(4.34 hectares = 43 allotments)

Option 2 - Retain the endangered ecological community on the site and develop the remainder.

(Approximately 3.34 hectares = 33 allotments)

Option 3 - Develop on the cleared lands.

(Approximately 2.34 hectares = 23 allotments).

The study concluded that it would be theoretically possible to offset the biodiversity impacts of the development but also stated that it would be unlikely Option 1 or 2 would be supported by the Office of Heritage and Environment (OEH) regardless of any offset proposal. This is because Option 1 and 2 will reduce the width of the north-south corridor by around 30%. Option 1 would require the clearing of the EEC and the "improve and maintain" outcome cannot be achieved because of the red flag rule therefore Council would need to demonstrate that proposal could meet certain criteria which would then have to be approved by OEH, the report considers that it is highly unlikely. Option 2 protects the EEC however clears two other vegetation communities (Coastal Sand Apple – Blackbutt Forest and Coastal Foothills Spotted Gum comprising 16% of site coverage) and the "improve and maintain" outcome is not achieved within the site boundaries. However it is assumed that the retained vegetation would be managed and improved therefore is providing a better outcome for the site. Option 3 has no impact on biodiversity but to develop only the cleared portion of the land would not be financially viable. It is therefore recommended that Council proceeds with Option 2.

FINANCIAL/RESOURCE IMPLICATIONS

Council would receive revenue from the proposed disposal of the land. The value of the land will significantly increase with the change of zoning to Residential 2a. The development of a residential subdivision is estimated to realise a yield of approximately 30 housing lots, based on the developable area being proposed.

The current cost of developing residential allotments is circa \$80k per lot, making a project cost of circa \$2.4m. Based on other residential estates in the Port Stephens LGA, it is estimated that the lots could be marketed at \$160k to \$180k per lot. Adopting \$170k as the median price, the total income from the development has the potential of returning \$5.1m.

LEGAL, POLICY AND RISK IMPLICATIONS

The subject land requires approval by the Department of Planning for the rezoning of the land from 6(a) General Recreation to 2(a) Residential and 7(a) Environmental and part of the land, being the triangular section located between 22 Homestead Street and the adjoining relocatable home village, also requires reclassification from Community to Operational.

On successful completion of the Rezoning and Reclassification process, the land will require the preparation of a Development Application for the subdivision into

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

residential lots. On approval, the construction of the subdivision works will take place, with registration of the final plan of subdivision by the Land & Property Information on completion of the works.

The above processes are anticipated to be quite lengthy.

The sale of the land is consistent with the Property Investment and Development Policy.

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The amount of land available for residential development within the Tomaree Peninsula is a limited resource. The land provides Council with an opportunity to provide additional housing lots in an existing residential area within the Port Stephens Local Government Area.

This project will create economic stimulus for the community, through construction and a further revenue stream for Council through land sales. The creation of additional housing lots also provides a further flow on effect in the form of additional ratepayers.

Part of the site contains endangered ecological community, however the proposal does not intend to develop these areas. The environmental constraints are addressed and there will be minimal impact on the environment.

CONSULTATION

- 1) Group Manager - Sustainable Planning;
- 2) Strategic Planning Staff.

OPTIONS

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

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENTS

- 1) Development Option 2;
- 2) Development Option 1;
- 3) Development Option 3;
- 4) Business Paper September 1996.

Marked up aerials:

Yellow Boundary = Lot Boundary

Black Boundary = Proposed rezoning

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE - 13 DECEMBER 2011

ATTACHMENT 1

22 Homestead Street, Salamander Bay

596
DP 27382

599
DP 868207

Port Stephens COUNCIL

OPTION 1
Entire Site rezoned 2a

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Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 3



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 4

Minutes of 10 September 1996 Ordinary Meeting

CONFIDENTIAL
CORPORATE COMMITTEE

ITEM NO 2 FILE NO: M3470-10
PROPOSAL TO PURCHASE LOT 598 GEORGE ROAD,
SALAMANDER BAY

AUTHOR: Jim Neely

GENERAL MANAGER'S RECOMMENDATION:

1. That Council accept the offer from Banora Projects P/L to sell Lot 598 DP 27382 George Road, Salamander Bay for \$325,000.00.
2. That the Common Seal of Council be affixed to all necessary documents;
3. That under Section 31 of the LG Act 1993 the land be classified "operational".

Manager Comments: The appropriate co-ordination and corporate consultation has taken place.

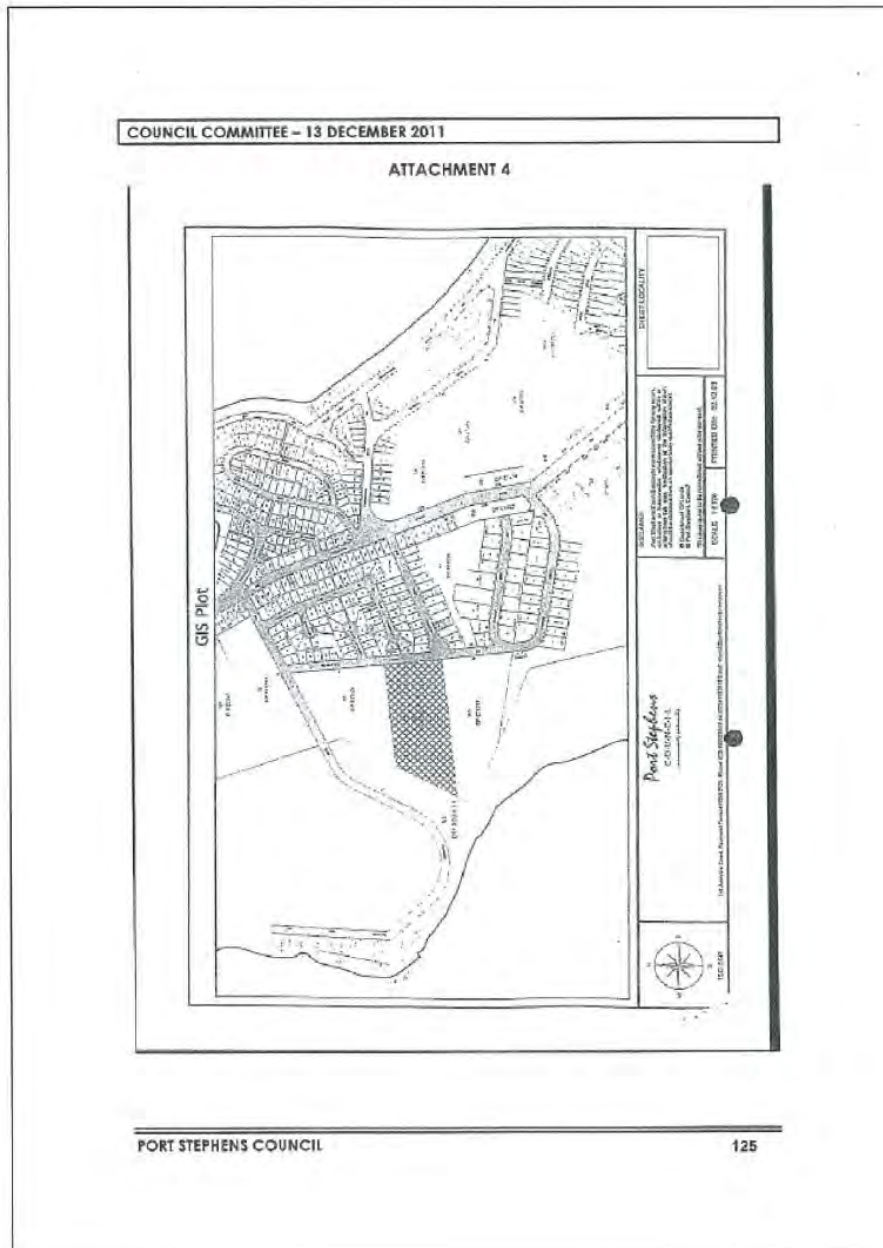
Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

536 Councillor MacKenzie Resolved that the Corporate Committee's
Councillor Creighton Recommendation be adopted.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 4

Minutes of Ordinary Meeting 10 September 1996

CONFIDENTIAL
CORPORATE COMMITTEE

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SALAMANDER BAY

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3. That under Section 31 of the LG Act 1993 the land be classified 'operational'.

Menex Comments: The appropriate co-ordination and corporate consultation has taken place.

Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

536 Councillor MacKenzie Resolved that the Corporate Committee's
Councillor Croighton Recommendation be adopted.

BACKGROUND

Council is the owner of Lot 599 George Road, Salamander Bay and now has the opportunity to acquire the adjoining Lot 598 having an area of approximately 9 acres (see Attachment 10.1).

The acquisition of this property is seen to have two benefits. Firstly, it would together with the adjoining allotment already owned by Council, be a logical extension of the adjacent Light Industrial zoning. Secondly, a proposed road through this land could link with the existing quarry and provide a more desirable route for trucks that use the quarry. Residents have continually complained about the noise and dust from trucks that travel along George Road.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 4

Minutes of Ordinary Meeting 10 September 1996

This proposal would create approximately forty (40) light industrial allotments and provide for the closure of part of George Road (see Attachment 10.2). It is estimated that Council would make a profit on the development in the order of \$500,000.

Both allotments of land are zoned Public Recreation 5(a) and would require re-zoning for this proposal to proceed. The owner of Lot 598 could require Council to acquire this property under the provisions of Council LEP 1997.

The owner of Lot 598 has approached Council with a view to lodging an application to have the land re-zoned Residential 2(a), or failing this, to develop a Mobile Home Park that is permitted under the current zoning. Following further negotiations with the owner he has agreed to sell the land to Council for \$325,000.00 (see Attachment 9.3).

Council has obtained a valuation from Wolthers Pawlik Sinn P/L who have valued the land as follows:-

Based on current Public Recreation 5(a) zoning	-	\$200,000.00
Based on Residential 2(a) zoning	-	\$380,000.00

Given the potential advantages to be had it is recommended that Council acquire this property. The major risk to Council is that an application to re-zone the land Light Industrial may be unsuccessful.

FINANCIAL/RESOURCE IMPLICATIONS

Funds are available in the Acquisition of Assets Reserve.

LEGAL AND POLICY IMPLICATIONS

Nil

PUBLIC IMPACT

Once the land is acquired the proposal could be communicated to the residents in the area who would more than likely favour the proposal.

CONSULTATION

Some Councillors have inspected the site. Other Council Departments have been consulted.

OPTIONS

Accept/reject the recommendation

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 2

COUNCIL RESOLUTION OF 20 DECEMBER 2011

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011			
ITEM NO. 7	FILE NO: PSC2006-6753		
REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL			
REPORT OF: CARMEL FOSTER – COMMERCIAL PROPERTY MANAGER			
GROUP: COMMERCIAL SERVICES			
RECOMMENDATION IS THAT COUNCIL:			
)) That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 1) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 1 .			
COUNCIL COMMITTEE MEETING – 13 DECEMBER 2011			
RECOMMENDATION:			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Councillor Ken Jordan Councillor Bob Westbury</td> </tr> <tr> <td style="padding: 2px;">That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2.</td> </tr> </table>	Councillor Ken Jordan Councillor Bob Westbury	That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .
Councillor Ken Jordan Councillor Bob Westbury			
That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .			
In accordance with the Section 375A, Local Government Act 1993, a division is required for this item.			
Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Nell, Frank Ward, Sally Dover and Glenys Francis.			
Those against the Motion: Nil.			
ORDINARY COUNCIL MEETING – 20 DECEMBER 2011			
451	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Councillor John Nell Councillor Sally Dover</td> </tr> <tr> <td style="padding: 2px;">It was resolved that Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and</td> </tr> </table>	Councillor John Nell Councillor Sally Dover	It was resolved that Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and
Councillor John Nell Councillor Sally Dover			
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PORT STEPHENS COUNCIL	25		

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011

	Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .
--	--

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

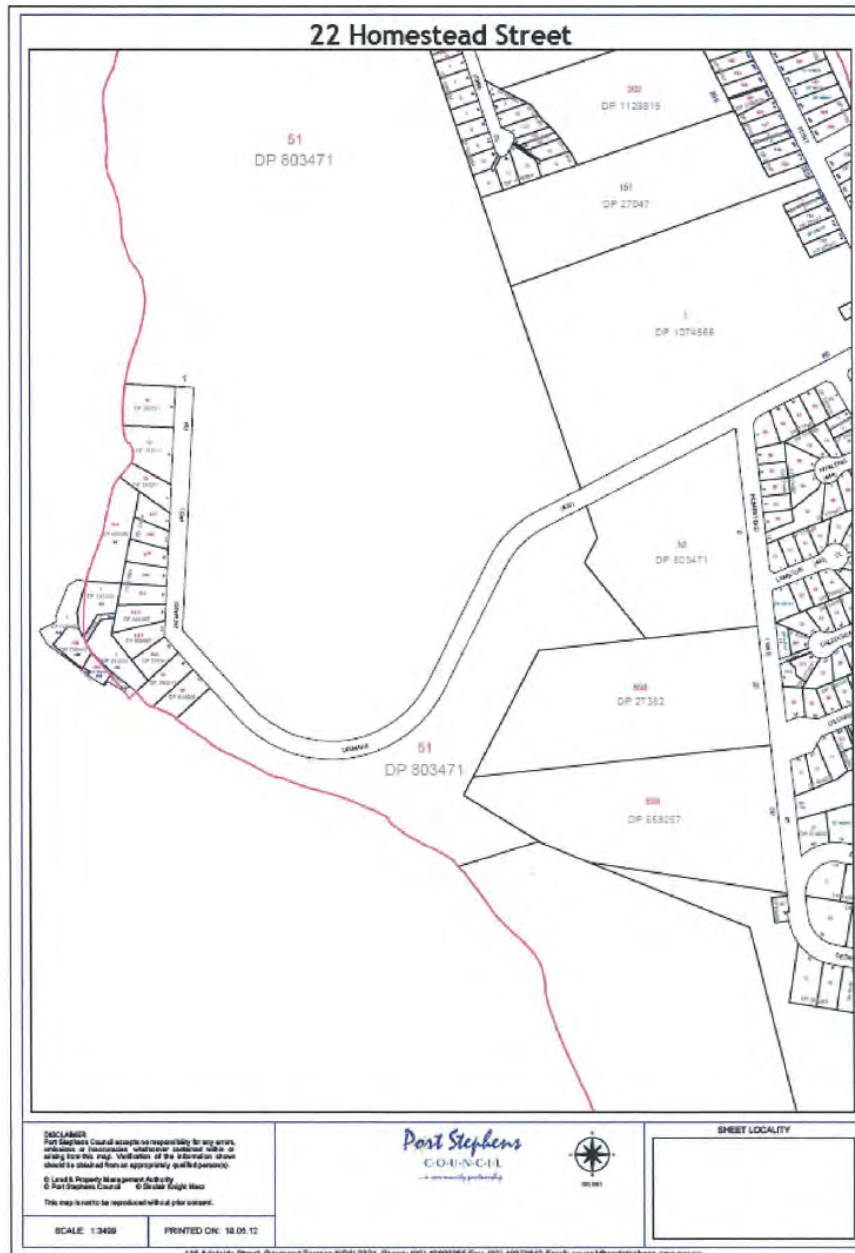
Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Neil, Sally Daver and Glenys Francis.

Those against the Motion: Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 3

CADASTRE PLAN



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
Version 1.0 (2 May 2013) p 35

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 4

AREA MAP



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 5

AERIAL MAP

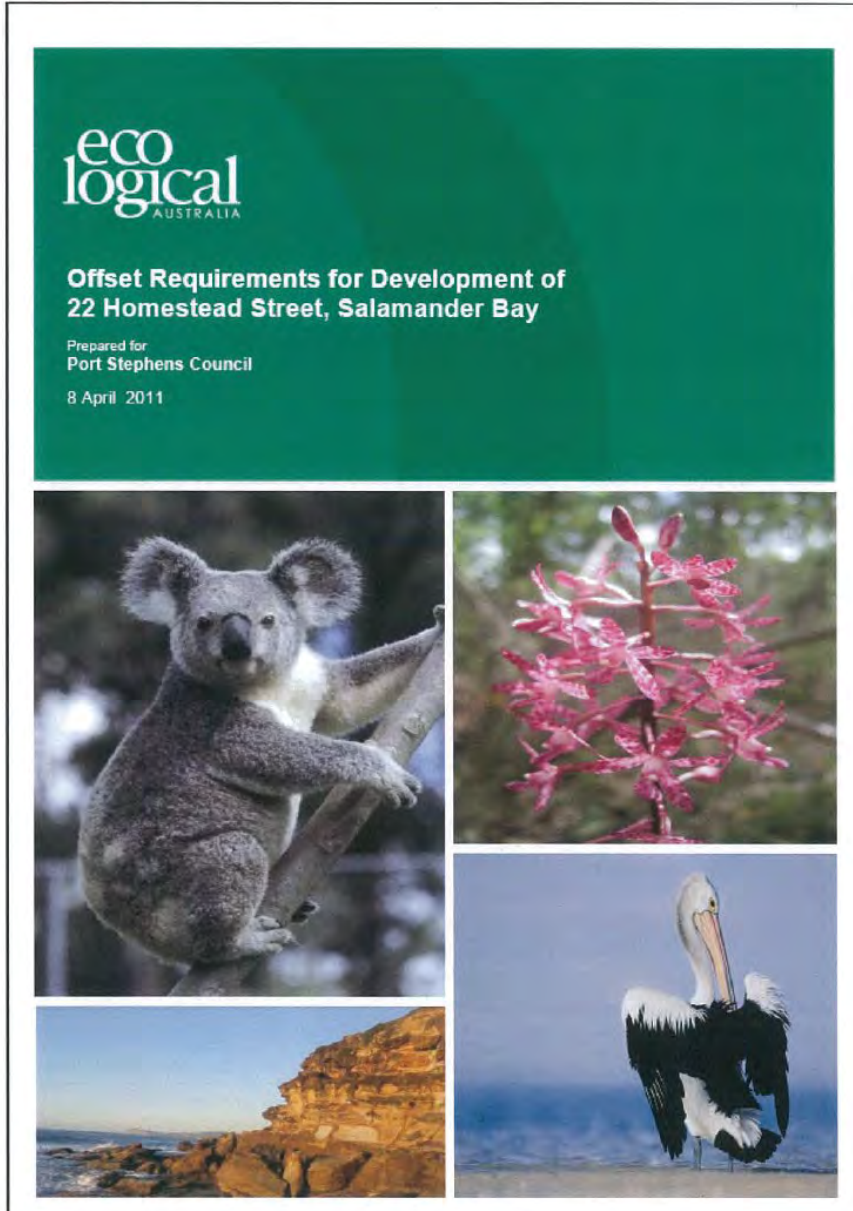


Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 6

ECOLOGICAL AUSTRALIA REPORT "OFFSET REQUIREMENTS FOR DEVELOPMENT OF 22 HOMESTEAD STREET SALAMANDER BAY" – 8 APRIL 2011



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
Version 1.0 (2 May 2013) p 38

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

DOCUMENT TRACKING

ITEM	DETAIL
Project Name	Offset Requirements for Development of 22 Homestead Street, Salamander Bay
Project Number	11NEWENV-004
File location	H:\Synergy\Projects\11 Projects\11 NEWENV\11NEWENV-0004 Homestead Street Offset Options
Prepared by	David Bonjer, Antony Von Chrismar
Approved by	Darren James
Status	Final
Version Number	2
Last saved on	8 April 2011

This report should be cited as 'Eco Logical Australia (2011). Offset requirements for Development of 22 Homestead Street, Salamander Bay, Prepared for Port Stephens Council.'

ACKNOWLEDGEMENTS

This document has been prepared by Eco Logical Australia Pty Ltd with support from David Crofts of Strategy Hunter.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

Abbreviations

ABBREVIATION	DESCRIPTION
BCAM	Biodiversity Certification Assessment Methodology
DECCW	Department of Environment, Climate Change and Water
EEC	Endangered Ecological Community
ELA	Eco Logical Australia Pty Ltd
EPBC	Environment Protection and Biodiversity Conservation Act
PSC	Port Stephens Council
TSC	Threatened Species Conservation Act

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

1 Introduction

1.1 PURPOSE OF THIS REPORT

Port Stephens Council (PSC) are investigating development options for 22 Homestead Street Salamander Bay. A previous report (ELA, 2007) recommended that development be contained within the cleared part of the site, however with the flexibility that can be provided through the use of biodiversity offsets. Council wants to re-visit the site and determine whether a greater development footprint can be justified if accompanied by an appropriate biodiversity offset.

This report responds to a brief supplied by PSC via Strategy Hunter. The brief included the following scope of works:

1. Identify the potential for, and nature of, any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.
2. Consider options within the above area which may achieve the best balance between offsets and development yield.
3. Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement.

1.2 STUDY AREA

The study site is lot 508 DP 273522 and an adjacent triangular piece of land, part lot 51 DP 803471. The site is located at Salamander Bay (Figure 1).

The ecological values of the site have briefly been described ELA (2007). The site has 45.2% vegetation cover, with 32% of the site containing an Endangered Ecological Community (EEC) listed under the NSW Threatened Species Conservation Act (Table 1 and Figure 3). The native vegetation communities on site are Preferred Koala habitat under the Port Stephens Comprehensive Koala Plan of Management (Figure 2) and are in moderate to good condition. The vegetation along the western boundary forms part of a north-south biodiversity corridor.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



Figure 1 Study Area

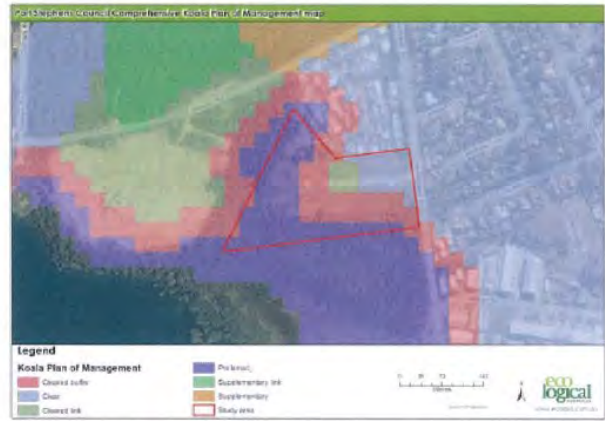


Figure 2 Koala Habitat

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

Table 1: Vegetation communities

REMs vegetation community Name (NPWS 2000)	Biometric Vegetation Type	EEC	Area (ha)	% of site
Coastal Sand Apple - Blackbutt Forest (MU33)	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	No	0.3	6.6
Coastal Foothills Spotted Gum - Ironbark (MU15)	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin	No	0.4	9.4
Swamp Mahogany - Paperbark Forest (MU37)	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Yes	1.4	32.2
Cleared		No	2.2	51.8
Total			4.3	100.0

1.3 DEVELOPMENT SCENARIOS

Three development scenarios were identified for consideration in consultation with Strategy Hunter (Table 2 and Figures 3, 4 and 6). In each scenario, it is assumed that the development area is to be fully cleared of vegetation and will contain bushfire asset protection zones. Where land is to be conserved it is assumed the vegetation will be improved by undertaking conservation management actions such as weed removal, feral animal control, fencing and rehabilitation of degraded areas.

Table 2: Development Scenarios

Scenario	Notes	Conservation (ha)	Development (ha)	Clearing (ha)	Approx Ratio (conservation : clearing)
1	Develop entire site	0	4.3	2.1	0 : 2
2	Retain EEC and develop remainder	1.4	2.9	0.7	1 : 2
3	Develop only cleared lands	2.1	2.2	0	2 : 0

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2 Methodology

2.1 BIODIVERSITY CERTIFICATION ASSESSMENT METHODOLOGY

Three development scenarios were analysed using the Draft Biodiversity Certification Assessment Methodology (BCAM) (DECCW June 2010). The rationale for choosing this method is as follows:

- The methodology takes a "biometric" approach, meaning results are presented in a numerical format. This allows easy comparison of development and offset options.
- The methodology has been developed by DECCW and is objective and defensible. These are important factors, particularly where a proposal may have concerns raised by the community.
- DECCW developed the methodology for use in strategic planning projects.

The BCAM uses the 'improve or maintain' outcome as a benchmark. 'Improve or maintain' is a stated goal of several NSW policy documents relating to urban development and conservation, including:

- Sustainability Criteria in the Lower Hunter Regional Strategy (DoF, 2006)
- Lower Hunter Regional Conservation Plan (DECC, 2009)
- Biodiversity Certification under the Threatened Species Conservation Act

An 'improve or maintain' outcome is achieved where there is no impact on "red flagged" species or ecosystems (discussed below) and where all losses of non-red flagged species and ecosystems are fully offset.

The methodology firstly calculates the number of ecosystem credits and threatened species credits required to offset development impacts. The number of credits required depends on the amount, type and condition of ecosystems and threatened species being cleared and also takes into account the position of that site in the landscape.

Credits are generated by a proposal by securing and improving the management of biodiversity, either on-site or off-site. The credit generating potential is determined by the management actions to be undertaken and the security of conservation lands. Permanently managed and funded conservation lands (such as those transferred and gazetted as a NPW Act reserve or registered as a Biobank site) receive 100% of credits generated, where-as conservation areas that are secured under a Voluntary Conservation Agreement or are managed by Council in accordance with a Plan of Management receive 90% of credits generated.

Of particular relevance to the Homestead Street proposal is the BCAM "red flag" rule. Some threatened species and all EECs (if in moderate to good condition) are "red flagged". This means that a project resulting in the clearing or loss of these species cannot achieve an 'improve or maintain' outcome and therefore cannot be biodiversity certified. The methodology does allow for variations to these red flags rules, but only where it is shown the development meets the following criteria:

- I. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered.
- II. Contribution to regional biodiversity values must be low
- III. Viability must be low or not viable

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IV. Offset requirements must be met in full

The methodology also has rules known as "additionality rules". These apply when the landowner of the conservation site has existing legal obligations to manage the land for conservation. Where such obligations already exist, the additionality rules reduce the number of credits that can be generated from the conservation land. For example, if the off-set site had an existing legal obligation under a Voluntary Conservation Agreement (NPW Act) or a Property Vegetation Plan (Native Vegetation Act 2003), the site may not be able to be used as an offset for a development.

Limitations

This study was a desktop analysis offset options. Information regarding the site was based on ELA (2007) which itself was a preliminary conservation assessment of the site. No fauna survey data was available. The study therefore has certain limitations and assumptions as described below.

- The methodology is based on the draft BGAM exhibited in June 2010. The new methodology may produce slightly different results to this assessment, however ELA believe the current draft methodology provides an adequate guide to the extent of type of offsets required.
- The Biocertification Methodology requires specific biometric information to be gathered in the field. Without that biometric information, the following assumptions were made:
 - Given the vegetation appears to be in moderate to good condition, ELA have assumed it has a current score of 80 out of 100.
 - That all vegetation within a proposed development area would be cleared.
 - All vegetation in the "conservation" areas is to be retained and managed for conservation purposes (weed removal, pest control etc) in accordance with a management plan.
 - That no "additionality" rules apply to the potential offset sites.
- Threatened species credits could not be calculated as field survey for threatened fauna and flora has not been undertaken. The implications of this limitation are discussed in the results section.

2.2 COMPARISON TO PORT STEPHENS COMPREHENSIVE KOALA PLAN OF MANAGEMENT

Port Stephens Council has adopted a Comprehensive Koala Plan of Management under State Environmental Planning Policy 44. The plan provides for the consideration of koala habitat during the assessment of development applications and LEP amendments. With regard to LEP amendments (i.e. rezonings) the CKPoM contains four criteria against which each rezoning will be assessed. This study has assessed each development scenario against the rezoning criteria and presents the results in section 3.

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3 Results

3.1 IMPROVE OR MAINTAIN

This section describes the extent to which the development scenarios achieve an "improve or maintain" outcome as calculated by the Biodiversity Certification Assessment Methodology.

Table 3 shows the ecosystem credits required and ecosystem credits generated for each scenario.

As noted in the Methodology section, whilst ecosystem credits can be calculated using existing information, it is not the same for all threatened species credits. Some threatened species (mostly mammals and birds) are covered by the ecosystem credits, however others species have their own offset requirements. This applies mostly to threatened flora as well as threatened fauna such as amphibians and reptiles. These threatened species will have their own offset ratio – typically around 4:1 or 8:1, although some species are as high as 12:1 and as low as 2:1. If such threatened species are found on the Homestead Street site, the offset will also need to satisfy these threatened species credit requirements. If the offset site has a good density of these species, the size of the offset wouldn't need to increase, however if the offset site doesn't contain the species – or only has them at a low density, then the size of the offset may need to increase (or include a second site). Koala are covered by ecosystem credits, therefore satisfying the ecosystem offset requirements will also satisfy the offsets for koala.

Table 3: Ecosystem credit results

	Scenario 1		Scenario 2		Scenario 3	
Development Area (ha)	4.3		2.9		2.2	
Conservation Area (ha)	0		1.4		2.1	
Vegetation loss (ha)	2.1		0.7		0	
Impact on Red Flag	Yes		No		No	
Ecosystem credits required if development site cleared	80		27		0	
Ecosystem credits generated by conservation lands	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)
	0	0	11	10	17	15
Deficit/surplus credits	-80		-16		+15	
Estimated offset required	7.9ha		3.4ha		0ha	

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Option 1 requires the clearing of all vegetation on the site. As this includes EECs, an 'improve or maintain' outcome cannot be achieved due to the red flag rule. As mentioned above the red flag rule can be varied where the proposal can meet certain criteria. Table 4 provides a preliminary comment on the likelihood of meeting the criteria. Keeping in mind this is a preliminary assessment, there is a significant risk that the variation would not be approved by DECCW.

Table 4: Likelihood of Option 1 meeting red flag variation criteria

Red Flag Variation Criteria	Likelihood of meeting this criteria
I. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered	Moderate: PSC would need to demonstrate that various options have been considered and that the alternatives are not feasible.
II. Contribution to regional biodiversity values must be low	Moderate: The EEC is a relatively small area (1.4ha), however it is generally in good condition and adjoins a larger area.
II. Viability must be low or not viable	Low. The EEC is generally in good condition and adjoins a larger area.
V. Offset requirements must be met in full	High. As owner of a number of parcels of land in the area, there is a reasonable chance of finding a suitable offset site.

Scenario 2 protects the EEC and therefore satisfies the red flag rule, but clears the two other vegetation communities. The 'improve or maintain' outcome is not achieved within the site boundaries because under the BCAM conservation of the EEC cannot be used to offset the loss of the other two communities. Therefore an off-site offset would be required to offset the vegetation types being cleared, while the credits generated by the EEC could be used to offset impact in another area.

Options 1 and 2 also both reduce the width of the north-south corridor by around 30%. It is unlikely that DECCW would support planning proposals that further reduce the viability of this habitat link regardless of whether a suitable offset site is found.

Option 3 has no impact on biodiversity and indeed generates surplus credits that could be used to offset other Council development. Alternatively, Council could Biobank the conservation areas and sell the surplus credits through the Biobanking scheme.

3.2 OFFSET REQUIREMENTS

Options 1 and 2 both require offsets in order to achieve an improve or maintain outcome (assuming DECCW agree to the loss of the EEC which is red flagged). The BCAM can be used to calculate the credits generated by an offset site, however in this case such a site has not yet been identified.

Based on experience to date, an offset site in moderate condition can generate around 7-9 credits per hectare. It may generate more or less than this depending on the quality of the site and the management actions undertaken, however for the purposes of providing an estimate of offset area

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required, this report suggests 7-9 hectares is a reasonable estimate for Council owned land around Fort Stephens.

Option 1 has a deficit of 80 credits and accepting the 7-9 credits/ha as a guide, an offset of around 8-11 hectares would be required. This assumes the offset site is secured for the long term and funding is made available for on-going management.

Option 2 has a deficit of 17 credits, so that in addition to the on-site conservation, an off-site offset of around 3-4 hectares is required to achieve the 'improve or maintain' test.

Option 3 does not have a biodiversity impact and therefore does not require an offset.

It is preferable that the offset site contain the same vegetation communities as those being impacted on at Homestead Street. However the BCAM provides some flexibility with regard to the types of vegetation communities that can be used to offset the communities being impacted upon. Table 5 contains a description of the biometric vegetation communities that can be used to offset each of the communities found on the site. This provides a guide to Council for the vegetation communities that should be sought as an offset on other Council owned land.

Table 5: Potential offset vegetation communities

Impacted Community	Potential Offset Community	
	Biometric types	REMs equivalent
Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	MU33 Coastal Sand Apple -Blackbutt Forest
	Red bloodwood - Scribbly gum heathy woodland on sandstone plateaux of the Sydney basin	MU31 Coastal Plains Scribbly Gum Woodland
	Smooth-barked Apple - Sydney Peppermint - Turpentine heathy open forest on plateau areas of the southern Central Coast, Sydney Basin	MU32 Nerong Smoothbarked Apple Forest
	Sydney Peppermint - Smooth-barked Apple shrubby open forest on coastal hills and plains of the southern North Coast and northern Sydney Basin (HU641)	MU32 Nerong Smoothbarked Apple Forest
	Yellow Bloodwood - Ironbark shrubby woodland of the dry hinterland of the Central Coast, Sydney Basin (HU657)	MU27 Exposed Yellow Bloodwood Woodland
Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin (HU631)	MU15 Coastal Foothills Spotted Gum -Ironbark
Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	MU37 Swamp Mahogany - Paperbark Forest

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3.3 CKPOM REZONING CRITERIA

The previous sections have assessed the development scenarios using the NSW Biodiversity Certification Assessment Methodology. If a planning proposal were to fully satisfy the methodology and the land be Biodiversity Certified, any development that is consistent with the certification order is deemed to not have a significant impact on threatened species. In such cases, the need for consideration of threatened species at the DA stage is no longer necessary. However, Biodiversity Certification under the TSC Act does not over-ride the requirements of SEPP 44 (Koala Habitat) which is made under the Environmental planning and Assessment Act 1979.

The following preliminary assessment has been undertaken to determine whether any of the three scenarios is consistent with SEPP 44 and the Port Stephens CKPoM.

Table 6 Comparison with CKPoM criteria

Council should be satisfied that the rezoning would:	Scenario 1	Scenario 2	Scenario 3
a) not result in development within areas of Preferred Koala Habitat or defined Habitat Buffers;	Does not comply as preferred habitat would be cleared along western and southern boundary	Does not comply as preferred habitat would be cleared along the western boundary	May comply; no impact on preferred habitat, but development would occur within a cleared buffer.
b) allow for only low impact development within areas of Supplementary Koala Habitat and Habitat Linking Areas.	Complies; no impact on supplementary or linking habitat	Complies; no impact on supplementary or linking habitat	Complies; no impact on supplementary or linking habitat
c) minimise the removal of any individuals of preferred koala food trees, where ever they occur on the site; and	Does not comply as preferred koala food trees likely to be removed	May comply if koala food trees along the western boundary were retained – for example as part of a bushfire asset protection zone	Complies; no removal of koala food trees
d) not result in development which would sever koala movement across the site. This should include consideration of the need for maximising tree retention on the site generally and for minimising the likelihood of impediments to safe/unrestricted koala movement.	May comply depending on the provision of trees through the site	May comply depending on the provision of trees through the site	May comply depending on the provision of trees through the site

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4 Conclusion and Recommendations

Based on the information contained in previous sections of this report, the following conclusions can be drawn with regard to the original brief.

1. *Identify the potential for and nature of any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.*

Development of the entirety of Homestead Street would result in the clearing of Endangered Ecological Communities, koala habitat and a local north-south biodiversity corridor. It is therefore likely that DECCW would not support such a proposal regardless of whether an offset is being provided. If, however, PSC did pursue this option and had DECCW support, an offset of around 0-11 hectares would be required in order to generate sufficient credits to offset the loss of the vegetation communities.

The offset would require funding to improve the condition of the offset area and the conservation outcome would need to be secured either via transfer of land to the National Parks and Wildlife Service or via an in-perpetuity legal agreement.

2. *Consider options within the above area which may achieve the best balance between offsets and development yield*

Two other options were tested, both having an improved conservation outcome but lower development yield. Despite Option 2 conserving some vegetation and habitat on the site, the areas protected were not an offset for the areas being impacted. The only option that could be said to achieve an 'improve or maintain' outcome on the site itself is Option 3 which resulted in no clearing of vegetation.

A variation to the above options would be to pursue Option 2 as the basis for zoning the land (ie, zone the EEC as Environmental Conservation and zone the rest as residential) but place development controls on the site so that properties along the western boundary are larger (and therefore of greater value) but retain the vegetation structure.

3. *Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement*

The Biodiversity Certification Assessment Methodology is recommended as the best means of determining the ecological characteristics (ecosystem types, presence of certain threatened species etc) of an offset site if Council pursue a development footprint that results in the clearing of vegetation from the site. The BCAM is endorsed by the state government and is a defensible, transparent method. Once the ecological requirements are understood, Council should seek offset sites that meet the criteria listed below. Note that additional threatened species survey work would be required to determine whether the offset also needed to satisfy threatened species credits. If threatened species credits are not required, the offset should:

- contain vegetation communities as listed in table 5.

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- be adjacent to existing reserves or conservation lands so that conservation outcomes are enhanced.
- be in moderate condition rather than poor or good. Moderate condition vegetation has the greatest capacity to increase its condition (and therefore generate credits) per dollar spent.

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HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

5 References

DECCW (2008) Lower Hunter Regional Conservation Plan

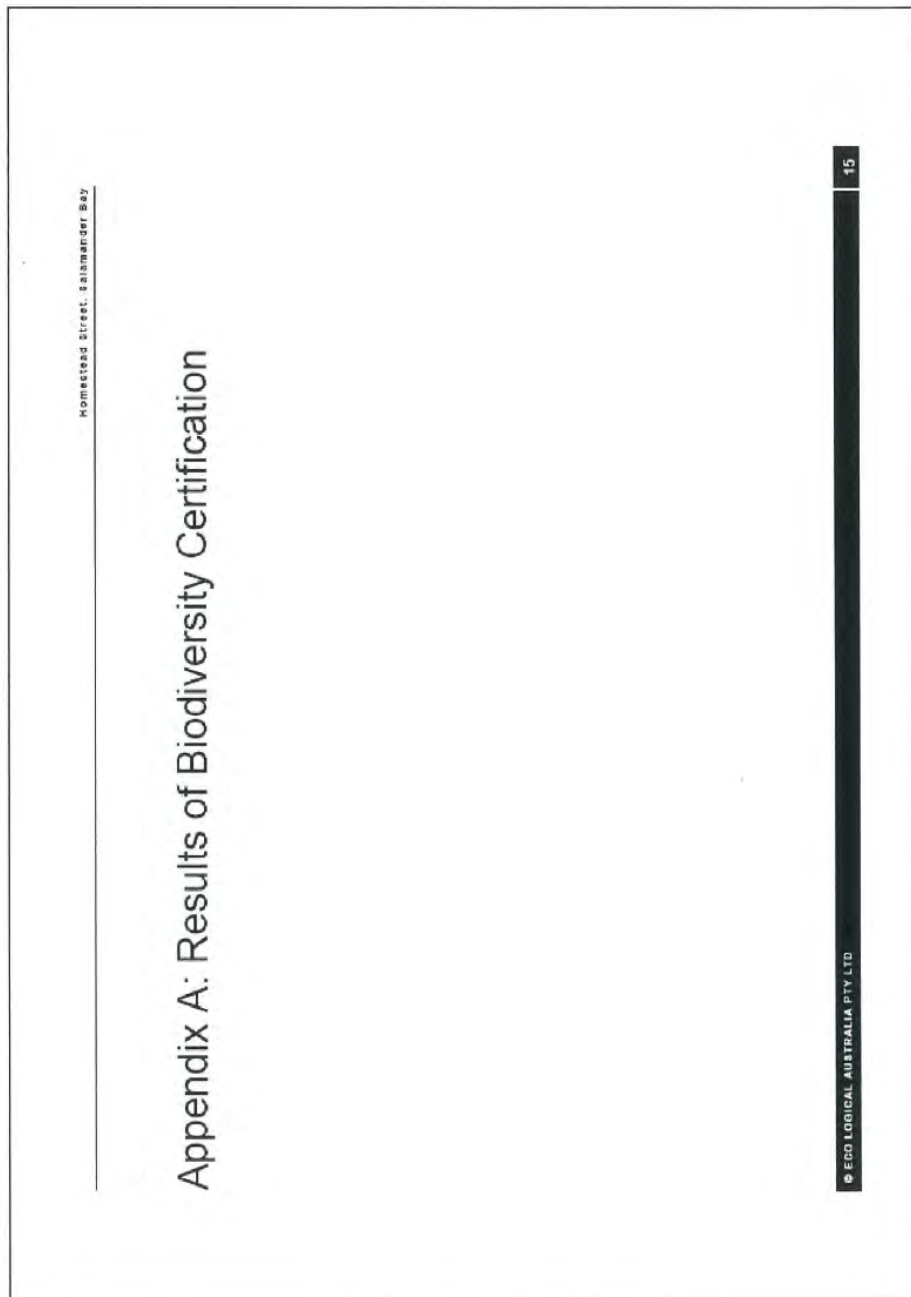
DECCW (2010) Draft Biodiversity Certification Assessment Methodology. Department of Environment, Climate Change and Water.

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ELA (2008) Conservation Significance Assessment for Port Stephens Council.

NPWS (2000) Vegetation Mapping. Lower Hunter and Central Coast.

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Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
Version 1.0 (2 May 2013) p 57

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Scenario 1 Ecosystem Credit Analysis		Conservation Areas		
Vegetation type name	Total Credits required	Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt - Smooth-barked Apple shrubby open forest	11	0	0	0
Swamp Mahogany swamp forest (red flag EEC)	53	0	0	0
Spotted Gum - Grey Ironbark open forest	16	0	0	0
Total	80	0	0	0

Scenario 1 Offset Required		Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt - Smooth-barked Apple shrubby open forest	11		-11	1	2
Swamp Mahogany swamp forest (red flag EEC)	53		-53	6	8
Spotted Gum - Grey Ironbark open forest	16		-16	2	2
Total	80	0	-80	9	11

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Scenario 2 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Conservation Areas		
		Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt - Smooth-barked Apple shrubby open forest	11			
Swamp Mahogany swamp forest (red flag EEC)	0		11	
Spotted Gum - Grey Ironbark open forest	16			
Total	27	0	11	0

Scenario 2 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt - Smooth-barked Apple shrubby open forest	11	0	-11	1	2
Swamp Mahogany swamp forest (red flag EEC)	0	11	11	0	0
Spotted Gum - Grey Ironbark open forest	16	0	-16	2	2
Total	27	11	-16	3	4

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Scenario 3 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	1
Swamp mahogany swamp forest	0	11	10	5
Spotted Gum - Grey Ironbark open forest	0	3	3	1
Total	0	17	15	4

Scenario 3 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	0	0
Swamp mahogany swamp forest	0	10	10	0	0
Spotted Gum - Grey Ironbark open forest	0	3	3	0	0
Total	0	15	15	-1	-1

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<p>HEAD OFFICE Suite 4, Level 1 2-4 Merton Street Sutherland NSW 2232 T 02 8636 8600 F 02 9542 6622</p>	<p>SYDNEY Suite 604, Level 6 267 Castlereagh Street Sydney NSW 2000 T 02 9993 0566 F 02 9993 0573</p>	<p>ST GEORGES BASIN 8/128 Island Point Road St Georges Basin NSW 2540 T 02 4443 6555 F 02 4443 6655</p>
<p>CANBERRA Level 2 11 London Circuit Canberra ACT 2601 T 02 6103 0145 F 02 6103 0148</p>	<p>HUNTER Suite 17, Level 4 19 Bolton Street Newcastle NSW 2300 T 02 4910 0125 F 02 4910 0126</p>	<p>NAROOMA 5/20 Canty Street Narooma NSW 2546 T 02 4476 1151 F 02 4476 1161</p>
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

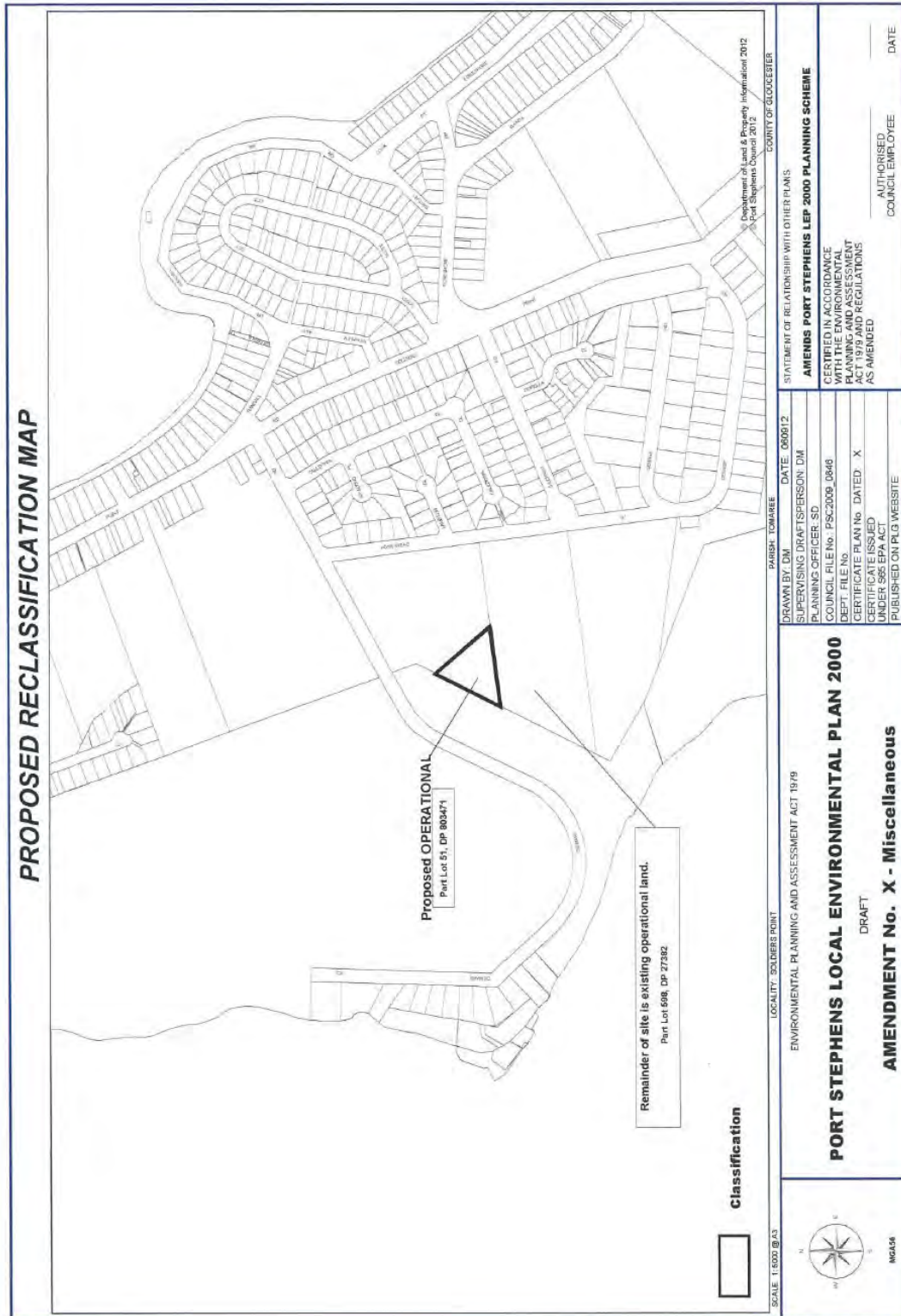
LOCALITY MAP

<p>LOCALITY: SOLIDERS POINT</p> <p>SCALE: 1:1000 @ A3</p>	<p>ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979</p> <p>PORT STEPHENS LOCAL ENVIRONMENTAL PLAN 2000</p> <p>DRAFT</p> <p>AMENDMENT No. X - Miscellaneous</p>	<p>STATEMENT OF RELATIONSHIP WITH OTHER PLANS</p> <p>AMENDS PORT STEPHENS LEP 2000 PLANNING SCHEME</p> <p>CERTIFIED IN ACCORDANCE WITH THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979 AND REGULATIONS AS AMENDED</p>
<p>DRAWN BY: DM</p> <p>SUPERVISING DRAFTSPERSON: DM</p> <p>PLANNING OFFICER: SD</p> <p>COUNCIL FILE No.: PSC2009_0846</p> <p>DEPT. FILE No.:</p> <p>CERTIFICATE PLAN No. DATED: X</p> <p>CERTIFICATE ISSUED</p> <p>PUBLISHED ON P.L.G. WEBSITE</p>	<p>DATE: 08/05/20</p> <p>PARISH: TOMAREE</p> <p>COUNTY: GLOUCESTER</p>	<p>AUTHORISED COUNCIL EMPLOYEE</p> <p>DATE</p>

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 20 DECEMBER 2011

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL

**REPORT OF: CARMEL FOSTER – COMMERCIAL PROPERTY MANAGER
GROUP: COMMERCIAL SERVICES**

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

**COUNCIL COMMITTEE MEETING – 13 DECEMBER 2011
RECOMMENDATION:**

	Councillor Ken Jordan Councillor Bob Westbury
	That Council as landowners, submit a planning proposal, to rezone (Option 2, ATTACHMENT 2) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2 .

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

Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Nell, Frank Ward, Sally Dover and Glenys Francis.

Those against the Motion: Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**COUNCIL COMMITTEE – 13 DECEMBER 2011**

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIALREPORT OF: **CARMEL FOSTER – COMMERCIAL PROPERTY MANAGER**
GROUP: **COMMERCIAL SERVICES****RECOMMENDATION IS THAT COUNCIL:**

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

BACKGROUND

The purpose of this report is for Council as landowner to submit a Planning Proposal to the Environmental and Development Planning Section to partially rezone 22 Homestead Street Lot 598 DP 27382 Salamander Bay from 6(a) Recreation to 2(a) Residential and Environmental 7(a) and reclassify and rezone Part Lot 51 DP 803471 from Community to Operational and from 6(a) to Residential 2(a) (see Attachment 1).

Council purchased the 3.8ha (22 Homestead Street) parcel of land in late 1996. The land was zoned 6(a) Open Space. Upon acquisition by Council the land was classified "Operational. It was the intention of Council at the time of the acquisition that the land be consolidated with the adjoining Council owned lot (Lot 599) with a view to extend the light industrial zoning and create 40 industrial allotments (attachment 4). Prior to Council's purchase of the land the previous owner of 22 Homestead Street had made approaches to Council regarding lodging an application to rezone the lot to residential. 22 Homestead Street is located in a suburban area in the suburb of Salamander. Adjoining the land to the north and east is existing residential dwellings and it would be a logical extension of the adjacent residential zoning. A report was prepared by Strategy Hunter in January 2008 on various sites in Salamander Bay and Soldiers Point of which 22 Homestead Street was one, the report recommended that 22 Homestead Street be rezoned to part 2(a) Residential and Part 7(a) environmental.

Council resolved on the 8 June 2010 that Council Investigate rezoning the whole site to residential and that Council have the opportunity to have another ecologist review the site and potential offsetting.

Additionally the Hunter Strategy Report recommended the reclassification and rezoning of a triangular piece of land adjoins 22 Homestead Street to the south and existing residential to the west. This will provide an improved urban and development outcome.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

COUNCIL COMMITTEE – 13 DECEMBER 2011

To facilitate the rezoning and reclassification a Planning Proposal was prepared by Hunter Strategy to submit firstly to Council then to the Department of Planning and Infrastructure under the provisions of the "Gateway Process". The ecological review forms part of the Planning Proposal.

The Planning Proposal that has been prepared supports that the land does not meet the criteria for Open Space and that the surrounding area is supplied with open space to at least Council's standards of provision.

Additionally the report makes the following observations:

The site:

- Has access to urban infrastructure, including services to local shops and parks
- Is adjacent to land zoned for residential and other development permissible in a 2(a) residential zone
- Is mainly cleared
- Can probably be developed in a way which achieves substantial residential development and at the same time achieve an "improve or maintain" biodiversity outcome
- Contains habitat for endangered species
- Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management
- Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours
- Is mainly flood prone
- Needs to be carefully managed for acid-sulphate soils
- Has community land nearby for informal recreation.

The previous ecological assessment found the subject site offers high value interconnectivity between vegetation remnants to the southwest and southeast and linking to the north. It states that it is essential that the integrity of the corridor is retained in perpetuity. The vegetation in the southern part of the site was also found to comprise of Swamp Mahogany Forest, an Endangered Ecological Community. This part of the subject site is also mapped as preferred koala habitat in the Port Stephens Comprehensive Koala Plan of Management.

The most recent study of the land by Ecological Australia prepared in April 2011 noted that 32% of the site contained Endangered Ecological Community (EEC) listed under the NSW Threatened Species Conservation Act (Swamp Mahogany – Paperbark Forest).

The report then considered three options for the development of the land and considered the options capability to achieve the "improve and maintain outcome" as calculated by the Biodiversity Certification Assessment Methodology. An improved and maintain outcome is achieved where there is no impact on "red flagged" species or ecosystems and where all losses of non – red flagged species and ecosystems are fully offset.

The options were:

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**COUNCIL COMMITTEE – 13 DECEMBER 2011**

Option 1 - Develop the entire site
(4.34 hectares = 43 allotments)

Option 2 - Retain the endangered ecological community on the site and develop the remainder.
(Approximately 3.34 hectares = 33 allotments)

Option 3 - Develop on the cleared lands.
(Approximately 2.34 hectares = 23 allotments).

The study concluded that it would be theoretically possible to offset the biodiversity impacts of the development but also stated that it would be unlikely Option 1 or 2 would be supported by the Office of Heritage and Environment (OEH) regardless of any offset proposal. This is because Option 1 and 2 will reduce the width of the north-south corridor by around 30%. Option 1 would require the clearing of the EEC and the "improve and maintain" outcome cannot be achieved because of the red flag rule therefore Council would need to demonstrate that proposal could meet certain criteria which would then have to be approved by OEH, the report considers that it is highly unlikely. Option 2 protects the EEC however clears two other vegetation communities (Coastal Sand Apple – Blackbutt Forest and Coastal Foothills Spotted Gum comprising 16% of site coverage) and the "improve and maintain" outcome is not achieved within the site boundaries. However it is assumed that the retained vegetation would be managed and improved therefore is providing a better outcome for the site. Option 3 has no impact on biodiversity but to develop only the cleared portion of the land would not be financially viable. It is therefore recommended that Council proceeds with Option 2.

FINANCIAL/RESOURCE IMPLICATIONS

Council would receive revenue from the proposed disposal of the land. The value of the land will significantly increase with the change of zoning to Residential 2a. The development of a residential subdivision is estimated to realise a yield of approximately 30 housing lots, based on the developable area being proposed.

The current cost of developing residential allotments is circa \$80k per lot, making a project cost of circa \$2.4m. Based on other residential estates in the Port Stephens LGA, it is estimated that the lots could be marketed at \$160k to \$180k per lot. Adopting \$170k as the median price, the total income from the development has the potential of returning \$5.1m.

LEGAL, POLICY AND RISK IMPLICATIONS

The subject land requires approval by the Department of Planning for the rezoning of the land from 6(a) General Recreation to 2(a) Residential and 7(a) Environmental and part of the land, being the triangular section located between 22 Homestead Street and the adjoining relocatable home village, also requires reclassification from Community to Operational.

On successful completion of the Rezoning and Reclassification process, the land will require the preparation of a Development Application for the subdivision into

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

COUNCIL COMMITTEE – 13 DECEMBER 2011

residential lots. On approval, the construction of the subdivision works will take place, with registration of the final plan of subdivision by the Land & Property Information on completion of the works.

The above processes are anticipated to be quite lengthy.

The sale of the land is consistent with the Property Investment and Development Policy.

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The amount of land available for residential development within the Tomaree Peninsula is a limited resource. The land provides Council with an opportunity to provide additional housing lots in an existing residential area within the Port Stephens Local Government Area.

This project will create economic stimulus for the community, through construction and a further revenue stream for Council through land sales. The creation of additional housing lots also provides a further flow on effect in the form of additional ratepayers.

Part of the site contains endangered ecological community, however the proposal does not intend to develop these areas. The environmental constraints are addressed and there will be minimal impact on the environment.

CONSULTATION

- 1) Group Manager – Sustainable Planning;
- 2) Strategic Planning Staff.

OPTIONS

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

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

COUNCIL COMMITTEE - 13 DECEMBER 2011

ATTACHMENTS

- 1) Development Option 2;
- 2) Development Option 1;
- 3) Development Option 3;
- 4) Business Paper September 1996.

Marked up aerials:

Yellow Boundary = Lot Boundary

Black Boundary = Proposed rezoning

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 1



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 2



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 3



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

BOX 33H
(2637620)

CUNN - ADAM
TIA-LG

NEW SOUTH WALES

CERTIFICATE OF TITLE
REAL PROPERTY ACT, 1900

TORRENS TITLE

REFERENCE TO FOLIO OF THE REGISTER	
IDENTIFIER	598/27382
EDITION	DATE OF ISSUE
3	25.11.1996



I certify that the person described in the First Schedule is the registered proprietor of an estate in fee simple (or such other estate or interest as is set forth in that Schedule) in the land within described subject to such exceptions, encumbrances, interests and entries as appear in the Second Schedule and to any additional entries in the Folio of the Register.

K. Medley

REGISTRAR GENERAL



LAND

LOT 598 IN DEPOSITED PLAN 27382
LOCAL GOVERNMENT AREA: PORT STEPHENS
PARISH OF TOMAREE COUNTY OF GLOUCESTER
TITLE DIAGRAM: DP27382

FIRST SCHEDULE

PORT STEPHENS COUNCIL

(T 2637620)

SECOND SCHEDULE

1. H268635 COVENANT

PERSONS ARE CAUTIONED AGAINST ALTERING OR ADDING TO THIS CERTIFICATE OR ANY NOTIFICATION HEREON

WARNING: BEFORE DEALING WITH THIS LAND SEARCH THE CURRENT FOLIO OF THE REGISTER

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

BOX 33H
(Z485318)

NEW SOUTH WALES

*Curry Adam
JHC*

CERTIFICATE OF TITLE
REAL PROPERTY ACT, 1900



TORRENS TITLE

REFERENCE TO FOLIO OF THE REGISTER	
IDENTIFIER	51/803471
EDITION	DATE OF ISSUE
2	13. 2. 1991

PERSONS ARE CAUTIONED AGAINST ALTERING OR ADDING TO THIS CERTIFICATE OR ANY NOTIFICATION HEREON

I certify that the person described in the First Schedule is the registered proprietor of an estate in fee simple (or such other estate or interest as is set forth in that Schedule) in the land within described subject to such exceptions, encumbrances, interests and entries as appear in the Second Schedule and to any additional entries in the Folio of the Register.

K. Medley

DEPUTY REGISTRAR GENERAL



LAND

LOT 51 IN DEPOSITED PLAN 803471
AT SALAMANDER BAY
SHIRE OF PORT STEPHENS
PARISH OF TOMAREE COUNTY OF GLOUCESTER
TITLE DIAGRAM: DP803471

FIRST SCHEDULE

THE COUNCIL OF THE SHIRE OF PORT STEPHENS (T Z485318)

SECOND SCHEDULE

1. RESERVATIONS AND CONDITIONS IN FAVOUR OF THE CROWN AFFECTING THE PART SHOWN SO BURDENED AS SHOWN IN THE TITLE DIAGRAM
2. H268636 COVENANT AFFECTING THE PART OF THE LAND ABOVE DESCRIBED SHOWN SO BURDENED IN THE TITLE DIAGRAM.

WARNING: BEFORE DEALING WITH THIS LAND SEARCH THE CURRENT FOLIO OF THE REGISTER

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL - 11 JUNE 2013

DRAFT

MINUTES 11 JUNE 2013

Port Stephens

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... a community partnership

Minutes of Ordinary meeting of the Port Stephens Council held in the Council Chambers, Raymond Terrace on 11 June 2013, commencing at 5.51pm.

PRESENT:

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

156	Councillor Ken Jordan Councillor John Nell
	It was resolved that the apology from Cr John Morello be received and noted.

157	Councillor Chris Doohan Councillor John Nell
	It was resolved that the Minutes of the Ordinary Meeting of Port Stephens Council held on 28 May 2013 be confirmed.

Cr Peter Kafer recorded his vote against the adoption of the Minutes.

	Cr Paul Le Mottee declared a pecuniary conflict of interest in Item 1. The nature of the interest being his company did survey work for the applicant.
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**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

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MINUTES ORDINARY COUNCIL – 11 JUNE 2013

ITEM NO. 4

FILE NO: PSC2006-6753

REZONING AND RECLASSIFICATION OF 22 HOMESTEAD STREET SALAMANDER BAY

REPORT OF: BRUCE PETERSEN – COMMUNITY PLANNING AND ENVIRONMENTAL SERVICES SECTION MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Planning Proposal (**ATTACHMENT 2**) to amend the Port Stephens LEP 2000 (or Port Stephens LEP 2013, whichever is in force at the time) to:
 - a) rezone Lot 598 DP27382 from public recreational to part residential and part environmental;
 - b) rezone Part Lot 51 DP 803471 from public recreation to residential; and
 - c) reclassify Part Lot 51 DP 803471 from community land to operational land.
- 2) Forward the Planning Proposal to the NSW Department of Planning and Infrastructure under section 56 in the Environmental Planning and Assessment Act 1979 with a request for a Gateway Determination.

**ORDINARY COUNCIL MEETING – 11 JUNE 2013
COMMITTEE OF THE WHOLE RECOMMENDATION**

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

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, Steve Tucker, Sally Dover, Peter Kafer, Paul Le Mottee, Ken Jordan, Geoff Dingle and John Nell.

Those against the Motion: Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

MOTION

163	<p>Councillor Ken Jordan Councillor Paul Le Mottee</p> <hr/> <p>It was resolved that the Committee of the Whole 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, Steve Tucker, Sally Dover, Peter Kafer, Paul Le Mottee, Ken Jordan, Geoff Dingle and John Nell.

Those against the Motion: Nil.

BACKGROUND

The purpose of this report is to seek Council's support to prepare a Planning Proposal (**ATTACHMENT 2**) in respect of 22 Homestead Street, Salamander Bay as the Relevant Planning Authority to amend the Port Stephens LEP 2000 (or Port Stephens LEP 2013, whichever is in force at the time). The Planning Proposal has been requested by Councils Property Section. The aim of the planning proposal is to:

- rezone lot 598 DP27382 from public recreational to part residential and part environmental;
- rezone Part lot 51 DP 803471 from public recreation to residential; and
- reclassify Part Lot 51 DP 803471 from community land to operational land

Council resolved as landowner to submit a Planning Proposal which requires Councils separate consideration as the Relevant Planning Authority, as distinct from consideration as landowner.

Related Reports

25 November 2008: Council considered a report on the Strategic Overview – Council Owned Lands at Salamander/Soldiers Point prepared for Council by *Strategy Hunter Consultants*. The report recommended that the subject land (identified as 22 Homestead Street in this report) be rezoned from 6(a) Public Recreation to part 2(a) Residential and part 7(a) Environmental Protection and for investigations to include the triangular piece of land to the immediate north. The recommendation was adopted at the meeting.

27 April 2010: Council considered a report from Council's Sustainable Planning Group seeking Council's support for the preparation of a planning proposal to rezone both sites (Lot 598 and Part Lot 51) from public recreation to residential and to reclassify Part Lot 51 from community land to operational land. Council resolved to defer the report to allow a site inspection by the Property Advisory Panel.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**MINUTES ORDINARY COUNCIL – 11 JUNE 2013**

11 May 2010: The deferred report from 27 April 2010 was again deferred to allow for a report to be presented to Council on the "pros" and "cons" of the whole site being rezoned to residential, given the ecological constraints on the site, in particular whether a biodiversity offset would be appropriate.

20 December 2011: Council considered a report prepared by the Property Services Section – Corporate Services Group (as proponent) that offered Council three (3) options to consider in relation to the subject land: Option 2A was adopted by Council, and is identified in the Planning Proposal (**ATTACHMENT 2**).

This option is actioned in the planning proposal request by Council as land owner subsequently prepared by *Strategy Hunter Consultants* on behalf of the proponent and has been submitted to Council's Development Services Group as the relevant planning authority as outlined below.

Proposal Details

Planning Proposal: To rezone Part Lot 51 DP 803471 from public recreation to residential and to reclassify the land from community land to operational land under the Local Government Act 1993. It is also proposed to rezone Lot 598 DP 27382 from public recreation to part residential and part environmental protection, as an amendment to either the Port Stephens LEP 2000 or the Port Stephens LEP 2013 as outlined in (**ATTACHMENT 2**)

Subject Land: Lot 598 DP 27382, 22 Homestead Street Salamander Bay and Part Lot 51 DP 803471, part of 1 Diemars Road, Salamander Bay.

Proponent: Port Stephens Council - Commercial Services Group

Current Zone: Zone 6(a) General Recreation "A"

Owner: Port Stephens Council

A locality plan identifying the land and the proposed rezoning and reclassification maps subject to the Planning Proposal are included at (**ATTACHMENT 1**).

The total site area for the combined lots is 4.33 hectares. Council estimates that the lot yield from the proposed residential development would approximate 30 lots.

The Planning Proposal identifies the site as containing significant vegetation. While the proposal does include the rezoning of part of Lot 598 to environmental protection, the adequacy of this approach will be determined in further consultation with the NSW Office of Environment and Heritage.

The issue of land contamination is also required to be considered by Council as part of the plan-making process. Clause 6 in State Environmental Planning Policy 55 – Remediation of Land requires a proponent to submit a preliminary land contamination report to Council in the first instance to ensure that the potential for land contamination has been adequately considered when it is proposed to rezone land for residential purposes. The planning proposal includes this requirement which

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

should be provided to Council before the planning proposal is placed on public exhibition.

The planning proposal also makes reference the Draft Port Stephens Local Environmental Plan 2013 (final version adopted by Council on 26 March 2013) as this draft LEP was not exhibited before the original planning proposal was prepared. The draft LEP adopts Zone RE1 Public Recreation for the subject land.

FINANCIAL/RESOURCE IMPLICATIONS

The Planning Proposal will be processed using fees collected under the current Fees and Charges Schedule.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	Yes	\$37,800	LEP Amendment Fees & Charges Schedule

LEGAL, POLICY AND RISK IMPLICATIONS

Environmental Planning and Assessment Act 1979

The Planning Proposal will be processed in accordance with the plan making procedures in the Environmental Planning and Assessment Act 1979 and LEP Practice Note Practice Note PN 09-003 relating to the reclassification of community land to operational.

The NSW Department of Planning LEP Practice Note PN09-003 outlines the requirements to be addressed in a Planning Proposal where it relates to a land reclassification. This information has been included in the Planning Proposal as additional information. A copy of the Practice Note will be included in the public exhibition documentation.

Local Government Act 1993

Reclassification of Part Lot 51 DP 803471 from community land to operational land under the Local Government Act 1993 in concert with the proposed rezoning of the land from public recreation to residential will permit Council to develop the land for residential purposes.

Section 117 Ministerial Direction 6.2 – Reserving Land for Public Purposes

This Direction requires the approval of the Director-General of the Department of Planning and Infrastructure to remove the reservation of land for a public purpose. The reclassification of the subject land from community land to operational land will involve the revocation of the public reserve status of the land. The reasons for this direction are outlined in the Planning Proposal. Council will seek this approval as part of the plan-making process.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

Council resolution 20 December 2011

The planning proposal actions the resolution of Council from its meeting on 20 December 2011. The resolution arises from consideration of the strategic analysis of open space requirements in the Salamander Bay/Soldiers Point area.

Strategic Policy Framework

The subject site is not identified in either the Lower Hunter Regional Strategy (LHRS) or the Port Stephens Planning Strategy (2011). However, the proposal is supported as 'infill development'. The site is adjacent to the existing urban area of Salamander Bay and the relative scale of the proposal does not warrant specific identification in a strategy. Development of the site for residential purposes will provide increased housing choice in this location and the increased population will support the local community.

Port Stephens Local Environmental Plan 2000

The proposal seeks to amend the Port Stephens Local Environmental Plan 2000 by inserting the following into Part 2 of Schedule 1 as identified on the relevant land reclassification map as "operational land" (**ATTACHMENT 1**).

**Schedule 1 Classification and reclassification of public land
Part 2 Land classified, or reclassified, as operational land—interests changed**

Column 1	Column 2	Column 3
Locality	Description	Any trusts etc not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51 DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2000 (Amendment No. XX)."	Nil

Port Stephens Local Environmental Plan 2013

Should the Port Stephens LEP 2013 be in force prior to the finalisation of this planning proposal, then this LEP will be amended by inserting the text above into Part 2 in Schedule 4. A new Land Reclassification Map layer (RPL series) will also be required to be included in this LEP. The site will be identified as "operational land" on the Land Reclassification Map.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the Planning Proposal will be rejected at the Gateway Determination.	Low	Ensure that the relevant planning issues are addressed in the Planning Proposal. To this end, the Planning Proposal has been updated to include reference to the Port Stephens LEP 2013.	Yes
There is a risk that potential Community concern that Council is both applicant and Relevant Planning Authority	Low	Ensure compliance with the NSW LEP Practice Note PN09-003 for reclassification of land Council maintain a clear separation of its functions as asset land owner and planning authority through separate reporting process.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The earlier Council report in December 2011 identified that the subject land is surplus to the open space requirements of Council and is largely unused. Rezoning and reclassifying the land will provide Council with the opportunity to develop this land for residential purposes.

CONSULTATION

Council will consult with the NSW Office of Environment and Heritage and Hunter Water Corporation, and other relevant agencies identified in the Gateway Determination.

The public exhibition process will be conducted for 28 days in accordance with the relevant provisions in the Environmental Planning and Assessment Act 1979, section 5.5.2 in the Department's publication "A guide to preparing local environmental plans" (April 2013) and the Department's LEP Practice Note PN 09-003. A public hearing is required to be conducted after the close of the public exhibition period in accordance with section 57(6) in the Act.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 11 JUNE 2013

OPTIONS

- 1) Adopt the recommendation in this report to submit the Planning Proposal to the NSW Department of Planning and Infrastructure with a request for a Gateway Determination;
- 2) Amend one or more of the provisions in the Planning Proposal prior to submitting the Planning Proposal to the NSW Department of Planning and Infrastructure with a request for a Gateway Determination;
- 3) Reject the recommendations in this report and not proceed with the Planning Proposal. In this instance, the subject site will remain largely unused and present as a cost burden to Council in terms of ongoing maintenance of the land and the loss of revenue from the inability to achieve Council's resolution to rezone and develop the land primarily for residential purposes.

ATTACHMENTS – All listed below are provided under separate cover.

- 1) Locality Plan, Rezoning Map and Reclassification Map – 22 Homestead Street and part of 1 Diemars Road, Salamander Bay (Sites 15a and 15b);
- 2) Planning Proposal (02 May 2013).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL - 11 JUNE 2013

NOTICE OF ORDINARY MEETING

11 JUNE 2013

5.30pm



Port Stephens

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The Mayor and Councillors attendance is respectfully requested:-

Mayor: B. MacKenzie (Chair).

Councillors: G. Dingle; C. Doohan; S. Dover; K. Jordan; P. Kafer;
P. Le Mottee; J. Morello; J. Nell; S. Tucker.

SCHEDULE OF MEETINGS

TIME	ITEM	VENUE
5.30pm	Public Access (if applied for)	Council Chambers
Followed by	Ordinary Meeting	Council Chambers

Please Note:

In accordance with the NSW *Privacy and Personal Information Protection Act 1998*, you are advised that all discussion held during the Open Council meeting is public information. This will include any discussion involving the Mayor or Councillor, Staff member or a member of the public. All persons present should withhold from making public comments about another individual without seeking the consent of that individual in the first instance. Should you have any questions concerning the privacy of individuals at the meeting please speak with the Executive Officer or the General Manager prior to the meeting.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
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ORDINARY COUNCIL – 11 JUNE 2013

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**ORDINARY COUNCIL – 11 JUNE 2013**

The matter was discussed at an Executive Leadership Team (ELT) meeting on 8 May 2013, whereby it was determined to proceed to issue a Notice of Intent / Order to cease the unauthorised activity, based on the lack of any current approvals and resulting environmental impacts such as noise, dust and erosion and sediment control. The matter was again discussed at ELT on 15 May 2013, and given the interrelationships between this development application and the compliance history and the timing of the impending Council report on the Development Application, it was thought any compliance action should be consistent with Council's position on the development application and the notice was subsequently deferred.

Council's investigations and enforcement actions have been in response to significant community concern, including receipt of complaints since April 2005 and a petition from 10 nearby properties on 22 April 2013.

Council has not advertised this development application as until the Councillor call up was received, Council's approach based on legal advice was that the Application could not be processed. Although this DA has not been placed on public exhibition, residents who have either lodged complaints about the quarry or objected to DA 16-2012-161-1 (for crusher and screen on the site but was withdrawn on 13 November 2012) have been contacted by Council staff and advised of the matter going to Council. This will provide them with the opportunity, as with the Applicant, to play a role in the DA process before Council.

A detailed assessment of the application pursuant to section 79C of the *Environmental Planning and Assessment Act 1979*, has not been undertaken to date due to the status of the existing quarry operation. It is noted that the proposed crusher and screen are considered to be Designated Development under the *Environmental Planning & Assessment Regulations*, as the site is within 250m of dwellings on adjoining properties, and the quantity proposed to be screened (65,000 tonnes) exceeds the 30,000 tonne threshold.

The site is zoned 1(a) Rural Agriculture) under *Port Stephens Local Environmental Plan 2000*, which permits "extractive industries" subject to development consent. The permissibility of "extractive industries" will not change under draft LEP 2013.

Following a brief review of the documentation submitted with this DA, it is considered that key concerns with the proposed crusher and screen would be additional noise impacts and a possible reduction in air quality, which may unreasonably reduce the amenity of existing residences along Winston Road.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

ORDINARY COUNCIL – 11 JUNE 2013

Residents Concerns

The locality in which the quarry is situated consists of lots zoned 1(a) Rural Agriculture. The settlement of the land and the use of the lots (excluding the quarry) is more consistent with that of rural residential and is zoned RU2 Rural Landscape in the Draft LEP.

Residents in the area have raised concerns over many years regarding the noise and dust generated by the quarry by both its activity on site and off, including the number of truck movements along Winston Road and 6 Mile Road. Staff have investigated the concerns raised with the view that, until more recently, the quarry has development consent to operate.

The quarry operator has also undertaken works to extract material in a new area of the site which has already caused a pollution event with inadequately controlled sediment runoff. The new working area is not within the area of the original quarry footprint and can be seen by at least one neighbour where previously they were contained within an excavated area/face of the site.

Environmental Impact

The two incidents investigated this year regarding sediment runoff from the site did show that the new area for quarrying of the subject site does not have sufficient controls in place to protect adjoining properties and downstream waterways from sediment laden stormwater. Without implementing additional control measures to prevent sediment runoff it is very likely that further pollution events will occur during heavy or constant rain. In meetings with the Applicant/Owner they have indicated they are willing to take steps to control such sediment and erosion run off.

The Prevention Notice issued by Council requiring works to control sediment runoff has been challenged by the operator and a Land and Environment Court Directions Hearing is scheduled for 27 May 2013. This has since been revoked to allow further negotiations with the quarry owner.

Civil Claim by Quarry Operator

The quarry operator claims it has a case against Council, alleging Council provided information to it (prior to its purchase of the site in 1994) that the quarry consent was valid. Council has no information verifying this allegation.

A development application was lodged by the current operator and consent granted to allow the use of a gravel screen at the site in 1994. The application relied on the existence of current consent to quarry.

The operator also claims it has been financially disadvantaged since Council ceased purchasing its quarry and has alluded it will seek damages in the future. Whilst the possible civil claim aspects are not a planning consideration pursuant to section 79C of the *Environmental Planning and Assessment Act 1979*, such information is provided to Councillors for background and context.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 11 JUNE 2013

These are not matters that should influence Council's determination of the current Development Application.

FINANCIAL/RESOURCE IMPLICATIONS

Refusal of the DA in accordance with the staff recommendation is likely to have financial and/or resource implications for Council. The applicant can appeal the determination of Council in the Land and Environment Court. Any appeal by the applicant is likely to be a combination of both the DA and ongoing/previous compliance matters.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		Council has a budget allocation for legal services
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Approving the development application is not consistent with legal advice obtained by Council. A refusal of the DA as per the staff recommendation still may have significant legal, policy or risk implications.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that refusal of the DA may be subject to a LEC appeal by the applicant and also to a possible claim in damages by the operator.	High	Determine the DA in accordance with the recommendation and legal advice.	Yes
There is a risk that approval of the DA may be subject to a LEC appeal by a third party (an objector).	High	Determine the DA in accordance with the recommendation and legal advice.	Yes

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

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Council may recall that it adopted a revised Corporate Risk Management Policy on 27 November 2012. The policy includes Council's risk appetite statement that explicitly states:

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

"Council will not accept a risk that has potentially catastrophic consequences, regardless of the likelihood of that risk eventuating."

A review of the assessment report and the legal advice presented outlines that a decision contrary to the recommendation presents an unacceptable risk to Council as per Council's standard risk management matrix. This unacceptable risk relates to Council approving a development application that is ultra vires. In this instance, a refusal of the application is the only viable or comprehensive risk treatment.

Other Risks

- Due to the history and interpretation of the status of the development consent, there is scope for Council to be criticised for the varying positions/interpretations at points in time. The understanding by staff that the consent remained valid was conveyed to the quarry operator verbally and in writing; it was also passed on to some of the complainants over the years.
- The fact that Council has in the past sourced product from the quarry may also be brought into question and a point of criticism. These different roles of Council have been kept distinctly separate.
- Council has been accused of harassment due to its investigation into both the quarry operation and pollution incidents. Council only entered the property when/where it was legally entitled to do so and was responding to the legitimate concerns raised by the public.
- Financial risks are present in terms of a civil claim possibly being commenced by the quarry operator for misinformation about the status of the quarry consent being current at the time of purchase in 1994.
- The cost of proceedings in the Land and Environment Court is high and there is a risk that Council may not prove its case and be liable for the defendant's assessed and agreed costs.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**ORDINARY COUNCIL – 11 JUNE 2013****SUSTAINABILITY IMPLICATIONS**

Includes Social, Economic and Environmental Implications

Determination of the DA in accordance with the recommendation (refusal) is unlikely to have a significant social, economic or environmental impact on the wider community.

The current issues associated with the quarry operation and environmental management are determined to have environmental implications.

CONSULTATION

The application has not been publicly exhibited to date. The proposal is considered to be Designated Development and must be publicly exhibited for a period of 30 days. Council did not commence public exhibition as it is of the view the DA relies on an invalid / expired DA and so cannot be progressed.

To ensure transparent and equitable decision making, the applicant and those residents who have previously lodged complaints or submissions regarding the quarry have been notified that the matter is being reported to Council.

OPTIONS

- 1) Refuse the DA as per the Recommendation;
- 2) Defer the matter pending the applicant addressing the outstanding quarry use issue (possibly amending or submitted a new DA for the quarry use) and a full assessment being undertaken of the proposal;
- 3) Approve the DA as submitted, however the application has not been exhibited as required, no assessment of the s.79C matters has been made and based on Council's legal advice that the consent to quarry has lapsed, such an approval would be ultra vires and void or voidable.

ATTACHMENTS

- 1) Locality Plan.

COUNCILLORS ROOM

Nil.

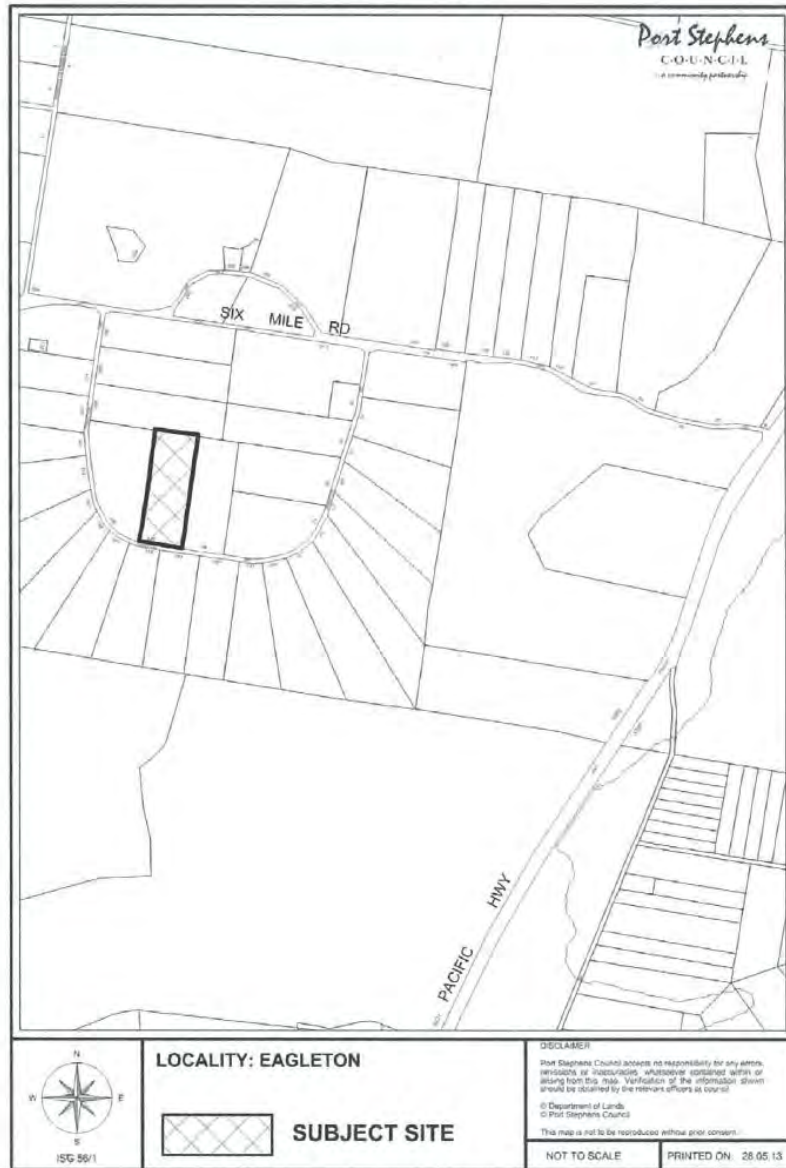
TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

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**ATTACHMENT 1
LOCALITY PLAN**



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**ORDINARY COUNCIL – 11 JUNE 2013**

ITEM NO. 4

FILE NO: PSC2006-6753

REZONING AND RECLASSIFICATION OF 22 HOMESTEAD STREET SALAMANDER BAY

REPORT OF: BRUCE PETERSEN – COMMUNITY PLANNING AND ENVIRONMENTAL SERVICES SECTION MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Planning Proposal (**ATTACHMENT 2**) to amend the Port Stephens LEP 2000 (or Port Stephens LEP 2013, whichever is in force at the time) to:
 - a) rezone Lot 598 DP27382 from public recreational to part residential and part environmental;
 - b) rezone Part Lot 51 DP 803471 from public recreation to residential; and
 - c) reclassify Part Lot 51 DP 803471 from community land to operational land.
- 2) Forward the Planning Proposal to the NSW Department of Planning and Infrastructure under section 56 in the Environmental Planning and Assessment Act 1979 with a request for a Gateway Determination.

BACKGROUND

The purpose of this report is to seek Council's support to prepare a Planning Proposal (**ATTACHMENT 2**) in respect of 22 Homestead Street, Salamander Bay as the Relevant Planning Authority to amend the Port Stephens LEP 2000 (or Port Stephens LEP 2013, whichever is in force at the time). The Planning Proposal has been requested by Council's Property Section. The aim of the planning proposal is to:

- rezone lot 598 DP27382 from public recreational to part residential and part environmental;
- rezone Part lot 51 DP 803471 from public recreation to residential; and
- reclassify Part Lot 51 DP 803471 from community land to operational land

Council resolved as landowner to submit a Planning Proposal which requires Councils separate consideration as the Relevant Planning Authority, as distinct from consideration as landowner.

Related Reports

25 November 2008: Council considered a report on the Strategic Overview – Council Owned Lands at Salamander/Soldiers Point prepared for Council by *Strategy Hunter Consultants*. The report recommended that the subject land (identified as 22 Homestead Street in this report) be rezoned from 6(a) Public Recreation to part 2(a) Residential and part 7(a) Environmental Protection and for investigations to include

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 11 JUNE 2013

the triangular piece of land to the immediate north. The recommendation was adopted at the meeting.

27 April 2010: Council considered a report from Council's Sustainable Planning Group seeking Council's support for the preparation of a planning proposal to rezone both sites (Lot 598 and Part Lot 51) from public recreation to residential and to reclassify Part Lot 51 from community land to operational land. Council resolved to defer the report to allow a site inspection by the Property Advisory Panel.

11 May 2010: The deferred report from 27 April 2010 was again deferred to allow for a report to be presented to Council on the "pros" and "cons" of the whole site being rezoned to residential, given the ecological constraints on the site, in particular whether a biodiversity offset would be appropriate.

20 December 2011: Council considered a report prepared by the Property Services Section – Corporate Services Group (as proponent) that offered Council three (3) options to consider in relation to the subject land: Option 2A was adopted by Council, and is identified in the Planning Proposal (**ATTACHMENT 2**).

This option is actioned in the planning proposal request by Council as land owner subsequently prepared by *Strategy Hunter Consultants* on behalf of the proponent and has been submitted to Council's Development Services Group as the relevant planning authority as outlined below.

Proposal Details

- Planning Proposal:** To rezone Part Lot 51 DP 803471 from public recreation to residential and to reclassify the land from community land to operational land under the Local Government Act 1993. It is also proposed to rezone Lot 598 DP 27382 from public recreation to part residential and part environmental protection, as an amendment to either the Port Stephens LEP 2000 or the Port Stephens LEP 2013 as outlined in (**ATTACHMENT 2**)
- Subject Land:** Lot 598 DP 27382, 22 Homestead Street Salamander Bay and Part Lot 51 DP 803471, part of 1 Diemars Road, Salamander Bay.
- Proponent:** Port Stephens Council - Commercial Services Group
- Current Zone:** Zone 6(a) General Recreation "A"
- Owner:** Port Stephens Council

A locality plan identifying the land and the proposed rezoning and reclassification maps subject to the Planning Proposal are included at (**ATTACHMENT 1**).

The total site area for the combined lots is 4.33 hectares. Council estimates that the lot yield from the proposed residential development would approximate 30 lots.

The Planning Proposal identifies the site as containing significant vegetation. While the proposal does include the rezoning of part of Lot 598 to environmental

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 11 JUNE 2013

protection, the adequacy of this approach will be determined in further consultation with the NSW Office of Environment and Heritage.

The issue of land contamination is also required to be considered by Council as part of the plan-making process. Clause 6 in State Environmental Planning Policy 55 – Remediation of Land requires a proponent to submit a preliminary land contamination report to Council in the first instance to ensure that the potential for land contamination has been adequately considered when it is proposed to rezone land for residential purposes. The planning proposal includes this requirement which should be provided to Council before the planning proposal is placed on public exhibition.

The planning proposal also makes reference the Draft Port Stephens Local Environmental Plan 2013 (final version adopted by Council on 26 March 2013) as this draft LEP was not exhibited before the original planning proposal was prepared. The draft LEP adopts Zone RE1 Public Recreation for the subject land.

FINANCIAL/RESOURCE IMPLICATIONS

The Planning Proposal will be processed using fees collected under the current Fees and Charges Schedule.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No		
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	Yes	\$37,800	LEP Amendment Fees & Charges Schedule

LEGAL, POLICY AND RISK IMPLICATIONS

Environmental Planning and Assessment Act 1979

The Planning Proposal will be processed in accordance with the plan making procedures in the Environmental Planning and Assessment Act 1979 and LEP Practice Note Practice Note PN 09-003 relating to the reclassification of community land to operational.

The NSW Department of Planning LEP Practice Note PN09-003 outlines the requirements to be addressed in a Planning Proposal where it relates to a land reclassification. This information has been included in the Planning Proposal as additional information. A copy of the Practice Note will be included in the public exhibition documentation.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 11 JUNE 2013

Local Government Act 1993

Reclassification of Part Lot 51 DP 803471 from community land to operational land under the Local Government Act 1993 in concert with the proposed rezoning of the land from public recreation to residential will permit Council to develop the land for residential purposes.

Section 117 Ministerial Direction 6.2 – Reserving Land for Public Purposes

This Direction requires the approval of the Director-General of the Department of Planning and Infrastructure to remove the reservation of land for a public purpose. The reclassification of the subject land from community land to operational land will involve the revocation of the public reserve status of the land. The reasons for this direction are outlined in the Planning Proposal. Council will seek this approval as part of the plan-making process.

Council resolution 20 December 2011

The planning proposal actions the resolution of Council from its meeting on 20 December 2011. The resolution arises from consideration of the strategic analysis of open space requirements in the Salamander Bay/Soldiers Point area.

Strategic Policy Framework

The subject site is not identified in either the Lower Hunter Regional Strategy (LHRS) or the Port Stephens Planning Strategy (2011). However, the proposal is supported as 'infill development'. The site is adjacent to the existing urban area of Salamander Bay and the relative scale of the proposal does not warrant specific identification in a strategy. Development of the site for residential purposes will provide increased housing choice in this location and the increased population will support the local community.

Port Stephens Local Environmental Plan 2000

The proposal seeks to amend the Port Stephens Local Environmental Plan 2000 by inserting the following into Part 2 of Schedule 1 as identified on the relevant land reclassification map as "operational land" (**ATTACHMENT 1**).

**Schedule 1 Classification and reclassification of public land
Part 2 Land classified, or reclassified, as operational land—interests changed**

Column 1	Column 2	Column 3
Locality	Description	Any trusts etc not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51 DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2000 (Amendment No. XX)."	Nil

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ORDINARY COUNCIL – 11 JUNE 2013

Port Stephens Local Environmental Plan 2013

Should the Port Stephens LEP 2013 be in force prior to the finalisation of this planning proposal, then this LEP will be amended by inserting the text above into Part 2 in Schedule 4. A new Land Reclassification Map layer (RPL series) will also be required to be included in this LEP. The site will be identified as "operational land" on the Land Reclassification Map.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the Planning Proposal will be rejected at the Gateway Determination.	Low	Ensure that the relevant planning issues are addressed in the Planning Proposal. To this end, the Planning Proposal has been updated to include reference to the Port Stephens LEP 2013.	Yes
There is a risk that potential Community concern that Council is both applicant and Relevant Planning Authority	Low	Ensure compliance with the NSW LEP Practice Note PN09-003 for reclassification of land Council maintain a clear separation of its functions as asset land owner and planning authority through separate reporting process.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The earlier Council report in December 2011 identified that the subject land is surplus to the open space requirements of Council and is largely unused. Rezoning and reclassifying the land will provide Council with the opportunity to develop this land for residential purposes.

CONSULTATION

Council will consult with the NSW Office of Environment and Heritage and Hunter Water Corporation, and other relevant agencies identified in the Gateway Determination.

The public exhibition process will be conducted for 28 days in accordance with the relevant provisions in the Environmental Planning and Assessment Act 1979, section 5.5.2 in the Department's publication "A guide to preparing local environmental plans" (April 2013) and the Department's LEP Practice Note PN 09-003. A public hearing is required to be conducted after the close of the public exhibition period in accordance with section 57(6) in the Act.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

ORDINARY COUNCIL – 11 JUNE 2013

OPTIONS

- 1) Adopt the recommendation in this report to submit the Planning Proposal to the NSW Department of Planning and Infrastructure with a request for a Gateway Determination;
- 2) Amend one or more of the provisions in the Planning Proposal prior to submitting the Planning Proposal to the NSW Department of Planning and Infrastructure with a request for a Gateway Determination;
- 3) Reject the recommendations in this report and not proceed with the Planning Proposal. In this instance, the subject site will remain largely unused and present as a cost burden to Council in terms of ongoing maintenance of the land and the loss of revenue from the inability to achieve Council's resolution to rezone and develop the land primarily for residential purposes.

ATTACHMENTS – All listed below are provided under separate cover.

- 1) Locality Plan, Rezoning Map and Reclassification Map – 22 Homestead Street and part of 1 Diemars Road, Salamander Bay (Sites 15a and 15b);
- 2) Planning Proposal (02 May 2013).

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

ORDINARY COUNCIL MEETING – 11 JUNE 2013

ATTACHMENTS – PROVIDED UNDER SEPARATE COVER

ITEM NO. 4

FILE NO. SC2006-6753

REZONING AND RECLASSIFICATION OF 22 HOMESTEAD STREET SALAMANDER BAY

ATTACHMENTS

- 1) Locality Plan, Rezoning Map and Reclassification Map – 22 Homestead Street and part of 1 Diemars Road, Salamander Bay (Sites 15a and 15b); and
- 2) Planning Proposal (02 May 2013).

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

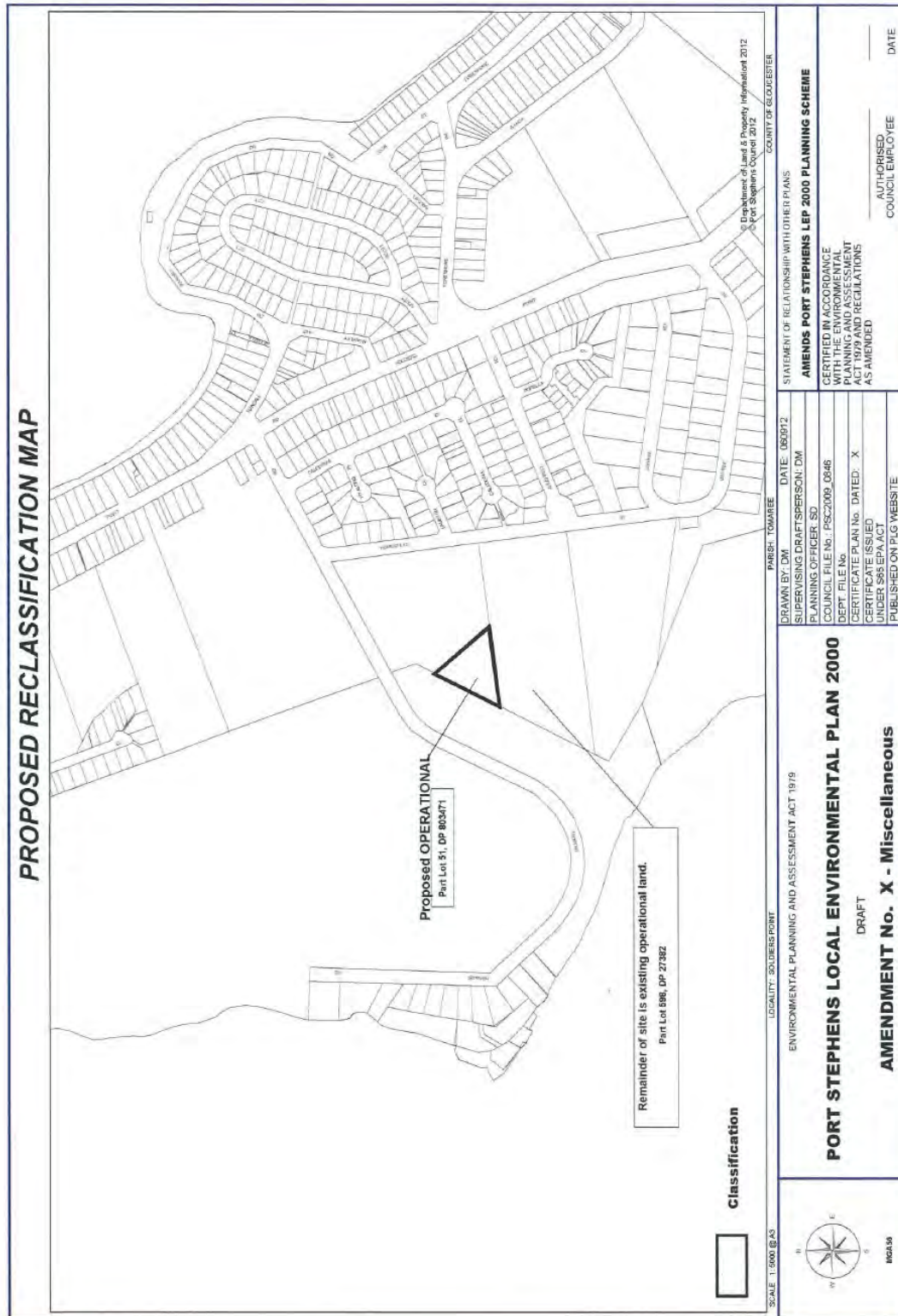
LOCALITY MAP

<p>SCALE: 1:1500 @ A3</p> <p>LOCALITY: SOLDIERS POINT</p> <p>ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979</p> <p style="text-align: center;">PORT STEPHENS LOCAL ENVIRONMENTAL PLAN 2000</p> <p style="text-align: center;">DRAFT</p> <p style="text-align: center;">AMENDMENT No. X - Miscellaneous</p>	<p>PARISH: TOMARAE</p> <p>COUNTY OF GLOUCESTER</p> <p>STATEMENT OF RELATIONSHIP WITH OTHER PLANS</p> <p>AMENDS PORT STEPHENS LEP 2000 PLANNING SCHEME</p> <p>CERTIFIED IN ACCORDANCE WITH THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979 AND REGULATIONS AS AMENDED</p> <p>AUTHORISED COUNCIL EMPLOYEE _____ DATE _____</p>
<p>DRAWN BY: DM</p> <p>SUPERVISING DRAFTSPERSON: DM</p> <p>PLANNING OFFICER: SD</p> <p>COUNCIL FILE No.: PSC2009_0846</p> <p>DEPT. FILE No.:</p> <p>CERTIFICATE PLAN No. DATED: X</p> <p>CERTIFICATE ISSUED UNDER S85 EPA ACT</p> <p>PUBLISHED ON PLG WEBSITE</p>	<p>DATE: 06/09/22</p>

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

**ATTACHMENT 2
PLANNING PROPOSAL**

Planning Proposal

Rezoning of Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and the Rezoning and Reclassification of Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay)

Part 1 - Objectives or Intended Outcomes

The purpose of the proposal is to:

- (i) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from public recreation to residential;
- (ii) rezone Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from public recreation to environmental protection; and,
- (iii) reclassify Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from community to operational land. The remainder of the site is already classified as operational land.

The proposal seeks to facilitate development and disposal of Council owned land zoned 6(a) General Recreation, adjacent to an existing residential neighbourhood.

The Strategic Review of Council Owned Lands at Salamander/Soldiers Point identified that the land would be best developed for residential purposes rather than remain as open space.

It seeks to facilitate the implementation of the residential development objectives of the Port Stephens Planning Strategy and a range of other Council policies, such as the Integrated Strategic Plan.

The site is adjacent to a residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with water, sewer and telecommunication services.

There is sufficient open space nearby, and the site is not required for recreational purposes.

Part 2 - Explanation of Provisions

It is proposed to amend either the Port Stephens Local Environmental Plan 2000 or the Port Stephens Local Environmental Plan 2013 (whichever instrument is in force at the time this proposal is finalised) as follows:

Port Stephens Local Environmental Plan 2000

- (i) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) zoned 2(a) Residential A;
- (ii) amending the map to show Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) zoned 7(a) Environmental Protection "A"; and,
- (iii) including the land in Part 2 in Schedule 1 of the Port Stephens Local Environmental Plan 2000 as follows:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2000 (Amendment No XX)"	Nil.

Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
p 1

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Port Stephens Local Environmental Plan 2013

Should the Port Stephens Local Environmental Plan 2013 be in force when this planning proposal is finalised, then the proposal will amend this LEP as follows:

Land Zoning Map

- (iv) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) from Zone RE1 Public Recreation to Zone R2 Low Density Residential.
- (v) Amend the Land Zoning Map (LZN_005B) by rezoning Part Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) from Zone RE1 Public Recreation to Zone E2 Environmental Conservation.

Lot Size Map

- (vi) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 500m² for all land proposed to be rezoned to Zone R2 Low Density Residential.
- (vii) Amend the Lot Size Map (LSZ_005B) by adopting a minimum lot size of 40 hectares for all land proposed to be rezoned to Zone E2 Environmental Conservation.

Height of Buildings Map

- (viii) Amend the Height of Buildings Map (HOB_005B) by adopting a maximum building height of 9.0 metres for all land proposed to be rezoned to Zone R2 Low Density Residential.

Land Reclassification Map

- (ix) Insert a new Land Reclassification Map (RPL_005B) that identifies Part Lot 51 DP 803471 as "operational land".

Land Reclassification

- (vi) including the following text in Part 2 in Schedule 4 in the Port Stephens Local Environmental Plan 2013:

Column 1	Column 2	Column 3
Locality	Description	Any trusts, etc. not discharged
Salamander Bay, 1 Diemars Road	Part Lot 51, DP 803471 as shown edged heavy black on the map marked "Port Stephens Local Environmental Plan 2013 (Amendment No XX)"	Nil.

Council resolved on 20 December 2011: "That Council as landowners, submit a planning proposal, to rezone Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a), and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in ATTACHMENT 2."

The relevant Council reports and resolutions are at Attachments 1 and 2 respectively. The map is at Attachment 3.

Part 3 - Justification

Section A - Need for the planning proposal.

1. Is the planning proposal a result of any strategic study or report?

The planning proposal is the result of a strategic study or report. It is an outcome of the 2008 Strategic Review of Council Owned Lands at Salamander/Soldiers Point.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

The subject land is surplus to Council's open space requirements based on a set of selection criteria in Council's 2010 draft Open Space Strategy, and the land would not be identified as suitable for open space under the draft Open Space Strategy. Lot 598 was not acquired for open space purposes.

Council's Port Stephens Planning Strategy seeks to ensure a sufficient supply of a diverse range of housing in the Local Government Area (LGA). The Lower Hunter Regional Strategy projects 5300 additional infill dwellings in Port Stephens by 2031. The development of this land for housing will assist in achieving this projection.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Planning Proposal is the best way of making the site available for uses which meet Council's policy objectives.

The land does not meet Council's criteria for open space, and the surrounding area is supplied with open space to at least Council's standards of provision. From an open space perspective the proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a nearby bushland reserve, and a playground/ kick around area within 400m.

A study of the land by *Ecological Australia*, titled "Offset Requirements for Development of 22 Homestead Street Salamander Bay", examined the biodiversity status of the land and assessed three options for the development of the land (copy at Attachment 6). These options were:

- (1) Develop the entire site
- (2) Retain the endangered ecological community on the site and develop the remainder, and
- (3) Develop only the cleared lands.

The Study concluded that it would be theoretically possible to offset the biodiversity impacts of development under all three options, with required offsets of 7-9ha, 3-4 ha, and 0 hectares for each of the options respectively.

Ecological Australia Option 2 conserved some vegetation however the areas conserved were not an offset for the areas being impacted. Most importantly, *Ecological Australia* Option 2 still had an adverse impact on the north south biodiversity corridor by narrowing its width at a critical location. Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clearly distinguish it from the *Ecological Australia* Option 2.

A variant on *Ecological Australia* Option 2 (Option 2A) has been developed by Council. Council Option 2A has a reduced impact on the width of the north south biodiversity corridor and a reduced impact on vegetation generally relative to *Ecological Australia* Option 2, and was adopted by Council as the basis of this Planning Proposal. *Ecological Australia* Option 3 was not considered by Council to be capable of delivering a viable development parcel and *Ecological Australia* Option 1 was viewed as having an excessive impact on biodiversity.

Council has resolved as a land manager to submit a planning proposal based on Council Option 2A to rezone the land shown edged with a thick black line in Figure 9 to 2(a) Residential (Part Lot 598 DP 27382 and Part Lot 51 DP 803471), and to 7(a) Environmental Protection (the balance of Lot 598 DP 27382), and reclassify that part of Lot 51 DP 803471 within the thick black line in Figure 9 from Community to Operational Land.

The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and more detailed environmental investigation is undertaken commensurate with the greater level of detail required at that stage.

It is considered that any biodiversity offsets should be determined and provided at the development application stage when the actual extent of vegetation loss (if any) has been confirmed.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Figure 1: Lands proposed for rezoning and/ reclassification



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
p 4

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Section B - Relationship to strategic planning framework.

- 3. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?**

The proposal is consistent with the Lower Hunter Regional Strategy's (LHRS) policies which encourage residential infill development and increased housing choice. The proposal is not contrary to the Lower Hunter Conservation Plan.

- 4. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?**

The proposal is consistent with Council's Integrated Strategic Plan (Port Stephens 2022) which states that Council should provide for a range of lot sizes and housing types to respond to demographic needs and affordability, and that Council should provide a diverse range of fit-for-purpose, quality recreational assets which are safe and highly accessible – balanced with the ability to maintain these on a financially sustainable basis.

Council's Port Stephens Planning Strategy seeks to encourage a sufficient supply of a diverse range of housing in the Local Government Area (LGA).

The proposal is an outcome of Council's comprehensive Open Space Consolidation Review and draft Open Space Strategy, and accordingly is consistent with these strategic plans.

- 5. Is the planning proposal consistent with applicable State Environmental Planning Policies?**

SEPP (Affordable Rental Housing) 2009

The proposal potentially facilitates increased development on land to which the SEPP applies, and accordingly has the potential to increase the supply of affordable housing.

SEPP (Exempt and Complying Development Codes) 2008

The proposal potentially facilitates development on land to which the Exempt and Complying Development Code may be applied.

SEPP (Infrastructure)

The proposal is consistent with this SEPP.

SEPP (Building Sustainability Index: BASIX) 2004

The proposal is consistent with this SEPP.

SEPP (Housing for Seniors and People with a Disability) 2004

The proposal potentially facilitates development on land upon which housing for seniors and people with a disability may be developed.

SEPP 71 (Coastal Protection)

The land is affected by SEPP 71. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents would also need to be considered in any development application applying to the site.

SEPP 55 Remediation of Land

While there is no known contamination of the land, clause 6 in this SEPP requires the consent authority

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to be satisfied that the land does not have the potential to be contaminated as part of the rezoning process, particularly where land is proposed to be rezoned for residential purposes. In this regard, it is appropriate that a preliminary land contamination report be prepared and submitted to Council before the planning proposal is placed on public exhibition.

SEPP 44 Koala Habitat Protection

The subject land is subject to the Port Stephens Comprehensive Koala Plan of Management (PSCKPOM). Council's koala habitat mapping shows the western and southern part of the site is "preferred habitat", and the balance of the site is "mainly cleared" or "buffer over cleared" with the exception of a small area of "link over cleared" in the centre of the site. This would need to be considered in any development application for the land and development would need to avoid those area confirmed as "preferred habitat", and measures undertaken within the buffer area to protect koala movement, survival and impacts on habitat.

SEPP 9 Group Homes

The proposal facilitates development on land upon which group homes may be developed.

6. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

1.4 Oyster Aquaculture

Priority oyster aquaculture areas exist in the receiving waters of the catchment draining the subject land. Provided any development applies best practice water quality treatment for any runoff, it is considered that the aquaculture areas will not be adversely affected. This should be confirmed at the development application stage. It is considered that the proposal is consistent with this Direction.

2.1 Environment Protection Zones

The objective of this direction is to protect and conserve environmentally sensitive areas.

The proposal does affect environmental sensitive lands. Two studies undertaken by *Ecological Australia* have confirmed that the vegetated areas along the western and southern boundaries of the subject site are environmentally significant. The first study was undertaken as part of the Strategic Review of Council Owned Lands at Salamander/Soldiers Point, and the second more detailed study focused on the subject land and is at Attachment 6 to this Proposal). The environmentally significant land in the west of the subject site is also at a critical narrowing of a north-south wildlife movement corridor which links Stoney Ridge Reserve with ecologically significant lands to the south near Taylors Beach. Figure 2 shows the significant vegetation on the land.

The proposal being advanced (Council Option 2A) seeks to minimise impacts on significant vegetation and on the north south biodiversity corridor while achieving a viable development parcel. Part of Lot 598 DP 27382, 22 Homestead Street is proposed to be zoned for environmental protection. The proposal will require consultation with the NSW Office of Environment and Heritage in the first instance. Because the final development footprint is not known, it is proposed to determine biodiversity offsets at the development application stage.

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Figure 2: Environmentally sensitive areas



2.2 Coastal Protection

The objective of this direction is to implement the principles in the NSW Coastal Policy.

The land is within the coastal zone. The matters listed in Part 8 of the SEPP (matters for consideration when preparing an LEP) are addressed in relevant sections of this report, as relevant. The implications of SEPP 71, the Coastal Policy and their supporting documents such as the Coastal Design Guidelines would also need to be considered in any development application applying to the site.

2.3 Heritage Conservation

The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.

A search of the Australian Heritage Database, the Aboriginal Heritage Information Management system (AHIMS), the NSW Department of Planning Heritage Database and the Post Stephens Local Environmental Plan indicate that the site does not contain known areas of heritage significance.

2.4 Recreation Vehicle Areas

The objective of this direction is to protect sensitive land or land with significant conservation values from adverse impacts from recreation vehicles.

It is not proposed to enable a recreational vehicle area to be developed.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.3.1 Residential Zones

The objectives of this Direction are:

- To encourage a variety and choice of housing types to provide for existing and future housing needs
- To make an efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services
- To minimise the impact of residential development on the environment and resource lands.

The proposal facilitates additional housing in an established residential area

3.4 Integrating Land Use and Transport

The objective of this Direction is to ensure that development:

- Improves access to housing, jobs and services by walking, cycling and public transport;
- Increases the choice of available transport and reducing dependence on cars;
- Reduces travel demand including the number of trips generated by development and the distances travelled, especially by car;
- Supports the efficient and viable operation of public transport services; and
- Provides for the efficient movement of freight.

The proposal facilitates an increased yield on residentially zoned land in close proximity to neighbourhood level services. A weekday bus route is within 400 m of the site. Neighbourhood shops are within 500m of the site.

4.1 Acid Sulfate Soils

The objective of this Direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.

The southeastern third of the subject site is Category 1 –works below 2m below natural ground surface, the balance of the site is Category 2–works below ground surface. Council will require appropriate measures to be taken at a development application stage. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage the impacts of development on acid sulfate soils.

4.3 Flood Prone Land

The objectives of this Direction are:

- To ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005
- To ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.

The southernmost part of the land is flood prone according to Council's GIS mapping. Because of the location and topography, the nature of any flooding is likely to be slow acting, low depth and low velocity. The low lying nature of the land means that sea level rise may increase the flood risk. A flood assessment would be required prior to any development of the site. Both the Port Stephens LEP 2000 and the Port Stephens LEP 2013 contain provisions to manage proposed development on flood prone land. It is noted that the adjacent residential and industrial areas also identified as flood prone on the Council's GIS mapping.

4.4 Planning for Bushfire Protection

The objectives of this Direction are to protect life, property and the environment from bushfire hazards, by discouraging the establishment of incompatible land uses in bushfire prone areas and to encourage sound management of bushfire prone areas.

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The proposal is rated as "vegetation buffer" except for the vegetated areas along to western and southern boundaries, which are Category 1. This will need to be taken into account in any development application for the site.

5. Implementation of Regional Strategies

The proposal is consistent with the Lower Hunter Regional Strategy.

6.2 Reserving Land for Public Purposes

The objectives of this direction are:

- to facilitate the provision of public services and facilities by reserving land for public purposes, and
- to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.

The Planning Proposal will remove a reservation of land for public purposes.

The proposal seeks to reclassify community land to operational land, and should this reclassification be supported, the public reserve status of Part Lot 51 will be no longer appropriate and will be revoked. The reasons for this are provided elsewhere in this report.

Section C - Environmental, social and economic impact.

7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The proposal may adversely affect critical habitat or threatened species, populations or ecological communities, or their habitats. The Planning Proposal seeks to minimise the ecological impact of the proposed rezoning by restricting vegetation loss. The boundary of the actual development footprint within the proposed 2(a) zone boundaries will be determined at the development application/subdivision stage when design and investigation is undertaken commensurate with the greater level of detail required at that stage. A detailed environmental assessment would be undertaken at the development application stage in order to guide the final form of the development/subdivision.

A copy of a report on "Offset Requirements for 22 Homestead Street Soldiers Point" is attached. Ecological Australia Option 2 in the "Offset Report" proposes more extensive development and vegetation loss than the adopted Council Option 2A upon which this Planning Proposal is based. Council Option 2A has an impact between that of Ecological Australia Options 2 and 3 that are discussed in the "Offset Report". Please note: "Option 2" that was adopted in the Council Report is referred to as Council Option 2A in this Proposal in order to clear distinguish it from the Ecological Australia Option 2.

The land is not located within the LHRS green corridor or any areas identified by the Lower Hunter Conservation Plan as being of conservation significance.

8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

No significant effects.

9. Has the planning proposal adequately addressed any social and economic effects?

Yes. The nearest community land is adjacent and offers a range of recreational experiences.

The social impacts of the proposal are:

- A potential increase in the supply of housing, albeit in an area affected by aircraft noise.

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- Possible community reaction to the reclassification- which will be determined through the public exhibition process.

The economic effects are:

- Potential employment creation associated with the construction and on going occupation of any dwelling on the site
- Infrastructure efficiencies achieved as a result of infill development.

The environmental impacts of the proposal are:

- The potential loss of vegetation on the site
- The environmental impacts associated with the construction and ongoing operation of any dwelling on the site.
- The rezoning and protection of open space zoned land as environmental protection.

These negative impacts of the proposal can be reduced by any resultant dwelling complying with BASIX and any other environmental policies which may apply at a local, State or National level, by minimising the impact of the final development footprint on significant vegetation and by providing biodiversity offsets if appropriate.

Section D - State and Commonwealth interests.

10. Is there adequate public infrastructure for the planning proposal?

The reclassification proposal does not require additional public infrastructure. Water, sewer, electricity and telecommunication services are currently provided to the area.

11. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

Consultation with relevant authorities will be undertaken following the gateway determination.

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Part 4 – Mapping

Locality Map



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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Proposed Rezoning Map



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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Part 5 – Community Consultation

The planning proposal will be exhibited in accordance with the requirements of the Environmental Planning and Assessment Act and the Local Government Act and their regulations, and in accordance with Sections 5.5.2 and 5.5.3 of the Department of Planning and Infrastructure guideline "A guide to preparing Local Environmental Plans" (April, 2013). The LEP Practice Note PN 09-003 "Classification and reclassification of public land through a local environmental plan" and the *Best Practice Guideline for LEPs and Council Land* will also be included in the public exhibition documentation.

This includes public notification of the exhibition, inviting public submissions, and holding a public hearing.

Notice of the arrangements for the public hearing will be given in a local newspaper; and in a letter to each person who may have made a submission, at least 21 days before the date of the hearing. Notice of the public hearing will not be given before the conclusion of the public exhibition of the planning proposal to ensure each person making a submission is given the requisite 21 days notice.

The exhibition period will be for a minimum of 28 days or the period specified in the Gateway Determination and will include the availability of hard copy exhibition material at a local venue, Council libraries, the Council administration building and for download from the internet.

Following the exhibition, the public submissions and the outcome of the public hearing will be assessed, and a recommendation made to Council for their consideration.

Part 6 – Project Timeline

The planning proposal will require consultation with the NSW Office of Environment and Heritage and the preparation of a preliminary land contamination report. Accordingly, a 6 month period has been allocated for these tasks. Council anticipates that the draft LEP will be finalised by June 2014.

	Task Description	Estimated Timeline
1.	Gateway Determination	June 2013
2.	Completion of required technical information	December 2013
3.	Government agency consultation	December 2013
4.	Public exhibition period	February 2014
5.	Public hearing	March 2014
6.	Consideration of submissions and finalise the draft plan	May 2014
7.	Submission to Department with request to make the plan.	June 2014

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ADDITIONAL INFORMATION

Comments relevant to LEP Practice Note PN 09-003.

Location

The land proposed for rezoning is Lot 598 DP 27382 (22 Homestead Street, Salamander Bay) and Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay). Land proposed for reclassification is Part Lot 51 DP 803471 (1 Diemars Road, Salamander Bay) ("the site"). The subject land is shown on the map at Figure 1 and Attachment 4. An aerial photograph of the site is at Attachment 5.

The site is located in a suburban area in the suburb of Soldiers Point in the Port Stephens Local Government Area.

Figure 1: Subject land shown outlined in red



Site description

Lot 598 is 38076 square metres in area and Part Lot 51 is approximately 5300 square metres. Lot 598 has a frontage to Homestead Street of approximately 130 metres. Figure 2 shows that site is largely cleared, with native vegetation containing canopy trees and understorey shrubs towards the western and southern boundaries of the site (see also Figure 3). The triangular area of land occupied by Part Lot 51 is cleared over one third and the balance covered by large native canopy trees with a grass understorey (Figure 4). Part Lot 51 is a southern part of the Stoney Ridge Reserve.

A detached dwelling was located near the centre of Lot 598 and has been demolished along with any other improvements on the land, with the exception of boundary fencing.

The site is adjacent to a residential neighbourhood- with largely detached dwellings to the east (across Homestead Street) (Figure 5) and a manufactured home village immediately to the north (Figures 6 and 7). A sewer pump station is located within the manufactured home estate, adjacent to the boundary with Lot 598. There is a 70-100 m wide corridor of native vegetation to the west, part of which is on the subject land, and beyond a quarry. To the south the land is covered by swamp sclerophyll forest, part of which is on the subject land (Figure 8).

Planning Proposal – Rezoning and reclassification of land; 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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Occupants of the manufactured home village appear to be using the triangular shaped Part Lot 51 for the storage of caravans and the like. (Figure 4)

The site is relatively flat and low lying. It appears to drain toward the south and southeast.

The site has no signs of being used for formal or informal recreation activity.

Homestead Street is sealed but does not have kerbing and gutting adjacent to the site. It would require a more formalised drainage and road shoulder treatment if the subject land is to be developed.

The land:

- Has access to urban infrastructure, including services, local shops and parks
- Is adjacent to land zoned for residential and other development permissible in a 2(a) Residential A zone.
- Is mainly cleared
- Can probably be developed in way which achieves substantial residential development, and at the same time achieve an "improve or maintain" biodiversity outcome.
- Contains habitat for endangered species
- Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management.
- Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours.
- Is mainly flood prone
- Is partially bushfire prone
- Needs to be carefully managed for acid sulfate soils
- Has community land nearby for informal recreation.

Figure 2: Aerial photograph showing surrounding dwellings, vegetation to the south and west, and dwellings to the north and east.



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Figure 3: Panorama photograph of the Site, looking W from Homestead Street



Figure 4: Part Lot 51 showing private use of Council land



Figure 5: Looking N along Homestead Street, the subject land to the left, detached dwellings to the right.



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Figure 6: Looking NE across the Site to the manufactured home village.



Figure 7: Manufactured Home Estate along the northern property boundary



Figure 8: Environmentally significant vegetation to the S and W of the subject land



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.**Current classification**

Lot 598 is classified as Operational Land, and Part Lot 51 is classified as Community Land and categorised as Natural Area (Bushland).

Current zoning

The subject land is zoned 6(a) General Recreation under the Port Stephens Local Environmental Plan 2000. The adjacent land to the north and east is zoned 2(a) Residential A. The adjacent land to the west and south is zoned 6(a) General Recreation.

Reasons why Council acquired an interest

Council acquired Lot 598 in 1996. It was intended that Lot 598 and the Council owned Lot 599 would be rezoned and developed as light industrial land. This did not eventuate.

It is believed Council acquired Lot 51 in 1955 as part of the acquisition of a much larger area of land from the Commonwealth of Australia. This land had been intended for the establishment of a naval base, however this did not eventuate and the site was sold to the Council by the Commonwealth.

Any current agreements over the land

There is no current agreement over the land.

Financial implications for Council

Council would receive revenue from the proposed disposal of the land. Council would achieve minor operational cost savings from no longer maintaining the land. The 2010 Notice of Valuation by the Valuer General states that the value of the Lot 598 as open space is \$ 450,000. The value of Part Lot 51 has not been estimated at this time.

The development of a residential subdivision is estimated by Council to yield approximately 30 lots. The current cost of developing lots is around \$80,000 per lot, making a project cost of around \$2.4 million. The lots may be marketed for \$160,000-\$180,000 per lot based on other residential estates in the area. Adopting \$170,000 as the median price, the total income from the development has the potential to return from \$5.1 million gross, or \$2.7 million net.

Related asset management objectives

The rezoning and reclassification, and proposed disposal of the land are consistent with Council's asset management and policy framework for open space.

Any proposal to extinguish or retain other interests in the land through reclassification

It is proposed to revoke the public reserve status applying to Part Lot 51.

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A justification/ explanation as to why such interests are being extinguished

Part Lot 51 is not required to be community land to fulfil its proposed purpose and it is proposed to reclassify the site as operational land. The public reserve status of the land would no longer be appropriate.

Any rezoning associated with the reclassification

It is proposed to rezone Part Lot 51 from 6(a) General Recreation to 2(a) Residential A.

Council's intention

Council's intention is to rezone and reclassify the land, as described, in order to permit the development of most of the land and to dispose of most of the land consistent with the adjacent residential zoned land, while at the same time protecting the majority of the land of biodiversity significance by rezoning 7(a) Environmental Protection "A" and retaining Council ownership.

Is there a net community benefit?

The site is adjacent to an existing residential neighbourhood with good access to services. Existing road and social infrastructure has capacity to cater for the development of the site. The land is serviced with electricity, water, sewer and telecommunication services.

The proposal will not reduce the availability of usable open space in the area to below Council standards. There is open space nearby in the form of a playground and kick around area within 400m. The Stoney Ridge reserve also provides informal recreation opportunities, with public access being located adjacent to the site.

As described above, development of the site for residential purposes along the lines of Council Option 2A (the Planning Proposal) aims to achieve a balance between the conservation of vegetation and development viability.

There is a net community benefit from the reclassification of the land. It is not serving a public purpose and is not required for alternative community uses. The eventual disposal of most of the land will provide for additional housing in the area, and will generate revenue for Council to meet the need for facilities and services within the LGA. Most of the vegetation on the site is not affected by the proposed rezoning and will be protected under an environmental protection zoning.

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ATTACHMENT 1

COUNCIL REPORT OF 13 DECEMBER 2011

COUNCIL COMMITTEE – 13 DECEMBER 2011

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL

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

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

BACKGROUND

The purpose of this report is for Council as landowner to submit a Planning Proposal to the Environmental and Development Planning Section to partially rezone 22 Homestead Street Lot 598 DP 27382 Salamander Bay from 6(a) Recreation to 2(a) Residential and Environmental 7(a) and reclassify and rezone Part Lot 51 DP 803471 from Community to Operational and from 6(a) to Residential 2(a) (see Attachment 1).

Council purchased the 3.8ha (22 Homestead Street) parcel of land in late 1996. The land was zoned 6(a) Open Space. Upon acquisition by Council the land was classified "Operational, it was the intention of Council at the time of the acquisition that the land be consolidated with the adjoining Council owned lot (Lot 599) with a view to extend the light industrial zoning and create 40 industrial allotments (Attachment 4). Prior to Council's purchase of the land the previous owner of 22 Homestead Street had made approaches to Council regarding lodging an application to rezone the lot to residential. 22 Homestead Street is located in a suburban area in the suburb of Salamander. Adjoining the land to the north and east is existing residential dwellings and it would be a logical extension of the adjacent residential zoning. A report was prepared by Strategy Hunter in January 2008 on various sites in Salamander Bay and Soldiers Point of which 22 Homestead Street was one, the report recommended that 22 Homestead Street be rezoned to part 2(a) Residential and Part 7(a) environmental.

Council resolved on the 8 June 2010 that Council investigate rezoning the whole site to residential and that Council have the opportunity to have another ecologist review the site and potential offsetting.

Additionally the Hunter Strategy Report recommended the reclassification and rezoning of a triangular piece of land adjoins 22 Homestead Street to the south and existing residential to the west. This will provide an improved urban and development outcome.

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To facilitate the rezoning and reclassification a Planning Proposal was prepared by Hunter Strategy to submit firstly to Council then to the Department of Planning and Infrastructure under the provisions of the "Gateway Process". The ecological review forms part of the Planning Proposal.

The Planning Proposal that has been prepared supports that the land does not meet the criteria for Open Space and that the surrounding area is supplied with open space to at least Council's standards of provision.

Additionally the report makes the following observations:

the site:

Has access to urban infrastructure, including services to local shops and parks
Is adjacent to land zoned for residential and other development permissible in a 2(a) residential zone
Is mainly cleared
Can probably be developed in a way which achieves substantial residential development and at the same time achieve an "improve or maintain" biodiversity outcome
Contains habitat for endangered species
Contains some areas of preferred habitat under the Port Stephens Comprehensive Koala Plan of Management
Is not within the ANEF 2012 or ANEF 2025 aircraft noise contours
Is mainly flood prone
Needs to be carefully managed for acid sulphate soils
Has community land nearby for informal recreation.

The previous ecological assessment found the subject site offers high value interconnectivity between vegetation remnants to the southwest and southeast and linking to the north. It states that it is essential that the integrity of the corridor is retained in perpetuity. The vegetation in the southern part of the site was also found to comprise of Swamp Mahogany Forest, an Endangered Ecological Community. This part of the subject site is also mapped as preferred koala habitat in the Port Stephens Comprehensive Koala Plan of Management.

The most recent study of the land by Ecological Australia prepared in April 2011 noted that 32% of the site contained Endangered Ecological Community (EEC) listed under the NSW Threatened Species Conservation Act (Swamp Mahogany – Paperbark Forest).

The report then considered three options for the development of the land and considered the options capability to achieve the "improve and maintain outcome" as calculated by the Biodiversity Certification Assessment Methodology. An improved and maintain outcome is achieved where there is no impact on "red flagged" species or ecosystems and where all losses of non – red flagged species and ecosystems are fully offset.

The options were:

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Option 1 - Develop the entire site
(4.34 hectares = 43 allotments)

Option 2 - Retain the endangered ecological community on the site and develop the remainder.
(Approximately 3.34 hectares = 33 allotments)

Option 3 - Develop on the cleared lands.
(Approximately 2.34 hectares = 23 allotments).

The study concluded that it would be theoretically possible to offset the biodiversity impacts of the development but also stated that it would be unlikely Option 1 or 2 would be supported by the Office of Heritage and Environment (OEH) regardless of any offset proposal. This is because Option 1 and 2 will reduce the width of the north-south corridor by around 30%. Option 1 would require the clearing of the EEC and the "improve and maintain" outcome cannot be achieved because of the red flag rule therefore Council would need to demonstrate that proposal could meet certain criteria which would then have to be approved by OEH, the report considers that it is highly unlikely. Option 2 protects the EEC however clears two other vegetation communities (Coastal Sand Apple – Blackbutt Forest and Coastal Foothills Spotted Gum comprising 16% of site coverage) and the "improve and maintain" outcome is not achieved within the site boundaries. However it is assumed that the retained vegetation would be managed and improved therefore is providing a better outcome for the site. Option 3 has no impact on biodiversity but to develop only the cleared portion of the land would not be financially viable. It is therefore recommended that Council proceeds with Option 2.

FINANCIAL/RESOURCE IMPLICATIONS

Council would receive revenue from the proposed disposal of the land. The value of the land will significantly increase with the change of zoning to Residential 2a. The development of a residential subdivision is estimated to realise a yield of approximately 30 housing lots, based on the developable area being proposed.

The current cost of developing residential allotments is circa \$80k per lot, making a project cost of circa \$2.4m. Based on other residential estates in the Port Stephens LGA, it is estimated that the lots could be marketed at \$160k to \$180k per lot. Adopting \$170k as the median price, the total income from the development has the potential of returning \$5.1m.

LEGAL, POLICY AND RISK IMPLICATIONS

The subject land requires approval by the Department of Planning for the rezoning of the land from 6(a) General Recreation to 2(a) Residential and 7(a) Environmental and part of the land, being the triangular section located between 22 Homestead Street and the adjoining relocatable home village, also requires reclassification from Community to Operational.

On successful completion of the Rezoning and Reclassification process, the land will require the preparation of a Development Application for the subdivision into

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residential lots. On approval, the construction of the subdivision works will take place, with registration of the final plan of subdivision by the Land & Property Information on completion of the works.

The above processes are anticipated to be quite lengthy.

The sale of the land is consistent with the Property Investment and Development Policy.

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The amount of land available for residential development within the Tomaree Peninsula is a limited resource. The land provides Council with an opportunity to provide additional housing lots in an existing residential area within the Port Stephens Local Government Area.

This project will create economic stimulus for the community, through construction and a further revenue stream for Council through land sales. The creation of additional housing lots also provides a further flow on effect in the form of additional ratepayers.

Part of the site contains endangered ecological community, however the proposal does not intend to develop these areas. The environmental constraints are addressed and there will be minimal impact on the environment.

CONSULTATION

- 1) Group Manager – Sustainable Planning;
- 2) Strategic Planning Staff.

OPTIONS

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

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ATTACHMENTS

- 1) Development Option 2;
- 2) Development Option 1;
- 3) Development Option 3;
- 4) Business Paper September 1996.

Marked up aerials:

Yellow Boundary = Lot Boundary

Black Boundary = Proposed rezoning

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
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**ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.**

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 3



ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 4

Minutes of 10 September 1996 Ordinary Meeting

CONFIDENTIAL
CORPORATE COMMITTEE

ITEM NO 2 FILE NO: M3470-10
PROPOSAL TO PURCHASE LOT 598 GEORGE ROAD,
SALAMANDER BAY

AUTHOR: Jim Neely

GENERAL MANAGER'S RECOMMENDATION:

1. That Council accept the offer from Banora Projects P/L to sell Lot 598 DP 27382 George Road, Salamander Bay for \$325,000.00.
2. That the Common Seal of Council be affixed to all necessary documents.
3. That under Section 31 of the LG Act 1995 the land be classified 'operational'.

Manex Comments: The appropriate co-ordination and corporate consultation has taken place.

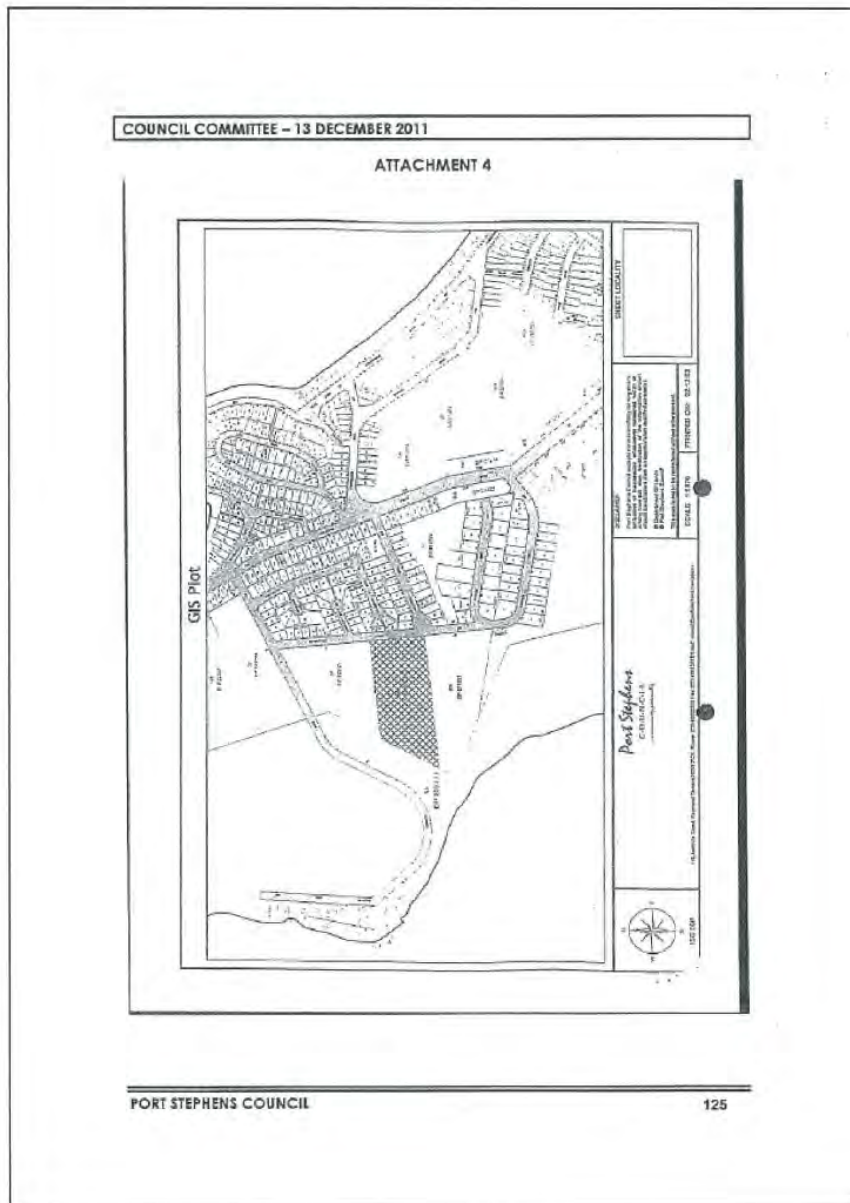
Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

536 Councillor MacKenzie Resolved that the Corporate Committee's
Councillor Creighton Recommendation be adopted.

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COUNCIL COMMITTEE – 13 DECEMBER 2011

ATTACHMENT 4

Minutes of Ordinary Meeting 10 September 1996

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2. That the Common Seal of Council be affixed to all necessary documents.
3. That under Section 31 of the LG Act 1993 the land be classified 'operational'.

Manex Comments: The appropriate co-ordination and corporate consultation has taken place.

Corporate Committee's Recommendation: That the General Manager's recommendations be adopted.

535 Councillor MacKenzie Resolved that the Corporate Committee's
Councillor Creighton Recommendation be adopted.

BACKGROUND

Council is the owner of Lot 599 George Road, Salamander Bay and now has the opportunity to acquire the adjoining Lot 598 having an area of approximately 9 acres (see Attachment 10.1).

The acquisition of this property is seen to have two benefits. Firstly, it would together with the adjoining allotment already owned by Council, be a logical extension of the adjacent Light Industrial zoning. Secondly, a proposed road through this land could link with the existing quarry and provide a more desirable route for trucks that use the quarry. Residents have continually complained about the noise and dust from trucks that travel along George Road.

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Minutes of Ordinary Meeting 10 September 1996

This proposal would create approximately forty (40) light industrial allotments and provide for the closure of part of George Road (see Attachment 10.2). It is estimated that Council would make a profit on the development in the order of \$600,000.

Both allotments of land are zoned Public Recreation 6(a) and would require rezoning for this proposal to proceed. The owner of Lot 598 could require Council to acquire this property under the provisions of Council LEP 1997.

The owner of Lot 598 has approached Council with a view to lodging an application to have the land re-zoned Residential 2(a), or failing this, to develop a Mobile Home Park that is permitted under the current zoning. Following further negotiations with the owner he has agreed to sell the land to Council for \$325,000.00 (see Attachment 9.3).

Council has obtained a valuation from Wolthers Pawlik Sinn P/L, who have valued the land as follows:-

Based on current Public Recreation 6(a) zoning	\$200,000.00
Based on Residential 2(a) zoning	\$360,000.00

Given the potential advantages to be had it is recommended that Council acquire this property. The major risk to Council is that an application to re-zone the land Light Industrial may be unsuccessful.

FINANCIAL/RESOURCE IMPLICATIONS

Funds are available in the Acquisition of Assets Reserve.

LEGAL AND POLICY IMPLICATIONS

Nil

PUBLIC IMPACT

Once the land is acquired the proposal could be communicated to the residents in the area who would more than likely favour the proposal.

CONSULTATION

Some Councillors have inspected the site. Other Council Departments have been consulted.

OPTIONS

Accepted the recommendation.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 2

COUNCIL RESOLUTION OF 20 DECEMBER 2011

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011

ITEM NO. 7

FILE NO: PSC2006-6753

REZONING 22 HOMESTEAD STREET, SALAMANDER BAY FROM RECREATION TO RESIDENTIAL

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

RECOMMENDATION IS THAT COUNCIL:

- 1) That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 1**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 1**.

COUNCIL COMMITTEE MEETING – 13 DECEMBER 2011

RECOMMENDATION:

Councillor Ken Jordan
Councillor Bob Westbury

That Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 2**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 2**.

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

Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Nell, Frank Ward, Sally Dover and Glenys Francis.

Those against the Motion: Nil.

ORDINARY COUNCIL MEETING – 20 DECEMBER 2011

451 **Councillor John Nell**
Councillor Sally Dover

It was resolved that Council as landowners, submit a planning proposal, to rezone (Option 2, **ATTACHMENT 2**) Lot 598 DP 27382, 22 Homestead Street, Salamander Bay to Residential 2(a) and Environmental 7(a) and

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

MINUTES ORDINARY COUNCIL – 20 DECEMBER 2011

Reclassify and Rezone Part Lot 51 DP 803471 from Community to Operational and 6(a) to Residential 2(a) as shown in **ATTACHMENT 2**.

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

Those for the Motion: Crs Peter Kafer, Bob Westbury, Caroline De Lyall, Ken Jordan, Bruce MacKenzie, Steve Tucker, Shirley O'Brien, Geoff Dingle, John Neil, Sally Dover and Glenys Francis.

Those against the Motion: Nil.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

ATTACHMENT 3

CADASTRE PLAN



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ATTACHMENT 4

AREA MAP

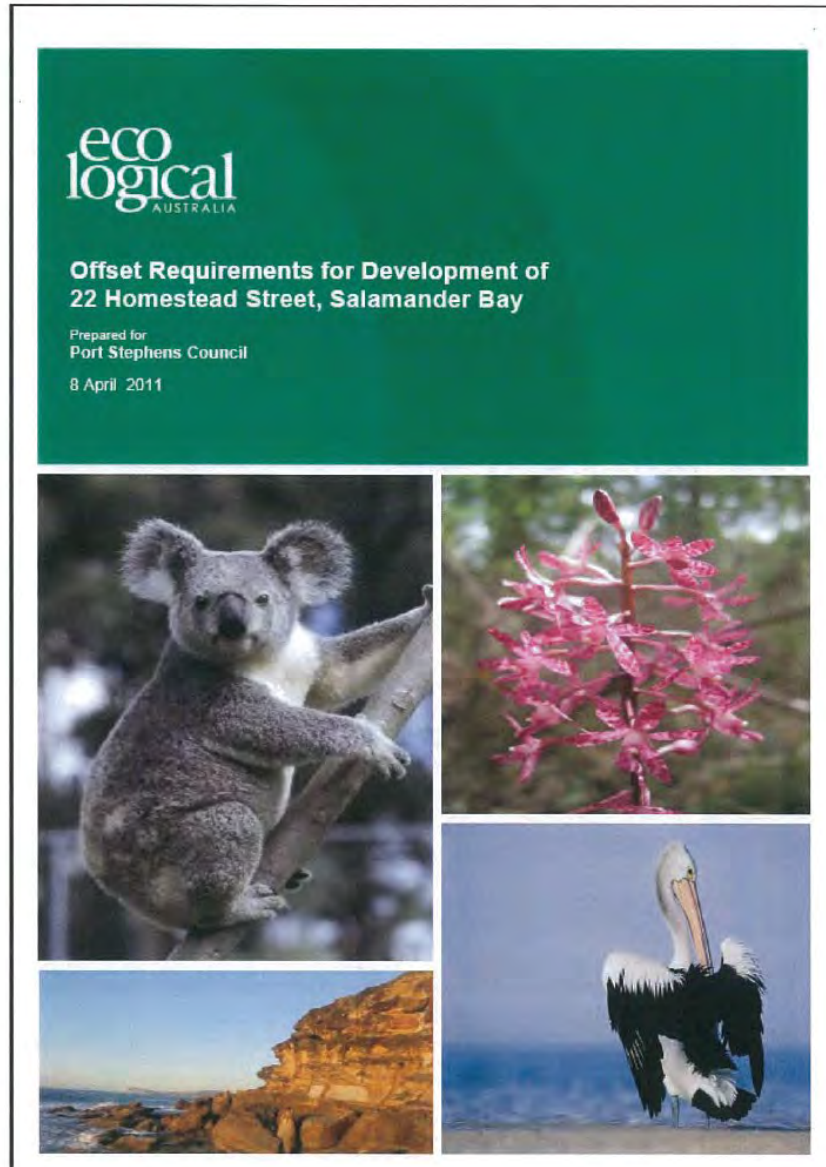


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ATTACHMENT 6

ECOLOGICAL AUSTRALIA REPORT "OFFSET REQUIREMENTS FOR DEVELOPMENT OF 22 HOMESTEAD STREET SALAMANDER BAY" – 8 APRIL 2011



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22 Homestead Street, Salamander Bay

DOCUMENT TRACKING

ITEM	DETAIL
Project Name	Offset Requirements for Development of 22 Homestead Street, Salamander Bay
Project Number	11NEWENV-004
File location	H:\Synergy\Projects\11 Projects\11 NEWENV\11NEWENV-0004 Homestead Street Offset Options
Prepared by	David Bonjer, Antony Von Chrismar
Approved by	Darren James
Status	Final
Version Number	2
Last saved on	6 April 2011

This report should be cited as 'Eco Logical Australia (2011). Offset requirements for Development of 22 Homestead Street, Salamander Bay. Prepared for Port Stephens Council.'

ACKNOWLEDGEMENTS

This document has been prepared by Eco Logical Australia Pty Ltd with support from David Crofts of Strategy Hunter.

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22 Homestead Street, Salamander Bay

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22 Homestead Street, Salamander Bay

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Abbreviations

ABBREVIATION	DESCRIPTION
BCAM	Biodiversity Certification Assessment Methodology
DECCW	Department of Environment, Climate Change and Water
EEC	Endangered Ecological Community
ELA	Eco Logical Australia Pty Ltd
EPBC	Environment Protection and Biodiversity Conservation Act
FSC	Port Stephens Council
TSC	Threatened Species Conservation Act

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

1 Introduction

1.1 PURPOSE OF THIS REPORT

Port Stephens Council (PSC) are investigating development options for 22 Homestead Street, Salamander Bay. A previous report (ELA, 2007) recommended that development be contained within the cleared part of the site, however with the flexibility that can be provided through the use of biodiversity offsets. Council wants to re-visit the site and determine whether a greater development footprint can be justified if accompanied by an appropriate biodiversity offset.

This report responds to a brief supplied by PSC via Strategy Hunter. The brief included the following scope of works:

1. Identify the potential for, and nature of, any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.
2. Consider options within the above area which may achieve the best balance between offsets and development yield.
3. Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement.

1.2 STUDY AREA

The study site is lot 598 DP 273522 and an adjacent triangular piece of land, part lot 51 DP 803471. The site is located at Salamander Bay (Figure 1).

The ecological values of the site have briefly been described ELA (2007). The site has 48.2% vegetation cover, with 32% of the site containing an Endangered Ecological Community (EEC) listed under the NSW *Threatened Species Conservation Act* (Table 1 and Figure 3). The native vegetation communities on site are Preferred Koala habitat under the Port Stephens Comprehensive Koala Plan of Management (Figure 2) and are in moderate to good condition. The vegetation along the western boundary forms part of a north-south biodiversity corridor.

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Figure 1 Study Area



Figure 2 Koala Habitat

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22 Homestead Street, Salamander Bay

Table 1: Vegetation communities

REMs vegetation community Name (NPWS 2000)	Biometric Vegetation Type	EEC	Area (ha)	% of site
Coastal Sand Apple - Blackbutt Forest (MU33)	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	No	0.3	6.6
Coastal Foothills Spotted Gum - Ironbark (MU15)	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin	No	0.4	9.4
Swamp Mahogany - Paperbark Forest (MU37)	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Yes	1.4	32.2
Cleared		No	2.2	51.8
Total			4.3	100.0

1.2 DEVELOPMENT SCENARIOS

Three development scenarios were identified for consideration in consultation with Strategy Hunter (Table 2 and Figures 3, 4 and 5). In each scenario, it is assumed that the development area is to be fully cleared of vegetation and will contain bushfire asset protection zones. Where land is to be conserved it is assumed the vegetation will be improved by undertaking conservation management actions such as weed removal, feral animal control, fencing and rehabilitation of degraded areas.

Table 2: Development Scenarios

Scenario	Notes	Conservation (ha)	Development (ha)	Clearing (ha)	Approx Ratio (conservation : clearing)
1	Develop entire site	0	4.3	2.1	0 : 2
2	Retain EEC and develop remainder	1.4	2.9	0.7	1 : 2
3	Develop only cleared lands	2.1	2.2	0	2 : 0

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2 Methodology

2.1 BIODIVERSITY CERTIFICATION ASSESSMENT METHODOLOGY

Three development scenarios were analysed using the Draft Biodiversity Certification Assessment Methodology (BCAM) (DECCW June 2010). The rationale for choosing this method is as follows:

- The methodology takes a "biometric" approach, meaning results are presented in a numerical format. This allows easy comparison of development and offset options.
- The methodology has been developed by DECCW and is objective and defensible. These are important factors, particularly where a proposal may have concerns raised by the community.
- DECCW developed the methodology for use in strategic planning projects.

The BCAM uses the 'improve or maintain' outcome as a benchmark. 'Improve or maintain' is a stated goal of several NSW policy documents relating to urban development and conservation, including:

- Sustainability Criteria in the Lower Hunter Regional Strategy (DoP, 2008)
- Lower Hunter Regional Conservation Plan (DECC, 2009)
- Biodiversity Certification under the Threatened Species Conservation Act

An 'improve or maintain' outcome is achieved where there is no impact on "red flagged" species or ecosystems (discussed below) and where all losses of non-red flagged species and ecosystems are fully offset.

The methodology firstly calculates the number of ecosystem credits and threatened species credits required to offset development impacts. The number of credits required depends on the amount, type and condition of ecosystems and threatened species being cleared and also takes into account the position of that site in the landscape.

Credits are generated by a proposal by securing and improving the management of biodiversity, either on-site or off-site. The credit generating potential is determined by the management actions to be undertaken and the security of conservation lands. Permanently managed and funded conservation lands (such as those transferred and gazetted as a NPW Act reserve or registered as a Biobank site) receive 100% of credits generated, where-as conservation areas that are secured under a Voluntary Conservation Agreement or are managed by Council in accordance with a Plan of Management receive 90% of credits generated.

Of particular relevance to the Homestead Street proposal is the BCAM "red flag" rule. Some threatened species and all EECs (if in moderate to good condition) are "red flagged". This means that a project resulting in the clearing or loss of these species cannot achieve an 'improve or maintain' outcome and therefore cannot be biodiversity certified. The methodology does allow for variations to these red flags rules, but only where it is shown the development meets the following criteria:

- i. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered
- ii. Contribution to regional biodiversity values must be low
- iii. Viability must be low or not viable

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IV. Offset requirements must be met in full

The methodology also has rules known as "additionality rules". These apply when the landowner of the conservation site has existing legal obligations to manage the land for conservation. Where such obligations already exist, the additionality rules reduce the number of credits that can be generated from the conservation land. For example, if the off-set site had an existing legal obligation under a Voluntary Conservation Agreement (NPW Act) or a Property Vegetation Plan (Native Vegetation Act 2003), the site may not be able to be used as an offset for a development.

Limitations

This study was a desktop analysis offset options. Information regarding the site was based on ELA (2007) which itself was a preliminary conservation assessment of the site. No fauna survey data was available. The study therefore has certain limitations and assumptions as described below.

- The methodology is based on the draft BCAM exhibited in June 2010. The new methodology may produce slightly different results to this assessment, however ELA believe the current draft methodology provides an adequate guide to the extent of type of offsets required.
- The Biocertification Methodology requires specific biometric information to be gathered in the field. Without that biometric information, the following assumptions were made:
 - Given the vegetation appears to be in moderate to good condition, ELA have assumed it has a current score of 80 out of 100.
 - That all vegetation within a proposed development area would be cleared.
 - All vegetation in the "conservation" areas is to be retained and managed for conservation purposes (weed removal, pest control etc) in accordance with a management plan.
 - That no "additionality" rules apply to the potential offset sites.
- Threatened species credits could not be calculated as field survey for threatened fauna and flora has not been undertaken. The implications of this limitation are discussed in the results section.

2.2 COMPARISON TO PORT STEPHENS COMPREHENSIVE KOALA PLAN OF MANAGEMENT

Port Stephens Council has adopted a Comprehensive Koala Plan of Management under State Environmental Planning Policy 44. The plan provides for the consideration of koala habitat during the assessment of development applications and LEP amendments. With regard to LEP amendments (ie, rezonings) the CKPoM contains four criteria against which each rezoning will be assessed. This study has assessed each development scenario against the rezoning criteria and presents the results in section 3.

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3 Results

3.1 IMPROVE OR MAINTAIN

This section describes the extent to which the development scenarios achieve an "improve or maintain" outcome as calculated by the Biodiversity Certification Assessment Methodology.

Table 3 shows the ecosystem credits required and ecosystem credits generated for each scenario.

As noted in the Methodology section, whilst ecosystem credits can be calculated using existing information, it is not the same for all *threatened species* credits. Some threatened species (mostly mammals and birds) are covered by the *ecosystem credits*, however others species have their own offset requirements. This applies mostly to threatened flora as well as threatened fauna such as amphibians and reptiles. These threatened species will have their own offset ratio – typically around 4:1 or 6:1, although some species are as high as 12:1 and as low as 2:1. If such threatened species are found on the Homestead Street site, the offset will also need to satisfy these threatened species credit requirements. If the offset site has a good density of these species, the size of the offset wouldn't need to increase, however if the offset site doesn't contain the species – or only has them at a low density, then the size of the offset may need to increase (or include a second site). Koala are covered by ecosystem credits, therefore satisfying the ecosystem offset requirements will also satisfy the offsets for koala.

Table 3: Ecosystem credit results

	Scenario 1		Scenario 2		Scenario 3	
Development Area (ha)	4.3		2.9		2.2	
Conservation Area (ha)	0		1.4		2.1	
Vegetation loss (ha)	2.1		0.7		0	
Impact on Red Flag	Yes		No		No	
Ecosystem credits required if development site cleared	80		27		0	
Ecosystem credits generated by conservation lands	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)	Biobank (100%)	Conservation Agreement (90%)
	0	0	11	10	17	15
Deficit/surplus credits	-80		-16		+17	
Estimated offset required	7-9ha		3-4ha		0ha	

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Option 1 requires the clearing of all vegetation on the site. As this includes EECs, an 'improve or maintain' outcome cannot be achieved due to the red flag rule. As mentioned above, the red flag rule can be varied where the proposal can meet certain criteria. Table 4 provides a preliminary comment on the likelihood of meeting the criteria. Keeping in mind this is a preliminary assessment, there is a significant risk that the variation would not be approved by DECCW.

Table 4: Likelihood of Option 1 meeting red flag variation criteria

Red Flag Variation Criteria	Likelihood of meeting this criteria
I. Options and feasibility of these options, to avoid impacts on red flag areas where biodiversity certification is conferred, have been considered	Moderate: PSC would need to demonstrate that various options have been considered and that the alternatives are not feasible.
II. Contribution to regional biodiversity values must be low	Moderate: The EEC is a relatively small area (1.4ha), however it is generally in good condition and adjoins a larger area.
III. Viability must be low or not viable	Low: The EEC is generally in good condition and adjoins a larger area.
V. Offset requirements must be met in full	High: As owner of a number of parcels of land in the area, there is a reasonable chance of finding a suitable offset site.

Scenario 2 protects the EEC and therefore satisfies the red flag rule, but clears the two other vegetation communities. The 'improve or maintain' outcome is not achieved within the site boundaries because under the BCAM conservation of the EEC cannot be used to offset the loss of the other two communities. Therefore an off-site offset would be required to offset the vegetation types being cleared, while the credits generated by the EEC could be used to offset impact in another area.

Options 1 and 2 also both reduce the width of the north-south corridor by around 30%. It is unlikely that DECCW would support planning proposals that further reduce the viability of this habitat link regardless of whether a suitable offset site is found.

Option 3 has no impact on biodiversity and indeed generates surplus credits that could be used to offset other Council development. Alternatively, Council could Biobank the conservation areas and sell the surplus credits through the Biobanking scheme.

3.2 OFFSET REQUIREMENTS

Options 1 and 2 both require offsets in order to achieve an 'improve or maintain' outcome (assuming DECCW agree to the loss of the EEC which is red flagged). The BCAM can be used to calculate the credits generated by an offset site, however in this case such a site has not yet been identified.

Based on experience to date, an offset site in moderate condition can generate around 7-9 credits per hectare. It may generate more or less than this depending on the quality of the site and the management actions undertaken, however for the purposes of providing an estimate of offset area

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required, this report suggests 7-9 hectares is a reasonable estimate for Council owned land around Port Stephens.

Option 1 has a deficit of 80 credits and accepting the 7-9 credits/ha as a guide, an offset of around 9-11 hectares would be required. This assumes the offset site is secured for the long term and funding is made available for on-going management.

Option 2 has a deficit of 17 credits, so that in addition to the on-site conservation, an off-site offset of around 3-4 hectares is required to achieve the 'improve or maintain' test.

Option 3 does not have a biodiversity impact and therefore does not require an offset.

It is preferable that the offset site contain the same vegetation communities as those being impacted on at Homestead Street. However the BCAM provides some flexibility with regard to the types of vegetation communities that can be used to offset the communities being impacted upon. Table 5 contains a description of the biometric vegetation communities that can be used to offset each of the communities found on the site. This provides a guide to Council for the vegetation communities that should be sought as an offset on other Council owned land.

Table 5: Potential offset vegetation communities

Impacted Community Biometric type	Potential Offset Community	
	Biometric types	REMs equivalent
Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	Blackbutt - Smooth-barked Apple shrubby open forest on coastal sands of the southern North Coast	MU33 Coastal Sand Apple - Blackbutt Forest
	Red bloodwood - Scribbly gum heathy woodland on sandstone plateaux of the Sydney basin	MU31 Coastal Plains Scribbly Gum Woodland
	Smooth-barked Apple - Sydney Peppermint - Turpentine heathy open forest on plateau areas of the southern Central Coast, Sydney Basin	MU32 Nerong Smoothbarked Apple Forest
	Sydney Peppermint - Smooth-barked Apple shrubby open forest on coastal hills and plains of the southern North Coast and northern Sydney Basin (HU641)	MU32 Nerong Smoothbarked Apple Forest
	Yellow Bloodwood - ironbark shrubby woodland of the dry hinterland of the Central Coast, Sydney Basin (HU657)	MU27 Exposed Yellow Bloodwood Woodland
Spotted Gum - Grey ironbark open forest on the foothills of the Central Coast, Sydney Basin	Spotted Gum - Grey Ironbark open forest on the foothills of the Central Coast, Sydney Basin (HU631)	MU15 Coastal Foothills Spotted Gum -Ironbark
Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	Swamp Mahogany swamp forest on coastal lowlands of the North Coast and northern Sydney Basin	MU37 Swamp Mahogany - Paperbark Forest

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3.3 CKPOM REZONING CRITERIA

The previous sections have assessed the development scenarios using the NSW Biodiversity Certification Assessment Methodology. If a planning proposal were to fully satisfy the methodology and the land be Biodiversity Certified, any development that is consistent with the certification order is deemed to not have a significant impact on threatened species. In such cases, the need for consideration of threatened species at the DA stage is no longer necessary. However, Biodiversity Certification under the TSC Act does not over-ride the requirements of SEPP 44 (Koala Habitat) which is made under the Environmental planning and Assessment Act 1970.

The following preliminary assessment has been undertaken to determine whether any of the three scenarios is consistent with SEPP 44 and the Port Stephens CKPoM.

Table 6 Comparison with CKPoM criteria

Council should be satisfied that the rezoning would:	Scenario 1	Scenario 2	Scenario 3
a) not result in development within areas of Preferred Koala Habitat or defined Habitat Buffers;	Does not comply as preferred habitat would be cleared along western and southern boundary	Does not comply as preferred habitat would be cleared along the western boundary	May comply; no impact on preferred habitat, but development would occur within a cleared buffer.
b) allow for only low impact development within areas of Supplementary Koala Habitat and Habitat Linking Areas;	Complies; no impact on supplementary or linking habitat	Complies; no impact on supplementary or linking habitat	Complies; no impact on supplementary or linking habitat
c) minimise the removal of any individuals of preferred koala food trees, where ever they occur on the site; and	Does not comply as preferred koala food trees likely to be removed	May comply if koala food trees along the western boundary were retained – for example as part of a bushfire asset protection zone.	Complies; no removal of koala food trees
d) not result in development which would sever koala movement across the site. This should include consideration of the need for maximising tree retention on the site generally and for minimising the likelihood of impediments to safe/unrestricted koala movement.	May comply depending on the provision of trees through the site	May comply depending on the provision of trees through the site	May comply depending on the provision of trees through the site

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Lot 568 DP 728948

4 Conclusion and Recommendations

Based on the information contained in previous sections of this report, the following conclusions can be drawn with regard to the original brief:

1. *Identify the potential for and nature of any offsets if the entirety of 22 Homestead Street and the adjacent triangle was rezoned / developed for residential use.*

Development of the entirety of Homestead Street would result in the clearing of Endangered Ecological Communities, koala habitat and a local north-south biodiversity corridor. It is therefore likely that DECCW would not support such a proposal regardless of whether an offset is being provided. If, however, PSC did pursue this option and had DECCW support, an offset of around 9-11 hectares would be required in order to generate sufficient credits to offset the loss of the vegetation communities.

The offset would require funding to improve the condition of the offset area and the conservation outcome would need to be secured either via transfer of land to the National Parks and Wildlife Service or via an in-perpetuity legal agreement.

2. *Consider options within the above area which may achieve the best balance between offsets and development yield*

Two other options were tested, both having an improved conservation outcome but lower development yield. Despite Option 2 conserving some vegetation and habitat on the site, the areas protected were not an offset for the areas being impacted. The only option that could be said to achieve an 'improve or maintain' outcome on the site itself is Option 3 which resulted in no clearing of vegetation.

A variation to the above options would be to pursue Option 2 as the basis for zoning the land (ie, zone the EEC as Environmental Conservation and zone the rest as residential) but place development controls on the site so that properties along the western boundary are larger (and therefore of greater value) but retain the vegetation structure.

3. *Advise on criteria that would apply for offsets so that Council can investigate the use of other land holdings as part of an offset arrangement*

The Biodiversity Certification Assessment Methodology is recommended as the best means of determining the ecological characteristics (ecosystem types, presence of certain threatened species etc) of an offset site if Council pursue a development footprint that results in the clearing of vegetation from the site. The BGAM is endorsed by the state government and is a defensible, transparent method. Once the ecological requirements are understood, Council should seek offset sites that meet the criteria listed below. Note that additional threatened species survey work would be required to determine whether the offset also needed to satisfy threatened species credits. If threatened species credits are not required, the offset should:

- * contain vegetation communities as listed in table 5.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

- be adjacent to existing reserves or conservation lands so that conservation outcomes are enhanced.
- be in moderate condition rather than poor or good. Moderate condition vegetation has the greatest capacity to increase its condition (and therefore generate credits) per dollar spent.

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.

22 Homestead Street, Salamander Bay

5 References

DECCW (2009) Lower Hunter Regional Conservation Plan

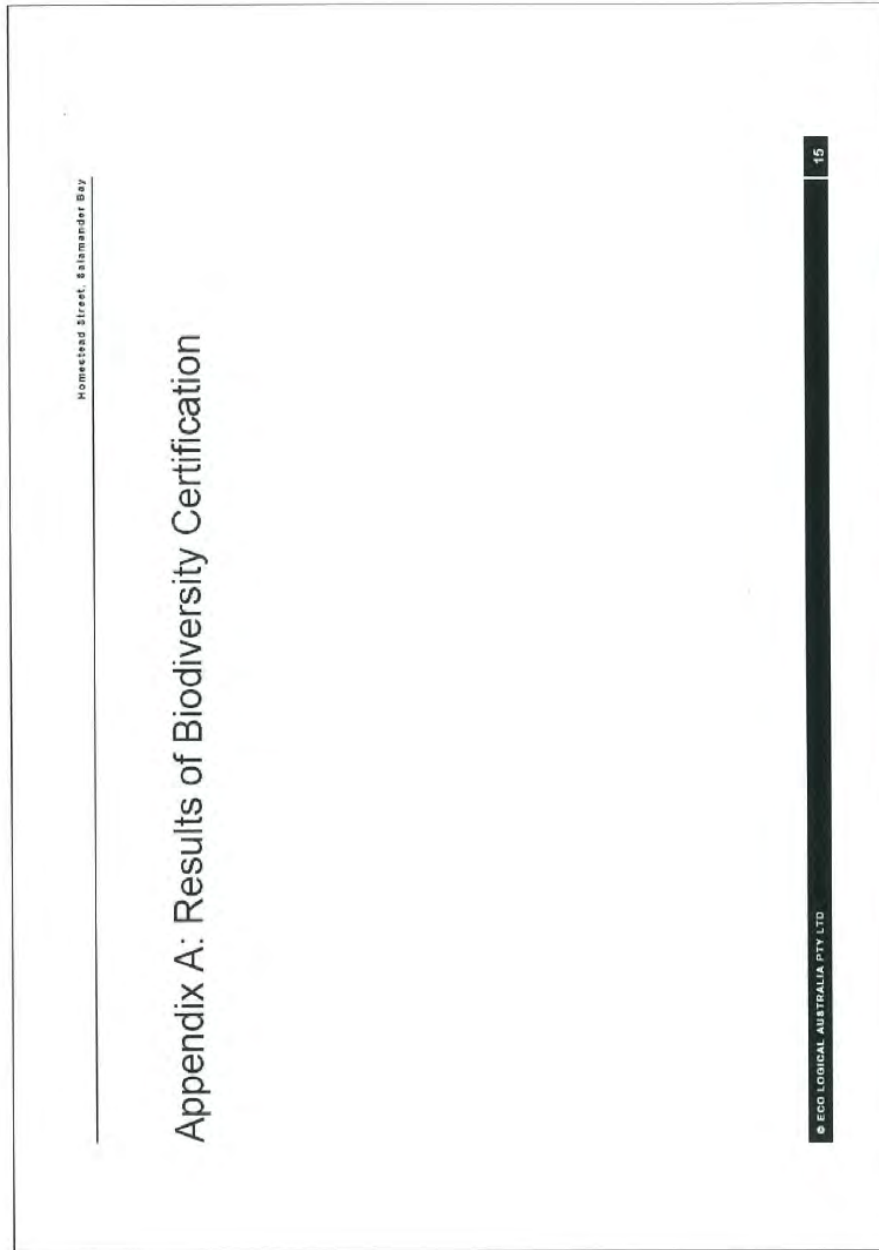
DECCW (2010) Draft Biodiversity Certification Assessment Methodology. Department of Environment, Climate Change and Water.

DOP (2006) Lower Hunter Regional Strategy. NSW Department of Planning

ELA (2006) Conservation Significance Assessment for Port Stephens Council.

NPWS (2000) Vegetation Mapping, Lower Hunter and Central Coast.

ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.



Planning Proposal – Rezoning and reclassification of land: 22 Homestead Street and part of 1 Diemars Road, Salamander Bay
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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Homestead Street, Salamander Bay

Scenario 1 Ecosystem Credit Analysis		Conservation Areas		
Vegetation type name	Total Credits required	Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt - Smooth-barked Apple shrubby open forest	11	0	0	0
Swamp Mahogany swamp forest (red flag EEC)	53	0	0	0
Spotted Gum - Grey Ironbark open forest	16	0	0	0
Total	80	0	0	0

Scenario 1 Offset Required		Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt - Smooth-barked Apple shrubby open forest	11		-11	1	2
Swamp Mahogany swamp forest (red flag EEC)	53		-53	6	8
Spotted Gum - Grey Ironbark open forest	16		-16	2	2
Total	80	0	-80	9	11

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Homestead Street, Salamander Bay

Scenario 2 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Conservation Areas			Total credits generated as planning scheme offset (25%)
		Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as managed offset (90%)	
Blackbutt - Smooth-barked Apple shrubby open forest	11				
Swamp Mahogany swamp forest (red flag EEC)	0		11		
Spotted Gum - Grey Ironbark open forest	16				
Total	27	0	11		0

Scenario 2 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Swamp Mahogany swamp forest (red flag EEC)	0	11	11	0	0
Spotted Gum - Grey Ironbark open forest	16	0	-16	2	2
Total	27	11	-16	3	4

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22 HOMESTEAD STREET, SALAMANDER BAY.

Homestead Street, Salamander Bay

Scenario 3 Ecosystem Credit calculation

Vegetation type name	Total Credits required	Total credits generated as funded/managed offset (100%)	Total credits generated as managed offset (90%)	Total credits generated as planning scheme offset (25%)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	1
Swamp mahogany swamp forest	0	11	10	3
Spotted Gum - Grey Ironbark open forest	0	3	3	1
Total	0	17	15	4

Scenario 3 Offset Required

Vegetation type name	Total Credits required	Total credits generated as managed offset (90%)	Credit Status	Additional Offset Required (9 Credits/ha)	Additional Offset Required (7 Credits/ha)
Blackbutt- smooth-barked apple shrubby open forest	0	2	2	0	0
Swamp mahogany swamp forest	0	10	10	0	0
Spotted Gum - Grey Ironbark open forest	0	3	3	0	0
Total	0	15	15	-1	-1

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ITEM 5 - ATTACHMENT 1 ADOPTED PLANNING PROPOSAL FOR 22
HOMESTEAD STREET, SALAMANDER BAY.





About this report

Welcome to our Port Stephens Council Annual Report 2019 to 2020. This year's theme is connection, which has been more important than ever during the COVID-19 pandemic. You can read more about why we chose connection as our theme on page 11.

This report is designed to show you our highlights, challenges and performance between 1 July 2019 and 30 June 2020. It also outlines our plans for the future and our local community.

Our annual report takes a plain English, honest and authentic approach to our 4 main focus areas, as identified in the Port Stephens Council Community Strategic Plan 2018 to 2028:

Our community | Our place | Our environment | Our council.

The report comprises 2 volumes:

- **Volume 1** provides an overview of Council's operations, achievements and performance for the year together with statutory and governance information
- **Volume 2** contains our audited financial accounts.

Port Stephens Council is committed to transparent reporting and accountability to our community. We use the integrated planning and reporting framework in the Local Government Act 1993 to regularly report on our progress towards implementing our Delivery Program 2018 to 2021.

You can read these full reports at portstephens.nsw.gov.au:

- Port Stephens Council's Community Strategic Plan 2018 to 2028
- Delivery program and operational plans 2018 to 2021

We acknowledge the Worimi people as the traditional custodians of this land.

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This report has been prepared in accordance with Section 428 of the Local Government Act 1993 and clause 217 of the Local Government (General) Regulation 2005.

Our Port Stephens

04 | Port Stephens snapshot

- Our location
- Our history
- Our Council
- Our people
- Our economy
- Our stakeholders

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- Council's purpose
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Our Port Stephens

SECTION 1

04 | Port Stephens snapshot

- Our location
- Our history
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- Our people
- Our economy
- Our stakeholders

09 | Who are we?

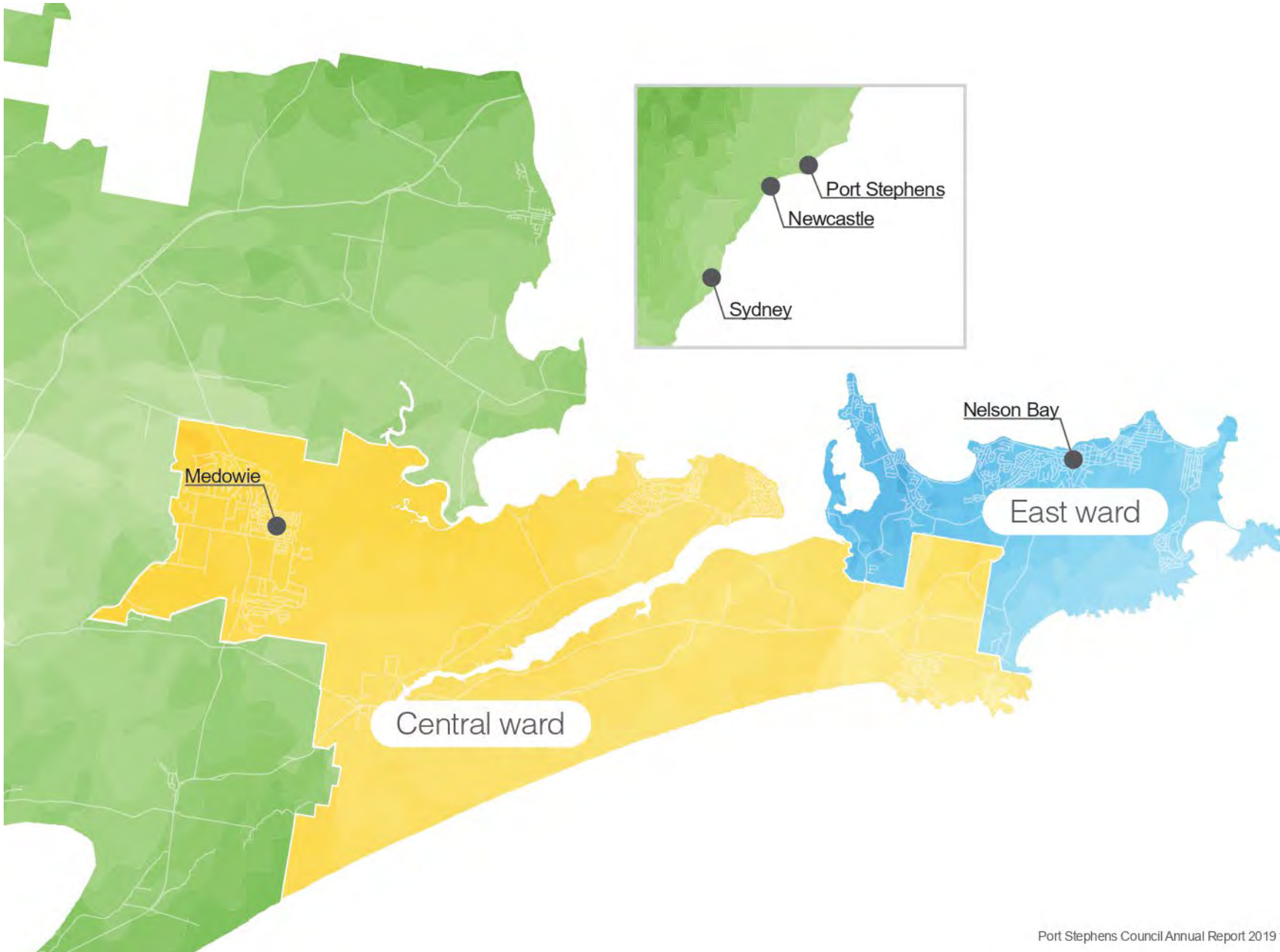
- Community's vision
- Council's vision
- Council's purpose
- Values

Our location

Located on the east coast of Australia about 2 hours north of Sydney, Port Stephens is known for its incredible natural beauty and vibrant community. These characteristics make our place an ideal tourist and retirement destination as well as a great place to live, work and play.

Region: Hunter	Area: 858.5 km²
Population density: 0.81 persons/ha	Major centres: Raymond Terrace Medowie Nelson Bay





Our history

Port Stephens is Worimi barray (country). We acknowledge the Worimi people as the traditional owners of the Port Stephens local government area (LGA).

There are a number of Aboriginal Places of special significance in Port Stephens. From the largest moving sand dunes in the southern hemisphere (known as the Worimi Conservation Lands) to Soldiers Point, a site of continuous Aboriginal settlement with evidence of burials, ceremonies and a strong connection with the water.

The earliest Europeans to live in Port Stephens were 5 escaped convicts shipwrecked in 1790. They were befriended by the Worimi and lived there for 5 years before being recaptured.

Port Stephens was named after Sir Philip Stephens, First Secretary of the Admiralty in the late 1700s and later a Lord Commissioner of the British Admiralty between 1795 and 1806.

Our Council

Port Stephens Council's history stretches back almost

200 years



when the Raymond Terrace and Dungog District Council was formed.



Port Stephens Shire Council amalgamated with Raymond Terrace Municipal Council to form the modern Port Stephens Council.

Port Stephens has



A POPULARLY ELECTED MAYOR AND



9 COUNCILLORS REPRESENTING



3 WARDS

They are supported by

534

EQUIVALENT FULL-TIME EMPLOYEES

who work hard to deliver our community's vision of a great lifestyle in a treasured environment.



Our people



Our economy



Source: Remplan 13 August 2020.



You can read more about Port Stephens in our economic and community profiles: portstephens.nsw.gov.au/your-council/port-stephens-profile

Our stakeholders

	Engagement	Why they are important	Our importance to them
Community	Website, social media, publications, community forums, community events, community funding, Council offices	Provide knowledge, cultural experiences, resources, engagement and feedback	Provide civic leadership, services, facilities, partnership and representation
Ratepayers	Rates notices, website, social media, publications, community forums	Provide knowledge, cultural experiences, resources, engagement and feedback	Generate sustainable growth, infrastructure and return to the community
Employees	Publications, weekly newsletters, General Manager communications, Toolbox talks, intranet, posters, email, staff events and training	Provide valuable knowledge, skills and labour essential to our operations	Provide employment, benefits training, career development opportunities, flexible working and supportive work arrangements
Business community	Our business development and advisory committees, economic development team, one-on-one meetings, focus groups, events, workshops, emails, website and social media	Build capacity and drive local economy	Provide guidance, support and opportunity
Community groups and volunteers	Advisory committees, workshops, focus groups, emails, meetings	Build trust with local communities through services, planning and contribution to developing strategies, plans and programs	Provide support and partnerships
Partners/ investors/Airport and Hunter Joint Organisation	Contract management, account management, relationships, networking, meetings and regular engagement through site visits	Provide shared knowledge, networks, cultural experiences and economies of scale, build and drive the economy in the community	Provide leadership, support, guidance, advocacy and resources in line with policy and legislation
Government	Formal meetings, correspondence, events, business forums, community forums, one-on-one meetings	Provide partnerships, funding, network, legislation and growth opportunities	Provide leadership, advocacy, resources, partnerships and networks
Visitors	Website, social media, Visitor Information Centre, visitor guide	Provide economic benefit, generate employment, local financial growth	Provide facilities, services, information and products
Media	Media releases, media briefings, social media, interviews	Build reputation, raise awareness of services, facilities and promotion	Enable partnerships and advocacy

Who are we?

Community's vision

A great lifestyle in a treasured environment.

Council's vision

Engaged and resilient people in strong healthy relationships, working collaboratively enhancing community wellbeing.

Council's purpose

To deliver services valued by our community in the best possible way.

Values



Respect — creating a unique, open and trusting environment in which each individual is valued and heard.

Integrity — being honest and inspiring trust by being consistent, matching behaviours to words and taking responsibility for our actions.

Teamwork — working together as one Council, supporting each other to achieve better results for everyone.

Excellence — improving the way we work to meet the challenges of the future.

Safety — providing a safety focused workplace culture to ensure the wellbeing of staff, their families and the community.



Our year in review

SECTION 2

- 12 | Highlights and challenges
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Lemon Tree Passage

Through all of the challenges and disruption we've faced this year as a result of the COVID-19 pandemic, one thing has kept Port Stephens going: connection.

Whether it's with connection with family, community or country, these ties have kept our people strong despite the physical distance.

You can see it in the beautiful knitted artworks created by our community during lockdown, as featured on our cover. You can feel it in the people you meet, even when it's only through a screen.

As the level of government closest to our community, we know the important role our Council plays during times of emergency.

We quickly found ourselves as the first point of call for our community members and businesses who didn't know where else to turn.

We connected our community and businesses with the information and support they needed, created programs to promote connection with each other and planned for how we'll help our people reconnect once it's safe to do so.

We hope you'll enjoy reading about these connections, as well as other successes and challenges, as we proudly present our Port Stephens Council Annual Report 2019 to 2020.

Our year in review

Our community highlights



70,926
 CHILDCARE PLACES
 in Port Stephens and
 Hunter region



684,959
 PEOPLE VISITED

our beaches and pools



\$670,399
 IN GRANTS

Mayoral and Ward funds
 for local community groups

243,337
 LIBRARY ITEMS LOANED

to our community including 14,181 items loaned
 during COVID-19 lockdown



Our place highlights



\$500,000
 ALLOCATED

to help restart the Port
 Stephens economy through
 the Port Stephens Tourism
 and Business Support Fund



775 DEVELOPMENT
 APPLICATIONS

determined with a median
 turnaround time of 33 days
 and a total capital investment
 value of \$263 million

\$42 m
 OF MAJOR PROJECTS



including Koala Sanctuary, Medowie Sport and Community Facility,
 Robinson Reserve and significant road upgrades for Lemon Tree
 Passage Road, Tomaree Road, Foreshore Drive and Seaham Road

1 NEW DESTINATION
 BRAND LAUNCHED

celebrating Port Stephens as
 Incredible by Nature



Our environment highlights



1035 t
OF CARBON DIOXIDE SAVED

by installing solar panels and reducing our energy use — that's the equivalent of powering 150 homes for one year!



1540 m³ OF WASTE PICKED UP

by our kerbside collection service, saving it from being illegally dumped



5100 t
OF RECYCLING

and 1972 tonnes of green waste collected



3821
TREES PLANTED

to regenerate 327 hectares of bushland

Our Council highlights



74%
EMPLOYEE ENGAGEMENT
in our survey of employees



\$18.8 m
GRANT FUNDING

received from state and federal governments (excluding Newcastle Airport grants)



87
NEW CITIZENS

from 25 countries welcomed during citizenship ceremonies

80%
COMMUNITY SATISFACTION
with our performance



OUR YEAR IN REVIEW

Challenges

- Our greatest challenge has been managing the social and economic impacts of COVID-19 on our community and our Council. We've kept our community connected through regular communication and social inclusion programs, while helping our local businesses reopen safely by providing support, training and advice. Our Council cut back on non-essential projects and services to manage short-term cash flow. This meant revising our work programs and delaying some major projects to next financial year.
- Major events have been postponed and tourism numbers have declined as a result of COVID-19 travel restrictions. This has had a negative impact on our business and tourism sectors, which rely on seasonal and event tourism.
- We experienced a 25% increase in the number of customer requests due to COVID-19. This has impacted our ability to resolve enquiries at the first point of contact.
- Changes by the NSW Environment Protection Authority to waste regulations have continued to have a significant impact on our waste management process.
- The NSW Government removed the legislative requirement for councils to

advertise many public notices in local newspapers. While this presented the opportunity for significant cost savings by allowing us to publish notices on our website and tailor our communication to suit our community, it was not well received by media.

- The Williamstown Community Reference Group for those impacted by PFAS (per and poly fluoroalkyl substances) was abolished by the NSW Government despite protests from our Council and our community.

What's next?

We anticipate the effects of COVID-19 will be felt for many years to come.

Our focus is on supporting our community, businesses and key stakeholders as we restart Port Stephens.

We plan to create an environment that enables economic growth, strengthens social connections and injects vibrancy back into our local communities.

Our community's priorities for responding to COVID-19



Improve open spaces, parks, pathways and community facilities



Support local businesses through programs and funding



Focus on funding for big infrastructure projects including roads



Support community service providers and vulnerable people







Mayor's message

There's no doubt the past 12 months have been one of the most uncertain and unusual challenges we've faced as individuals and a community. But it has shown us the importance of resilience and connection in difficult times.

Connecting through COVID

I can't reflect on this year without acknowledging the social, economic and health impacts of the COVID-19 pandemic on our local community, like many others across the globe.

I'm incredibly proud of the way our community has dealt with these unprecedented times by supporting each other from a distance to keep us all safe and well. The community spirit of Port Stephens is truly second to none.

Delivering for our community

Our Council continued to work hard to deliver for our community while doing all we could to stop the spread of COVID-19.

While we didn't complete all of our scheduled major projects from March to June 2020, we still delivered our biggest ever works program at \$42 million.

This includes the newly opened Koala Sanctuary, the new Meadowie Sport and Community Facility, a \$2 million revitalisation of Robinson Reserve plus major road upgrades.

Our Council is committed to delivering all remaining works in the coming financial year, which is shaping up to be another huge program.

Given the current difficult circumstances, it's pleasing to have received a Community Satisfaction score of 80%, up from 76% in 2019.

Investment and economic growth

Through the cloud of COVID-19, there have been some silver linings.

I was thrilled to announce a Special Activation Precinct for Williamstown — a huge economic boost for our region. Our

Council has long advocated to unlock Williamstown's potential as an aviation and aerospace hub, so it's fantastic to take this first major step.

This significant investment in our region will attract businesses, jobs and economic growth to ensure the future prosperity of Port Stephens.

Incredible new tourism brand

It's a crucial period for our local tourism industry and the launch of our new Incredible By Nature campaign couldn't come at a better time.

Aimed at inspiring young and active couples to our region, the campaign puts Port Stephens top-of-mind for domestic travellers. It's a key way we'll restart the visitor economy that our community thrives on while keeping our visitors and locals safe.

Restarting Port Stephens

While it's hard to tell what the future holds, I'm committed to delivering what matters most to our community — boosting wellbeing, creating more vibrant places for people to enjoy and supporting our local economy.

We've already invested \$1 million to kick starting our community and local business as part of our 2020 to 2021 grants program and our Business and Tourism Support Fund. This is just part of our plan to restart Port Stephens in the months and years ahead.

Whatever comes next, I know the strength and resilience of our community and our Council will see us through any challenge.

Ryan Palmer
Mayor of Port Stephens





General manager's message

Looking back, we certainly couldn't have predicted where 2020 would take us. The arrival of the COVID-19 pandemic was unprecedented and everyone, including Port Stephens Council, has felt its effects.

Major projects postponed

In July 2019, we were firmly focused on the future. Our community told us they wanted better roads, more shared pathways and vibrant town centres — and we were determined to provide these.

After an unsuccessful application to increase rates last year, our elected Council voted to fund as many community priority projects as possible by leveraging our reserve funds and finding new funding sources.

We committed an extra \$15.9 million to priority projects over 18 months, creating our Council's largest ever major projects program worth \$58.6 million.

We were on track to meet our ambitious target until COVID-19 hit. Suddenly, we had to adapt to meet our community's immediate priorities.

We did this by diverting resources to essential services and delaying some of our major projects. We remain committed to delivering these in the next financial year.

Protecting our community

Our community is used to dealing with emergencies — we've had our fair share of fires, storms and floods in recent years. But COVID-19 is unlike any emergency we've dealt with.

It has been a challenging time for us all. While the NSW Government closed businesses and asked us all to stay home, we too had to make some difficult decisions.

We closed public spaces, boat ramps and beaches to ensure the safety of our community and discourage tourists from coming to Port Stephens. In making these decisions we worked closely with our local emergency services, who praised our decisive response and clear communication.

While these decisions were unpopular with some, the low number of cases in our region tells us it was the right thing to do to protect our community.

Finances hit hard by COVID-19

To ensure our financial sustainability, our Council has developed a diverse range of income sources over the years including rates, charges, holiday parks, property, investments, grants and Newcastle Airport.

Despite being in a financially sustainable position at March 2020, COVID-19 impacted almost every one of these income sources.

In response, we had to quickly reshape our finances to prioritise essential community services. This meant revising our work programs and delaying some of our projects to next financial year.

On a positive note, our Council received \$18.8 million in grant funding this year and it couldn't have come at a better time. Many of these grants will help us reduce the impacts of COVID-19 on our community and restart the Port Stephens economy.

Showing our resilience

The resilience our employees have shown during this time has been inspiring. Many have continued to operate from COVID-Safe workplaces to provide essential services to our community, while others adapted to working from home.

With the help of our Information Technology and Human Resources teams, we managed to keep our employees connected and doing meaningful work. Considering these challenges, it's wonderful to have achieved 74% employee engagement.

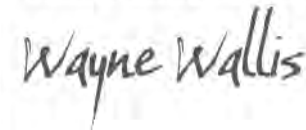
Our commitment to excellence was recognised with several awards, including Employer of Choice from the Local Government Engineers' Association.

I want to take this opportunity to thank all of our employees, senior management, our Mayor and Councillors for their support and contributions over the past year.

I'm proud of the way we have pulled together as a team (from a safe distance) and shown that no matter what happens, Port Stephens Council will continue to deliver valued services to our community.

Wayne Wallis

General Manager of Port Stephens Council



Scorecard

Our 7 key result measures underpin everything we do at Port Stephens Council. You can read more about our performance at the end of each focus area on pages 60, 72, 80 and 90.

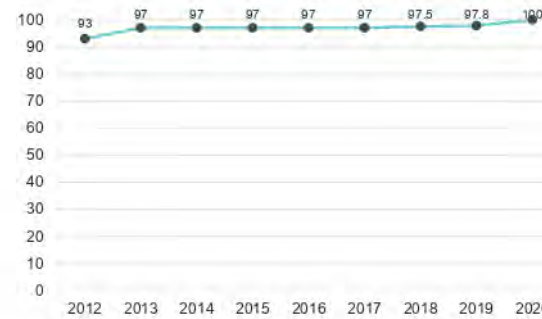


For more information, visit:
portstephens.nsw.gov.au/your-council/policies-forms-publications/integrated-plans

1. Service delivery

🎯 **Target:** > 95%
 Integrated Plans delivered on time

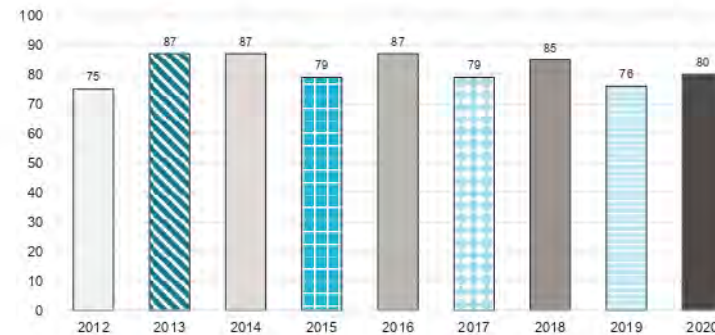
☆ **Achievement:**
 100% of actions in Operational Plan achieved after revising workplans due to COVID-19.



2. Community satisfaction

🎯 **Target:** > 80%

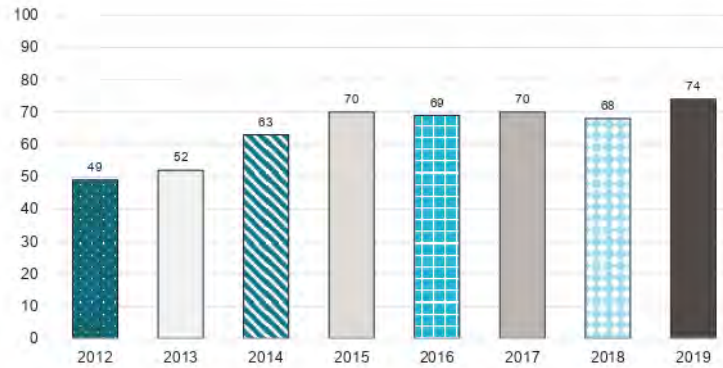
☆ **Achievement:** 80%



3. Employee engagement

🎯 **Target:** > 70% employee engagement

☆ **Achievement:** 74%



4. Governance

🎯 **Target:** > 95% Governance Health Check

☆ **Achievement:** 98.2%

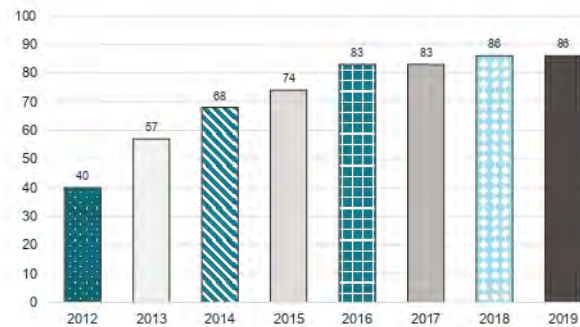
Survey was not conducted in 2016.



5. Risk management

🎯 **Target:** > 80% risk management maturity score

☆ **Achievement:** 86%



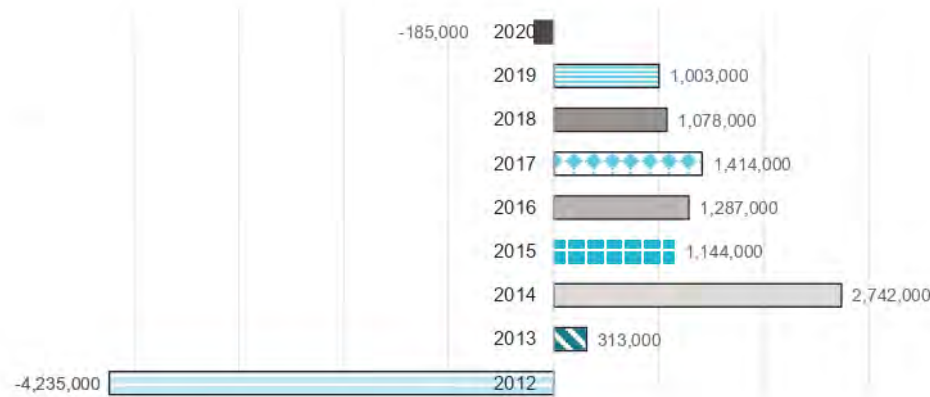
ITEM 6 - ATTACHMENT 1 ANNUAL REPORT 2019-2020 - VOLUME 1.

6. Financial sustainability

🎯 **Target:** underlying financial surplus

☆ **Achievement:** -\$185,000

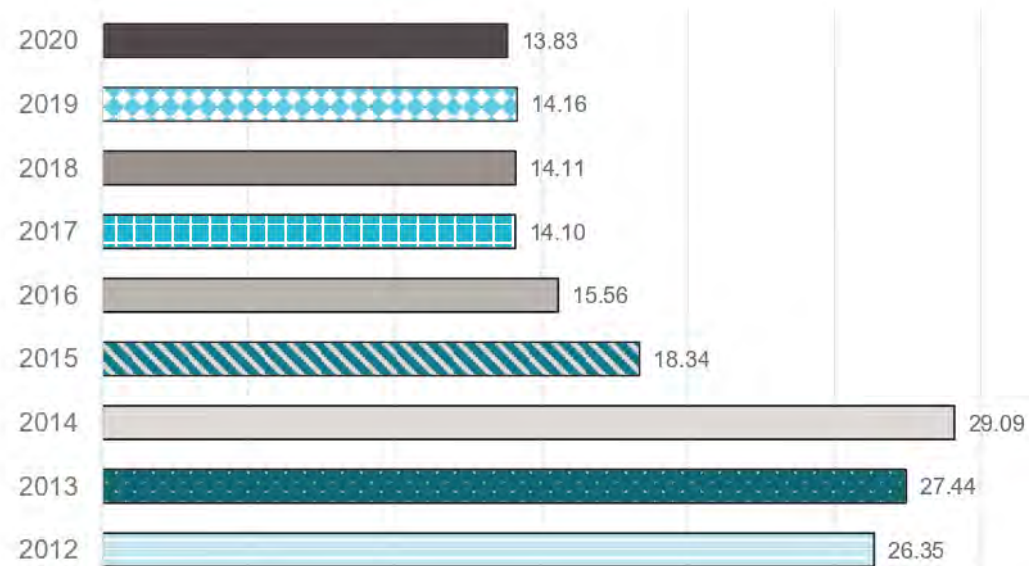
Result is due to COVID-19. Read more on page 84.



7. Infrastructure backlog

🎯 **Target:** Reduction in backlog

☆ **Achievement:** \$13.83 m



Where your rates go



Financial summary

Port Stephens Council, like many organisations around the world, has felt the financial impacts of COVID-19. Through carefully managing cash flow and reprioritising spending, we managed to achieve an underlying deficit of \$185,000. You can read more on page 84.

The balance sheet provided is a snapshot of our financial position including assets, liabilities and net wealth (equity) at 30 June 2020. For detailed information on our financial performance, refer to volume 2 of this report.

Financial overview 2019 to 2020

Including capital income, our operating result was a surplus of \$20 million — lower than last year's surplus of \$25.2 million but equal to our 2017 to 2018 result.

When capital grants and contributions are excluded, our operating result is a deficit of \$4.3 million. This is lower than the 2018 to 2019 surplus of \$3.9 million.

The operating result excluding capital income was lower in 2019 to 2020 compared to last year due to:

- total income from continuing operations decreasing — we experienced a decrease in user charges and fees, mostly because of the impacts of COVID-19 restrictions on Newcastle Airport
- total expenses from continuing operations increasing — including an increase in employee benefits and on costs, an increase in our Council's depreciation and amortisation expense, and net losses incurred from the disposal of assets.

Income statement \$'000	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020
Total income from continuing operations	134,694	132,227	136,833	147,497	146,900
Total expenses from continuing operations	114,678	109,511	116,759	122,293	126,833
Operating result from continuing operations	20,016	22,716	20,074	25,204	20,067
Net operating result for the year before grants and contributions provided for capital purposes	8032	8407	4949	3892	-4251

Balance sheet \$'000	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020
Total current assets	59,197	72,902	65,380	63,701	53,939
Total current liabilities	24,989	27,999	31,856	35,876	37,093
Total non-current assets	886,034	927,128	981,134	1,015,884	1,064,256
Total non-current liabilities	22,412	19,261	20,910	15,806	37,635
Total equity	897,830	952,770	993,748	1,027,903	1,043,467

Our revenue

Where the money came from

We received \$146.9 million in revenue in the 2019 to 2020 financial year. Our largest income sources were:

- rates and annual charges (\$59.8 million) including waste management levy
- user charges and fees (\$41.5 million) including holiday park fees and Roads and Maritime Services charges.

These were also our largest income sources last year.

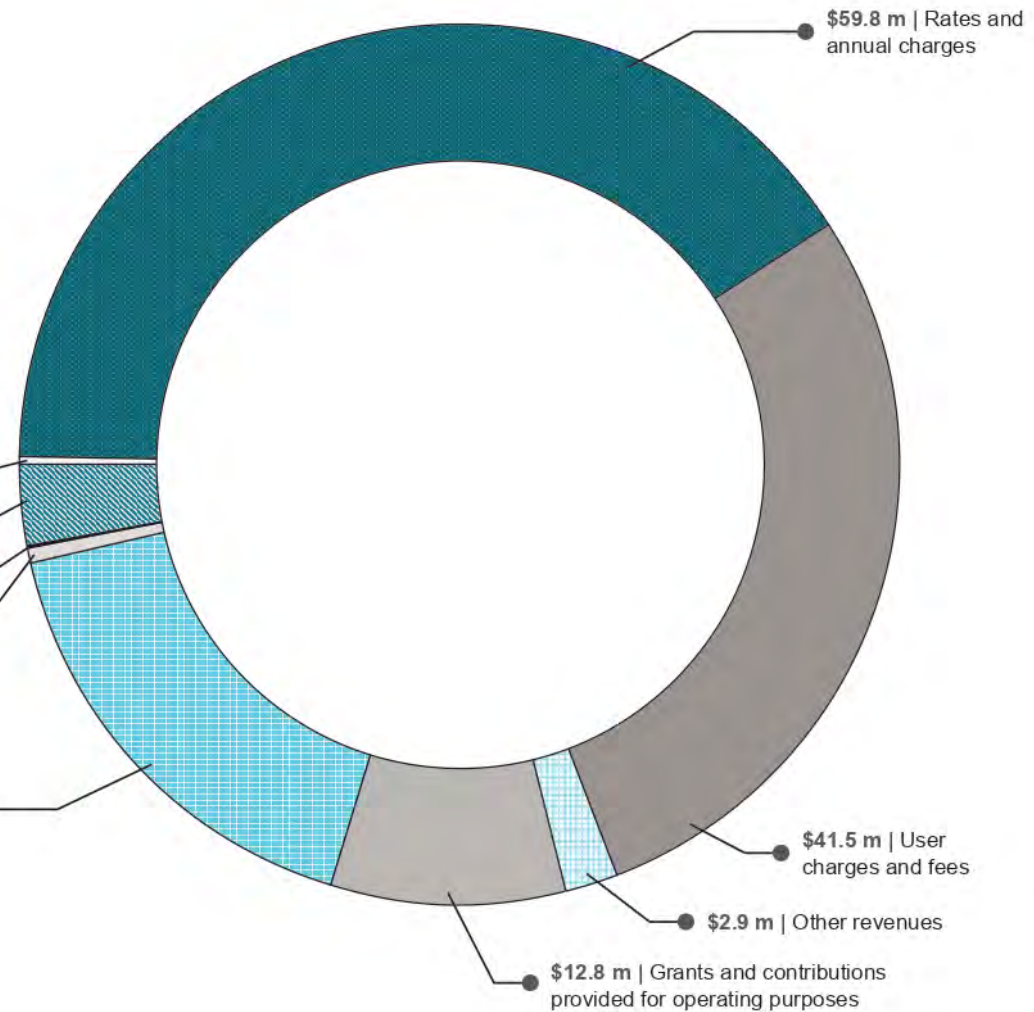
\$540,000 | Net share of interests in joint ventures and associates using the equity method

\$4.2 m | Rental income

\$13,000 | Fair value increment on investment properties

\$884,000 | Interest and investment income

\$24.3 m | Grants and contributions provided for capital purposes



OUR YEAR IN REVIEW

Our expenses

Where the money was spent

We spent \$189.2 million during the year — \$126.8 million on operations and \$62.4 million on major infrastructure projects including:

-  Roads, bridges, footpaths and car parks \$11 million
-  Drainage \$2.9 million
-  Buildings \$11.3 million
-  Newcastle Airport \$18.7 million
-  Other open space or recreational assets \$1.8 million

The above figures include assets that have been dedicated to Council. The total amount of assets dedicated to Council in 2019 to 2020 is \$5.8 million.

Our assets

What we own

Our infrastructure, property, plant and equipment was valued at \$1 billion and our investment property assets were valued at \$37.6 million at 30 June 2020. The value of our infrastructure is:

-  Plant and equipment \$10.3 million
-  Office equipment, furniture and fittings \$1.4 million
-  Land \$123.4 million
-  Land improvements \$7 million
-  Roads, bridges, footpaths and carparks \$448.6 million
-  Buildings \$102.6 million
-  Drainage \$208.7 million
-  Other infrastructure \$37.6 million
-  Other assets \$2.2 million
-  Newcastle Airport \$38.9 million





Total equity

What we own, minus what we owe



Port Stephens Council community equity (defined as our net worth) was \$1 billion at 30 June 2020.

Major events



Doggie day out

Port Stephens 2020
community info sessions

Hustle Urban
Adventure Challenge

Street Food Social

Whale tales

Business Leaders Lunch

Mambo Wetland working bee



NAIDOC week
celebrations



Love Seafood Tastes
Port Stephens

Tastes at the Bay

Street Food Social Anna Bay

Mambo Wetlands Celebration

Tilligerry Peninsula
Community Day



Trex Cross Triathlon and
Tomaree Trail Run

Community working bee
Tomaree Library

Citizenship Ceremony



Tomaree Arts Festival

Cricket NSW Women's
Country Championships

NSW Ultimate Frisbee
Championships

Karuah Oyster and
Timber Festival

Hinton School of Arts turns 150

Community working bee
Tomaree Library

Business Leaders Lunch

Port Stephens Toyota
NSW Pro

Raymond Terrace
Marketplace Christmas
Show and Shine

Tilligerry Festival

ASIA Cup Footgolf
Championships

Bullarama

Fiesta at Fern Bay

Cultural conversations



Anna Bay 7 Day Makeover



Volunteer thank you lunch

Medowie Christmas Carnival

Carols at the Bay

Nelson Bay Next drop in session

Port Stephens Annual Awards
Citizenship ceremony



Australia Day celebrations



Seniors Festival



Port Stephens Mayoral Bushfire Appeal Golf Day

Live Port Stephens Medowie drop in session

Live Port Stephens Raymond Terrace drop in session

Live Port Stephens Tomaree drop in session

Working bee in Karuah



Start House Port Stephens Discovery Event



Trex Cross Triathlon and Tomaree Trail Run

No events in April and May 2020 due to COVID-19



Having your say

We are committed to engaging our residents, stakeholders and staff in the development of policies, plans and the delivery of services for our community. Our Community Engagement Strategy recognises that community information sharing, consultation and participation are vital for effective decision-making. Read more on page 89.

There are many ways you can have your say on the governing of Port Stephens and the future of our LGA.

-  Vote for Councillors every 4 years through the local government election for Port Stephens Council.
-  Arrange to speak at a public access meeting.
-  Write to or telephone elected members of the Council.
-  Get social and connect with us on our social media channels, including Facebook, Twitter and Instagram.
-  Make a submission on Council's Delivery Program including the one year Operational Plan when on exhibition yearly, or on our Community Strategic Plan every 4 years.
-  Make submissions on major projects or notified consents that are consulted or advertised throughout the year.
-  Participate in the annual Community Satisfaction Survey in May/June each year.

Awards and recognitions

At Port Stephens Council, we believe in doing the right things in the best way. We are proud of our culture of excellence and the recognition we have received this year for achieving the best outcomes for Port Stephens.

Awarding body	Award
Local Government Engineer's Association Awards	Winner — 2019 Employer of Choice
Local Government NSW Environment Awards	Winner for invasive species management system
Hunter Business Awards	Winner — Newcastle Airport for its contribution to the region (Council is part shareholder)
NSW Local Government Excellence Awards	Winner — Community Development Services for Thrive Kids expansion and rebrand
NSW Local Government Excellence Awards	Finalist — Community Partnership & Collaboration for Anna Bay 7 Day Makeover
NSW Local Government Excellence Awards	Finalist — Innovative Leadership and Management
iTnews Benchmark Awards	Finalist



Family Day Care, Thrive Kids





Our elected council

Port Stephens Council has a popularly elected Mayor and 9 Councillors representing 3 wards — East, Central and West.

The community normally elects its Council for a 4 year term. The current Council term was originally 3 years because the State Government’s council amalgamation process delayed elections in 2017. However, the election due to be held in September 2020 has been postponed until 2021 due to COVID-19.



Learn more about our elected council at:
portstephens.nsw.gov.au/your-council/about-council/mayor-and-councillors



Mayor Ryan Palmer

A lifetime resident of Port Stephens, Ryan Palmer was elected Mayor in 2017. He is passionate about Port Stephens and has brought a new level of transparency and consultation to the Council.

Since being elected, Ryan is proud of delivering the Council’s largest ever capital works program and creating space for all generations to live an active lifestyle.

Ryan was previously President of the Tomaree Business Chamber, General Manager of Greater Bank Nelson Bay and Salamander Bay, and a tennis professional.

Ryan and his wife Jessica are raising another generation of Port Stephens locals — their 2 young children, Bella and Knox.

PO Box 42
 Raymond Terrace NSW 2324
 0402 749 467
mayor@portstephens.nsw.gov.au

Central Ward Councillors



Councillor Chris Doohan — Deputy Mayor

Chris has been a resident of Medowie for over a decade and has 2 children who attend school locally. He was elected as a Councillor in 2012 and has served as Deputy Mayor in 2015, 2016, 2017 and again from September 2019.

Chris is now employed in the aerospace industry after 12 years serving in the RAAF.

Chris is President of the Medowie Sports and Recreation Club and a member of the Medowie Sports Council. He is interested in improving local infrastructure and providing employment opportunities to allow locals to live and work in beautiful Port Stephens.

60 Sunningdale Circuit
Medowie NSW 2318
0434 601 957 or 0418 744 445
chris.doohan@portstephens.nsw.gov.au



Councillor Sarah Smith

Having grown up in Mudgee, Sarah moved to Port Stephens in 2010 and currently resides in the Central Ward suburb of Anna Bay. With a strong career in hospitality behind her, Sarah and her husband opened Crest at Birubi Beach.

It's a love for interacting with the Port Stephens community, particularly local youth, that led Sarah to stand for Council in 2017. She served as Deputy Mayor for 2 years to September 2019.

As a first time Councillor, Sarah brings strong relationship building skills and a proven track record to the role.

PO Box 81
Anna Bay NSW 2316
0421 317 173
sarah.smith@portstephens.nsw.gov.au



Councillor Steve Tucker

Steve was elected to Council for the first time in 2004 and has been a member of Council ever since.

He has served as Deputy Mayor on 3 occasions in 2006, 2014 and 2015.

Steve is a proud resident of Tanilba Bay and is married with 3 children.

A retired engineer, Steve is most interested in building community and sporting infrastructure to support local communities.

8 Tanilba Avenue
Tanilba Bay NSW 2319
0437 045 940 or 02 4984 5274
steve.tucker@portstephens.nsw.gov.au

East Ward Councillors



Councillor Jaimie Abbott

Jaimie brings a wealth of experience from the commercial, government and not-for-profit sectors to her first term on Council.

A former journalist, Jaimie runs her own media training company. She has recently been identified for promotion to Wing Commander in the RAAF where she has worked as Communications Adviser since 2007 including 6 months in Afghanistan. She has also contributed extensively to not-for-profit organisations including Port Stephens FM and Hunter Animal Rescue.

A proud mum of 2 young boys, Jaimie has a Bachelor of Communication and a Master of Strategic People Management.

PO Box 584
Salamander Bay NSW 2317
0403 176 298
jaimie.abbott@portstephens.nsw.gov.au



Councillor Glen Dunkley

A lifetime Port Stephens resident of Port Stephens, Glen began his first term on Council in 2017 as a representative of the East Ward. The safety and environment manager holds a degree in Occupational Health and Safety.

A life member of the Fingal Bay Surf Life Saving Club and President from 2007 to 2011, Glen has picked up a number of National Awards for his outstanding service, which stretches back to 1992.

Glen is bringing up 2 young children in Port Stephens with his wife, Kate.

PO Box 42
Raymond Terrace NSW 2324
0438 550 356
glen.dunkley@portstephens.nsw.gov.au



Councillor John Nell

John is a retired marine biologist, having worked for the Department of Fisheries for 30 years after obtaining his PhD in Agriculture. He and his wife Adriana have lived on the Tomaree Peninsula since 1979, where they raised their family.

John was first elected to Port Stephens Council from 1983 to 1987. He has spent a total of 33 years as a Port Stephens Councillor including 2 as Mayor.

John is passionate about the Port Stephens environment and is a long-standing member in many committees including the Marine Park Committee, Estuary Management Committee and Tomaree Sports Council.

95 Sergeant Baker Drive
Corlette NSW 2315
02 4981 3310 or 0419 375 059
john.nell@portstephens.nsw.gov.au

West Ward Councillors



Councillor Giacomo Amott

Giacomo has lived and worked in Raymond Terrace his whole life. He is a Law and Business graduate and holds a Diploma of Legal Practice.

Giacomo is a professional firefighter with Raymond Terrace Fire and Rescue and volunteers with many local groups and community-based initiatives.

Elected in 2017, Giacomo has spent his time on Council delivering for the ratepayers of Port Stephens, standing up for what's right and improving communications. He is continuing to try and improve transparency, while delivering valued services and infrastructure to the local community.

PO Box 144
Raymond Terrace NSW 2324
0468 391 459
giacomo.amott@portstephens.nsw.gov.au



Councillor Ken Jordan

Born and raised in the rural west of Port Stephens, Ken grew up on the family farm.

He started his working life at the BHP in Newcastle and undertook a Bachelor of Education in Design Technology from the University of Newcastle. He is now a head teacher of technology and applied science at St Peter's Catholic High School Maitland.

Ken was first elected to Council in 2004 and in 2017 was re-elected for his third consecutive term. He has served as Deputy Mayor from 2011 to 2012 and is an active community group member. Ken is passionate about creating greater job opportunities for local young people.

PO Box 42
Raymond Terrace NSW 2324
0422 781 180
ken.jordan@portstephens.nsw.gov.au



Councillor Paul Le Mottee

Paul has enjoyed a lifelong association with Port Stephens in his family, business and civic life.

Elected to Council in 2012, Paul lives on a small farm at Butterwick with his wife Jenny and 2 daughters. He runs a successful surveying, civil engineering and town planning business in Raymond Terrace.

Paul has been actively involved in many community organisations and sporting clubs. He is also Vice President of the Housing Industry of Australia, a Director of the Association of Accredited Certifiers and a Director of Newcastle Airport.

4 Greenwattle Creek Road
Butterwick NSW 2321
0414 548 525
paul.lemottee@portstephens.nsw.gov.au

Councillor attendance 1 July 2019 to 30 June 2020

Port Stephens Council is required to meet at least 10 times a year. These meetings are known as Ordinary Meetings and are presided over by the Mayor or in their absence, the Deputy Mayor.

Our Council meetings are held on the second and fourth Tuesday of the month at the Council Chambers in Raymond Terrace. Meetings are live streamed online and the public is welcome to attend.

2 Way conversations are informal meetings held between the Mayor, Councillors and staff with specific subjects that the Mayor or Councillors wish to discuss.

Port Stephens also has 35 community committees and a further 35 groups in which councillors represent Council. These can be viewed on page 115.



Find out more about Council meetings including meeting dates, agendas and minutes: portstephens.nsw.gov.au/your-council/about-council/council-meetings-and-minutes

	Ordinary meeting	Extra ordinary meeting	All meetings combined	2 Way conversations
Number of meetings	18	1	19	60
Mayor Palmer	17	1	18	49
Councillor Abbott	14	1	15	30
Councillor Arnott	16	1	17	47
Councillor Doohan	16	1	17	48
Councillor Dunkley	11	1	12	40
Councillor Jordan	16	1	17	16
Councillor Le Mottee	17	0	17	49
Councillor Nell	17	1	18	56
Councillor Smith	16	1	17	44
Councillor Tucker	15	1	16	46





Councillor Induction and Professional Development

Our Councillor Induction and Professional Development Policy (clause 5.17) requires an annual report on all councillor induction programs, ongoing professional development and training sessions provided.

The following professional development opportunities were provided to all elected members. The table shows those who participated.

There was no councillor induction program during this period.

Professional development	Attendees
2019 LGPA National Congress and Business Expo	Mayor Palmer and Cr Doohan
AICD Company Directors Course	Cr Nell
AICD Company Directors memberships	Mayor Palmer, Cr Abbott, Cr Dunkley, Cr Smith and Cr Tucker
AICD Company Directors: Making Decisions Under Pressure	Mayor Palmer and Cr Abbott
Planning Institute of Australia – Planning for Non-planners	Cr Le Mottee
Code of Conduct training	Mayor Palmer, Cr Abbott, Cr Arnott, Cr Doohan, Cr Dunkley, Cr Jordan, Cr Le Mottee, Cr Nell, Cr Smith and Cr Tucker
Code of Meeting Practice	Mayor Palmer
2019 Local Government NSW Annual Conference	Mayor Palmer, Cr Abbott, Cr Arnott, Cr Le Mottee, Cr Tucker
2019 NSW Coastal Conference	Cr Nell
Connecting to Country Program at Murrook	Mayor Palmer
Newcastle Business Club – Mayoral Panel	Mayor Palmer and Cr Smith
2020 LGNSW Tourism Conference	Mayor Palmer and Cr Le Mottee

Our governance

Port Stephens Council is a body politic under the Local Government Act 1993. The elected Council must abide by this Act and the associated State and Federal legislation.

Our governance framework is based on the Australian Public Service Commission's principles of public sector governance — accountability, transparency, integrity, stewardship, efficiency and leadership.

Code of Conduct

The overarching element of governance in council is the Code of Conduct. Training in the Code of Conduct is compulsory for all staff and councillors.

The code sets high standards for ethical behaviour and decision-making. It states councillors' roles and responsibilities and outlines the process for making and investigating allegations of breaches.

During 2019 to 2020, there were 9 Code of Conduct complaints about councillors and the General Manager — 7 were finalised at the outset by alternative means

by the General Manager or Mayor, 2 were referred to a conduct reviewer and addressed informally.

All complaints were handled in accordance with the Model Code of Conduct for Local Councils in NSW and were finalised in the period. You can read more on page 110.

Privacy and personal information

This year, there has been one internal review under the Privacy and Personal Information Protection Act 1998 conducted by our Council. There was one contravention by our Council with respect to release of the information as a result of the internal reviews.

There were no other contraventions of any information protection principles, privacy codes of practice or disclosure of personal information kept in a public register.

Internal Audit Committee

Our Audit Committee's aim is to enhance the corporate governance of our Council. It provides independent oversight, review and advice on our organisation's governance, risk, control and compliance framework.

The Audit Committee comprises 2 Councillors and 3 independent external representatives:

- Ben Niland
- Frank Cordingley
- Shaun Mahony
- Councillor Chris Doohan
- Councillor Glen Dunkley

The 2019 to 2020 Internal Audit program included 7 audits into:

- contractor management
- payroll and leave management
- cash handling
- Children's Services processes
- project funds
- National Heavy Vehicle Accreditation Scheme
- RMS Drives compliance report.

13 ACTIONS IDENTIFIED

8 (62%) ACTIONS COMPLETED

5 (38%) ACTIONS DUE TO BE COMPLETED POST JUNE 2020



Find out more about our audit committee: portstephens.nsw.gov.au/your-council/about-council/our-organisation/audit-committee



Our Executive Team

Port Stephens Council is led by General Manager Wayne Wallis, who is supported by 3 group managers.



Learn more about our Executive Team at:
portstephens.nsw.gov.au/your-council/about-council/our-organisation/executive-management



General Manager Wayne Wallis

Appointed 2014

Wayne Wallis joined Port Stephens Council as Group Manager Corporate Services in January 2009 with over 35 years experience in executive roles across local governments in Queensland and Victoria.

He has led initiatives including a review program to eliminate our Council's underlying deficit, the establishment of a long-term financial plan and the successful pursuit of new and significant non-rate revenue streams.

Wayne holds a Bachelor of Business and is a Graduate of the Australian Institute of Company Directors.

Wayne's leadership has given the organisation a clear direction — to be known for its excellence in service delivery and customer first approach.



Facilities and Services Group Manager
Greg Kable

Appointed 2017

Greg Kable joined Port Stephens Council in 2011 and soon became Section Manager Capital Works in 2013.

With over 30 years experience in local government and 20 years managing large operational workforces, Greg enjoys leading and motivating multi-disciplinary teams to deliver building, engineering and maintenance programs.

He holds post graduate qualifications in Commerce, Engineering and Management.

Greg is passionate about the delivery of quality infrastructure and customer service to the people of Port Stephens.



Development Services Group Manager
Tim Crosdale

Appointed 2018

Tim has extensive experience at senior and executive level management in private consulting and local government. He previously fulfilled the role of Section Manager Strategy and Environment at our Council in 2015. Tim brings extensive knowledge of development and strategic planning, impact assessment, policy development and project delivery.

Tim holds a Master of Business Administration with Distinction, a Bachelor of Natural Resources (Hons 1) and Bachelor of Urban and Regional Planning. He is also a Graduate of the Australian Institute of Company Directors.

Tim is focused on working collaboratively with stakeholders to facilitate the ongoing development of Port Stephens.



Corporate Services Group Manager
Carmel Foster

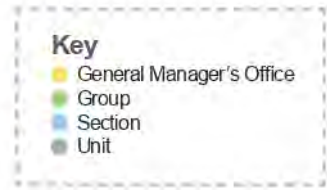
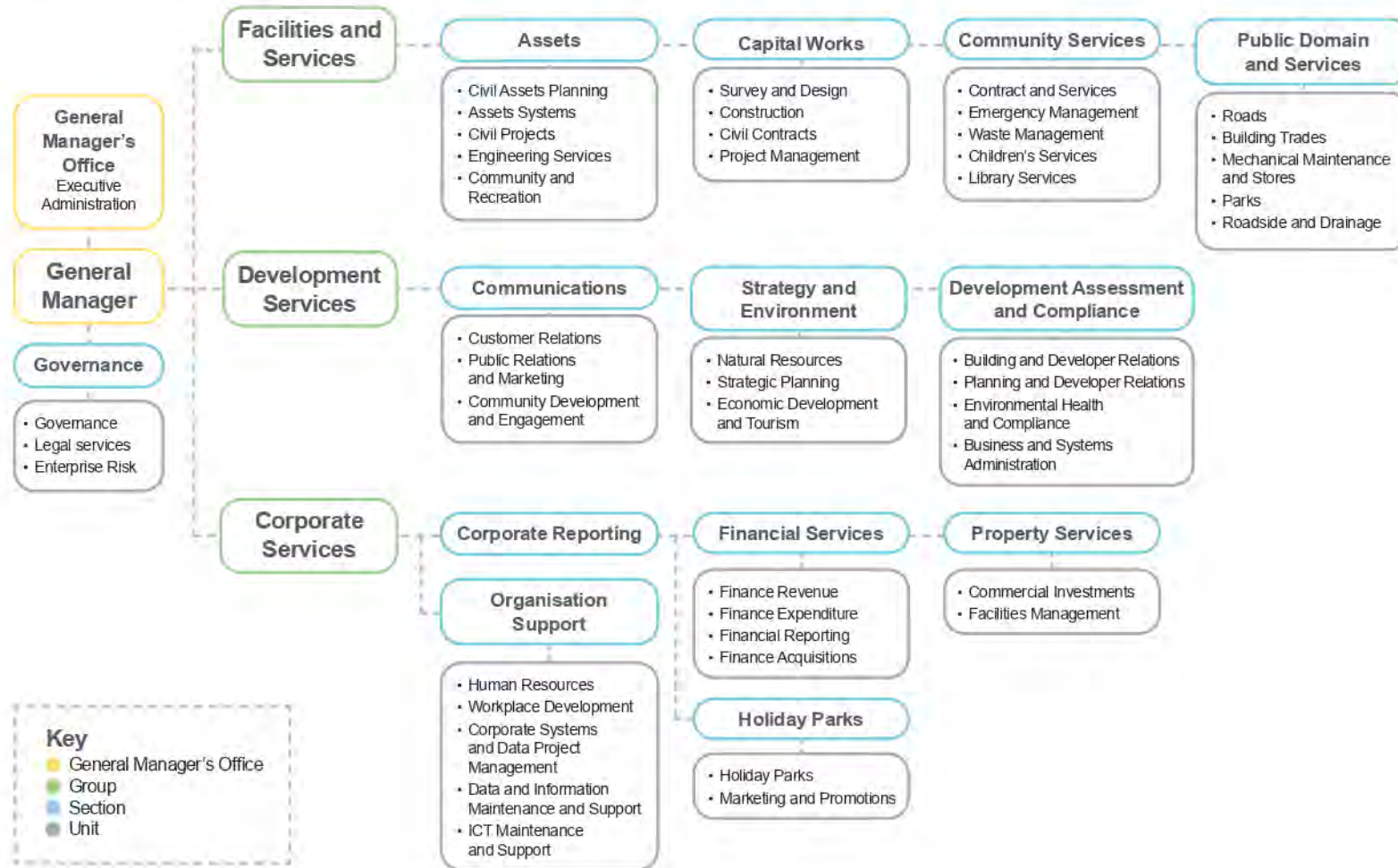
Appointed 2014

Carmel Foster brings 10 years experience in local government to her role as Corporate Services Group Manager. She has previously worked as a Property Valuer and in land management/development with State Government.

Carmel is a Registered Valuer with a postgraduate degree in Urban Estate Management and master's degrees in Planning and Property Development. Carmel is a Graduate of the Australian Institute of Company Directors and an Associate of the Australian Property Institute.

Carmel resigned in September 2020. We're now recruiting for this key executive role.

Our organisational structure



Our employees

We're committed to ensuring our workforce has the skills and experience to deliver valued services to our community.

Our Workforce Plan outlines how we'll achieve our community's vision while our Enterprise Agreement 2018 sets out our commitment to being an employer of choice.

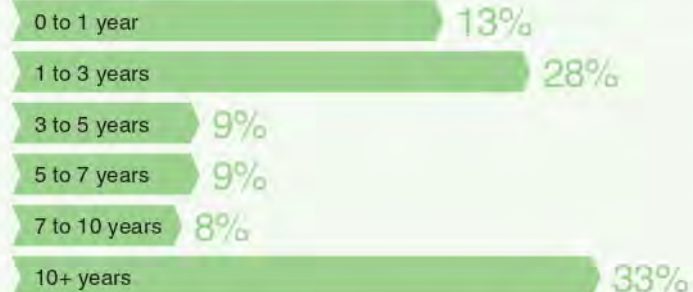
It's important that our Council's workforce reflects the community we serve. As at 30 June 2020, we employed:



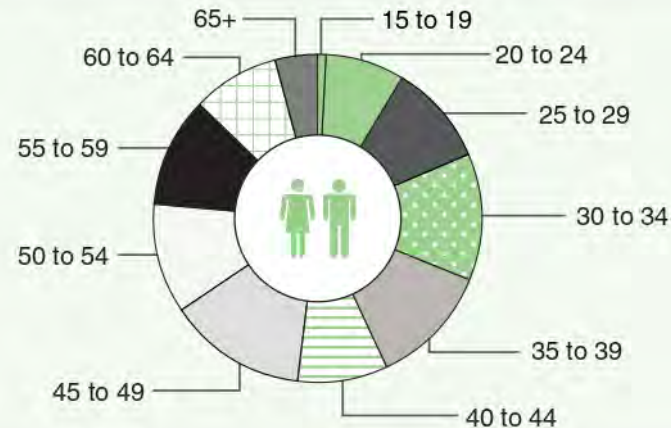
Almost three quarters of our workforce are employed on a full-time basis.



Half of our employees have been with Port Stephens Council for 5 or more years.



Our workforce is made up of people of all ages — from 15 to over 65. We have worked hard to attract younger employees over recent years.



Equity, diversity and inclusion

We're committed to creating a workplace where all employees have equal access to opportunities including learning and development, promotion and recruitment.

This year, our Workplace Equity and Diversity Committee changed its name to the Equity Diversity and Inclusion (EDI) Committee. The change reflects our desire to ensure our Council is a place where people from all walks of life are valued and able to participate fully in all activities.

We have conducted a number of programs for employees including anti-bullying, harassment awareness, and managing equity and diversity. We provide trained contact officers to support employees in equity, diversity and inclusion matters.

This year, many employees participated in cultural awareness training by the Worimi Local Aboriginal Land Council to further their understanding of our local history.

Support during COVID-19

To help employees through COVID-19, we:

- created a scenarios document on what to do in a range of situations
- facilitated employees with no meaningful work to help in other areas of Council

- adjusted working from home guidelines and improved technology to allow employees to quickly adapt
- adopted the Local Government Splinter Award 2020
- provided leaders with access to the online coaching series, Leading in Difficult Times by Steve Griffith.

Work health and safety

We are committed to providing a safety-focused workplace that ensures the wellbeing of our employees, their families and our community.

Psychological safety

Safety is one of our Council's core values but we know there are still some gaps.

In 2019 to 2020, we put a greater focus on psychological safety by partnering with external specialists to review our practices. The report found our Council has a positive culture where employees are encouraged to build resilience through mental and physical health initiatives. It also found opportunities for improvement.

We've now developed a more strategic approach to addressing all of the factors that influence psychological health. One improvement has been inviting guest speakers to motivate our employees and provide tools to tackle everyday life.

Safety observations

Our safety observation program aims to proactively prevent injuries by positively reinforcing safe behaviour and providing constructive feedback. All managers must conduct 2 safety observations per month. This year, we conducted over 1700 safety observations that identified 162 actions to enhance worker safety.

Employee consultation

Our Health and Safety Committee and 16 Health and Safety Representatives have an important role in consulting with employees on health and safety matters.

The committee consists of 13 employees — half appointed by management and the remainder appointed by employees.

Our injury profile

In 2019 to 2020, we recorded a total of 165 incidents — consistent with previous years.

The main type of injury were sprains and strains (16), followed by laceration (4) and mental health (2).

Lost time injury hours have increased over the past 2 years. This is due to an increasing complexity of claims, such as mental health, which often require more recovery time. To address lost time hours, we've made mental health a key focus of our wellness program.



Our volunteers

Our 640 volunteers give their time and energy to make Port Stephens a better place. They contribute to:

- keeping our parks, reserves and cemeteries pristine
- improving our natural bushland areas
- participating in our advisory councils and cultural committees
- running our community centres, halls, libraries and Visitor Information Centre.

Many of these services and programs could not happen without our volunteers.

How COVID-19 affected our volunteers

COVID-19 meant our volunteers couldn't take part in their regular activities during March and April. Many volunteers told us it was a tough period and they felt socially isolated during this time.

In May 2020, we worked with volunteers to develop COVID-Safe Plans so activities could return to normal as soon as possible.

Thanking our volunteers

We know that giving back is just as beneficial for our volunteers as it is for our community. Volunteering gives people a sense of purpose, an opportunity to socialise and the chance to contribute to our community. Our volunteers also have access to a comprehensive learning and development program to improve their skills and knowledge.

We thank our volunteers regularly through cards, letters and certificates, media promotion and an annual awards event, in line with our Volunteer Recognition Policy.

It's easy to become a volunteer. Find out how to get involved:

portstephens.nsw.gov.au/volunteers

Our performance

SECTION 4

- 47 | Our planning process
- 48 | Our focus areas
- 50 | Our community
- 62 | Our place
- 76 | Our environment
- 82 | Our Council




Apex Park official opening, Nelson Bay

Our planning process

We use the Integrated Planning and Reporting (IP&R) Framework. It comprises:

- **Community Strategic Plan** — our community's long-term vision.
- **Council's Delivery Program** — our Council's objectives for the elected term to help achieve the community's vision.
- **Operational Plan** — yearly actions to implement the Delivery Program.

 Read more about our integrated planning process: portstephens.nsw.gov.au/your-council/policies-forms-publications/integrated-plans



Overview: our focus areas

The Port Stephens Council Community Strategic Plan 2018 to 2028 outlines our 4 main focus areas. Each goal is a key direction in our Delivery Program 2018 to 2021.



Our community

Port Stephens is a thriving and strong community respecting diversity and heritage.

Goal 1: Community diversity

Our community accesses a range of services that support diverse community needs.

Goal 2: Recognised traditions and lifestyles

Our community supports the richness of its heritage and culture.

Goal 3: Community partnerships

Our Council works with community to foster creative and active communities.



Our place

Port Stephens is a liveable place supporting local economic growth.

Goal 1: Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

Goal 2: Infrastructure and facilities

Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

Goal 3: Thriving and safe place to live

Our community supports a healthy, happy and safe place.



Our environment

Port Stephens' environment is clean, green, protected and enhanced.

Goal 1: Ecosystem function

Our community has healthy and dynamic environmental systems that support biodiversity conservation.

Goal 2: Environmental sustainability

Our community uses resources sustainably, efficiently and equitably.

Goal 3: Environmental resilience

Our community is resilient to environmental risks, natural hazards and climate change.



Our Council

Port Stephens Council leads, manages and delivers valued community services in a responsible way.

Goal 1: Governance

Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety (RITES).

Goal 2: Financial management

Our Council is financially sustainable to meet community needs.

Goal 3: Communication and engagement

Our community understands Council's services and can influence outcomes that affect them.

Performance key

We've used subheadings to show you:



highlights



challenges and



what's next?

Look for KP to identify our key priorities for the Delivery Program period of 2018 to 2021.

At the end of a focus area, we rate our performance on each operational plan action as we work to implement our delivery program.

Visit portstevens.nsw.gov.au to read these documents.

Our community

Port Stephens is a thriving and strong community respecting diversity and heritage.



Goal 1: Community diversity

Our community accesses a range of services that support diverse community needs.

Helping local kids thrive

Raising children is an important and rewarding job but it's not always easy. That's why we've proudly supported local families to help children thrive for almost 40 years.

'When people see Thrive Kids, they know that's quality childcare services offered by Port Stephens Council,' said our Children's Services Coordinator Lynette Fitz Henry.

Our trusted OOSH (out of school hours and vacation care) service now offers more than 61,000 childcare places — up 23% from last year.

We also increased our number of family day care places by 16% to 7843.

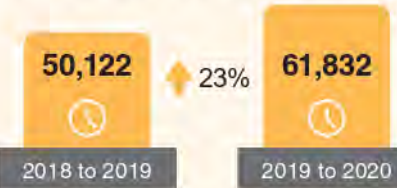
We must be doing something right. This year, we're proud to have achieved a community satisfaction score of 99%.

Our Children's Services team also won the 2020 NSW Local Government Excellence Award for the rebranding and expansion of Thrive Kids. This is wonderful recognition for the work our team does to support local families.

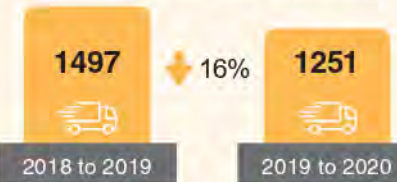
Family day care educators



Before and after school care



Mobile preschool children



Total childcare places



Thrive Kids



We offered 70,926 childcare places this year through our OOSH, family day care and mobile preschool services.

OUR PERFORMANCE



Keeping our youth connected

It's important at the best of times for our young people to feel connected. During COVID-19, it's more important than ever.

'To any young person who is doing it tough right now, we want them to know they are not alone,' said our Youth Advisory Panel (YAP) member, Fletcher Gallimore.

Since receiving a \$19,000 grant for the Pathways and Possibilities project in January 2019, our YAP has been working on defining the key priorities for local young people.

Connection is a strong theme that has come up as part of their consultation including the need for more youth spaces across Port Stephens.

That's why in December 2019 we launched The Lounge — a new space at Raymond Terrace Library where young people can hang out, share ideas and connect. It was growing in popularity until COVID-19 forced the closure of our libraries in March 2020.

'Given that we also had to cancel all Youth Week events we thought it would be a good time to recognise our youth through a mural,' said our Community Development and Engagement Officer James Campbell.

Fishermans Bay street artist Nick Stuart used the wall of our Raymond Terrace Library as a canvas to depict 3 types of connection — online connection, professional support and social connection.

The connection artwork was also used to create postcards and an animation to advocate for a youth hub on the Tomaree Peninsula.

▶ What's next?

Our YAP's hard work has paid off. The NSW Government has announced \$700,000 to improve youth spaces in Port Stephens. With this funding, we'll construct a state-of-the-art multipurpose building at Tomaree Sports Complex for our local sporting community and youth services.

We're using the feedback we received from young people on their priorities to create the new Port Stephens Youth Plan 2020 to 2022. This is scheduled to be drafted in late 2020.



Making our place more inclusive ^{KP}

Whether it's leafy green or ocean blue, Port Stephens is blessed with incredible natural assets and we want to help more people get outside and enjoy their surroundings.

Thanks to a \$600,000 grant from the NSW Government, we built a new 750 metre-long shared pathway to increase access to one of our most popular parks.

'Boomerang Park covers over 20 hectares and this pathway makes it easier to access more areas of this incredible regional park,' said our Mayor Ryan Palmer.

The pathway has been designed to meet accessibility requirements and provides better connections to accessible playground equipment, public toilets and rest areas.

This is a key action in our Disability Inclusion Action Plan (DIAP) — a commitment from our Council to create an inclusive and accessible community for all people.

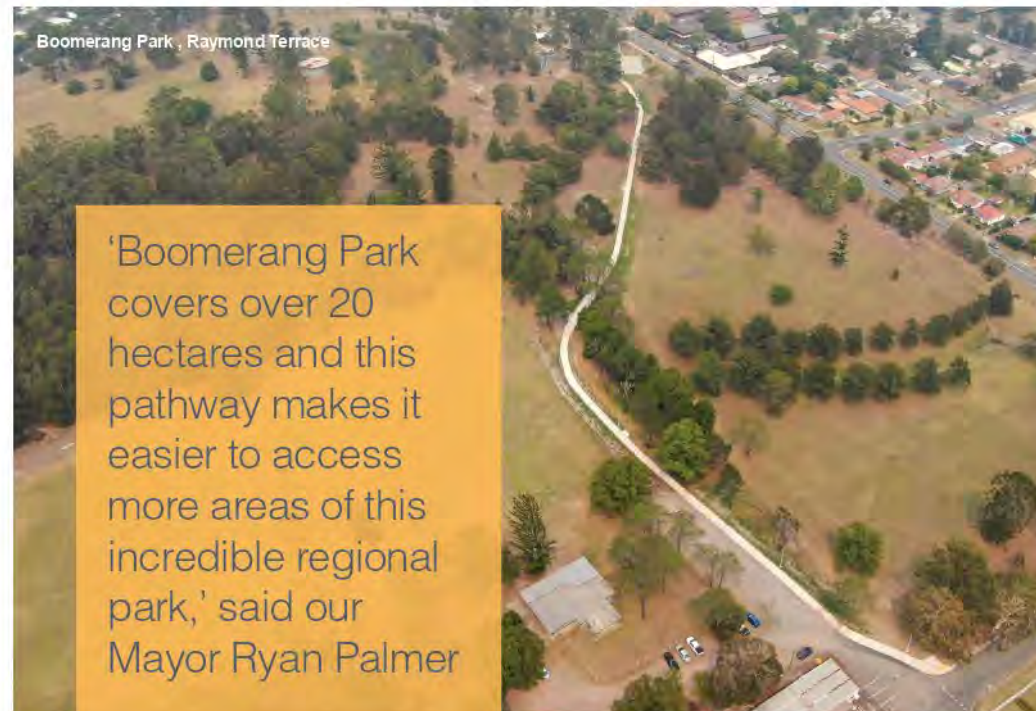
What we did to promote inclusion in 2019 to 2020:

- We opened a new playground at Bagnalls Beach East with inclusive play elements and accessible pathways connecting the car park, playground and BBQ.
- We made access improvements to our public amenities at Raymond Terrace and Mallabula tennis club. They now include an accessible toilet, shower and adult change facilities.

- We built a new recreation area at Robinson Reserve Anna Bay. The new park includes accessible public amenities and an accessible basket swing.
- We drafted a Public Domain Plan for Raymond Terrace. It includes accessible parking and ways to promote accessibility and mobility in the town centre and along the riverside.
- Our Council endorsed the Port Stephens Local Strategic Planning Statement — a long-term vision for land use. It includes actions to encourage accessible tourism and the development of a Community Wellbeing Plan to promote accessibility and inclusivity.
- We built a new multipurpose amenities building at Karuah’s Lionel Morton Oval including accessible public amenities and accessible car parking.
- We’re continuing to make our communication channels user-friendly for all by writing in plain English, making our website and social media content accessible, and creating easy-read summaries for complex documents.

Disability Action Inclusion Plan — 2019 to 2020 action status

✓	COMPLETED OR MET ANNUAL TARGET	22
—	NOT COMMENCED OR NOT DUE TO COMMENCE	2



CASE STUDY

Bringing our commu-knitty together

We're fighting social isolation with... knitting needles!

'The pandemic has impacted our way of life, connections and social networks, creating a sense of isolation and loneliness for many,' said our Community Development and Engagement Coordinator Amber Herrmann.

During the lockdown, we asked our community to pick up their knitting needles, dial up a friend and Have a Yarn.

'This is a fun, inclusive and creative project that gives people a feeling of contributing to the broader community, a sense of pride and connection to their local area while maintaining a physical distance,' Amber said.

We received over 600 knitted and crocheted pieces — from simple squares to koalas, flowers and hearts.

'I wanted to give back to the community I grew up in,' remarked a 92-year-old participant.

'The best thing was picking up my knitting needles for the first time in 50 years and sharing the experience with my friends, family and partner,' said another.

The finished designs have been installed across public spaces in Port Stephens, adding vibrancy and fun to our streets.

The project has been funded by the NSW Department of Communities and Justice to provide social inclusion for seniors — a key priority of the NSW Ageing Strategy.



Read more here:
portstephens.nsw.gov.au/your-council/news/commu-knity-connects-post-lockdown-by-having-a-yarn





Goal 2: Recognised traditions and lifestyles

Our community supports the richness of its heritage and culture.

Yii Worimi-guba barray ^{KP}

In the Gathang language of the Worimi people, yii Worimi-guba barray means this is Worimi country.

Our locals and visitors love Port Stephens for its incredible natural beauty but many don't know about its equally incredible history and culture.

'I think it's important to share this country of ours with people so they are educated on Aboriginal culture,' said Aunty Beryl Cowan from the Worimi Conservation Lands.

In June 2020, we completed a year-long project to create and install interpretive and wayfinding signage at 2 of our Aboriginal Places — Birubi Point and Soldiers Point.

Our Communications team worked closely with the Worimi Local Aboriginal Land Council and Worimi artist Jason Russell to create the signs, which were funded by the NSW Government and our Council.

The result is a series of 9 wayfinding signs that tell the dreaming stories of Birubi Point and Soldiers Point in words and paintings.

It's our hope they will help locals and visitors connect to country and understand the significance of these special places.

What's next?

As part of the project, we installed a digital sign that will display videos of Worimi Elders telling these dreaming stories in Gathang and English. To protect the health of the Elders during COVID-19, we postponed filming until later in 2020.

 **Update on Yabang Gumba-Gu**

Together with our Local Aboriginal Land Councils, we're working on better outcomes for Aboriginal people as we walk along Yabang Gumba-Gu — the road to tomorrow.

This is the name of the unique agreement our Council signed with the local Worimi and Karuah Aboriginal Land Councils during NAIDOC Week in July 2018.

Last year we were proud to report we had achieved many of the initial objectives of the 3 year roadmap.

To reflect our progress and plan for the future, we're in the process of renewing the Yabang Gumba-Gu agreement and setting new priority actions. These include:

- investigating language programs to encourage more people to speak Gathang
- creating opportunities for public art projects by Aboriginal artists
- working collaboratively when planning for future land use to get the best outcome for our community.



You can view the agreement here: portstephens.nsw.gov.au/live/community/our-community/aboriginal-and-torres-strait-islander-people

 **Transforming Robinson Reserve**

What a difference a year makes! The long-awaited \$2.2 million upgrade of Anna Bay's Robinson Reserve is finally complete.

What was a rundown park is now a recreational precinct with a new playground, gym equipment, skate park, accessible amenities, picnic facilities, car park and interpretive signage celebrating the significance of this place.

Robinson Reserve is part of the Birubi Point Aboriginal Place, meaning the land is protected by legislation to ensure it is properly managed and the cultural heritage is preserved.

The redevelopment shows how understanding the cultural values of an Aboriginal Place and following the appropriate approval process can lead to great community outcomes.

We'll be taking the valuable lessons we learnt from this project to improve our processes for working in Aboriginal Places across Port Stephens.

 **What's next?**

Around the point from Robinson Reserve is the site of the future Birubi Information Centre. We hit a major milestone in September 2019 when our development application (DA) was approved by the Hunter and Central Coast Regional Planning Panel.

We're now working on detailed designs and getting the appropriate environmental and Aboriginal heritage approvals so that we're ready for construction in 2021.

 **Libraries key to surviving COVID**

We know the important role libraries play in connecting our community, bringing together all walks of life.

When COVID-19 forced the closure of our libraries in March 2020, we knew we had to do something to help our community through this difficult time.

Our quick-thinking Library team pulled together a Call and Collect Service for customers to access books and items from our collection. We also increased our home delivery service to 39 people who were unable to leave their homes.

During the COVID-19 lockdown in April and May, we loaned out 14,181 items.

For those who couldn't get to a library, we filmed a number of tutorials on how to access our huge eLibrary of music, movies, ebooks and more.

To connect with our younger customers, our Library team took turns presenting online Storytime and Read and Rhyme programs. We published these on our website and social media channels for families to enjoy in the safety of their own homes. Our videos reached 28,000 views at the time of writing.



Watch Storytime on our Port Stephens Library Facebook Page: facebook.com/PSLibrary/



Love for libraries remains strong

Monday 1 June 2020 was an exciting day for our libraries. After being closed for 2 months to help stop the spread of COVID-19, the library doors finally reopened to our community.

'Having no library was worse than closing the beauty parlours,' remarked one of our happy customers.

Despite the closure, the number of new library members remains steady at 1793 bringing our total membership to 26,858.

Some of our library highlights for 2019 to 2020:

- Our Stories in the Street early literacy program visited 270 families thanks to our 17 dedicated literacy volunteers and their coordinator.
- Volunteers generously gave 1125 hours of their time to help at our libraries.
- We gave Tilligerry Community Library a much-needed renovation. It was funded by a \$5000 grant from the Australian Government's Stronger Communities Programme and \$12,000 from our library budget.
- We expanded our BaRK Reading program, where children practice reading to a trained therapy dog.

Our libraries received a community satisfaction score of 93%.



OUR PERFORMANCE

Goal 3:

Community partnerships

Our Council works with community to foster creative and active communities



Aussie spirit alive and well

As bushfires continued to rage across our country in January, Australia Day celebrations centred on the theme of the Australian spirit.

'It's uplifting to know that people like you and me will do whatever's needed for our fellow Australians,' remarked our Australia Day ambassador Ron Delezio.

In his moving address to large crowds at Raymond Terrace and Nelson Bay, Ron likened the support he received after his daughter Sophie was badly burned to the generosity of Australians during the bushfire crisis.



Celebrating our diversity

'Today is a day for community, it's a day to celebrate diversity, it's a day for celebrating everyone,' said our Mayor Ryan Palmer at Australia Day celebrations.

We welcomed 56 new citizens in citizenship ceremonies at Raymond Terrace and Nelson Bay, and presented our Annual Awards to:

Citizen of the Year — Alicia Cameron

Alicia is the founder of Plastic Free Port Stephens. She established Plastic Free to help local residents and businesses find innovative ways to reduce single-use plastics and educate the community on waste reduction.

Young Citizen of the Year —

Tasmyn Fellows

Tasmyn is a member of the Raymond Terrace Junior Rugby League Club and an outstanding role model for women in sport. At 17 years old, she successfully coached a team of young girls, most of whom had never played rugby league before, to the second round of the semi-finals against all-boys teams.

Freeman of the Year — Lorraine Nicol

Lorraine has been described as a 'pocket rocket of our community — small in stature and large in energy!' She has given her time to organise countless functions and events, raising thousands of dollars for Port Stephens charities. Lorraine is a past president of the Nelson Bay VIEW club, a founding member of the Breast Cancer Support Group and Chairperson of Corlette Hall and Headland Committee.

Port Stephens Medallists

Kenyon Windeyer is the backbone of the Port Stephens Suicide Prevention Network. Ken has been instrumental in championing several initiatives including Suicide Prevention training and the annual Boat Harbour Walk With Us event, raising suicide awareness and promoting community connections.

Donald 'Steve' Jones has worked tirelessly for the Seaham community as Fire Chief for over 30 years. Steve has been responsible for fighting and coordinating fires, organising the all-important Christmas Santa run and — despite now being in his mid-60s — is still being deployed to fight fires.

Mambo Wanda Wetlands, Reserves and Landcare Committee has worked to conserve and protect the wetlands since 1999. The committee has been responsible for koala tree planting, weed reduction, revegetation and water quality testing. They have received several awards and significant grants to support their ongoing work.

Sportsperson of the Year — Dion Cooper

Since joining the Nelson Bay Rugby Union Club in 2009, Dion has supported the running of the club in every way you can imagine. He has been coach, manager, trainer, referee, vice president, secretary, grant writer, grounds manager, merchandise coordinator and line marker! Dion is an outstanding example of local volunteering.

Cultural Endeavour — Rhys Fabris

Rhys is a talented local artist who uses his creative expertise to add colour and life to our town centres. Rhys is responsible for several murals across Port Stephens, including works at the recent Anna Bay 7 Day Makeover.

Environmental Award — Nigel Waters

Nigel is a community champion of Port Stephens who has given his time to numerous volunteer groups. They include EcoNetwork Port Stephens, Port Stephens Greens, Climate Action Port Stephens, the Tomaree Ratepayers and Residents Association and the recent Anna Bay 7 Day Makeover.

COVID closes beaches and pools

With 26 beaches and a port more than twice the size of Sydney Harbour, it's no wonder Port Stephens has a strong connection with the water.

That's why it was a struggle for many in our community when our 3 patrolled beaches and 3 pools were forced to close in March 2020 under the COVID-19 public health order.

The closures had a significant impact: beach attendance was down 18% compared to last year while pool attendance was down 63%.

'We know this is a challenging time for our community, and we're doing all we can to help our residents stay well and keep a positive outlook through all of this,' said our Community Services Section Manager Tammy Gutsche.

To help our members keep well, we introduced a range of online resources including workout videos by fitness professionals.

Our team also brought forward the annual winter maintenance to ensure we could safely reopen our pools as soon as we were allowed to in June.



What's next?

We've signed a contract with Surf Life Saving that will see patrols operate at One Mile Beach during the winter season for the next 2 years. This means Port Stephens will have life savers looking out for swimmers and surfers year-round.

Our performance

Operational plan items on track after revising workplan due to COVID-19



Community diversity

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
C1.1.1 Deliver early education and care of children	Customer satisfaction with Thrive Kids	≥ 85%	99%	99%	99%	
	Annual accreditation	Compliant	100%	100%	100%	
C1.2.1 Deliver youth projects and support youth services provided by other agencies	Actions completed or commenced in Family & Community Services delivery schedule	≥ 95%	95%	100%	100%	
C1.3.1 Identify and plan for an inclusive and access friendly community	Actions completed in Disability Inclusion Action Plan	≥ Baseline	5 of 24 [*]	7 of 24 [*]	14 of 24 [*]	
C1.4.1 Identify and plan for the needs of an ageing population	Actions completed in Ageing Strategy	≥ Baseline	2 of 7	4 of 7	6 of 7	
C1.5.1 Coordinate Council's volunteer program	Variety of activities volunteers support at Council	Maintain	6 ^{**}	6 ^{**}	6 ^{**}	

[#] Baseline

Recognised traditions and lifestyles

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
C2.1.1 Support and facilitate initiatives and projects to promote and empower Aboriginal culture	Scheduled actions implemented in the Yabang Gumba-Gu Agreement	≥95%	100%	95%	95%	
C2.1.2 Support the planning and management of Aboriginal Places in Port Stephens	Develop Aboriginal Place Advisory Panel annual works plan	100%	90%	100%	100%	
C2.2.1 Support initiatives and projects to encourage local cultural activities	Actions completed in Cultural Plan	≥ 90%	90%	90%	90%	
C2.3.1 Support the preservation of Port Stephens heritage	Providing Heritage Projects Funds grants	Maintain	\$6000	\$6000	\$5500 [*]	

[#] Baseline

Recognised traditions and lifestyles continued

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
C2.4.1 Deliver public library services, resource and community literacy programs	Community Satisfaction with Library Services	≥ 85%	99%	99%	93%	
<p>Comment: Due to COVID-19, we didn't undertake our Library Customer Satisfaction Survey. Result is reflective of resident satisfaction with libraries rather than customer satisfaction.</p>						
	Use of resources (collection items borrowed)	320,000	320,000	299,371	243,337	
<p>Why weren't we effective? All of our Port Stephens Library branches were closed from 24 March to 1 June 2020 due to COVID-19.</p>						

[#] Baseline

Community partnerships

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
C3.1.1 Assist community service providers to deliver services for vulnerable people and families	Refer to C1.2.1					
C3.2.1 Provide financial, logistical and marketing support for local events	Community-run events supported and managed by Council	Maintain	7	9	5	
<p>Why weren't we effective? Due to the COVID-19 public health order restrictions on public gatherings, fewer community events were held across Port Stephens.</p>						
C3.3.1 Initiate and manage leisure contracts with recreational and leisure services	Community satisfaction with Council swimming pools	≥ 90%	90%	91%	90%	
	Maintain a score above NSW 3 year average in the Royal Life Safety Assessment Audit	≥ 84.62%	91.67%	91.67%	Results not available	
<p>Comment: Audit not completed due to COVID-19.</p>						
C3.4.1 Provide financial assistance for the community	Annual grant funding (comprises Community project funds and Mayoral funds)	Maintain	93 grants \$122,992	120 grants \$91,815	101 grants \$123,011	

[#] Baseline

On track target achieved or on track to be achieved
 Monitor < 5% off the target
 Off track > 5% off the target

* 8 of 24 are ongoing ** Parks, halls, sports, community engagement, Library, Visitor Information Centre ^ State Government grant funding to Council reduced to \$5,500. Council provides matching funding

Our place

Port Stephens is a liveable place supporting local economic growth.



Goal 1: Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

Creating vibrant places and spaces ^{KP}

Port Stephens has a vibrant and active community and we want our town centres to reflect this. That's why we've made place activation a key priority for our Council.

We want to bring vibrancy to public spaces by creating a lively setting where people want to spend time.

Place activation is not about big budgets and infrastructure. It's about creating

unique and innovative experiences that reflect the local identity of our community.

A great example is Fern Bay Fiesta held in November 2019. We created a family-friendly event to support consultation on the Fern Bay and North Stockton Strategy. By bringing food trucks and entertainment for the community to enjoy, we encouraged a diverse range of people to have a say on their suburb's future.

Place activation highlights in 2019 to 2020:

- The Port Stephens Hustle attracted 200 people to Nelson Bay in July 2019 to take part in an 'Amazing Race' across the Tomaree Peninsula.
- We brought separate community events together to create the inaugural Tomaree Arts Festival in October 2019. We used the opportunity to celebrate the revitalisation of Apex Park.
- To create a festive atmosphere and encourage residents to shop in Nelson Bay and Raymond Terrace this Christmas, we launched a Festive Season Shop Local campaign. This included twilight shopping nights, entertainment, prizes, decorations and supporting media about the value of shopping local.

What's next?

COVID-19 has put a halt to our planned place activations for the moment. But we're busy planning for when we can bring activity back to our streets and help restart Port Stephens.

Supporting business through COVID-19

When COVID-19 hit our shores in March 2020, it sent shockwaves through our business and tourism sectors.

'The tourism industry is worth \$621 million to Port Stephens every year and it's estimated that up to 20% of the workforce could be lost over the next 12 months,' said Mayor Ryan Palmer.

Having seen the economic devastation in other countries, Mayor Palmer put forward a notice of motion to create a \$500,000 Port Stephens Tourism and Business Support Fund.

Funds are going towards heavily subsidised training to support businesses through the pandemic and destination marketing when the time is right.

Our Council launched a Small Business Support Service in March 2020 — a helpline and dedicated webpage with up-to-date information for business.

This was initially in high demand but once the Australian Government's support packages were announced, demand for the service reduced.

Our Environmental Health team visited over 200 businesses to help with COVID-Safe plans and distribute business support tools.

These included COVID-Safe messages and signage to welcome back customers while encouraging physical distancing and good hygiene.

We know the impacts of COVID-19 will be felt for years to come. As businesses reopen and face new challenges, we're continuing to adapt our approach to ensure we are supporting them in the best way.

▶ What's next?

To help support our local community and restart the Port Stephens economy, we redesigned our community funding programs for 2020 to 2021. We're making more than \$500,000 available across 11 streams over the next year.

We'll also launch the Port Stephens Investment Prospectus to encourage more investment in our region.

🎯 Major events postponed ^{KP}

Just like any great sporting match, this year has been a game of 2 halves — before COVID-19 and after COVID-19.

From July 2019 to March 2020, our Council sponsored 20 events to bring people to our region and ease seasonal fluctuations.

We hosted Nations of Origin, Love Sea Food Tastes, Ultimate Frisbee, Asian Footgolf Championships, the Port Stephens Pro and the Real Film Festival to name a few. These events had an economic impact of \$7.9 million across Port Stephens.

Between March and June 2020, our team worked closely with event organisers to reschedule or postpone 11 sponsored events due to COVID-19 restrictions. We hope to host these events in Port Stephens once it's safe to do so.




OUR PERFORMANCE



Here's how COVID-19 affected Port Stephens tourism:



 **Travel restrictions impact tourism**

After a bumper tourist season in 2018 to 2019, it's no surprise visitor numbers are down this year.

Our focus remains on protecting the health of our community from COVID-19 while supporting local businesses by encouraging domestic travel where it's safe to do so.

 **Our incredible new destination brand**

We've always known Port Stephens is incredible. Now everyone else does too!

Following extensive research and development, we helped Destination Port Stephens (a non-profit industry body supported by our Council) launch a new destination brand in June 2020.

Incredible by Nature perfectly captures what locals love about Port Stephens — the clear waters, the epic sand dunes and the leafy bushland. The campaign is designed to attract young and active couples to experience all our region has to offer.

To be incredible by nature is to be born with a natural gift and Port Stephens certainly was.

Destination Port Stephens successfully applied for funding from the Destination NSW Regional Tourism Fund to develop the brand and marketing campaign.

While COVID-19 impacted plans to launch the brand more widely, it is still providing a much-needed boost for our local operators.

'This exciting new campaign will put Port Stephens top-of-mind for domestic travellers at a crucial time — when we need to restart the visitor economy that our community thrives on,' said our Mayor Ryan Palmer.

When the time is right and it's safe for our community and visitors, we'll launch an extensive domestic marketing campaign with our incredible new brand.

 **Koala Sanctuary set to open** ^{KP}

After years of planning and months of construction, our vision of a Koala Sanctuary in Port Stephens is now a reality.

For Maree the blind koala, Patu the joey and the many other koalas in care, the Sanctuary couldn't come soon enough.

The much-needed \$9 million facility has been made possible through a partnership with the NSW Government and volunteer group Port Stephens Koalas.

'This sanctuary has been uniquely designed to combine conservation with tourism,' said our Mayor Ryan Palmer.

The Koala Sanctuary includes a hospital for sick, injured or orphaned koalas, as well as a tourism centre and café.

An elevated viewing platform allows visitors to see koalas in their natural habitat, while the Sanctuary story walk educates guests about the threats facing our koala population.

For those who wish to stay a little longer, deluxe 'glamping tents' offer a unique overnight experience for our guests.

 **What's next?**

We officially opened the Port Stephens Koala Sanctuary on 25 September 2020. We're excited to finally be able to welcome locals and visitors alike to learn about the plight of our local koala population.

We'll continue to support Port Stephens Koalas to preserve our local koala population — one of the few remaining on the east coast of Australia.

Goal 2: Infrastructure and facilities

Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

Funding our priority projects ^{KP}

Better roads, more pathways and cycleways, improved community amenities, vibrant town centres — these are requests we commonly hear from our community.

While these are on our list of things to do, our Council doesn't have the financial means to accomplish all of these tasks as quickly as some would like.

In February 2019, after 6 months of community consultation, we applied for a rate rise to deliver a \$100 million program of works.

The Independent Pricing and Regulatory Tribunal (IPART) rejected our application, saying the proposed rate increase was not critical to our financial sustainability or needed to meet an infrastructure backlog.

Determined, we decided in June 2019 to fund as many projects as possible by optimising our investment returns, taking out low-interest loans and applying for grant funding.

After further community engagement, we committed an extra \$15.9 million to priority projects over 18 months. These are known as our Port Stephens 2020 projects.

Small speedbump for projects

This year we set out to deliver our Council's largest-ever major projects and works program — 110 projects valued at \$58.6 million.

We knew it would be a challenge but it was one we were up for. To deliver these projects efficiently and meet the increased demand, we brought in staff from across the organisation and used contractors for additional works.

Our ambitious plan was on track until March 2020 when COVID-19 hit.

Like other businesses, we felt the economic impacts immediately. Project funding was redirected to keep other essential community services running, while sourcing materials became difficult.

Our community's priority projects were kept on track but we needed to postpone a number of projects to ensure our Council's financial sustainability.

We've kept our community informed of these changes through newsletter updates and a Facebook live discussion that reached 14,000 people.

Our team still managed to complete 70 projects as part of our \$42 million of capital works. Among our completed projects in 2019 to 2020:

- construction of Port Stephens Koala Sanctuary (read more on page 65)
- major upgrade of Anna Bay's Robinson Reserve featuring a new skate park, gym equipment, accessible amenities, car park and signage (read more on page 56)
- building the new Medowie Sport and Community Facility (read more on page 69)
- new pathways, lighting, banner poles and irrigation at Apex Park Nelson Bay
- construction of shared pathways at Anna Bay's Gan Gan Road, Raymond Terrace's Boomerang Park ^{KP} and stage 1 of Medowie's Waropara Road
- new multipurpose amenities building at Karuah's Lionel Morten Oval
- significant road upgrades of Lemon Tree Passage Road, Foreshore Drive Salamander Bay, Port Stephens Drive Anna Bay, Abundance Road Medowie, Seaham Road Nelsons Plains, Vardon Road Fern Bay, Cabbage Tree Road Williamtown ^{KP} and stage 1 of Tomaree Road Shoal Bay



This year, we repaired more than 20,000 potholes, fixed 5292 defects across our facilities and renovated 306 hectares of fields and reserves.

- new multisport court at Fern Bay
- new playground at Bagnalls Beach East, Nelson Bay.

You'll find a full list of our major projects and works for 2019 to 2020 on page 124.

 **What's next?**

We're still committed to delivering all of our Port Stephens 2020 projects in the next financial year, which is shaping up to be another significant program of works.



View our upcoming major projects at:
portstephens.nsw.gov.au/projects

Progress is also being made on our plans for the long-term redevelopment of our Council's Raymond Terrace works depot ^{KP}. We've decided the depot will remain in its current location and we anticipate works will begin in 2021.

 **Bold makeover for Anna Bay**

They say many hands make light work — that's certainly true for Anna Bay's town centre.

Hundreds of community volunteers, councillors and employees worked day and night to rejuvenate Anna Bay's town centre as part of a 7 Day Makeover in December 2019.

Among the improvements are a bold new town entrance sign, 'Whale Tail Trail' wayfinding path, freshly painted amenities and new seating.


The 7 Day Makeover is the brainchild of David Engwicht, an urban planner and placemaker.

'This has been our biggest ever makeover both in terms of volunteers and what we've attempted to do — we've been ambitious,' said David.

'The best thing to have come out of this for Anna Bay is the community spirit and seeing locals take a sense of ownership with the work that's been done.'



See the results of the makeover on YouTube: [youtube.com/watch?reload=9&v=v1R736XPmyU](https://www.youtube.com/watch?reload=9&v=v1R736XPmyU)

 **A smarter way to park**

We know that during busy holiday periods, parking in Nelson Bay can be in short supply.

That's why our Council established an Independent Parking Panel in 2018, comprising 17 randomly selected community and business representatives.

Facilitated by the University of Technology Sydney, the independent panel came up with ideas to improve parking at peak times in the Bay using technology.

After consulting extensively with the community and businesses, in May 2020 our elected Council voted to install smart parking in the Nelson Bay town centre.

Smart parking isn't just about new meters — it includes number plate recognition, sensors, signage to help drivers find a park and a new app. The system is designed to make parking easier and more accessible for all.

We're also introducing a park free scheme for residents, ratepayers and workers in the Nelson Bay town centre.

 **What's next?**

Soon we'll be launching a campaign to educate our community and visitors about smart parking and how to use it. Funds collected from smart parking will be reinvested into Nelson Bay to fund improvements to the public domain, landscaping, increased car parking and place activation.



Find out more about smart parking: portstephens.nsw.gov.au/smartparking

HIGHLIGHT — KEY PRIORITY

Fielding interest for Medowie facility

With a population of 9684 that's set to almost double by 2036, this growing suburb has seen huge investment in housing developments and a new school.

The local community is now looking for better facilities to meet their growing needs — like the Medowie Sport and Community Facility.

Situated on Ferodale Oval, we designed this facility to be a central place for our community to come together. It includes multipurpose events spaces, bistro, bar, synthetic bowls green, playground and 100 car parking spaces.

Construction of the facility finished in February 2020 but our initial search for an operator was hindered by COVID-19. Several high quality operators were not able to proceed as they needed to focus on their existing operations.

'We're very aware of the challenges facing businesses at the moment and we're committed to supporting the successful operator to drive the success of this unique community facility,' said Mayor Palmer.

▶ What's next?

At the time of writing, our Council is negotiating a lease agreement after again seeking expressions of interest from innovative and experienced operators.

We've also sought expressions of interest to hold a regular produce market in the grounds of the Medowie facility. This will support the wide range of farmers and growers across Port Stephens.

 Read more here: portstephens.nsw.gov.au/your-council/news/council-fielding-inquiries-for-new-medowie-sport-and-community-facility



Goal 3: Thriving and safe place to live

Our community supports a healthy, happy and safe place.

Planning for future housing ^{KP}

About 73,000 people call Port Stephens home and it's expected that number will rise by 13% in the next decade.

We're planning for the future housing needs of our area in our Local Housing Strategy: Live Port Stephens. It's a roadmap for how we'll accommodate people who want to live in here in the next 20 years.

The strategy will ensure suitable land supply, improve housing affordability, increase the diversity of housing available and help create liveable communities close to jobs and services.

Last year we reported developing our Local Strategic Planning Statement (or LSPS), a 20 year vision for land use in Port Stephens.

Live Port Stephens does not replace the LSPS. Rather, it gives greater detail to guide land use planning decisions for new housing in Port Stephens.

What's next?

In July 2020, our elected Council endorsed Live Port Stephens and the LSPS.

We'll now get to work implementing the actions outlined in these 2 key planning documents. This will include a planning proposal to support housing diversity and more affordable housing choices, as well as preparing a Commercial and Employment Land Study.



Read the LSPS and Live Port Stephens:
portstephens.nsw.gov.au/grow/port-stephens-planning-strategies



Making 'the Terrace' a better place

Beautiful, historic, riverside — these are a few of the words used to describe Raymond Terrace during community engagement on a new public domain plan.

We spoke to 700 people who visit, work and live in what locals call 'the Terrace' to hear what they love about this place.

They told us the river, parks and shopping were key drawcards but we could improve green spaces, provide more pathways and create opportunities for public art and events.

We've used this feedback to draft a Public Domain Plan Raymond Terrace town centre, which sets a long-term vision for the streets, paths, parks and riverside.

What's next?

We'll take our draft Public Domain Plan back to the community to make sure we're on the right track before finalising the plan in late 2020.

We'll be trialling public space improvements in the town centre soon. This will allow us to test key actions in the Public Domain Plan before committing funding to a permanent solution.



Read our local planning strategies:
portstephens.nsw.gov.au/grow/local-area-planning-strategies

Dog attacks on the rise

While COVID-19 has led to less traffic and parking issues for our rangers to deal with, they have shifted their focus to dog attacks.

We have investigated 63 dog attacks this year — more than double last year's total of 28.

This increase is partly due to process improvements to better capture incidents. It may also be because more people have been walking their dogs during COVID-19.

To address these worrying numbers, our rangers conducted a blitz on dangerous dogs. They checked dangerous dog owners were complying with legal requirements and educated owners on responsible dog ownership to help reduce the number of dog attacks.

We asked our mascot Ranger Ralph, an oversized plush pooch, to help us spread the word about responsible pet ownership. He shared our educational messages with more than 800 people at schools and events throughout the year.

You can read our full report on companion animals on page 103 .

Development and planning highlights

Development applications (DAs) determined



Total capital investment value of approved DAs



Turnaround for DAs (net median)



This was under the Premier's target of

40 DAYS



Only

29 DAs

ON THE 100-DAY LIST was achieved by processing larger scale developments more efficiently.

INTRODUCED PRE-LODGE MENT REVIEWS

by internal stakeholders to streamline process and improve turnaround times.

225 CONSTRUCTION CERTIFICATES ISSUED



with a turnaround time (net median) of

4 DAYS

Our performance

Operational plan items on track after revising workplan due to COVID-19



Strong economy, vibrant local businesses, active investment

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
P1.1.1 Support sustainable business in Port Stephens	Number of active businesses in Port Stephens	Annual increase	New	4591	4955	✓
P1.1.2 Provide funding support to business initiatives that create economic benefit	Business satisfaction survey — Port Stephens is a good place to conduct business	≥ Good	New	57%	No result [#]	
P1.1.3 Coordinate place management and activation	Refer P3.3.1					
P1.1.4 Develop the Port Stephens Koala Sanctuary	Delivery of project on time and on budget	Maintain	New	100%	100%	✓
P1.2.1 Manage an integrated event licensing process	Number of licences issued	Annual increase	127	123	112	✗
Why weren't we effective? Due to COVID-19 restrictions, 23 events were either cancelled or postponed.						
P1.2.2 Manage Nelson Bay Visitor Information Centre	Visitor Information Centre attendance	Maintain	88,682	77,968	52,799	✗
Why weren't we effective? Our VIC was closed from April to June due to COVID-19. We've also experienced an ongoing trend of decreasing visitors as information and booking services move online.						
	Visitors to www.portstephens.org.au	% annual increase	New	12% increase	10.5% decrease	✗
Why weren't we effective? Less people visited the website for travel information because of COVID-19.						
	Tour and accommodation bookings on behalf of operators	Maintain	5627 bookings	6523 bookings	4586 bookings	✗
Why weren't we effective? Less people made bookings for activities and accommodation due to COVID-19.						
P1.2.3 Provide strategic and financial support to Destination Port Stephens	Financial support for Destination Port Stephens	Maintain	\$397,500	\$397,500	\$407,962 [#]	✓
	Visitor expenditure per annum [#]	Annual increase	\$535 m	\$606 m	\$568 m	✗
Why weren't we effective? Visitor expenditure was down due to COVID-19.						
P1.2.4 Attract and facilitate major events that deliver economic benefit	Economic benefit from major events	Annual increase	\$8,260,000	\$10,071,000	\$7,897,243	✗
Why weren't we effective? Many events were postponed or cancelled due to COVID-19 restrictions.						

[#] Baseline

Infrastructure and facilities

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
P2.1.1 Plan for and initiate civil assets	Asset Management Plan complies with IP&R checklist	Compliant	Compliant	Compliant	100%	✓
	Proportion of works of civil assets initiated prior to agreed timeframe	100%**	100%	100%	100%	✓
P2.1.2 Plan for the operation, maintenance and replacement of Council's fleet	Fleet Utilisation hours per annum	≥ 67,080	75,264	67,540	77,741	✓
P2.1.3 Plan for the operation, maintenance and renewal of Council's civil assets	High risk civil assets inspection program up to date	100%	100%	100%	100%	✓
P2.1.4 Plan, design and provide advice services for drainage and flooding	Flooding and drainage development application referrals completed on time	Achieve	100%	100%	100%	✓
P2.1.5 Provide traffic engineering services and conduct road safety programs	Road Safety Projects conducted (funded by RMS) and completed on time	100%	100%	100%	100%	✓
P2.1.6 Provide development engineering assessment and advice services	Engineering development application referrals completed on time	100%	100%	100%	100%	✓
P2.1.7 Provide, manage and maintain community and recreation assets	Community and recreation asset inspection program up to date	100%	100%	100%	100%	✓
P2.1.8 Coordinate and report on asset finances and data systems	Meeting customer needs	90%	90%	92%	100%	✓
P2.2.1 Provide survey services	Deliver Capital Works program on time and on budget*	≥ 95%	100%	100%	100%	✓
P2.2.2 Provide design and specialist engineering services	Deliver Capital Works program on time and on budget*	≥ 95%	100%	100%	100%	✓
P2.2.3 Provide project and contract management services	Deliver Capital Works program on time and on budget*	≥ 95%	100%	100%	100%	✓
P2.2.4 Construct Council's Capital Works projects	Deliver Capital Works program on time and on budget*	≥ 95%	100%	100%	100%	✓
P2.3.1 Provide roads maintenance	High priority roads defects fixed within required timeframes	Maintain	100%	92%	100%	✓
	Community satisfaction with roads maintenance	≥ Baseline	75%	71%	68%	✗
<p>Why weren't we effective? The survey was conducted during a time of inclement weather however a record number of potholes were completed during the reporting period.</p>						

*Baseline

* Survey not carried out annually in 2019 to 2020 ** Maintained slight increase due to CPI ^ Due to an administrative error, records for 2017 to 2018 and 2018 to 2019 have been updated.

** 100% project pre-initiated prior to agreed timeframe + Including approved variations

Infrastructure and facilities continued

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
P2.3.2 Provide roadside and drainage maintenance	Community satisfaction with roads and drainage maintenance	≥ Baseline	84%	81%	79%	
	High priority roadside drainage and maintenance defects fixed within required timeframes	Maintain	100%	100%	100%	
P2.3.3 Provide open space and foreshore maintenance	Community satisfaction with maintaining parks	≥ Baseline	85%	84%	85%	
	High priority open space and foreshore maintenance defects fixed within required timeframes	100%	100%	95%	100%	
P2.3.4 Provide building trades services	High priority actions fixed within required timeframes	≥ Baseline	92%	88%	100%	
P2.3.5 Provide depot, stores and workshop services	Number of pre rego check repairs conducted	≥ Baseline	142	184	172	
P2.3.6 Provide cemetery administration and cemetery maintenance services	Community satisfaction with cemetery services	Maintain	94%	85%	92%	
P2.4.1 Maintain roads as contracted with RMS	Average RMS contractor performance grading	≥Good	Good	Good	Good	

* Baseline

Thriving and safe place to live

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
P3.1.1 Manage Council's key planning documents	Adoption of Community Participation Plan (CPP) December 2019, Local Housing Strategy (LHS) September 2020, and Local Strategic Planning Statement (LSPS) July 2020	100% adoption	New	CPP 80% LHS70% LSPS70%	100%*	
P3.1.2 Optimise land use to maximise social, economic and environmental needs of area	No overdue planning certificates (issued within 7 days)	None overdue	0	0	0	
P3.2.1 Provide development assessment services	Median net determination time for development applications	< 40 days	34 days	37 days	33 days	
P3.2.2 Provide building certification services	Market share of certification	Maintain	Maintain	Maintain	43.8%	
	Why weren't we effective? The number of construction certificates determined has been impacted by a general industry downturn at the start of the financial year as well as the impacts of COVID-19.					
	Premises added to the fire safety program	Increase	1095	1103	1672	

* Baseline

Thriving and safe place to live continued

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
P3.2.3 Provide environmental health services	Onsite sewer management systems (OSMS) inspected	≥ Baseline	881/800 (110%)	892/800 (111%)	717/800 (89%)	⊗
Why weren't we effective? Due to COVID-19, OSMS inspections were suspended from March to June.						
P3.2.3 Provide environmental health services	Food premises inspected**	≥ Baseline	514/*500 (103%)	657/*636 (103%)	428/800 (53.5%)	⊗
Why weren't we effective? Due to COVID-19, food shop inspections were suspended from March to June.						
P3.2.4 Provide land use compliance services	Development compliance customer requests closed	≥ 95%	89%	96%	113%^	⊙
P3.2.5 Provide regulatory ranger services	Ranger customer requests closed within timeframe	≥ 95%	99%	99%	98%	⊙
P3.2.6 Provide illegal waste compliance services	Number of successful** waste investigations	≥ 85%†	91%	88%	84%	⊖
Comment: 76 of 90 were successfully investigated.						
P3.3.1 Develop and monitor Town Centre strategies	Completed actions in Town Centre Strategies Medowie (M), Nelson Bay (NB), Raymond Terrace & Heatherbrae (RTH)	Annual increase	New	M 5 of 10 NB 19 of 27 RTH 4 of 15	M 7 of 10 NB 19 of 27 RTH 10 of 15	⊙
P3.4.1 Maintain facilities for Rural Fire Service and State Emergency Service	RFS and SES facility maintenance defects carried out within best practice levels	100%	100%	100%	100%	⊙
P3.4.2 Manage asset protection zones and fire trails on Council property	Contractor's performance against agreed program	Maintain	100%	100%	100%	⊙
P3.4.3 Maintain and implement a Local Emergency Management Plan	Review Local Emergency Management Plan every 3 years	100%	100%	100%	100%	⊙

Baseline

 **On track** target achieved or on track to be achieved
  **Monitor** < 5% off the target
  **Off track** > 5% off the target

* All documents adopted ** Schedule changes each year depending on number of inspections and inspection frequency ^ More CRMs closed than opened, due to carry over from an earlier reporting period
 ^^ Perpetrator found † Include total number of reported incidents as well as proportion successfully investigated.

Our environment

Port Stephens' environment is clean, green, protected and enhanced.



Goal 1: Ecosystem function

Our community has healthy and dynamic environmental systems that support biodiversity conservation.

War on weeds a winner

To win our war on weeds, we need to work smarter.

That's why our Natural Resources team developed an innovative model for prioritising and managing weeds.

'With 2700 introduced species to Australia, there are always going to be more weeds than there are resources,' said our Natural Resources team leader Jordan Skinner.

'Our model ensures that efforts are focused on managing the most significant weeds while maximising efficiency. It helps us work out what time and resources we'll need to make a real difference on the ground.'

The success of the model and the hard work of our team was recognised at the Local Government NSW Excellence in the Environment Awards this year.



Find out more about how we manage weeds in Port Stephens: portstephens.nsw.gov.au/live/environment-and-sustainability/weeds-and-pests

Protecting Mambo Wetlands

It's one of our most significant environmental assets and we're committed to protecting it.

'The Mambo Wetlands play a crucial role in maintaining the health of Port Stephens,' said our Natural Resources team leader Jordan Skinner.

'It filters water, provides a nursery for fish and crustaceans, and is a vital food source for birds, insects and other native animals.'

Last year we received a \$100,000 grant from the NSW Government's Environmental Trust to rehabilitate the wetlands and protect it from invasive species over 3 years.

We're proud to report significant progress has been made in 2019 to 2020:

- We designed a series of signs to educate visitors about the environmental and cultural significance of the wetlands.
- We held monthly volunteer working bees to rehabilitate the wetlands and encourage more people to join the local Landcare group.
- We educated neighbours about the threats to the wetlands including invasive species and domestic animals.

- We held an event to mark National Threatened Species Day which included an evening stroll through the wetlands to spot koalas and possums.

▶ What's next?

We're planning more events to educate our community about how they can help protect this significant environmental asset once it's safe to have public gatherings.

Goal 2:
Environmental sustainability

Our community uses resources sustainably, efficiently and equitably.

💡 Our solar savings

We're lucky enough to enjoy sunshine for most of the year in Port Stephens. So, it makes sense to harness that energy to reduce our carbon footprint and save our ratepayers.

Our Council's energy consumption was 7.1 million kilowatt hours this year — a 15%

decrease from last year or the equivalent of 1035 tonnes of carbon dioxide.

This reduction is like taking 193 cars off the road or powering 150 homes for one year.

These savings can be partly attributed to the new solar photovoltaic system we installed on the roof of our Administration Building last year. It's also likely COVID-19 has impacted on our energy usage, with more employees working from home and the closure of many of our facilities for several months.



- 327 hectares regenerated
- 1646 times volunteers regenerated bushland
- 3821 trees planted
- 555 sites treated to control priority weeds
- 834 sites inspected for weed compliance
- 17 educational events

Volunteers at Baghalls Beach

What's next?

We're preparing a Sustainability Strategy and action plan to help our Council manage resource and energy consumption. The aim is to achieve quadruple bottom line outcomes — social, economic, environmental and governance.

We're also in the process of joining the City Power Partnership, which will align our Council's sustainability targets with neighbouring councils in the Hunter region.

Update on waste changes

Last year we reported the NSW Environment Protection Authority (EPA) made a surprise announcement that has significantly impacted how we manage waste in Port Stephens.

For 20 years, our domestic waste was composted with our state-of-the-art system. It allowed us to recycle 100% of green and food waste without the need for a separate green bin, diverting more than 50% of waste from landfill.

In October 2018, a regulation known as the Resource Recovery Exemption Order was revoked for mixed organic waste. The order had allowed this compost to be used on land for grazing agriculture, forestry plantations and rehabilitated mine sites.

Suddenly, this was forbidden due to potential physical contaminants and environmental risks. This meant an immediate stop to an important part of our waste management process.

This year the NSW Government announced several financial support packages to help councils in our position.

The levy for sending waste to landfill will be waived until 1 May 2022, meaning our ratepayers won't be unfairly charged for this change. We've also applied for grant funding to help with our transition to a new waste service.

What's next?

We're in the process of developing a new long-term waste strategy to determine what our future waste services will look like. We'll be asking our community their vision for this essential service in late 2020.


Explanation: The amount of recycling collected has decreased over the past 2 years with the introduction of the Container Deposit Scheme. We've also seen a reduction in general waste partly because of the scheme and partly due to COVID-19 restrictions leading to less events and tourism in Port Stephens.



Goal 3:

Environmental resilience

Our community is resilient to environmental risks, natural hazards and climate change.

 **Taking action on climate change**

Australia's climate is changing. You can see it in the raging bushfires that took the lives of people and animals, destroyed homes and burnt millions of hectares of land in December and January.

We need to act now to ensure a sustainable future for Port Stephens. Climate change action benefits everyone — it reduces potential damage to community and council assets, protects our environment and improves community wellbeing.

In June 2020, our elected Council endorsed a draft Climate Change Policy for public exhibition. This is the overarching guide for how our Council will respond to climate change now and in the future.


We're committed to working in partnership with other councils, our community and all levels of government to respond to the challenges of climate change.


 **What's next?**

We're genuine about seeking and responding to our community's feedback on climate change. After the initial public

exhibition, we have revised the draft policy and will seek further community feedback.

We're also in the process of updating our Climate Change Adaptation Action Plan to identify our priority actions to address climate change risks.

 Read the plan: portstephens.nsw.gov.au/live/environment-and-sustainability/sustainability-and-climate-change

 **Sand on the move**

Little Beach near Shoal Bay is home to one of the most popular boat ramps in NSW. It's also known for often being covered in sand despite regular maintenance by our Council.

This year, we took action to address the cause of the problem — sand migrating around from Shoal Bay and inundating the boat launch site.

For the first time, we used drones to survey the beach and find where to remove sand from and how much to take. This proved to be an accurate and cost-effective way to ensure we get the best result.

 **What's next?**

We've been successful in receiving a \$1.7 million grant from the NSW Government's Boating Now program to upgrade Little Beach boat ramp. This complex and

environmentally sensitive project will help us address sand inundation more permanently.

Our 10-year Coastal Management Program^{KP} is on track. Coastal experts are undertaking technical studies as part of stage 2. This will inform potential solutions and actions we discuss with our community in stage 3.

 **Update on PFAS contamination**

It has been 5 years since Williamtown residents were told their land had been contaminated by PFAS (per and poly fluoroalkyl substances) from the historical use of firefighting foam at RAAF Williamtown.

A Community Reference Group was created to keep affected communities informed and provide a forum to raise issues with government agencies — with our General Manager participating since its inception.

Despite opposition from the community and our Council, the NSW Government abolished the group in October 2019 in preference of agencies speaking directly with the community as required.

Our Council asked the Premier to reinstate the Community Reference Group so that we could continue to support those who have been impacted by PFAS. However the response indicated this is unlikely. We'll continue to monitor the Department of Defence's remediation activities and support the affected communities however we can.

Our performance

Operational plan items on track after revising workplan due to COVID-19



Ecosystem function

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
E1.1.1 Develop and monitor environmental policies, strategies and technical information	Refer to E1.1.2, E1.1.3, E3.1.2 and E3.3.1					
E1.1.2 Develop and implement a range of nature conservation programs	Scheduled actions completed in the Bushland Enhancement Program	> Baseline	New	71 work programs [*]	175 work programs ^{**}	
E1.1.3 Provide environmental impact assessment services	Number of Environmental Impact Assessments conducted within agreed timeframes	Maintain	New	66%	82% Env Planning 76% Tree Management	
E1.1.4 Manage biosecurity risks (weeds and pests)	Actions completed in the Hunter Strategic Weed Management Plan 2017 to 2022	Increase	New	29/37	36/37	
E1.2.1 Provide environmental education programs to the community	Number of environmental education programs developed and implemented	Maintain	New	28	20	
Why weren't we effective? Programs could not be run as scheduled due to COVID-19.						
	Number of participants	Increase	New	312	503	

[#] Baseline

Environmental sustainability

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
E2.1.1 Reduce waste going to landfill	Community satisfaction with garbage collection and access to waste depot/transfer stations	≥ 90%	91%	92%	92%	
	Participation in 'problem waste' days	Increase	New	42%	43%	
	Waste diverted from landfill	≥ 40%	50%	33%	41%	
E2.1.2 Improve Council's energy usage	MWh usage year on year	Maintain	8,400MWh	8,400MWh	7137MWh	

[#] Baseline

Environmental resilience

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020
E3.1.1 Implement coastal, estuary and foreshore management projects	Draft plan endorsed by external agencies and adopted by Council	Refer E3.1.2			
E3.1.2 Develop a Coastal Management Program	Development and Implementation of Stages (1 to 3) of the Coastal Management Program. 2018 to 2019 Delivery of a scoping study and community engagement plan 2019 to 2020 Delivery of a coastal risk assessment and options paper 2020 to 2021 Exhibition, certification and adoption of finalisation program	Maintain	New	Stage 1 completed	Stage 2 in progress and to be completed by end of 2020
E3.1.3 Develop an emergency response coastal management plan for priority coastal area	Draft plan endorsed by external agencies and adopted by Council	Refer E3.1.2			
E3.2.1 Support affected communities in the Williamstown PFAS Management Area and surrounds	Participation in consultation/advocacy activities	Maintain	Yes	Yes	Yes
E3.2.2 Monitor and manage environmental impacts from decommissioned waste landfill sites	Scheduled gas and water monitoring undertaken	100%	100%	100%	100%
E3.3.1 Review Climate Change Adaptation Action Plan	Development and implementation of actions in the Climate Change Adaptation Action Plan	Maintain	New	13/35 [^]	26/35 [^]

[#] Baseline

 **On track** target achieved or on track to be achieved
  **Monitor** < 5% off the target
  **Off track** > 5% off the target

* 479 ha of natural areas under restoration, 5527 trees planted ** Covering 327 ha of natural area management, 3821 trees planted ^ Recommended actions commenced

Our council

Port Stephens Council leads, manages and delivers valued community services in a responsible way.



Goal 1: Governance

Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety.

Community satisfaction rating on target

The results are in! We received a satisfaction rating of 80% in the 2020 Community Satisfaction Survey.

As part of our commitment to continuous improvement, we increased our target to an ambitious 80% last year. It's a high target for a local government organisation and we're proud to have achieved it.

Our services with the highest level satisfaction are:

- children's services at 99%
- garbage collection services at 95%
- libraries and maintaining parks and gardens at 93%

We also took the opportunity to ask how our community has been impacted by COVID-19 and how we can best help Port Stephens in the recovery phase.

What's next?

We've used the feedback on COVID-19 to create our Restart Port Stephens plan — a framework to manage the impacts of the pandemic and map our Council's response.

The plan was adopted by our Council in July 2020 and we're now implementing actions to drive the immediate and long term rebuilding of Port Stephens.



Read more about our response to COVID-19: portstephens.nsw.gov.au/your-council/covid-19/our-response



We're an employer of choice!

Being an employer of choice is about creating a positive work culture and workplace that attracts and retains the best employees.

We're proud to have received the Employer of Choice award from the Local Government Engineers' Association for 2019.

'Port Stephens Council is committed to being an employer of choice and we're continually developing strategies to enhance working conditions for our staff,' said our General Manager Wayne Wallis.

'Our award-winning Enterprise Agreement recognises and rewards the whole person — it doesn't just focus on money. We offer the broadest range of flexible work practices in NSW local government.'

Human resources highlights:

- We reviewed our Council’s approach to learning and development.
- We made improvements to our main Human Resource system, Cornerstone.
- We started a review of our salary system to ensure equity and fairness for all.
- We supported employees through COVID-19 by offering redeployment to other areas of our Council, training, flexible working conditions and leave.

 **Sky’s the limit for Williamtown**

Our Council has long known Williamtown’s potential as a centre for defence and aviation. In May, its potential was realised with the announcement of a Special Activation Precinct by NSW Deputy Premier John Barilaro.

This is a dedicated area in a regional location identified by the NSW Government to become a thriving business hub.

The Special Activation Precinct is expected to create 15,000 jobs.

‘The jobs and economic opportunities this precinct will create across organisations will employ our kids — some of them not even born yet,’ said our Mayor Ryan Palmer.

‘During this time of uncertainty, there’s no doubt this investment in our region will


ensure future prosperity and security for our local community.’

After more than 20 years of our Council advocating for a defence and airport employment zone, we’re proud to have achieved this outcome for our community.

 **What’s next?**

The NSW Government has set aside \$5 million to create a precinct masterplan over the next 12 months. We’re working with our state counterparts to refine the investigation area, which currently covers 10,000 hectares around Newcastle Airport and RAAF Base Williamtown.

To support this future development, our Council is seeking to re-establish a direct discharge point from Dawson’s Drain to Fullerton Cove. This complex work requires assessment by 3 levels of government and a wide range of permits and approvals.

 **Planes grounded**

Newcastle Airport was flying high at the start of this year after landing the Hunter Business Award for 2019 for its contribution to the region.

Use of the airport has grown steadily for the past 5 years until March 2020 when COVID-19 restrictions forced the grounding of planes. Unsurprisingly, the number of travellers passing through the airport

dropped from 1.28 million last year to 930,000 in 2019 to 2020.

As co-owners with City of Newcastle, we’re focused on ensuring this essential asset is equipped to deal with the impacts of the pandemic. This includes being accredited as a COVID-Safe business and implementing aviation industry protocols endorsed by the Australian Health Protection Principal Committee.

‘What’s important for us as an airport is to ensure we are doing the little things that matter to help ensure every passenger feels as safe as possible on their journey,’ said Newcastle Airport CEO Dr Peter Cock.

As a result of the financial impacts of COVID-19, we won’t be receiving a dividend payment for 2020. This was \$2 million last year for comparison.

 **What’s next?**

Construction of stage 1 of the Astra Aerolab aerospace business park, located next to Newcastle Airport, is nearing completion. We’re pleased to report we’ve signed Memorandums of Understanding with anchor tenants for when the new precinct is ready to take off.

Goal 2: Financial management

Our Council is financially sustainable to meet community needs.

COVID-19 impacts budget bottom line

For the past 5 years, our Council has been consistently delivering a modest 1% surplus — in part due to our diverse non-rate revenue streams.

Despite being in a financially sustainable position at December 2019, COVID-19 significantly impacted almost every facet of our operations.

In just 4 months, our projected underlying result went from a surplus of \$944,000 to a deficit of \$185,000 at June 2020. This was largely due to a \$4 million downturn in revenue because of the pandemic.

By carefully managing our cash flow and reprioritising spending, we've still been able to meet our Council's financial obligations while keeping people employed in meaningful work. This has meant revising our work programs and delaying some major projects to next financial year.

What's next?

We're focused on returning to our financial target of 1% surplus as soon as possible. You can read our full financial report in volume 2.

Hardship support available

We know this continues to be a tough time for many ratepayers, so we offered a number of measures to increase access to financial hardship. This included creating a new online form to apply for hardship and giving our 34,500 ratepayers 6 months interest free on outstanding rates.

This year, we received 170 requests for additional time to pay rates. We received 46 requests for rent relief from businesses, of which 16 requested for rent to be waived.

Holiday parks hit by closures

Our Council-owned holiday parks started 2019 to 2020 on a high.

We upgraded amenities at Shoal Bay and Halifax holiday parks, while our sales team set a new record of over \$100,000 of sales in one week.

But come March 2020, the high quickly dissipated when COVID-19 restrictions forced the closure of our holiday parks for 2 months.

During the shutdown, our staff made the best of the situation by working on improvement projects. They painted, cleaned, gardened, repaired, made process improvements and created COVID-Safe plans ready for guests to return.

We safely welcomed back guests in June with contactless check-ins, online guest declarations and increased cleaning measures.

To promote the reopening of our holiday parks and encourage travellers to return, we launched a Reconnect Now campaign. The response has been encouraging, with revenues for June increasing by 39% compared to last year.

What's next?

We're continuing to keep our guests and staff COVID-Safe while preparing for the return of more travellers during our peak period at the end of the year.

HIGHLIGHT

We're grant gurus

Most people think councils are solely funded by rates. While about 40% of our revenue comes from rates, we have a range of other funding sources to ensure our financial sustainability including grants.

To find even more grant opportunities and increase our chances of success, we employed a Grants Officer in 2018.

Our approach is paying off. Since July 2018, we've increased our annual average grant income from competitive grants by 70% to \$6.4 million.

We've received a total of \$18.8 million grant funding from state and federal governments in 2019 to 2020.

Grants have been a particularly important source of funds during

COVID-19, as many of our diverse income streams were impacted.

▶ What's next?

We're continuing to find innovative ways to save money and improve our services.

As a result of a service review of our Financial Services section, we'll be creating an Acquisitions team to centralise purchasing and procurement. We anticipate this will save our Council about \$200,000 each year.

🖱️ We also offer a grants portal for our community to quickly search for grant opportunities:
portstephens.grantguru.com.au



Goal 3: Communication and engagement

Our community understands Council's services and can influence outcomes that affect them.

Council first point of call during COVID-19

In an emergency, people turn to sources of information they can trust.

From April to June 2020, our Customer Relations team experienced a significant increase in the number of enquiries by phone, email and social media — up 25% on our normal workload.

We saw a similar increase in traffic to our dedicated COVID-19 webpage as our community sought information about the public health order, travel restrictions and changes to our services.

This demonstrates how our community comes to us first for information on all levels of government. It also shows the value of our Council's website as a primary tool to quickly and effectively communicate with our community.

What's next?

With a large number of our community working from home for the first time, we're continuing to see an increase in

the number of customer requests. These have related to trees, roads, waste, noise, animals and overgrown properties.

We expect the number of customer requests will reduce to normal levels as people return to more traditional work patterns.

Continuing our Customer First journey

Big changes take time and we've spent 3 years working on transforming the way we provide customer service.

Our organisational framework called Customer First puts our customers (ratepayers, community and colleagues) at the heart of everything we do. In practice this means doing what we say we'll do and resolving customer requests in the promised timeframes.

We're well on our way to becoming a Customer First organisation.

We're proud to say that we achieved 99% of customer requests completed within 21 days this year, exceeding our target of 90%.

However our success rate for team members handling calls without needing to transfer customers to other Council sections dropped from 69% in June 2019 to 37% in June 2020 due to increased

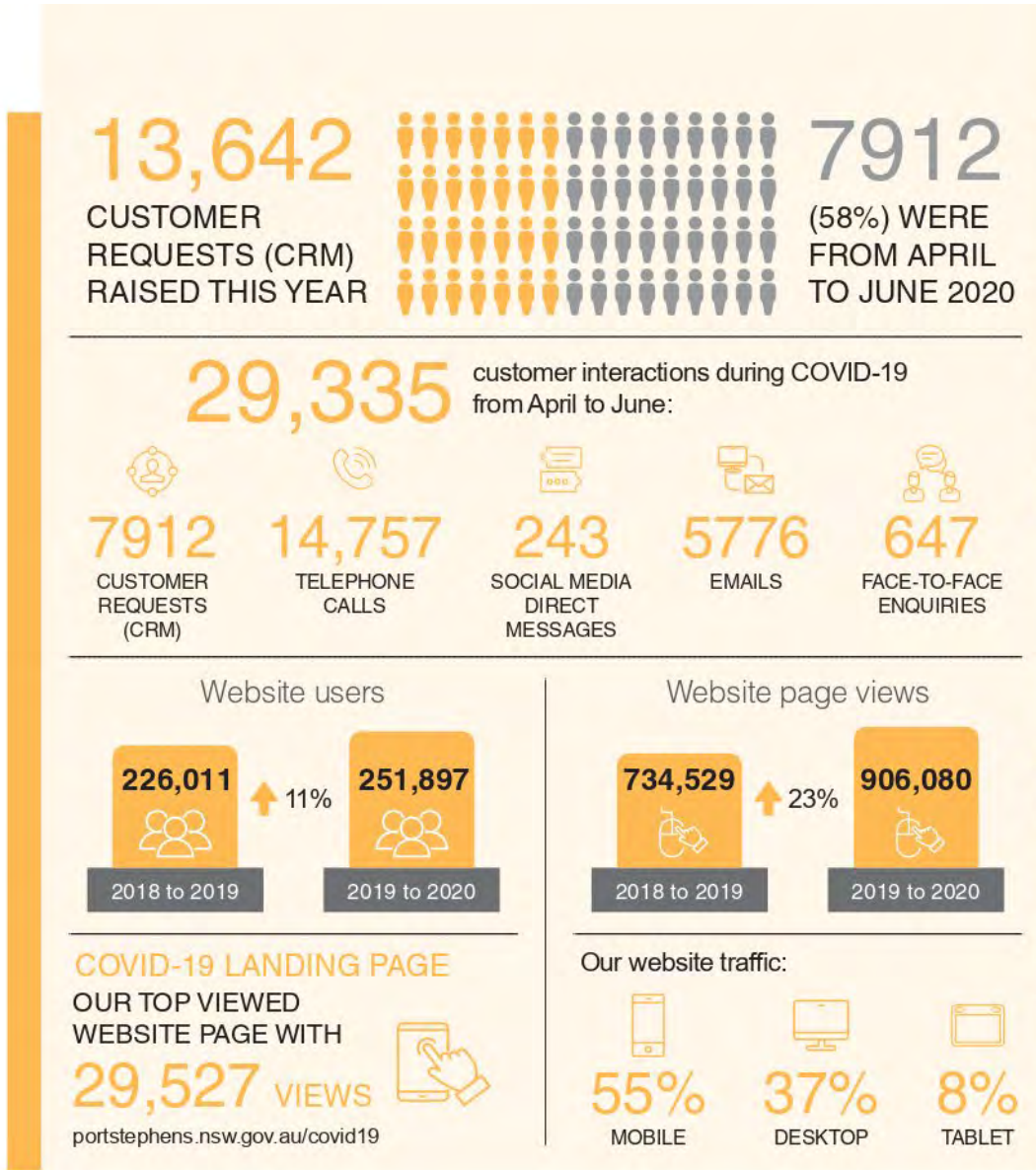
demand. We anticipate this will return to normal levels soon and we'll continue to chase our ambitious target of 80%.

What we did to improve our customer service in 2019 to 2020:


- created a Customer First Toolkit to help staff deliver a better customer experience
- updated our A to Z of customer service — a list of frequently asked questions and answers to enable all staff to help customers at the first point of contact
- streamlined our customer complaint processes
- rolled out comprehensive training to customer-facing staff.

What's next?

We'll give renewed focus to key projects of the Customer First Framework including the Active Community Citizen program and online services.



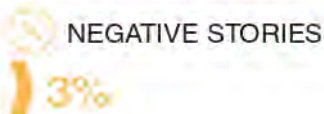
OUR PERFORMANCE

 **Council in the media**

In 2019 to 2020, there were 347 significant mentions of Port Stephens Council in the mainstream media. Of these, 97% were positive or neutral.

We issued 54 media releases and 28 community notices to keep our community informed. This year, we received significant media coverage about:

- announcement of a Special Activation Precinct in Williamstown (page 83)
- smart parking approved in Nelson Bay (page 68)
- \$500,000 tourism and business support fund (page 62)
- 7 Day Makeover of Anna Bay (page 68)
- ground broken on Koala Sanctuary (page 65).



 **Lagoons Estate case settled**

After almost 20 years of ongoing legal proceedings, our Council came to an agreement with the current owners of Lagoons Estate in January 2020.

Since 2002, the cost to ratepayers has been \$7.15 million on public drainage works, settlements and legal costs. We estimate we'll spend a further \$2 million on public drainage works.

While these numbers are high, they are significantly lower than many media reports. All costs have been disclosed in Council's financial statements and annual reports.

 You can read our full statement at portstephens.nsw.gov.au/your-council/news/council-statement-on-lagoons-estate

 **Improving how we communicate**

The media landscape is changing, and fast. As more of us carry mobile devices in our pockets, it's no surprise digital has overtaken newspapers as our main source of information.

In response to COVID-19 and many regional newspapers closing, the NSW Government removed the legal


requirement for public notices to be placed in newspapers. These notices can now be published on a council's website.

Our Council took this opportunity to be more transparent in our communication with our community. Instead of publishing notices only in the local paper, we now:

- publish all public notices on our website
- make notices available in hard copy at our libraries
- give residents the option to have notices sent directly via email or mail.

Previously, we spent about \$90,000 each year to advertise legislated public notices. We can now redirect these funds to improving our communications and achieving our Council's objectives.

We've since seen a 350% increase in traffic to our public exhibitions webpages, showing our community is adapting and engaging with our communications.

 You can view our public exhibitions at: portstephens.nsw.gov.au/your-council/public-exhibition

Psst! We launched our new community enews

Celebrating the stories of local people is an important part of our role as the level of government closest with our community.

This year, we rebranded our e-newsletter Infome to PSToday and shifted its focus from council news to good news in our community.

In light of the COVID-19 pandemic and recent changes to advertising, our audience has appreciated having a source of positive community news.

We're steadily growing our subscribers and have seen our average open rate increase about 10 points to 38% this year.

New community engagement strategy

- 57 completed engagement projects
- 39 open and ongoing engagement projects

We're committed to listening to our community and ensuring they are actively involved in shaping the future of Port Stephens through community engagement.

The benefits are clear — we earn our community's trust, identify solutions to complex problems and get the best result for all.

Our new Community Engagement Strategy, endorsed in November 2019, reflects this commitment and our approach.

It includes a community participation plan that sets out how we'll consult with our community on planning documents and development applications — a new legislative requirement for NSW councils.

Here's a few of the projects we engaged our community on this year:

- Nelson Bay parking changes
- Local Strategic Planning Statement and Local Housing Strategy
- Fern Bay and North Stockton Strategy
- Port Stephens 2020 projects and other major works
- Raymond Terrace Public Domain Plan
- Boomerang Park off leash dog park ^{KP} — this is due to be constructed in in 2021

What's next?

Due to COVID-19, our Community Engagement team has shifted many of their engagement activities online to protect the health of staff and our community.

This has been challenging to ensure our projects are accessible for those without the internet. We're trialling new tools to offer a mix of online and in-person engagement activities where it's safe to do so.



OUR PERFORMANCE

Our performance

Operational plan items
on track after revising
workplan due to COVID-19



Governance

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
L1.1.1 Manage and deliver the Human Resources program	Employee engagement	≥ 70%	70%	68%	74%	
	Complies with IP&R checklist for workforce plan	Maintain	Compliant	Compliant	Compliant	
L1.2.1 Coordinate and deliver Councillor and executive support services	Councillor satisfaction with services	Maintain	100%	100%	100%	
L1.2.2 Conduct citizenship ceremonies	Number of citizens conferred	Citizens conferred	61	68	87	
L1.2.3 Develop and manage relationships with all levels of government and stakeholders	Participation in consultation/advocacy activities with other levels of government or agencies	Maintain	Yes	Yes	Yes	
L1.2.4 Develop shareholder value through an effective partnership with Newcastle Airport	Participation in NAPL/GNAPL Board meetings	Maintain	Yes	Yes	Yes	
	Airport traveller numbers per annum	≥ Baseline	1,272,634	1,277,473	930,000	
	Comment: COVID-19 impacted travel and airport traveller numbers.					
	Airport dividends received per annum	≥ Baseline	\$1,903,000	\$1,943,000	\$2,000,000	
Comment: The dividend for 2020 to 2021 is unlikely due to impacts of COVID-19.						
L1.2.5 Work with Hunter councils to enhance the Hunter region	Participation in Hunter Joint Organisation meetings	Maintain	Yes	Yes	Yes	
L1.3.1 Coordinate and deliver governance and legal services	Governance Health Check score	> 95%	97%	98%	98%	
L1.3.2 Coordinate and report on the internal audit process	Audit-identified issues resolved within expected timeframe	≥ Baseline	83%	100%	100%	
L1.3.3 Undertake a community satisfaction survey	Overall community satisfaction with Council	> 80%	85%	76%	80%	

* Baseline

Governance continued

What we said we'd do	How effective were we?	Target	2017 to 2018*	2018 to 2019	2019 to 2020	
L1.3.4 Manage the Integrated Planning & Reporting Framework	Integrated Plans delivered on time	> 95%	97%	98%	100%	
	IP&R documents conform with IP&R checklist	Compliant	Compliant	Compliant	Compliant	
L1.3.5 Manage access to information and privacy processes	Number of privacy complaints/breaches	< Baseline	5	4	1	
L1.4.1 Facilitate the 4-year rolling Service Review of Council's processes and services	Number of reviews completed — Service Reviews (SR) and mini reviews (ADRI)	Completion	19 SRs 3 ADRI's	16 SRs 17 ADRI's	24 SRs 14 ADRI's	
L1.4.2 Manage the Corporate Improvement and Business Systems program of work	Maintain system uptime	Maintain 99.99%	100%	100%	100%	
L1.5.1 Manage the Integrated Risk Management System program of works	Maintain risk management maturity score	≥ 80%	83%	86%*	86%*	
	Rolling projected workers compensation deposit premium (rounded)	Pay < base	Base \$1m Paid \$0.7m	Base \$1.2m Paid \$0.8m	Base \$1.2m Paid \$1.2m	
		< 100%	67%	70%	104%	
	Percentage of incidents reported to Corporate Risk outside 24 hours	< Baseline	12.8%	13%	14%	
Why weren't we effective? In 2019 to 2020, there were 45 incidents reported outside 24 hours compared to 44 in 2018 to 2019.						

*Baseline

On track target achieved or on track to be achieved
 Monitor < 5% off the target
 Off track > 5% off the target

*As at August 2019

Financial management

What we said we'd do	How effective were we?	Target	2017 to 2018 [#]	2018 to 2019	2019 to 2020	
L2.1.1 Manage Council's financial resources	Underlying financial surplus of 1% of budget	Maintain	Achieved	Achieved	Not achieved	✘
Why weren't we effective? Due to COVID 19 our financial position was affected by a \$4 million downturn in revenue. Read more on page 84.						
	Unqualified Annual Financial Statements	Achieve	Unqualified	Unqualified	Unqualified	✘
	Complies with IP&R checklist for Long Term Financial Plan	Maintain	Compliant	Compliant	Compliant	✔
L2.2.1 Manage Council's commercial businesses and investment assets	Maintain yield on commercial investment portfolio	7 to 10%	7%	8%	7%	✔
	Property vacancy rate	< 20%	20%	14%	6%	✔
L2.2.2 Deliver the Property Services capital works program	Scheduled works delivered on time, on budget	≥ Baseline	100%	100%	100%	✔
L2.2.3 Manage land acquisition, development projects and biodiversity sites	Scheduled works delivered on time, on budget	≥ Baseline	100%	100%	100%	✔
	Review and develop Property Investment Strategy	30 June 20	New	100%	80%	✘
Comment: Requires a further review.						
L2.2.4 Manage Council's tourist accommodation	Average nightly rate (per site/cabin)	≥ Baseline	Cabins \$173 Sites \$51	Cabins \$192 Sites \$52	Cabins \$217 Sites \$52	✔
	Net promoter scores for Council's Holiday Parks	≥ Baseline	63.95%	64.20%	64.95%	✔

[#] Baseline

Communication and engagement

What we said we'd do	How effective were we?	Target	2017 to 2018#	2018 to 2019	2019 to 2020	
L3.1.1 Develop, implement and monitor Council's Customer First Framework	Scheduled actions in Customer First Framework completed (Stage 1)	≥ 95%	100%	100%	100%	✓
	Customer first point of contact resolution	≥ Annual target	Target 70% Actual 52%	Target 80% Actual 69%	Target 80% Actual 37%	✗
<p>Why weren't we effective? Due to COVID-19, customer requests have increased dramatically resulting in less first point of contact resolutions. There has also been a change to the method of calculating this statistic. This metric and others will be developed in line with the development of a Customer First Framework Project Management Plan for 2020 to 2021.</p>						
L3.2.1 Manage Council's communications	Proportion of internal and external communication plans completed on time	≥ 95%	90%	95%	95%	✓
L3.2.2 Manage Council's digital services	Growth in website users per year	> 2%	2%	1.7%	11.4%	✓
L3.3.1 Manage Councils brand and reputation	Refer to L3.2.1					
L3.4.1 Conduct Council's community engagement activities	Scheduled community engagement activities in Capital Works program completed or started	≥ 95%	85%	100%	100%	✓

Baseline



Hunter River Raymond Terrace

Statutory Statements

SECTION 4

The following Statutory Statements are required by such instruments as Local Government (General) Regulation 2005 – REG 217 and other NSW Government acts. The relevant clause is highlighted beside each report.



Binjili Beach, Anna Bay

Statutory information

Our Council is committed to open and transparent reporting. The information in this section is legislated and supplements information provided elsewhere in the report.

Our general reporting requirements are set out in section 428 of the Local Government Act 1993 (the Act) and clause 217 of the Local Government (General) Regulation 2005 (the Regulations). References to 'section' refer to the Act, while references to 'clause' refer to the Regulations, unless otherwise stated. To access copies of the Act and Regulations visit legislation.nsw.gov.au

Overview of reporting requirements

Below is an overview of reporting requirements that have been achieved, reported elsewhere, are not required or the service was not provided.

Legislation	Achieved
Implementing the Delivery Program 2018 to 2021 — Section 428(1)	Yes
Implementing the Community Strategic Plan 2018 to 2028 — Section 428(2)	Not required A full report will be prepared for the outgoing Council in the year the election is held.
Integrated Planning and Reporting Guidelines — Section 428(3)	Yes
Audited financial reports — Section 428(4)	Yes — see volume 2
Annual report copies — Section 428(5)	Yes Copies will be made available on our website, at our libraries and provided to the Minister for Local Government's office.
State of the Environment Report — Section 428(A)	Not required
Equal employment opportunities activities — Clause 217(1)(a9)	Yes — read our report on page 44
Coastal protection — Clause 217(1)(e1)	Not levied
Special Variation to Rates Expenditure — Section 508(2) and 508A	Not levied
Privacy and Personal Information Protection Act 1998	Yes — read our report on page 39
Condition of Civil Assets	Yes — view special schedule 7 of volume 2
Carers Recognition Act 2010	Did not provide service
Environmental Upgrade Agreements — Section 54P(1)	Did not provide service
Disability Inclusion — Disability Inclusion Act 2014, section 13(1)	Yes — read our report on page 52

Rates and charges written off during 2019 to 2020

Clause 132

Type	Amount	Type	Amount
Pensioner concessions	\$1,521,726	Uneconomical to recover	\$1219
Postponed rates	\$8115	Not legally recoverable	\$31
Small debts	\$310	Interest on late payments beyond ratepayer's control or hardship	\$1087
Conservation agreements	\$2337	Total	\$1,534,825

Overseas travel undertaken by Mayor, Councillors and staff

Clause 217(1)(a)

Mayor Ryan Palmer, Councillor Glen Dunkley and General Manager Wayne Wallis attended the 10th Anniversary of Sister Cities celebrations in Tateyama, Japan from 14 to 16 November 2019. Participants personally met all travel and accommodation costs, with no cost to Council.



Mayoral and Councillors' fees and provision of facilities

Clause 217(1)(a1)

The following is a summary of the expenses incurred in performing the functions of Mayor and Councillors and associated allowances in 2019 to 2020.

Our policy recognises the Mayor and Councillors, in performing their civic functions, are entitled to be provided with certain facilities and be reimbursed for certain expenses. The policy was adopted on 26 September 2017 and is reviewed annually.

Allowances	Costs	Allowances	Costs
Mayoral allowance	\$63,075	Councillors' expenses (see below)	\$103,740
Councillors' fees and allowances	\$183,974	Total	\$350,787

Expenses	Costs	Expenses	Costs
Mobile phone rental	-	Conferences	\$5505
Mobile phone calls	\$1381	Training	-
Landline phone rental	-	Partners' expenses	\$288
Landline phone calls	-	Computers	\$7484
Fax rental	-	Stationery	\$1378
Fax calls	-	Awards and ceremonies	\$3441
Internet	\$1173	Child care expenses	\$470
Intrastate travel	\$17,796	Communications bundle	\$8978
Intrastate out of pocket expenses	-	Professional development	\$5378
Interstate travel (out of NSW)	\$32	Catering	\$40,250
Interstate out of pocket expenses	-	Cost of Mayoral Vehicle	\$3705
Interstate accommodation (out of NSW)	-	Total	\$103,740
Intrastate accommodation	\$6481		

Contracts awarded greater than \$150,000

Clause 217(1)(a2)

Name of contractor	Contract details and purpose	Number	Contract value	Name of contractor	Contract details and purpose	Number	Contract value
SUEZ Recycling and Recovery Pty Ltd	Waste recycling processing	T01-2018	\$7,680,048	Trinity Quality Interiors	437 Hunter Street Base building and facilities upgrade	T12-2019	\$742,067
Workforce Road Services Pty Limited Jenalad Pty Ltd Fenworx Pty Ltd Slip Away Australia Holdings Pty Ltd	Provision of line marking services	T02-2018#	Schedule of rates*	GWH Build Pty Ltd	Karuah Rural Fire Station	T14-2019	\$754,600
Balanced Security Solutions	Security services	T09-2018	Schedule of rates*	GWH Build Pty Ltd	Lionel Morten Oval amenities	T17-2019	\$920,200
Hanson Holcim Hunter Readymixed Concrete Hymix Australia	Ready mix concrete	T51192 0HUN	Schedule of rates*	Amenity Urban and Natural Environments Pty Ltd Moir Landscape Architecture SHAC The Design Partnership	Urban Design Panel	T30-2019	Schedule of rates*
Soil Conservation Service	Riverside Park revetment wall, Raymond Terrace	RFQ15-2019	\$331,640	Complete Staff Solutions GWG Partners Labour Co-operative PeopleFusion Workforce Recruitment and Labour Services	Labour hire and recruitment services	T31-2019	Schedule of rates*
Enviroculture Maintenance Services Pacific Facilities Asplundh Tree Expert	Bushfire management and cemetery maintenance	T01-2019	\$479,724	MJ Pool Repairs Pty Ltd	Tilligerry Pool resurfacing	T02-2020	\$175,682
Flick-Anticimex	Hygiene services	T04-2019	\$116,220	Spotless Facility Services Pty Ltd	Linen services agreement	SA2019-02	\$224,000
Daracon Contractors Pty Ltd	Birubi Point Aboriginal Precinct landscape construction	T08-2019	\$1,372,696	Refer to lgp.org.au for the live service providers and schedule of rates	Plant, machinery and equipment	LGP419~	Do and charge
North Construction & Building Pty Ltd	Port Stephens Koala Sanctuary stage 2	T10-2019	\$3,826,402				

*Schedule of rates refers to 'do and charge', anticipated to be in excess of \$150,000. Definitions of contracts awarded: ~ Port Stephens Council tenders for this period # Port Stephens Council contract extensions for this period ~ Contracts as executed using Local Government Procurement agreement

Legal proceedings

Clause 217(1)(a3)

The following is a summary of the amounts incurred in relation to legal proceedings taken by and or against Council from 1 July 2019 to 30 June 2020. Workers Compensation and other employment matters, public liability and professional indemnity claims are not included. Our Council recovered \$205,447 in legal costs.

Legal matter	Details	Status	Cost
Supreme Court			
Shoal Bay Developments Pty Ltd, Snoogal Pty Ltd and Community Association DP 270468	Proceedings seeking declarations and damages regarding drainage at Nelson Bay. Proceedings dismissed by consent.	Completed	\$33,030
Shoal Bay Developments Pty Ltd, Snoogal Pty Ltd v The Registrar- General, Community Association DP 270468 and Port Stephens Council	Proceedings seeking to sever land from a Community Title at Nelson Bay.	Ongoing	\$10,713
Development Appeals			
Anna Bay Resort	Appeal against Council Order to complete development. Orders by consent.	Completed	\$5930
Kobra & Shevket	Appeal against Council Order to demolish. Orders by consent.	Completed	\$5444
Salsands (NSW) Pty Ltd	Appeal against Conditions of Development Consent. Orders by consent.	Completed	\$54,659
Deemay Enterprises Pty Ltd	Appeal against Council Order to remove/demolish structures and cease using premises.	Ongoing	\$10,804
Tomasic	Appeal against Council refusal to grant Development Consent.	Ongoing	\$5567
District Court			
Dates	Appeal against sentencing and conviction – appeal part upheld and part dismissed.	Completed	\$2042
Local Court Prosecutions			
Webb	Application in Small Claims Division for reimbursement of fees.	Ongoing	\$2055
Other matters			
Webb	Appeals to the NSW Civil and Administrative Tribunal (NCAT) Internal Appeal Panel against Tribunal findings in administrative review applications and subsequent redetermination hearing.	Ongoing	\$44,470
Webb	Applications for Administrative Review in NCAT. Proceedings dismissed.	Completed	\$8689
Webb	Council application for order to restrain unmeritorious GIPA applications. Appeal allowed, order made.	Completed	\$28,454
Webb	Appeal to the NCAT Internal Appeal Panel against Tribunal findings in administrative review and order to restrain proceedings.	Ongoing	\$14,535
Webb	Application to NCAT seeking leave to submit GIPA application to Council.	Ongoing	\$3991
Total			\$230,383

ITEM 6 - ATTACHMENT 1 ANNUAL REPORT 2019-2020 - VOLUME 1.

Private works resolutions

Clause 217(1) (a4)

Our Council did not carry out any work on private land requiring a resolution under section 67 of the Act in 2019 to 2020.

Financial assistance

Clause 217(1)(a5)

Each year, our Council provides financial assistance to community and cultural groups in Port Stephens in accordance with section 356 of the Act.

Annual grant programs, Ward and Mayoral funds

Category	Amount	Category	Amount
Cultural projects fund	\$54,050	Environmental projects fund (schools)	\$13,536
Aboriginal projects fund	\$30,370	Mayoral funds	\$76,957
Community projects fund (including Ward funds)	\$46,054	Business Growth Projects Fund	\$35,000
Heritage projects fund	\$3970	Tourism Project Funds	\$407,962
Environmental projects fund (355c committees)	\$2500	Total	\$670,399

Hardship rate relief and rate donations

Our Council provided \$3758 in hardship rate relief and rate donations under sections 601 and 356 of the Act.

Waste services

Under our Council's Financial Assistance for the Disposal of Waste in Port Stephens Policy, \$50,120 was provided to the following organisations:

Organisation	Amount	Organisation	Amount
1st Anna Bay Cubs and Scouts	\$1175	Salamander Bay Recycling	\$7616
Marine Rescue Lemon Tree Passage	\$23	Salamander Mens Shed	\$5264
Marine Rescue NSW Port Stephens Unites	\$23	Salvation Army - Port Stephens	\$2533
Medowie Assembly of God Fellowship	\$1005	Salvation Army - Raymond Terrace	\$277
Scope Home Access Hunter Region	\$2535	St Vincent De Paul - Anna Bay	\$5110
Port Stephens Uniting Church	\$147	St Vincent De Paul - Nelson bay	\$13,368
Raymond Terrace Early Education Centre	\$150	St Vincent De Paul - Tanilba Bay	\$813
Raymond Terrace Mens Shed	\$247	St Vincent De Paul - Raymond Terrace	\$1580

Organisation	Amount
Port Stephens Koalas	\$4668
Tilligerry Habitat Association	\$694
All Saint Anglican Church Op-shop	\$253
Lemon Tree Passage Rural Fire Service	\$154

Organisation	Amount
Salvation Army Hope Centre	\$1721
Centre for Hope	\$430
Raymond Terrace Historical Society	\$334
Total	\$50,120

External bodies exercising the functions delegated by Council

Clause 217(1)(a6)

There were no external bodies exercising the functions of our Council.

External bodies of which Council has controlling interests

Clause 217(1)(a7)

Our Council must report on all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which we (whether alone or in conjunction with other councils) held a controlling interest during the reporting period.

Newcastle Airport Partnership Company 3 Pty Ltd

Newcastle Airport Partnership Company 4 Pty Ltd

Following the corporate restructure of the Newcastle Airport Ltd on 9 October 2013, there are 4 partners of the Newcastle Airport Partnership. City of Newcastle owns Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 (as trustee for Newcastle Airport Partnership Trust 2). Port Stephens Council owns Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4).

Following the incorporation of the Greater Newcastle Aerotropolis Pty Ltd on 20 December 2018, there are 4 partners of the Greater Newcastle Aerotropolis Partnership. City of Newcastle owns Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 (as trustee for Newcastle Airport Partnership Trust 2). Port Stephens Council owns Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4).

Port Stephens Council holds 100% interest in Newcastle Airport Partnership Company 3 Pty Ltd and Newcastle Airport Partnership Company 4 Pty Ltd.

External bodies in which Council has participated

Clause 217(1)(a8)

Our Council must report on all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which we participated during that year.

- **Newcastle Airport Pty Ltd (NAPL)**
- **Newcastle Airport Partnership (NAP)**
- **Greater Newcastle Aerotropolis Pty Ltd (GNAPL)**
- **Greater Newcastle Aerotropolis Partnership (GNAP)**

Newcastle Airport Pty Ltd operates the Newcastle Airport as agent for the Newcastle Airport Partnership. City of Newcastle and Port Stephens Council hold the rights to their share of the assets and their share of the obligations in the partnership.

Greater Newcastle Aerotropolis Pty Ltd manages the development of the Astra Aerolab aerospace park (76 hectares of land adjacent to Newcastle Airport) on behalf of the Greater Newcastle Aerotropolis Partnership. City of Newcastle and Port Stephens Council hold the rights to their share of the assets and their share of the obligations in the partnership.

Port Stephens Council has a 50% interest in NAPL, NAP, GNAPL and GNAP and the City of Newcastle has an interest in the remaining 50%.

Hunter Joint Organisation Group Entities

The Hunter Joint Organisation and its group entities are the hub for local government collaboration. They strengthen our communities by being the local voice on regional strategic issues and delivering tailored local government solutions.

There are 4 key entities that operate as part of the current enterprise offering:-

Hunter Joint Organisation — a statutory body under the Act established in 2018 to identify, advocate for and collaborate on regional strategic priorities. Its statutory mandate includes identifying key regional strategic priorities, advocating for these priorities and building collaborations around these priorities with other levels of government, industry and community.

Strategic Services Australia Limited and its wholly owned subsidiary **Hunter Councils Legal Services Limited** — companies limited by guarantee under the Corporations Act 2001 and established to improve the quality and efficiency of local government services in the Hunter. These organisations offer tailored local government services through 5 divisions:

- Local Government Training Institute
- Local Government Legal
- Regional Procurement
- Screen Hunter — licenses film production on council owned and controlled land
- Regional Policy & Programs Division — delivers on the strategic priorities of the Hunter Joint Organisation, including the Hunter and Central Coast Regional Environment Program, on behalf of both Hunter JO member councils and Central Coast Council.

Hunter Councils Incorporated — an incorporated association under the Associations Incorporation Act 2009 that holds property assets for the Hunter Joint Organisation group.

We have representation on each entity's board, and shares ownership and governance of the entities with the other 9 councils of the Hunter region.

NSW Local Government Mutual Liability Scheme (Statewide)

Our Council is a member of the NSW Local Government Mutual Liability Scheme, known as Statewide. It started in 1993 as a joint venture forming a 'self-insurance mutual' covering public liability and professional indemnity insurance. Membership includes 117 member councils across NSW.

StateCover Mutual

Our Council is a member of StateCover Mutual. This body was established as a not-for-profit workers compensation insurer to partner with NSW local government in the management of workplace risk. StateCover Mutual provides an integrated injury prevention and injury management service model to minimise the overall cost of members' workplace risk.

Senior staff remuneration**Clause 217(1)(b) and (c)**

Our Council's senior staff consists of the General Manager and 3 Group Managers. All senior staff are employed under standard contracts.

- General Manager \$344,998
- Senior staff (excluding the General Manager) \$914,410

Stormwater management services**Clause 217(1)(e)**

Council does not levy an annual charge for stormwater management services as it received a special variation to its general income in 1997 to 1998 for stormwater management activities.

Companion animals**Clause 217(1)(f), Companion Animals Act 1998, Companion Animals Regulation 2008**

Our Council provides an annual return to the Office of Local Government on activities to enforce and ensure compliance with the Companion Animals Act 1998 and Companion Animals Regulation 2018, including lodgement of pound data collection returns. We also report information on an incident-by-incident basis in relation to dog attacks.

Our Council provides the full suite of companion animal functions. This year, the following information has been collected on the Companion Animals Register:

- a total of 63 dog attacks. See page 70.
- a total of 447 companion animals were impounded.

Of the companion animals impounded:

- 180 animals were either collected by their owner or returned to their owner by our Council prior to being transported to the pound
- 73 were sold to new owners or released to rescue organisations
- 130 animals were surrendered to the pound by the public.

Companion animal management and activities

In 2019 to 2020, we spent \$223,336 on companion animal management and related activities (excluding ranger salaries and vehicle costs). Of this, \$9829 was spent on community education programs, personal protective equipment, tools and training. You can read about our community education programs on page 70 of this report.

Other related companion animals activities included:

- officer training at annual ranger workshop to ensure best practice and information sharing with industry experts.
- a restricted, dangerous and menacing dog project. Read more on page 70.
- the design, production and distribution of promotional materials at schools and community events.

Desexing initiatives

We promote the services of Hunter Animal Watch and the National Desexing Network, which carry out subsidised desexing of animals in Port Stephens.

Alternatives to euthanasia

To reduce euthanasia rates, our Council conducted a companion animal registration project. We sent 756 notices to owners

of unregistered dogs to encourage lifetime registration. This is a legislative requirement which also helps us return missing animals to owners and decrease euthanasia rates.

We also actively promote the sale of suitable unclaimed cats and dogs from our pound online and through partnerships with registered rescue organisations.

Off-leash areas

We continue to promote, improve and enforce the rules in the 13 off-leash areas in Port Stephens, including making upgrades to signage and facilities.

The education opportunities and growth of the Ranger Ralph program has raised awareness of responsible pet ownership and the use of off-leash dog exercise areas.

Managing and controlling companion animals

Our Council collected \$63,794 in registration fees, which we forwarded to the Office of Local Government. We received \$81,826 back from the Office of Local Government including payments for transactions made by customers online. This was put towards Companion Animal Register administration, impound facility functions, tools and equipment, and other initiatives undertaken this year.

Capital Expenditure Guidelines 2010

Section 12, Division of Local Government Department of Premier and Cabinet

The following is a summary of capital works in progress as at 30 June 2020.

Name of project	Progress	Budget as at 30 June 2020 (excluding GST)	Expenditure 2018 to 2019 (excluding GST)	Expenditure 2019 to 2020 (excluding GST)
Medowie Sport and Community Facility	In progress — practical completion of construction. Read more on page 67.	\$5.9 m	\$2.4 m	\$3.5 m
Birubi Information Centre	In progress — planning underway. Read more on page 56.	\$5.8 m	\$200 k	\$20 k
Koala Sanctuary	In progress — practical completion of construction. Read more on page 65.	\$8.6 m	\$900 k	\$7.3 m
Depot	In progress — project delivery program in development. Read more on page 69.	\$250 k	\$0	\$42 k

Government Information (Public Access) (GIPA) Act 2009

The GIPA Act 2009 has a number of mechanisms to access information — mandatory, proactive, informal and formal release.

In 2019 to 2020, our Council processed 374 informal access for information requests, removing the need to make a formal application in most cases.

The following is our annual report as required under section 125 of the GIPA Act:

Review of proactive release program — clause 7(a)

Agencies must review their programs for the release of government information at least once every 12 months to identify the kinds of information that can be made publicly available. Our program for the proactive release of information involves:

- reviewing all formal applications and informal requests to determine if the

information sought should be released proactively in future

- aligning our Electronic Records Management systems categories to the GIPA Act and determining if any further records should be released proactively in future
- monitoring matters raised by employees and determining if the information should be released proactively in the future.

This year, we reviewed this program by ensuring there is an ongoing monitoring program of all applications/requests for information — formal, informal or other. The program also includes information from Council officers with respect to the information they are producing. As a result of this review, we have not added any additional information to the proactive release provision.

Government Information (Public Access) (GIPA) Regulation 2018

Clause 8, Schedule 2

Review of proactive release program — clause 8(a)

Details of the review carried out by the agency under section 7(3) of the Act during the reporting year and the details of any

information made publicly available by the agency as a result of the review.

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Number of access applications received — clause 8(b)

The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications).

Total number of applications received
27

Number of refused applications for Schedule 1 information — clause 8(c)

The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

Number of Applications Refused	Wholly	Partly	Total
	1	0	1
% of total	100%	0%	



Hinton Bridge over Paterson River

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Access application statistics — clause 8(d) and schedule 2

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn	Total	Percentage of total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	2	1	0	0	0	1	0	1	5	13%
Not for profit organisations or community groups	1	0	0	0	0	0	0	0	1	3%
Members of the public (by legal representative)	1	4	0	0	0	1	0	1	7	18%
Members of the public (other)	1	11	4	5	3	0	0	1	25	66%
Total	5	16	4	5	3	2	0	3	38	100%
Percentage of total	13%	42%	11%	13%	8%	5%	0%	8%	100%	

Table B: Number of applications by type of application and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn	Total	Percentage of total
Personal information applications**	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	4	11	4	4	3	2	0	3	31	82%
Access applications that are partly personal information applications and partly other	1	5	0	1	0	0	0	0	7	18%
Total	5	16	4	5	3	2	0	3	38	100%
Percentage of total	13%	42%	11%	13%	8%	5%	0%	8%	100%	

* More than one decision can be made in respect to a particular access application. If so, a recording must be made in relation to each such decision. ** A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid Applications

Reason for invalidity	Number of applications	Percentage of total
Application does not comply with formal requirements (section 41 of the Act)	0	0%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	0	0%
Invalid applications that subsequently became valid applications	0	0%

Table D: Conclusive presumption of overriding public interest against disclosure — matters listed in Schedule 1 of Act

Reason for invalidity	Times consideration used*	Percentage of total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	3	75%
Excluded information	1	25%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Total	4	100%

Table E: Other public interest considerations against disclosure — matters listed in table to section 14 of the Act

Reason for invalidity	Times consideration used*	Percentage of total
Responsible and effective government	3	7%
Law enforcement and security	3	7%
Individual rights, judicial processes and natural justice	23	51%
Business interests of agencies and other persons	16	35%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	45	100%

Table F: Timeliness

Reason for invalidity	Number of applications	Percentage of total
Decided within the statutory timeframe (20 days plus any extensions)	31	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	31	100%

* More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application).

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Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	Percentage of total
Internal review	1	0	1	7%
Review by Information Commissioner*	5	4	9	65%
Internal review following recommendation under section 93 of Act	0	2	2	14%
Review by NCAT	0	2	2	14%
Total	6	8	14	
Percentage of total	43%	57%		100%

*The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	Percentage of total
Applications by access applicants	9	100%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	9	

Table I: Applications transferred to other agencies

	Number of applications for review	Percentage of total
Agency-initiated transfers	0	0%
Applicant-initiated transfers	0	0%
Total	0	



Oakvale, Salt Ash

Public Interest Disclosures Act 1994

Section 31

Our Council is required to report on the number of disclosures received and to what the disclosures related. The below summary is reported to the NSW Ombudsman.

Statement	Number made by public officials performing their day to day functions	Number under a statutory or other legal obligation	All other public interest disclosures
Number of public officials who made public interest disclosures to your public authority	0	0	0
Number of public interest disclosures received by your public authority	0	0	0
Of public interest disclosures received, how many were primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period		0	
Have you established an internal reporting policy?			Yes
Has the head of your public authority taken action to meet their staff awareness obligations?			Yes

Employees have been made aware through:

- employees undertaking that they have read and understood our internal reporting policy
- links on intranet and website
- messages in internal newsletters and on bulletin boards
- brochures and posters
- training to new employee during induction
- internal online training using the NSW Ombudsman training package for all employees, principal officer and management.

Code of Conduct

Section 11.1, Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW

Our Council is required to report complaints relating to the Mayor, Councillors and the General Manager in the year to September. In addition to this, we provide the below details for 2019 to 2020. Read more on page 39.

Model Code of Conduct Complaints from 1 July 2019 to 30 June 2020			
Number of complaints			
1	a)	The total number of complaints received in the period about Councillors and the General Manager (GM) under the code of conduct	9
	b)	The total number of complaints finalised in the period about Councillors and the GM under the code of conduct	9
Overview of complaints and cost			
2	a)	The number of complaints finalised at the outset by alternative means by the GM or Mayor	7
	b)	The number of complaints referred to the Office of Local Government under a special complaints management arrangement	0
	c)	The number of code of conduct complaints referred to a conduct reviewer	2
	d)	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	0
	e)	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	0
	f)	The number of finalised code of conduct complaints investigated by a conduct reviewer	2
	g)	The number of finalised code of conduct complaints investigated by a conduct review committee	0
	h)	The number of finalised complaints investigated where there was found to be no breach	2
	i)	The number of finalised complaints investigated where there was found to be a breach	0
	j)	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	0
	k)	The number of complaints being investigated that are not yet finalised	0
	l)	The total cost of dealing with code of conduct complaints within the period made about Councillors and the GM including staff costs	\$20,226
Preliminary assessment statistics			
3	The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:		0
	a)	To take no action	0
	b)	To resolve the complaint by alternative and appropriate strategies	0
	c)	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies	0
	d)	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	0

Model Code of Conduct Complaints from 1 July 2019 to 30 June 2020		
e)	To investigate the matter	0
f)	To recommend that the complaints coordinator convene a conduct review committee to investigate the matter	0
Investigation statistics		
4	The number of investigated complaints resulting in a determination that there was no breach, in which the following recommendations were made:	
a)	That the council revise its policies or procedures	0
b)	That a person or persons undertake training or other education	2
5	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:	
a)	That the council revise any of its policies or procedures	0
b)	That the subject person undertake any training or other education relevant to the conduct giving rise to the breach	0
c)	That the subject person be counselled for their conduct	0
d)	That the subject person apologise to any person or organisation affected by the breach	0
e)	That findings of inappropriate conduct be made public	0
f)	In the case of a breach by the GM, that action be taken under the GM's contract for the breach	0
g)	In the case of a breach by a Councillor, that the Councillor be formally censured for the breach under section 440G of the Local Government Act 1993	0
h)	In the case of a breach by a Councillor, that the matter be referred to the Office for further action	0
6	Matter referred or resolved after commencement of an investigation under clause 8.20 of the Procedures	0
Categories of misconduct		
7	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:	
a)	General conduct (part 3)	0
b)	Conflict of interest (part 4)	0
c)	Personal benefit (part 5)	0
d)	Relationship between council officials (Part 6/7)	0
e)	Access to information and resources (Part 7/8)	0
Outcome of determinations		
8	The number of investigated complaints resulting in a determination that there was a breach in which the council failed to adopt the conduct reviewers recommendation	0
9	The number of investigated complaints resulting in a determination that there was a breach in which the council's decision was overturned following a review by the Office	0

Fisheries Management Act 1994

Our Council operates in accordance with and gives consideration to Fisheries Management Act related Threat and Recovery Abatement Plans. We have no specific allocated tasks to report on and have not had any need to seek permits or make notifications as a public authority to the NSW Minister for Primary Industries relating to these plans.

Environmental Planning and Assessment Act 1979

Section 7.5(5)

Our Council is required to give details of compliance with and the effect of the planning agreements executed and in force during 2019 to 2020.

Name	Date of agreement	Parties to agreement	Details	Status
103A Richardson Road, Raymond Terrace Planning Agreement	21 April 2016	Council and Robert Edwin Blackie and Barbara Blackie	The agreement provides details on funding contributions towards the cost of the construction of Halloran Way, Raymond Terrace.	Executed

Swimming pool inspections

Swimming Pools Act 1992 section 22f(2), Swimming Pools Regulation 2008 clause 18(b)(c)

Councils are required to inspect private pools as requested and issue compliance certificates. We must also inspect (at least once every 3 years) any tourist or visitor accommodation or property with more than 2 dwellings where a swimming pool is situated. The following is a list of inspections for 2019 to 2020.

Number of inspections of visitor accommodation	15
Number of inspections of premises with more than 2 dwellings	8
Number of inspections that resulted in issuance of a Certificate of Compliance (section 22d)	207
Number of inspections that resulted in issuance of a Non-compliance Certificate (clause 21)	21



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Appendix

SECTION 6

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Port Stephens Street, Raymond Terrace

Election of representatives on Council, committees, regional committees and groups

Council committees

Ref	Committee name	Purpose	Current delegates
1	Aboriginal Strategic Committee	To exchange information between the Aboriginal community and Council on issues affecting Aboriginal people. To promote mutual awareness and respect for the cultures of both Aboriginal and non-Aboriginal communities.	Mayor Ryan Palmer Alternate Cr Sarah Smith
2	Anna Bay/Birubi Community Hall and Landcare Group	To assist Council in the management of Anna Bay Hall. To undertake maintenance and improvements to designated parks and reserves.	Cr Sarah Smith Cr Chris Doohan
3	Audit Committee	An advisory committee of Council comprising 2 Council representatives and 2 external representatives. Its purpose is to enhance the corporate governance of Council through the provision of independent oversight, review and advice on the organisation's governance, risk, control and compliance frameworks.	Cr Glen Dunkley Cr Chris Doohan Alternate Cr Ken Jordan (OLG guidelines preclude the Mayor from being a member of the Committee.)
4	Boat Harbour Parks and Reserves Committee	To undertake maintenance and improvements to designated parks and reserves.	Cr Sarah Smith Cr Chris Doohan
5	Bobs Farm Public Hall Committee	To assist Council in the management of Bobs Farm Hall.	Cr Steve Tucker Cr Sarah Smith
6	Corlette Headland and Hall Committee	To assist Council in the management of Corlette Hall and Corlette Headland.	Cr Glen Dunkley

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Ref	Committee name	Purpose	Current delegates
7	Fern Bay Community Centre Committee	To assist Council in the management of Fern Bay Community Centre.	Cr Giacomo Amott Cr Ken Jordan Cr Paul Le Mottee
8	Fingal Bay Parks and Reserves Committee	To undertake maintenance and improvements to designated parks and reserves.	Cr John Nell
9	Heritage Advisory Committee	This committee is run by Council and supported by funds from the Heritage Office. Community members meet to raise and make recommendations on local heritage issues.	Cr Paul Le Mottee
10	Hinton School of Arts, Parks and Foreshore Committee	To assist Council in the management of Hinton School of Arts. To undertake maintenance and improvements to designated parks and reserves.	Cr Ken Jordan
11	Karuah Community Hall Committee	To assist Council in the management of Karuah Community Hall.	Cr Giacomo Amott Cr Ken Jordan Cr Paul Le Mottee Cr Chris Doohan Cr Sarah Smith Cr Steve Tucker
12	Lemon Tree Passage Old School Centre Committee	To assist Council in the management of Lemon Tree Passage Old School Centre and surrounds.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
13	Mallabula Community Centre Committee	To assist Council in the management of Mallabula Community Centre.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
14	Mallabula Parks and Reserves Committee	To undertake maintenance and improvements to designated parks and reserves.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
15	Mambo Wanda Wetlands, Reserves and Landcare Committee	To undertake maintenance and improvements to designated parks and reserves.	Cr John Nell
16	Medowie Community Centre Committee	To assist Council in the management of Medowie Community Centre.	Cr Chris Doohan
17	Medowie Sports Council	To facilitate communication between the sporting public and Council to ensure the existing and future needs of those persons participating and administering sports are accurately identified and brought to the attention of Council.	Cr Sarah Smith Cr Chris Doohan

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Ref	Committee name	Purpose	Current delegates
18	Nelson Bay Community Hall Committee	To assist Council in the management of Nelson Bay Community Hall.	Cr Jaimie Abbott
19	Port Stephens Australia Day Committee	To coordinate the annual celebration of Australia Day in Port Stephens in line with recommendations from Australia Day Council.	Cr Chris Doohan Cr Sarah Smith Cr Jaimie Abbott Cr Giacomo Arnott Cr Ken Jordan
20	Port Stephens Native Flora Garden Committee	To undertake maintenance and improvements to the native flora garden.	Cr John Nell
21	Port Stephens Sister Cities Committee	To promote and have ongoing relationships between international communities providing opportunities for cultural exchange.	Mayor and all councillors
22	Raymond Terrace Parks, Reserves and Tidy Towns Committee	To undertake maintenance and improvements to designated parks and reserves.	Cr Giacomo Arnott Cr Ken Jordan Cr Paul Le Mottee
23	Raymond Terrace Senior Citizens Hall Management Committee	To assist Council in the management of the Raymond Terrace Senior Citizens Hall.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Arnott
24	Salt Ash Community Hall	To assist Council in the management of Salt Ash Community Hall.	Cr Sarah Smith Cr Chris Doohan Cr Steve Tucker
25	Salt Ash Sports Ground Committee	To assist Council in the management, maintenance and improvements to Salt Ash Sports Ground.	Cr Sarah Smith Cr Steve Tucker Cr Chris Doohan
26	Seaham Park & Wetlands Committee	To assist Council in the management, maintenance and improvements to the park and wetlands.	Cr Ken Jordan Cr Giacomo Arnott Cr Paul Le Mottee
27	Local Infrastructure Contributions Panel (Formerly Section 94 Panel)	To inform Council of any proposed and/or requested changes to Council's Contributions Plan and associated systems and processes.	Mayor Ryan Palmer Cr Steve Tucker Cr Giacomo Arnott Cr Glen Dunkley Cr Chris Doohan Cr Ken Jordan

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Ref	Committee name	Purpose	Current delegates
28	Soldiers Point - Salamander Landcare Group	To undertake maintenance and improvements to designated parks and reserves.	Cr John Nell
29	Strategic Arts Committee	To provide input into Port Stephens Council strategic policy, plans and programs relating to culture and the arts. To assist Council identify the existing and future requirements for arts and cultural facilities across Port Stephens.	Mayor Ryan Palmer Cr Steve Tucker Cr John Nell Cr Paul Le Mottee
30	Tanilba Bay Parks, Reserves and Hall Committee	To assist Council in the management of Tanilba Bay Foreshore Hall. To undertake maintenance and improvements to designated parks and reserves.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
31	Tilligerry Landcare Group	To undertake maintenance and improvements to designated parks and reserves.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
32	Tilligerry Sports Council	To facilitate communication between the sporting public and Council to ensure the existing and future needs of those persons participating and administrating sports are accurately identified and brought to the attention of Council.	Mayor Ryan Palmer Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
33	Tomaree Sports Council	To facilitate communication between the sporting public and Council to ensure the existing and future needs of those persons participating and administrating sports are accurately identified and brought to the attention of Council.	Mayor Ryan Palmer Cr Jaimie Abbott Cr Glen Dunkley Cr John Nell Cr Sarah Smith
34	West Ward Sports Council	To facilitate communication between the sporting public and Council to ensure the existing and future needs of those persons participating and administrating sports are accurately identified and brought to the attention of Council.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Amott
35	Williamtown Hall Committee	To assist Council in the management of Williamtown Hall.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Amott

Regional Committees and Groups

Ref	Committee name	Purpose	Current delegatee
36	AGL Newcastle Gas Storage Facility Community Dialogue Group	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Mayor Ryan Palmer
37	Birubi Point Cultural Heritage Advisory panel	To advise Port Stephens Council on the management plan required to protect the Worimi cultural and spiritual heritage and enhance the environment of the Birubi Point Crown Reserve and Birubi Point Aboriginal Place.	Cr Sarah Smith
38	Brandy Hill Quarry Community Consultative Committee	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Cr Paul Le Mottee
39	Comprehensive Koala Plan of Management Implementation Committee	To oversee the implementation of the Port Stephens Council Comprehensive Koala Plan of Management.	Cr Sarah Smith Alternate Cr John Nell
40	Community Projects Fund	To make recommendations to Council on applications received through the Grants process.	Mayor Palmer Cr Ken Jordan Cr Chris Doohan Cr Jaimie Abbott (1 councillor from each Ward).
41	Floodplain Risk Management Committee	To review the Floodplain policy.	Mayor Ryan Palmer Cr Chris Doohan Cr Dunkley Cr Nell Cr Le Mottee
42	General Manager Performance Review Panel	To conduct evaluation of the performance of the General Manager.	Mayor Ryan Palmer Deputy Mayor Chris Doohan Cr Giacomo Arnott (nominated by the Council) Plus a councillor nominated by the General Manager

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Ref	Committee name	Purpose	Current delegates
43	Holiday Parks Advisory Panel	To provide a forum for meaningful discussion, facilitating appropriate consultation and engagement to assist in the effective management and strategic direction of the Port Stephens Beachside Holiday Parks comprising Fingal Bay Holiday Park, Shoal Bay Holiday Park, Halifax Holiday Park, Thou Walla Sunset Retreat and Port Stephens Koala Sanctuary.	Mayor and all councillors
44	Hunter Joint Organisation	To discuss regional issues in the Hunter.	Mayor Ryan Palmer
45	Local Government Community Safety & Crime Prevention Network NSW	To provide a forum for local community members, service providers, businesses and the police to discuss issues and appropriate strategies relating to crime and community safety.	Mayor Ryan Palmer
46	Hunter Water Corporation Community Consultative Committee	This committee is an advisory committee to Hunter Water Corporation.	Cr Paul Le Mottee Alternate Cr Giacomo Amott
47	Hunter and Central Coast Regional Planning Panel (Formerly Joint Regional Planning Panel)	To consider development applications referred to the Panel under the legislation for development applications for the Port Stephens Local Government area. The Panel comprises 3 State members and 2 Councillors. The term is for 3 years for each Panel member.	Mayor Ryan Palmer Cr Paul Le Mottee Alternates Cr Chris Doohan Cr Giacomo Amott
48	Local Traffic Committee	A Transport for NSW-based committee which allows Council to have delegated authority to install or remove regulatory sign posting on public roads.	Mayor Ryan Palmer Cr Steve Tucker
49	Lower Hunter Bushfire Management Committee	To discuss direction across local government areas and across agencies in regard to bushfire management. The committee is a legislative requirement.	Cr Giacomo Amott Cr Paul Le Mottee
50	Lower Hunter Community Advisory Group	To provide an opportunity for Hunter Local Land Services to engage with stakeholders on a range matters, including strategic direction and programs.	Cr Paul Le Mottee
51	Marine Parks Advisory Panel Ministerial Appointment	Community Consultative Committee regarding the proposed Marine Park in Port Stephens.	Cr John Nell Alternate Cr Paul Le Mottee
52	Medowie Planning Strategy Implementation Panel	To provide community advice to Council on the implementation of the Medowie Planning Strategy.	Mayor Ryan Palmer Cr Chris Doohan Cr Sarah Smith Cr Steve Tucker

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Ref	Committee name	Purpose	Current delegates
53	Nelson Bay Strategy Implementation Panel	To provide community advice to Council on the implementation of the Nelson Bay Planning Strategy.	Mayor Ryan Palmer Cr Jaimie Abbott Cr G Dunkley Cr John Nell
54	Newcastle Airport Partnership Company No. 3 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Ryan Palmer Cr Paul Le Mottee (General Manager) (Financial Services Manager)
55	Newcastle Airport Partnership Company No. 4 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Ryan Palmer Cr Paul Le Mottee (General Manager) (Financial Services Manager)
56	Newcastle Airport Partnership	The partnership is responsible for the development and management of Newcastle Airport and related infrastructure.	Mayor Ryan Palmer (General Manager)
57	Greater Newcastle Aerotropolis Partnership	The partnership is responsible for Astra Aerolab.	Mayor Ryan Palmer (General Manager)
58	Newcastle Airport Pty Limited	To manage the operations of Newcastle Airport.	Mayor Ryan Palmer as Port Stephens Council Shareholder representative Cr Paul Le Mottee as Port Stephens Council Shareholder Representative proxy Mayor Ryan Palmer as Port Stephens Council appointed Director General Manager as Port Stephens Council appointed Director

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Ref	Committee name	Purpose	Current delegates
59	Greater Newcastle Aerotropolis Pty Limited	To manage the operations of Astra Aerolab.	Mayor Ryan Palmer as Port Stephens Council Shareholder representative Cr Paul Le Mottee as Port Stephens Council Shareholder Representative proxy Mayor Ryan Palmer as Port Stephens Council appointed Director General Manager as Port Stephens Council appointed Director
60	NSW Public Libraries Association (Central East Zone)	To champion the public library cause, strengthen the public library network, advocate effectively, foster cooperation and collaboration, build trust and support, initiate partnerships and share relevant information.	Cr Steve Tucker
61	Port Stephens Council Depot Redevelopment Committee	To explore the options available for re-development of the Council depot at Raymond Terrace.	Mayor Ryan Palmer Cr Ken Jordan Cr John Nell Cr Giacomo Amott
62	Port Stephens Economic Development Advisory Panel	To act as a communication and advisory mechanism to Council on relevant Economic Development issues. To oversee the implementation of the Economic Development Strategy.	Mayor Ryan Palmer Cr Chris Doohan Cr Glen Dunkley Cr Giacomo Amott
63	Port Stephens Floodplain Advisory Panel	To provide advice on flood/floodplain management studies/plans.	Cr Paul Le Mottee Alternate Cr Giacomo Amott
64	Port Stephens/Myall Lakes Estuary and Coastal Zone Management Committee	This Committee includes representatives from Great Lakes Council and is responsible for long term planning for the estuary and the coastline.	Cr John Nell Alternate Cr Paul Le Mottee

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Ref	Committee name	Purpose	Current delegates
65	Property Advisory Committee	To provide a forum to address property management and development matters.	Mayor Ryan Palmer Cr Chris Doohan Cr Paul Le Mottee Cr Ken Jordan Cr Glen Dunkley
66	Raymond Terrace and Heatherbrae Strategy Implementation Panel	To provide community advice to Council on the implementation of the Raymond Terrace and Heatherbrae Strategy 2015 to 2031.	Mayor Ryan Palmer Cr Giacomo Arnott Cr Ken Jordan Cr Paul Le Mottee
67	Salt Ash Sand Project Community Consultative Committee	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Cr Steve Tucker
68	RFS District Liaison Committee	To review the progress of the service level agreement between Port Stephens Council and NSW Rural Fire Service in the local government area.	Cr Giacomo Arnott Alternate Mayor Ryan Palmer
69	Williamtown Consultative Committee Forum	To provide a forum for the residents of Williamtown area to discuss relevant issues with Federal, State and Local Government elected members and agencies.	Mayor Ryan Palmer (General Manager)
70	Worimi Conservation Lands Board of Management Ministerial Appointment	To oversee the management of the lands owned by the Aboriginal owners and leased back to the NSW Government.	Cr Jaimie Abbott Alternate Cr Sarah Smith

Capital works projects

Capital works project expenditure in 2019 to 2020.

Classification	Job description	Cost (\$)
Aquatic structures	Foreshore erosion and accretion management	165,908
Aquatic structures	Nelson Bay Marina sea wall stabilisation (sand clearing)	159,999
Aquatic structures	Riverside Park seawall replacement	353,559
Aquatic structures	Foreshore improvements — Conroy Park, Corlette	40,627
Aquatic structures	Revetment work — Soldiers Point	52,320
Council buildings	Council building improvements	130,685
Council buildings	Depot relocation	41,927
Council buildings	Brandon Park shade awning and sight screen	31,545
Council buildings	Raymond Terrace netball clubhouse disabled amenities	54,774
Council buildings	Raymond Terrace tennis clubhouse disabled amenities	81,846
Council buildings	Tilligerry tennis clubhouse upgrades	218,836
Council buildings	Vi Barnett athletics clubhouse disabled amenities	111,419
Council buildings	Karuah RFS building construction	993,056
Council buildings	Fingal Bay RFS building construction	34,350
Council buildings	Medowie Sport and Community Facility	3,480,568
Council buildings	Raymond Terrace pigeon club	195,089
Council buildings	Lionel Morten amenities construction	1,192,087
Council buildings	Raymond Terrace SES install backup power generator	27,500
Council buildings	Tomaree Aquatic Centre replace fibreglass pool liner	208,840
Council buildings	Nelson Bay Senior Citizens Hall upgrade to switchboard, handrails	31,524
Council buildings	Vi Barnett amenities	12,692
Council buildings	Tanilba Bay Hall external upgrades	21,917
Council buildings	Boat Harbour amenities upgrades and paint	11,879
Council buildings	Roy Wood amenities upgrades and paint	10,173

Classification	Job description	Cost (\$)
Council buildings	Lakeside Leisure Centre upgrade cafe and outdoor dining facilities	28,201
Council buildings	Lakeside Sports Complex grandstand upgrades	135,531
Council buildings	Boyd Oval clubhouse new amenities	52,820
Council buildings	George Reserve amenities replacement	19,556
Council buildings	Little Beach amenities replacement	20,819
Council buildings	Tomaree Sports Complex amenities replacement	10,376
Council buildings	Lee Thompson park amenities	40,497
Council buildings	Stuart Park amenities and clubhouse upgrade	27,029
Council buildings	Seaham School of Arts lining and roof upgrades	11,038
Information technology	Information technology improvements	308,464
Car parks	Birubi Information Centre	20,446
Car parks	Parking meter upgrade — 17 of 25 meters	70,632
Car parks	Stage 1 East Donald Street carpark demolition and at grade car parking	1,308,077
Investment and property	Investment property improvements	3,156,848
Drainage	Shoal Bay drainage study	31,520
Drainage	Nelson Bay cemetery drainage upgrade	109,606
Drainage	Remote monitoring of pump stations	18,359
Drainage	Shoal Bay infiltration system and associated drainage	47,847
Drainage	Hough Street, Nelson Bay replacement of flood pump	14,007
Drainage	Seabreeze Estate drainage improvement works	181,290
Drainage	Sandy Point Road foreshore reconstruction	112,945
Holiday parks	Shoal Bay Holiday Park improvements	1,816,334
Holiday parks	Fingal Bay Holiday Park improvements	304,048
Holiday parks	Halifax Holiday Park improvements	1,903,088
Holiday parks	Treescape Holiday Park improvements	106,083
Holiday parks	Thou walla Holiday Park improvements	70,781
Holiday parks	Port Stephens Koala Sanctuary	7,295,458
Libraries	Library resources	250,115

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Classification	Job description	Cost (\$)
Open spaces	Bowthorne Park spectator seating	42,466
Open spaces	Ferodale playground	102,162
Open spaces	Nelson Bay croquet club new court expansion	298,315
Open spaces	Lakeside Sports Complex drainage upgrade	79,387
Open spaces	Apex Park, Nelson Bay revitalisation	230,338
Open spaces	Bagnalls Beach East playground upgrade	138,190
Open spaces	Fern Bay park furniture and multisport court	168,741
Open spaces	Pirrlea Gardens boardwalk upgrade	66,964
Open spaces	Robinson Reserve, Anna Bay redevelopment	1,940,948
Open spaces	Yulong Oval upgrade	205,268
Open spaces	King Park Sports Complex Master Plan	14,901
Open spaces	Soldiers Point Aboriginal Place interpretive signage	13,132
Open spaces	Fingal Bay playground relocation	14,197
Open spaces	Fingal Bay Oval access paths	17,989
Open spaces	Mallabula Sports Complex light tower replacement	61,936
Open spaces	Birubi Point Aboriginal Place interpretive signage	32,780
Open spaces	Henderson Park barbeque replacements	14,212
Open spaces	Nelson Bay tennis club lighting	86,080
Open spaces	George Reserve picnic shelter and seating	39,447
Open spaces	Tanilba Park outdoor gym	25,115
Landfill	Newline Road landfill capping	1,092,349
Paths and cycleways	Footpath and cycleway improvements	214,207
Paths and cycleways	Boomerang Park, Raymond Terrace shared pathway	558,548
Paths and cycleways	Waropara Road, Medowie shared pathway	159,446
Paths and cycleways	Gan Gan Road, Anna Bay shared pathway (Nelson Bay Road to dune access)	506,694
Paths and cycleways	Lemon Tree Passage Road shared pathway	107,730
Paths and cycleways	Anna Bay (7 day makeover) town centre revitalisation - capital	127,340
Paths and cycleways	Gan Gan Road, Anna Bay (number 269 to 304)	203,632

ITEM 6 - ATTACHMENT 1 ANNUAL REPORT 2019-2020 - VOLUME 1.

Classification	Job description	Cost (\$)
Plant	Plant upgrades	922,531
Roads	Reseal program	1,376,689
Roads	Stage 1 Tomaree Road reconstruction — Marine Drive to Garden Place	2,405,231
Roads	Swan Bay Road rehabilitation	98,019
Roads	Hinton Road, Nelsons Plains blackspot upgrades	52,576
Roads	Gan Gan Road blackspot upgrades — design only	36,399
Roads	Hinton Road, Osterly blackspot upgrades	18,502
Roads	Nelson Bay digital wayfinding sign installation	25,756
Roads	Abundance Road, Medowie from Ferodale Road south	375,348
Roads	Italia Road — Caswells Creek Bridge to number 465	258,296
Roads	Lemon Tree Passage Road, Salt Ash	522,545
Roads	Shoal Bay Road pedestrian crossing safety upgrade	128,975
Roads	Vardon Road, Fern Bay	522,115
Roads	Magnus Street and Donald Street intersection upgrade	99,378
Roads	Port Stephens Drive, Anna Bay safer roads grant works	305,345
Roads	Newline Road, Raymond Terrace safer roads grant works	149,227
Roads	Masonite Road, Tomago blackspot upgrades	182,932
Roads	Seaham Road, Nelson Plains safer roads grant works	400,754
Roads	Green Wattle Creek Road sealing	400,000
Roads	Lemon Tree Passage Road, Tanilba Bay blackspot upgrades	1,271,437
Roads	Foreshore Drive, Salamander Bay safer roads grant works	572,705
Roads	Wilga Road and Wellard Close, Medowie intersection upgrade	42,246
Roads	William Street Raymond Terrace town centre improvements (road upgrade and streetscape)	84,570
Roads	East Seaham Road landscaping works	21,733



Glossary of terms and acronyms

ABS: Australian Bureau of Statistics.

Advocacy: The act of speaking or arguing in favour of something like a cause or idea.

Biodiversity: The variety of all living things including plants, animals and microorganisms, their genes and the ecosystems of which they are a part.

Capital works: Major projects undertaken to either renew, upgrade or construct assets owned by Port Stephens Council.

Community Strategic Plan (CSP): A strategic document with a minimum 10-year outlook, which outlines our community's long term vision and priorities.

COVID-19: The disease caused by a new coronavirus.

Customer First: An organisational framework which puts our customers (ratepayers, community and colleagues) at the heart of everything we do.

DA: Development application.

Delivery Program: A document with a minimum 4-year outlook, which outlines our Council's objectives in achieving the Community Strategic Plan.

Disability Inclusion Action Plan (DIAP): A plan outlining the actions we'll take to remove barriers for people with disability.

Financial year: The financial year we are reporting on in this report is from 1 July 2019 to 30 June 2020.

Gathang: The language of the Worimi people of Port Stephens.

Integrated Planning and Reporting Framework (IP&R): A framework used by NSW councils to report on progress in meeting the community's vision and objectives. It incorporates the Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan, Strategic Asset Management Plan and Workforce Plan.

IPART: Independent Pricing and Regulatory Tribunal.

LGA: Local government area.

Long Term Financial Plan: A plan for how we'll fund the objectives and strategies in the Community Strategic Plan.

OLG: Office of Local Government NSW.

OOSH: Out of School Hours Care.

Operational Plan: An annual action

plan for how we'll implement the Delivery Program plus budgets, fees and charges.

PFAS: Per and poly fluoroalkyl substances. A synthetic chemical that has been linked to the historical use of firefighting foam.

Risk management: A discipline for developing appropriate procedures to reduce the possibility of adverse effects.

RMS: Roads and Maritime Services.

Special Activation Precinct: A dedicated area in a regional location identified by the NSW Government to become a thriving business hub.

Strategic Asset Management Plan (SAMP): A 10-year framework for managing our Council's assets so appropriate services are effectively delivered to the community.

Worimi: Our Council acknowledges the Worimi people as the traditional owners of the Port Stephens local government area.

Workforce Plan: A plan to ensure we have the right people and skills to deliver the objectives in the Community Strategic Plan.

YAP: Youth Advisory Panel.

Yabang Gumba-Gu: Meaning 'road to tomorrow', this is an agreement and 3-year action plan our Council has signed with the local Worimi and Karuah Aboriginal Land Councils.

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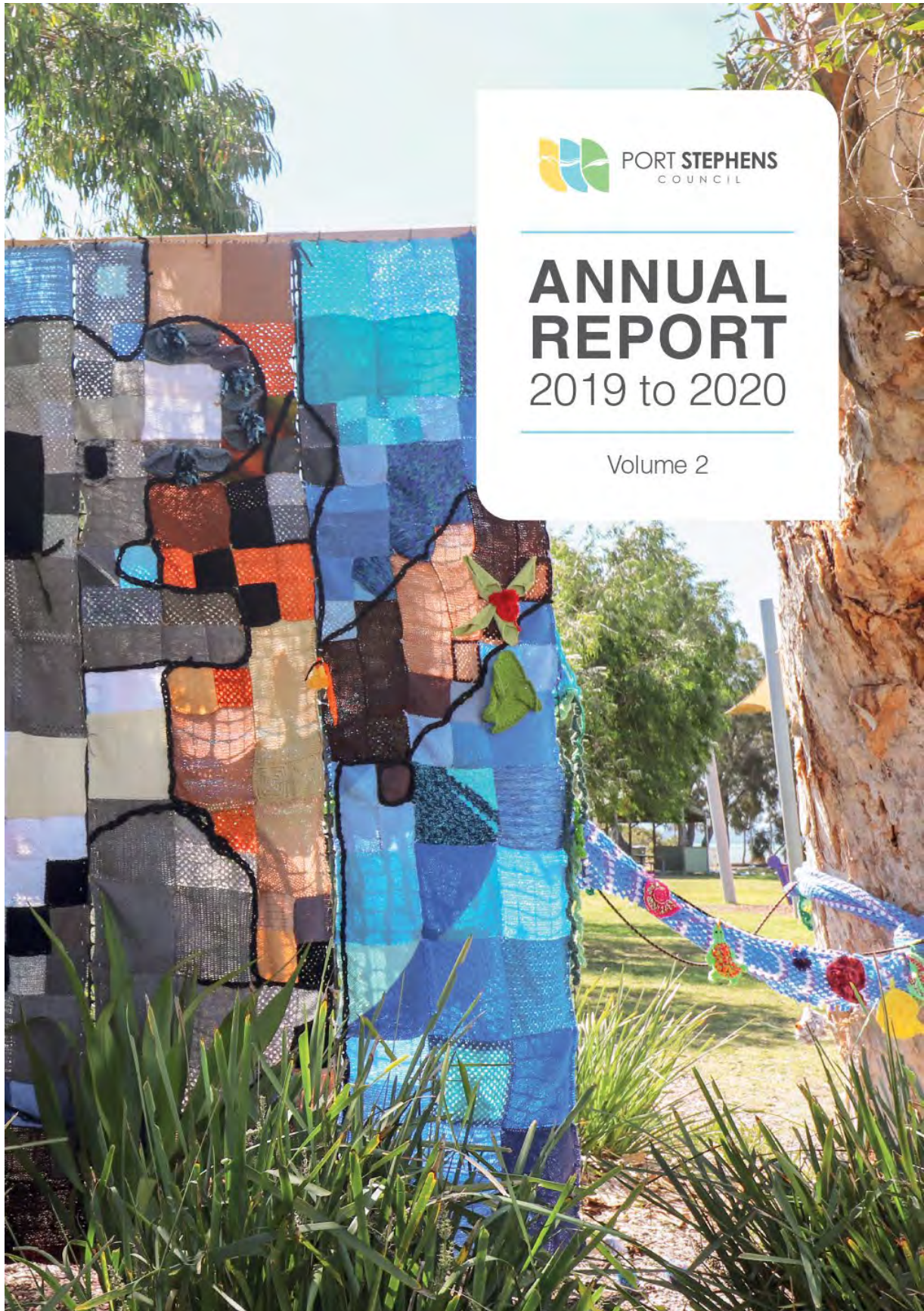


p 02 4988 0255
e council@portstephens.nsw.gov.au
116 Adelaide Street | PO Box 42
Raymond Terrace NSW 2324

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Our annual report is printed on environmentally responsible paper made carbon neutral and the fibre source is FSC (CoC) Recycled certified.





Port Stephens Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Port Stephens Council

General Purpose Financial Statements

for the year ended 30 June 2020

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Overview

Port Stephens Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

116 Adelaide Street
Raymond Terrace NSW 2324

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.portstephens.nsw.gov.au.

Port Stephens Council

General Purpose Financial Statements

for the year ended 30 June 2020

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

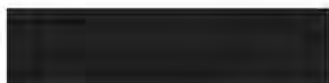
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

To the best of our knowledge and belief, these statements:


- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

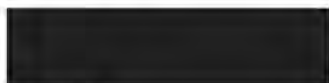
Signed in accordance with a resolution of Council made on 08 September 2020.



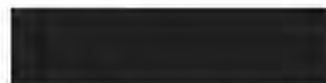
Ryan Palmer
Mayor
08 September 2020



Glen Dunkley
Councillor
08 September 2020



Wayne Wallis
General Manager
08 September 2020



Tim Hazell
Responsible Accounting Officer
08 September 2020

Port Stephens Council

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		20,067	25,204
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	(4,503)	8,951
Total items which will not be reclassified subsequently to the operating result		(4,503)	8,951
Total other comprehensive income for the year		(4,503)	8,951
Total comprehensive income for the year		15,564	34,155
Attributable to			
- Council		15,564	34,155
- non-controlling interests		-	-

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	16,525	13,948
Investments	7(b)	22,913	35,067
Receivables	8	8,406	8,914
Inventories	9a	5,149	5,162
Other	9b	946	610
Total current assets		<u>53,939</u>	<u>63,701</u>
Non-current assets			
Investments	7(b)	3,939	1,222
Receivables	8	172	188
Inventories	9a	9,820	10,030
Infrastructure, property, plant and equipment	10(a)	1,001,598	960,971
Investment property	11	37,575	35,550
Intangible Assets	12	5,835	6,149
Right of use assets	14a	4,740	-
Investments accounted for using the equity method		540	-
Other	9b	37	1,774
Total non-current assets		<u>1,064,256</u>	<u>1,015,884</u>
Total assets		<u>1,118,195</u>	<u>1,079,585</u>
LIABILITIES			
Current liabilities			
Payables	15	13,888	14,345
Contract liabilities	13	2,513	-
Lease liabilities	14b	794	-
Borrowings	15	3,332	4,464
Provisions	16	16,566	17,067
Total current liabilities		<u>37,093</u>	<u>35,876</u>
Non-current liabilities			
Payables	15	3,280	-
Lease liabilities	14b	4,069	-
Borrowings	15	29,515	15,064
Provisions	16	771	742
Total non-current liabilities		<u>37,635</u>	<u>15,806</u>
Total liabilities		<u>74,728</u>	<u>51,682</u>
Net assets		<u>1,043,467</u>	<u>1,027,903</u>
EQUITY			
Accumulated surplus	17	640,250	618,886
Revaluation reserves	17	403,217	409,017
Council equity interest		<u>1,043,467</u>	<u>1,027,903</u>
Total equity		<u>1,043,467</u>	<u>1,027,903</u>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Changes in Equity
for the year ended 30 June 2020

	as at 30/06/20			as at 30/06/19		
\$ '000	Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance	618,886	409,017	1,027,903	593,330	400,418	993,748
Changes due to AASB 1058 and AASB 15 adoption	-	-	-	-	-	-
Changes due to AASB 16 adoption	-	-	-	-	-	-
Restated opening balance	618,886	409,017	1,027,903	593,330	400,418	993,748
Net operating result for the year	20,067	-	20,067	25,204	-	25,204
Other comprehensive income						
- Gain (loss) on revaluation of IPP&E	-	(4,503)	(4,503)	-	8,951	8,951
Other comprehensive income	-	(4,503)	(4,503)	-	8,951	8,951
Total comprehensive income	20,067	(4,503)	15,564	25,204	8,951	34,155
Transfers between equity items	1,297	(1,297)	-	352	(352)	-
Equity - balance at end of the reporting period	640,250	403,217	1,043,467	618,886	409,017	1,027,903

The Council has not restated comparatives when initially applying AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers and AASB 16 Leases. The comparative information has been prepared under AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions, AASB 117 Leases and related Accounting Interpretations.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
Receipts:				
58,559	Rates and annual charges		59,588	57,360
41,682	User charges and fees		44,342	47,184
1,421	Investment and interest revenue received		1,262	1,284
16,063	Grants and contributions		33,183	23,646
–	Bonds, deposits and retention amounts received		281	133
6,297	Other		13,532	11,774
Payments:				
(48,815)	Employee benefits and on-costs		(48,826)	(47,166)
(40,133)	Materials and contracts		(43,254)	(39,120)
(767)	Borrowing costs		(796)	(702)
(10,255)	Other		(19,094)	(24,151)
24,052	Net cash provided (or used in) operating activities	1(b)	40,218	30,242
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		35,084	32,950
–	Sale of real estate assets		–	2,255
250	Sale of infrastructure, property, plant and equipment		2,095	1,204
Payments:				
–	Purchase of investment securities		(25,736)	(27,997)
–	Purchase of investment property		(2,012)	(491)
(21,138)	Purchase of infrastructure, property, plant and equipment		(58,380)	(27,324)
–	Purchase of real estate assets		(1,075)	(263)
–	Purchase of intangible assets		(193)	(2,150)
(20,888)	Net cash provided (or used in) investing activities		(50,217)	(21,816)
Cash flows from financing activities				
Receipts:				
6,500	Proceeds from borrowings and advances		18,100	–
Payments:				
(3,302)	Repayment of borrowings and advances		(4,782)	(4,306)
–	Lease liabilities (principal repayments)		(742)	–
3,198	Net cash flow provided (used in) financing activities		12,576	(4,306)
6,362	Net increase/(decrease) in cash and cash equivalents		2,577	4,120
13,948	Plus: cash and cash equivalents – beginning of year	18a	13,948	9,828
20,310	Cash and cash equivalents – end of the year	18a	16,525	13,948
36,289	plus: Investments on hand – end of year	7(b)	26,852	36,289
56,599	Total cash, cash equivalents and investments		43,377	50,237

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

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Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 10 November 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

(a) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(b) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties – refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- (iii) estimated tip remediation provisions – refer Note 16
- (iv) employee benefit provisions – refer Note 16.

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a judgement about the impairment of a number of its receivables – refer Note 8.

(ii) Interests in other entities

Council has made a judgement about the relationship it has with external entities – refer Note 19

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Volunteer services

Income relating to volunteer services can only be recognised where the amount is material, the services would be purchased if they were not donated and the amount of all volunteer services can be reliably measured. Council is not able to reliably satisfy all these aspects therefore no income and corresponding expense has been recognised in the financial statements.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2020 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

AASB 1059 requires grantors to recognise a service concession asset and, in most cases, a corresponding liability on the balance sheet.

A control approach is used to assess the service concession arrangements in place.

On initial recognition the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition.

After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

AASB 2019-2 makes amendments to the recognition and measurement of the asset and liability where the modified retrospective approach to transition is being used and provides a practical expedient due to the different effective dates of AASB 16 and AASB 1059.

Council does not expect any material impact to future financial statements as we do not generally enter into service concession arrangements.

This standard has an effective date for the 30 June 2021 reporting period.

AASB2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
AASB2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The standard amendments address an acknowledged inconsistency between the requirements in AASB10 and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

These amendments will only impact Council where there has been a sale or contribution of assets between Council and any Joint Venture or Associate.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Apart from the standards listed above, there are no other released standards and interpretations (with future effective dates) that are expected to have a material impact on Council.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 18.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Our Community

Port Stephens is a thriving and strong community respecting diversity and heritage

Children's Services; Community Services; Contract and Services; Library Services.

Community Development and Engagement; Economic Development and Tourism; Strategic Planning; Volunteer Management; Delivery of Council's Financial Assistance Programs.

Management of Aboriginal Places in Port Stephens.

Our Place

Port Stephens is a liveable place supporting local economic growth

Asset Systems; Building and Developer Relations; Building Trades; Civil Assets Planning; Civil Contracts; Civil Projects; Community and Recreation; Community Development and Engagement; Construction; Contract and Services; Design; Emergency Management; Engineering Services; Environmental Health and Compliance; Mechanical and Maintenance Stores; Parks; Planning and Developer Relations; Roads; Roadside and Drainage; Strategic Planning; Survey and Land Information.

Economic Development and Tourism; Development, construction and maintenance of Koala Sanctuary, Hospital and Tourism Facility.

Our Environment

Port Stephens' environment is clean, green, protected and enhanced

Tree Assessment Services; Tree Permit System; Community and Recreation; Rehabilitate, monitor and manage decommissioned landfill sites; Waste Management.

Coastal Management; Community support and advocacy; Deliver Environmental Education and Grant Programs; Develop and implement projects to protect and enhance the local environment; Ecological and Environmental Planning Services; Management and Regulation of Biosecurity Risks; Strategic guidance, current knowledge and best practice advice.

Our Council

Port Stephens Council leads, manages and delivers valued community services in a responsible way

Business Excellence; Citizenship Ceremonies; Commercial Investments; Community Development and Engagement; Corporate Reporting; Corporate Systems and Business Improvement; Customer Relations; Digital and Website; Environmental Management; Facilities Management; Finance; Governance; Holiday Parks; Human Resources; Information and Communication Technologies; Information Services; Liaison with other government agencies; Manage strategic and operational matters; Marketing and Promotions; Public Relations and Marketing; Risk Management; Statutory Property; Support commercial aviation services; Support services for the Mayor, Councillors and senior executive officers; Work Health and Safety.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	34,362	33,202
Farmland	1058 (1)	821	799
Business	1058 (1)	8,158	7,887
Less: pensioner rebates (mandatory)		(1,066)	(1,061)
Rates levied to ratepayers		42,275	40,827
Pensioner rate subsidies received	1058 (1)	598	581
Total ordinary rates		42,873	41,408
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	14,131	13,644
Waste management services (non-domestic)	1058 (1)	2,997	2,805
Section 611 charges		11	-
Less: pensioner rebates (mandatory)		(456)	(454)
Annual charges levied		16,683	15,995
Pensioner subsidies received:			
- Domestic waste management	1058 (1)	256	249
Total annual charges		16,939	16,244
TOTAL RATES AND ANNUAL CHARGES		59,812	57,652

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

- 15 (1) indicates income recognised under AASB 15 "at a point in time",
- 15 (2) indicates income recognised under AASB 15 "over time",
- 1058 (1) indicates income recognised under AASB 1058 "at a point in time", while
- 1058 (2) indicates income recognised under AASB 1058 "over time".

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

2019 accounting policy

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	15 (1)	1,486	1,607
Total specific user charges		1,486	1,607
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	15 (1)	95	137
Section 10.7 certificates (EP&A Act)	15 (1)	184	195
Section 603 certificates	15 (1)	145	138
Building inspection fees	15 (1)	283	266
Building services	15 (1)	1,115	1,106
Shop inspection fees	15 (1)	182	205
Subdivision fees	15 (1)	316	440
Total fees and charges – statutory/regulatory		2,320	2,487
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Animal control		4	12
Cemeteries	1058 (1)	181	165
Child care	15 (2)	2,377	1,859
Holiday parks	15 (2)	9,956	11,306
Leisure centre	1058 (1)	2,183	100
Library		86	105
Newcastle airport	1058 (1)	14,086	17,045
Waste disposal tipping fees		352	331
RMS (formerly RTA) charges (state roads not controlled by Council)	1058 (1)	6,110	7,187
Parking meters	1058 (1)	439	651
Parks, gardens and other community services		2	-
Sewerage management fees	15 (2)	644	588
Other		1,239	1,255
Total fees and charges – other		37,659	40,604
TOTAL USER CHARGES AND FEES		41,465	44,698

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while

1058 (2) indicates income recognised under AASB 1058 "over time".

Accounting policy for user charges and fees

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

2019 accounting policy

User charges and fees are recognised as revenue when the service has been provided.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(c) Other revenues			
Rental income – investment property (2019 only)		–	2,989
Rental income – other council properties (2019 only)		–	724
Ex gratia rates	1058 (1)	108	57
Fines – parking	1058 (1)	398	222
Fines – other	1058 (1)	252	372
Legal fees recovery – rates and charges (extra charges)		17	68
Legal fees recovery – other	1058 (1)	212	6
Commissions and agency fees	15 (2)	179	199
Insurance claims recoveries	1058 (1)	481	677
Events and promotions		52	91
Long service leave receipts		2	73
Private works	15 (2)	301	356
Other		875	762
TOTAL OTHER REVENUE		2,877	6,596

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 “at a point in time”,

15 (2) indicates income recognised under AASB 15 “over time”,

1058 (1) indicates income recognised under AASB 1058 “at a point in time”, while

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

2019 accounting policy:

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council’s activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

Other income is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance	1058 (1)	3,343	3,272	—	—
Payment in advance - future year allocation					
Financial assistance	1058 (1)	3,542	3,393	—	—
Total general purpose		6,885	6,665	—	—
Specific purpose					
Bushfire and emergency services	1058 (1)	1,192	1,132	800	67
Child care	1058 (1)	287	224	—	—
Environmental programs	15 (2)	174	407	—	—
Floodplain management		—	—	—	53
Heritage and cultural		12	15	—	—
Library	1058 (1)	238	188	—	—
LIRS subsidy		48	58	—	—
Recreation and culture		11	—	4,367	2,271
Street lighting		75	74	—	—
Transport (roads to recovery)	1058 (2)	1,081	424	—	—
Transport		68	13	3,330	2,283
Family day care		—	5	—	—
Newcastle airport		—	—	5,392	150
Youth development		77	94	—	—
Other	1058 (1)	43	43	—	40
Weed control	15 (2)	107	178	—	—
Total specific purpose		3,413	2,855	13,889	4,864
Total grants		10,298	9,520	13,889	4,864
Grant revenue is attributable to:					
– Commonwealth funding		7,985	7,117	119	428
– State funding		2,313	2,382	13,770	4,436
– Other funding		—	21	—	—
		10,298	9,520	13,889	4,864

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while

1058 (2) indicates income recognised under AASB 1058 "over time".

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.11 – contributions towards amenities/services		1058 (1)	294	398	1,456	5,108
S 7.12 – fixed development consent levies			–	–	129	446
Repealed Funds			–	–	2,481	–
Haulage		1058 (1)	758	579	–	–
Total developer contributions – cash			1,052	977	4,066	5,554
Total developer contributions	27		1,052	977	4,066	5,554
Other contributions:						
Cash contributions						
Bushfire services			–	28	–	357
Kerb and gutter			–	–	33	33
Recreation and culture			–	2	114	74
RMS contributions (regional roads, block grant)		1058 (1)	1,073	1,008	–	–
Other		1058 (1)	117	–	412	–
Economic development and tourism			1	32	–	–
Environmental projects			59	86	–	–
Risk management		1058 (1)	237	265	–	–
Total other contributions – cash			1,487	1,421	559	464
Non-cash contributions						
Bushfire services			–	–	–	1,642
Dedications – subdivisions (other than by s7.11)			–	–	5,804	8,788
Total other contributions – non-cash			–	–	5,804	10,430
Total other contributions			1,487	1,421	6,363	10,894
Total contributions			2,539	2,398	10,429	16,448
TOTAL GRANTS AND CONTRIBUTIONS			12,837	11,918	24,318	21,312

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while

1058 (2) indicates income recognised under AASB 1058 "over time".

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)**Accounting policy for grants and contributions****Accounting policy from 1 July 2019****Grant income under AASB 15**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Contributions

NSW Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979.

While NSW Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the council may apply contributions according to the priorities established in work schedules.

Accounting policy prior to 1 July 2019

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and revenue is recognised at this time and is valued at the fair value of the granted or contributed asset at the date of transfer.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	47	136
Add: operating grants received for the provision of goods and services in a future period (2021)	168	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(89)
Less: operating grants received in a previous reporting period now spent and recognised as income	(47)	–
Unexpended and held as externally restricted assets (operating grants)	<u>168</u>	<u>47</u>
Capital grants		
Unexpended at the close of the previous reporting period	101	140
Add: capital grants received for the provision of goods and services in a future period (2021)	352	–
Less: capital grants recognised in a previous reporting period now spent (2019 only)	–	(39)
Less: capital grants received in a previous reporting period now spent and recognised as income	(101)	–
Unexpended and held as externally restricted assets (capital grants)	<u>352</u>	<u>101</u>
Contributions		
Unexpended at the close of the previous reporting period	19,853	15,487
Add: contributions recognised as income in the current period but not yet spent	5,385	4,366
Less: contributions recognised in a previous reporting period now spent	(10,694)	–
Unexpended and held as externally restricted assets (contributions)	<u>14,544</u>	<u>19,853</u>

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	186	169
– Cash and investments	659	992
– Newcastle airport	128	290
Fair value adjustments		
– Movements in investments at fair value through profit and loss	(89)	–
Finance income on the net investment in the lease	–	–
Total Interest and investment income	884	1,451
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	–	169
General Council cash and investments	745	713
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	139	279
Newcastle airport	–	290
Total interest and investment revenue	884	1,451

Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	34,858	32,127
Salaries and wages – Newcastle airport partnership	3,655	3,456
Travel and other allowances	3,068	2,505
Employee leave entitlements (ELE)	8,209	8,591
Superannuation	4,443	4,135
Workers' compensation insurance	1,069	562
Fringe benefit tax (FBT)	13	20
Protective clothing	155	167
Corporate uniform	19	48
Occupational health and safety	6	28
Other	29	26
Total employee costs	55,524	51,665
Less: capitalised costs	(5,712)	(4,112)
TOTAL EMPLOYEE COSTS EXPENSED	49,812	47,553

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 21 for more information.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on leases	174	–
Interest on overdraft	4	4
Interest on loans	459	508
Interest – Newcastle airport partnership	240	209
Interest on leases - Newcastle Airport	–	–
Total interest bearing liability costs	877	721
Less: capitalised costs	(81)	(19)
Total interest bearing liability costs expensed	796	702
(ii) Other borrowing costs		
Fair value adjustments on recognition of advances and deferred debtors		
Interest applicable on interest free (and favourable) loans to Council	1	3
Total other borrowing costs	1	3
TOTAL BORROWING COSTS EXPENSED	797	705

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	7,071	7,514
– Waste collection (2019 only) and disposal contract	8,200	12,320
– Other contractor and consultancy costs	18,294	17,763
Auditors remuneration ²	146	129
Legal expenses:		
– Legal expenses	482	727
– Legal provision write back	–	(925)
Expenses from short-term leases (2020 only)	57	–
Expenses from leases of low value assets (2020 only)	22	–
Expenses relating to peppercorn leases (2020 only)	1	–
Variable lease expense relating to usage (2020 only)	4,562	–
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	462
Other	188	130
TOTAL MATERIALS AND CONTRACTS	39,023	38,120

Accounting policy for materials and contracts

Expenses are recorded on an accruals basis as the council receives the goods or services.

Operating leases (2019 only)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Buildings	–	114
Computers	–	292
Other	–	56
	–	462

2. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	99	82
Remuneration for audit and other assurance services	99	82

Total Auditor-General remuneration

Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Internal audit services: PKF Lawler

	47	47
Remuneration for audit and other assurance services	47	47

Total remuneration of non NSW Auditor-General audit firms

	47	47
Total Auditor remuneration	146	129

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		1,939	1,833
Office equipment		631	452
Furniture and fittings		18	24
Land improvements (depreciable)		80	77
Infrastructure:	11(a)		
- Buildings – specialised		4,085	4,016
- Other structures		505	560
- Roads		2,796	2,500
- Bridges		53	13
- Footpaths		376	256
- Stormwater drainage		712	208
- Swimming pools		176	171
- Other open space/recreational assets		1,382	754
- Other infrastructure		337	352
Right of use assets	14	865	-
Other assets:			
- Heritage collections		2	2
- Library books		301	253
- Car parks		140	541
- Newcastle airport		2,168	1,966
Intangible assets	12	507	705
Total depreciation and amortisation costs		17,073	14,683
Impairment / revaluation decrement			
Inventory - Real Estate		-	3,174
Total impairment / revaluation decrement costs / (reversals) charged to Income Statement		-	3,174
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT		17,073	17,857

Accounting policy for depreciation, amortisation and impairment expenses of non-financial assets**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets, Note 11 for intangible assets and Note 14a for right of use assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(e) Other expenses		
Bad and doubtful debts	332	16
Bank charges	346	265
Contributions/levies to other levels of government		
– Lands department levy (holiday parks)	378	403
– NSW rural fire service levy	801	507
– Waste levy	2,377	1,742
Councillor expenses – mayoral fee	63	61
Councillor expenses – councillors' fees	184	180
Councillors' expenses (incl. mayor) – other (excluding fees above)	60	126
Donations, contributions and assistance to other organisations (Section 356)	877	932
Electricity and heating	1,434	1,686
Insurance	1,642	1,598
Memberships	137	131
Newcastle airport	6,864	7,925
Street lighting	876	1,083
Telephone and communications	255	264
Training costs (other than salaries and wages)	528	737
Travel expenses	7	4
Other	397	398
Total other expenses	17,558	18,058
TOTAL OTHER EXPENSES	17,558	18,058

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Buildings & Property (excl. investment property)			
Proceeds from disposal – property		1,990	452
Less: carrying amount of property assets sold/written off		(4,006)	(803)
Net gain/(loss) on disposal		(2,016)	(351)
Plant and equipment			
	10(a)		
Proceeds from disposal – plant and equipment		105	199
Less: carrying amount of plant and equipment assets sold/written off		(205)	(836)
Net gain/(loss) on disposal		(100)	(637)
Newcastle airport partnership			
	10(a)		
Proceeds from disposal – infrastructure		–	553
Less: carrying amount of infrastructure assets sold/written off		(32)	(553)
Net gain/(loss) on disposal		(32)	–
Real estate assets held for sale			
	9		
Proceeds from disposal – real estate assets		–	2,255
Less: carrying amount of real estate assets sold/written off		(422)	(989)
Net gain/(loss) on disposal		(422)	1,266
Investments			
	7(b)		
Proceeds from disposal/redemptions/maturities – investments		35,084	32,950
Less: carrying amount of investments sold/redeemed/matured		(35,084)	(32,950)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2,570)	278

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	16,024	12,448
Cash-equivalent assets		
– Deposits at call	–	1,500
– Managed funds	501	–
Total cash and cash equivalents	16,525	13,948

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 7(b). Investments

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
b. 'Financial assets at amortised cost'	22,913	3,939	35,067	1,222
Total Investments	22,913	3,939	35,067	1,222
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	39,438	3,939	49,015	1,222
Financial assets at amortised cost				
Managed funds	3,910	–	–	–
Long term deposits	19,003	3,939	35,067	1,222
Total	22,913	3,939	35,067	1,222

Accounting policy for investments

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 7(b). Investments (continued)

-
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(c). Restricted cash, cash equivalents and investments

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	39,438	3,939	49,015	1,222
attributable to:				
External restrictions	8,334	3,939	28,770	1,222
Internal restrictions	31,104	–	20,245	–
Unrestricted	–	–	–	–
	39,438	3,939	49,015	1,222

\$ '000	2020	2019
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	520	–
Deposits, retentions and bonds	1,232	951
External restrictions – included in liabilities	1,752	951

External restrictions – other

Developer contributions – general	4,530	19,853
Specific purpose unexpended grants (recognised as revenue) – general fund	–	148
Domestic waste management	4,561	5,880
Carparking meters crown lands ⁽¹⁾	–	65
Crown holiday parks ⁽¹⁾	–	3,095
Crown reserve	1,430	–
External restrictions – other	10,521	29,041

Total external restrictions

	12,273	29,992
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Internal restrictions

Asset rehabilitation	–	842
Election reserve	–	200
Federal assistance grant in advance	3,542	3,393
Fleet	–	21
Newcastle airport partnership	11,874	14,753
Other waste services reserve	–	129
Parking meters	–	160
Section 355C committees	674	728
Unexpended loan funds	5,000	–
Ward funds	–	19
Repealed funds	10,014	–
Total internal restrictions	31,104	20,245

TOTAL RESTRICTIONS

	43,377	50,237
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⁽¹⁾ Balance consolidated into the Crown Reserve

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	2,922	-	2,698	-
Interest and extra charges	229	-	229	-
User charges and fees	1,060	-	606	-
Miscellaneous debtors	797	-	599	-
Contributions to works	26	-	27	-
Accrued revenues				
- Interest on investments	183	-	472	-
- Other income accruals	1,284	-	1,643	-
Net investment in finance lease	-	-	-	-
Government grants and subsidies	12	-	99	-
Net GST receivable	361	-	625	-
Newcastle airport partnership	1,902	-	1,916	-
Other debtors	-	172	-	193
Total	8,776	172	8,914	193
Less: provision of impairment				
User charges and fees	(79)	-	-	-
Newcastle airport partnership	(291)	-	-	(5)
Total provision for impairment – receivables	(370)	-	-	(5)
TOTAL NET RECEIVABLES	8,406	172	8,914	188
Externally restricted receivables				
Domestic waste management	705	-	658	-
Crown Reserve	153	-	-	-
Total external restrictions	858	-	658	-
Internally restricted receivables				
Community Loans	200	-	200	-
Newcastle Airport Partnership	1,902	-	1,916	-
Commercial properties	31	-	2,735	-
Administration building reserve	734	-	764	-
Sustainable energy and water reserve	148	-	125	-
Other waste services reserve	451	-	638	-
Asset Rehabilitation	409	-	-	-
Drainage reserve	38	-	-	-
Election reserve	400	-	-	-
Fleet	1,315	-	-	-
Parking meters	590	-	-	-
IT	176	-	-	-
Ward funds	39	-	-	-
Internally restricted receivables	6,433	-	6,378	-
Unrestricted receivables	1,115	172	1,878	188
TOTAL NET RECEIVABLES	8,406	172	8,914	188

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

\$ '000	2020	2019
Movement in provision for impairment of receivables		
Balance at the beginning of the year	5	6
+ new provisions recognised during the year	371	5
– amounts already provided for and written off this year	(5)	(6)
+ amounts written off but not provided for	3	–
– previous impairment losses reversed	(4)	–
Balance at the end of the year	370	5

Accounting policy for receivables**Recognition and measurement**

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are deemed uncollectable, whichever occurs first.

Receivables with a contractual amount of \$68,000 written off during the reporting period are still subject to enforcement activity.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 9. Inventories and other assets

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	4,992	9,820	5,019	10,030
Stores and materials	157	–	143	–
Total inventories at cost	5,149	9,820	5,162	10,030
TOTAL INVENTORIES	5,149	9,820	5,162	10,030

(b) Other assets

Prepayments	946	37	610	24
Other	–	–	–	1,750
TOTAL OTHER ASSETS	946	37	610	1,774

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	5,019	11,788
Total unrestricted assets	6,095	9,857	753	16
TOTAL INVENTORIES AND OTHER ASSETS	6,095	9,857	5,772	11,804

(i) Other disclosures

\$ '000	Notes	2020		2019	
		Current	Non-current	Current	Non-current
(a) Details for real estate development					
Residential		–	3,027	–	2,954
Industrial/commercial		4,992	6,793	5,019	7,076
Total real estate for resale		4,992	9,820	5,019	10,030

(Valued at the lower of cost and net realisable value)

continued on next page ...

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Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets (continued)

\$ '000	Notes	2020		2019	
		Current	Non-current	Current	Non-current
Represented by:					
Acquisition costs		774	9,403	773	9,692
Development costs		4,218	417	4,246	338
Total costs		4,992	9,820	5,019	10,030
Total real estate for resale		4,992	9,820	5,019	10,030
Movements:					
Real estate assets at beginning of the year		5,019	10,030	5,653	13,102
– Purchases and other costs		106	79	161	102
– Transfers in from (out to) Note 11		890	(890)	194	–
– WDV of sales (expense)	6	–	(422)	(989)	–
– Impairment write down		–	–	–	(3,174)
– Transfer between current/non-current		(1,023)	1,023	–	–
Total real estate for resale		4,992	9,820	5,019	10,030

Accounting policy for inventories and other assets**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment

\$ '000	Asset movements during the reporting period										as at 30/06/20		
	as at 30/06/19	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments (decrement) to equity (ARR)	Gross carrying amount		Accumulated depreciation	Net carrying amount
Capital work in progress		9,311	(91)	9,220	5,333	7,480	(115)	(1,015)			20,993	(91)	20,902
Plant and equipment		25,300	(13,788)	11,512	939	10	(208)	(1,939)			25,406	(15,089)	10,317
Office equipment		3,061	(1,580)	1,471	257			(631)			3,301	(2,205)	1,096
Furniture and fittings		1,300	(1,089)	211	118			(18)			1,419	(1,108)	311
Land:													
- Operational land		39,505	(573)	38,932	61	228	(980)				39,704	(573)	39,131
- Community land		42,518		42,518		368					42,886		42,886
- Crown land		29,223		29,223							29,223		29,223
- Land under roads (post 1/7/08)		1,985		1,985							1,985		1,985
- Newcastle airport						10,126					10,126		10,126
Land improvements - depreciable		9,187	(2,412)	6,775	302		(11)	(80)			9,384	(2,398)	6,986
Infrastructure:													
- Buildings - specialised		183,879	(88,879)	95,000	6,593	4,756	(304)	(4,085)			194,077	(91,466)	102,611
- Other structures		9,700	(4,321)	5,379	642	116	(27)	(505)			10,423	(4,776)	5,647
- Roads		443,749	(53,919)	389,830	5,203	3,753	(2,413)	(2,796)			417,927	(52,765)	365,162
- Bridges		11,257	(333)	10,924	20			(53)			14,941	(2,024)	12,917
- Footpaths		63,126	(8,435)	54,691		1,596		(376)			67,815	(10,709)	57,106
- Car parks		11,610	(8,804)	2,806	408		(105)	(140)			15,603	(2,171)	13,432
- Stormwater drainage		202,514	(6,435)	196,079	1,440	1,425	(25)	(712)			235,581	(26,902)	208,679
- Swimming pools		7,584	(4,513)	3,071	209			(176)			7,794	(4,690)	3,104
- Other open space		32,237	(10,957)	21,280	1,547	25		(1,382)			33,853	(12,349)	21,504
- Other infrastructure		10,817	(3,715)	7,102	559	52		(337)			11,428	(4,052)	7,376
Other assets:													
- Heritage collections		237	(75)	162				(2)			237	(77)	160
- Library books		5,455	(3,370)	2,085	250			(301)			5,705	(3,671)	2,034
- Newcastle airport		48,806	(18,091)	30,715	5,771	2,822	(32)	(2,168)			58,227	(19,323)	38,904
Total infrastructure, property, plant and equipment		1,192,351	(231,380)	960,971	29,652	32,757	(4,220)	(15,701)	(4,503)	(2,640)	1,258,037	(256,439)	1,001,598

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Port Stephens Council
Notes to the Financial Statements
for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

\$ '000	Asset movements during the reporting period										as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions	Renewals ⁽¹⁾	Disposals	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	4,190	(74)	4,116	3,249	1,092	-	-	763	-	-	9,311	(91)	9,220
Plant and equipment	17,587	(8,859)	8,728	2,852	1,976	(188)	(188)	(21)	-	-	25,300	(13,768)	11,532
Office equipment	2,327	(1,129)	1,198	218	505	-	-	(452)	-	-	3,051	(1,580)	1,471
Furniture and fittings	1,171	(1,065)	106	93	-	-	-	(24)	36	-	1,300	(1,089)	211
Land:													
- Operational land	38,407	(572)	37,835	26	1,204	(454)	(454)	321	-	-	39,505	(573)	38,932
- Community land	42,294	-	42,294	-	597	(24)	(24)	(321)	(26)	-	42,518	-	42,518
- Crown land	29,548	-	29,548	-	-	(325)	(325)	-	-	-	29,223	-	29,223
- Land under roads (post 17/7/08)	1,985	-	1,985	-	-	-	-	-	-	-	1,985	-	1,985
Land improvements - depreciable	2,780	(695)	2,085	68	-	-	-	(77)	4,699	-	9,187	(2,412)	6,775
Infrastructure:													
- Buildings - specialised	177,270	(83,610)	93,660	1,774	2,251	(315)	(315)	1,640	-	-	183,879	(88,879)	95,000
- Other structures	6,303	(2,181)	4,122	319	131	-	-	(560)	1,368	-	9,700	(4,321)	5,379
- Roads	462,034	(54,941)	407,093	4,859	3,295	-	-	(2,500)	(22,918)	-	443,749	(53,919)	389,830
- Bridges	11,408	(320)	11,088	16	-	-	-	(13)	(167)	-	11,257	(333)	10,924
- Footpaths	32,898	(3,482)	29,416	422	1,365	-	-	(256)	23,744	-	63,126	(8,435)	54,691
- Stormwater drainage	197,809	(5,985)	191,824	1,372	2,845	-	-	(208)	246	-	202,514	(6,435)	196,079
- Swimming pools	8,190	(4,710)	3,480	114	-	(57)	(57)	(171)	(294)	-	7,584	(4,513)	3,071
- Other open space	29,941	(11,998)	17,943	1,092	1,207	(143)	(143)	(754)	(180)	8,977	32,237	(10,957)	21,280
- Other infrastructure	9,716	(3,712)	6,004	609	377	(32)	(32)	(352)	496	-	10,817	(3,715)	7,102
- Car parks	11,417	(8,263)	3,154	192	-	-	-	(541)	-	-	11,610	(8,804)	2,806
Other assets:													
- Heritage collections	232	(72)	160	6	-	-	-	(2)	-	-	237	(75)	162
- Library books	5,218	(3,117)	2,101	236	-	-	-	(253)	-	-	5,455	(3,370)	2,085
- Other	5,527	(2,782)	2,745	-	-	-	-	(2,731)	(14)	-	-	-	-
- Newcastle airport	46,068	(16,123)	29,945	3,291	-	(553)	(553)	(1,966)	-	-	48,806	(18,091)	30,715
Total Infrastructure, property, plant and equipment	1,144,320	(213,690)	930,630	20,808	16,845	(2,091)	(2,091)	(13,978)	-	(194)	1,192,351	(231,380)	960,971

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	20
Office furniture	10 to 20	Benches, seats etc.	25
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings	15 to 65
Other plant and equipment	5 to 15		
Transportation assets		Stormwater assets	
Sealed roads		Drains	80 to 100
- Base	50	Culverts	50 to 80
- Seal	15 to 25	Flood control structures	80 to 100
- Sub-base	100		
Unsealed roads	100	Other infrastructure assets	
Bridge concrete	100	Bulk earthworks	20
Bridge other	60 to 100	Swimming pools	50
Kerb, gutter and footpaths	80	Other open space/recreational assets	20
		Other infrastructure	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note 14.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

Note 10(b). Externally restricted infrastructure, property, plant and equipment

	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
\$ '000						
Land						
Domestic waste management						
Buildings	4,332	2,030	2,302	4,332	1,933	2,399
Total DWM	4,332	2,030	2,302	4,332	1,933	2,399
TOTAL RESTRICTED IPP&E	4,332	2,030	2,302	4,332	1,933	2,399

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Investment properties

\$ '000	2020	2019
Owned investment property		
Investment property on hand at fair value	37,575	35,550
Total owned investment property	37,575	35,550
(a) Reconciliation – owned investment property		
Reconciliation of annual movement:		
Opening balance	35,550	31,467
– Capitalised expenditure – this year	2,012	491
– Net gain/(loss) from fair value adjustments	13	3,592
CLOSING BALANCE – OWNED INVESTMENT PROPERTY	37,575	35,550

(b) Leasing arrangements – Council as lessor (2019 only)

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	–	2,457
Later than 1 year but less than 5 years	–	6,371
Later than 5 years	–	618
Total minimum lease payments receivable	–	9,446

Lease terms vary from 1 to 5 years with options to renew. Rental payments are due monthly in advance and do not include contingent rental adjustments.

(c) Amounts recognised in profit and loss for investment property

Rental income from investment property:		
– Minimum lease payments	–	2,989
Direct operating expenses on investment property:		
– that generated rental income	–	(649)
Net revenue contribution from investment property	–	2,340
plus:		
Fair value movement for year	–	3,592
Total income attributable to investment property	–	5,932

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Intangible assets

Intangible assets are as follows:

\$ '000	2020	2019
Intangibles		
Opening values at 1 July		
Gross book value	8,690	6,541
Accumulated amortisation	(2,541)	(1,837)
Net book value – opening balance	6,149	4,704
Movements for the year		
– Purchases	218	2,149
– Disposals	–	1
– Amortisation charges	(507)	(705)
– Disposals	(25)	–
Closing values at 30 June		
Gross book value	8,876	8,690
Accumulated amortisation	(3,041)	(2,541)
Total Intangibles– net book value	5,835	6,149

Accounting policy for intangible assets**IT development and software**

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Right to Operate

Fit out costs incurred for the international processing area within the terminal required by the Department of Home Affairs for border security activities required for international flights represents NAP's contractual / legal right to operate international airport services, and is recognised at cost as an intangible asset.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Contract assets and liabilities

\$ '000	Notes	2020 Current	2020 Non-current
Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	946	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	671	-
Total grants received in advance		1,617	-
User fees and charges received in advance:			
Fees - holiday park deposits	(iii)	881	-
Fees - rent	(iii)	15	-
Total user fees and charges received in advance		896	-
Total contract liabilities		2,513	-

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Fees paid in advance do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue once the service has been fully delivered.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Contract assets and liabilities (continued)

\$ '000	2020 Current	2020 Non-current
(i) Contract liabilities relating to restricted assets		
Externally restricted assets		
Unspent grants held as contract liabilities (excl. Water & Sewer)	520	-
Contract liabilities relating to externally restricted assets	520	-

\$ '000	2020
(ii) Revenue recognised (during the financial year) from opening contract liability balances	
Grants and contributions received in advance:	
Capital grants (to construct Council controlled assets)	101
Operating grants (received prior to performance obligation being satisfied)	47
Capital contributions (to construct Council controlled assets)	-
Operating contributions (received prior to performance obligation being satisfied)	-
User Fees and Charges received in advance:	
Upfront fees – leisure centre	-
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	148

Significant changes in contract assets and liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control. Previously, revenue was recognised on receipt of the funds.

Accounting policy for contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

(i) Council as a lessee

Council has leases over a range of assets including land, vehicles, car parks and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases:

Plant and equipment

Council leases vehicles and equipment with lease terms varying from 5 to 10 years and include a renewal option to allow Council to renew for another year at their discretion. The lease contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 3 years with a renewal option of another 3 years, the payments are fixed, however some of the leases include variable payments based on usage.

Other assets - Other

Council leases car parks with lease term of 3 years and include an option to allow Council to renew for another two years at their discretion. The lease contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Land

Council leases land for their holiday park, with a lease term of 40 years and no renewal option. The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Newcastle Airport leases land with a lease term of 81 years and includes 3 renewal options to allow the Airport to renew for another 30 years at their discretion. There are fixed lease payments as well as variable lease payments, the fixed payments increase by CPI at each anniversary of the lease inception and the variable payment is based on a percentage of revenue.

Extension options

Council includes options in some of the leases to provide flexibility and certainty to operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

\$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
(a) Right of use assets						
Opening balance at 30 June 2019	-	-	-	-	-	-

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	3,696	342	641	418	509	5,606
Depreciation charge	(529)	(4)	(179)	(100)	(53)	(865)
RIGHT OF USE ASSETS	3,167	338	462	318	455	4,740

\$ '000	2020 Current	2020 Non-current
(b) Lease liabilities		
Lease liabilities	794	3,728
Lease liabilities - Newcastle Airport	-	341
TOTAL LEASE LIABILITIES	794	4,069

(i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows and therefore the amounts will not be the same as the recognised lease liability in the statement of Financial Position:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
Cash flows	944	3,234	2,008	6,187	4,863

\$ '000	2020 Current	2020 Non-current
(ii) Lease liabilities relating to restricted assets		
Externally restricted assets		
Holiday Park Reserve	42	427
Domestic Waste Reserve	475	2,770
Lease liabilities relating to externally restricted assets	517	3,197
Total lease liabilities relating to restricted assets	517	3,197
Total lease liabilities relating to unrestricted assets	277	872
Total lease liabilities	794	4,069

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	2020
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(c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

Interest on lease liabilities	174
Interest on lease liabilities - Newcastle Airport	-
Variable lease payments based on usage not included in the measurement of lease liabilities	4,562
Variable lease payments - Newcastle Airport	-
Depreciation of right of use assets	865
Depreciation of right of use assets - Newcastle Airport	-
Expenses relating to short-term leases	57
Expenses relating to short-term leases - Newcastle Airport	-
Expenses relating to low-value leases	22
Expenses relating to low-value leases - Newcastle Airport	-
Expenses relating to peppercorn leases	1
	5,681

(d) Statement of Cash Flows

Total cash outflow for leases	5,558
	5,558

Leases at significantly below market value – concessionary / peppercorn leases

Council has a lease at significantly below market for land and buildings which is used to provide emergency facilities.

The lease is for 5 years that require payment of \$1,000 per year and include a renewal option to allow Council to renew for up to twice the non-cancellable lease term at their discretion. The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that the lease in place is material from a statement of financial position or performance perspective.

Accounting policy**Accounting policies under AASB 16 – applicable from 1 July 2019**

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Accounting policy under AASB 117 and associated Accounting Interpretations (2019 only)

Refer to Note 5c and Note 15.

(ii) Council as a lessor

(e) Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note 11) and/or IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below:

\$ '000	2020
(i) Operating lease income	
Investment properties	
Lease income (excluding variable lease payments not dependent on an index or rate)	3,055
Lease income relating to variable lease payments not dependent on an index or a rate	371
Other lease income	
Room/Facility Hire	728
Total income relating to operating leases	4,154
(ii) Operating lease expenses	
Investment properties	
Direct operating expenses that generated rental income	546
Other leased assets	

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	2020
Other	417
Total expenses relating to operating leases	963

(iii) Repairs and maintenance: investment property

Contractual obligations for future repairs and maintenance	2
Total repairs and maintenance: investment property	2

(iv) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	2,431
1–2 years	1,798
2–3 years	1,797
3–4 years	1,265
4–5 years	217
> 5 years	476
Total undiscounted contractual lease income receivable	7,984

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Payables				
Goods and services	8,097	3,280	8,744	–
Accrued expenses:				
– Other expenditure accruals	3,197	–	2,536	–
Security bonds, deposits and retentions	1,232	–	951	–
Unclaimed monies	12	–	10	–
Rates in advance	1,230	–	1,143	–
Other	120	–	961	–
Total payables	13,888	3,280	14,345	–
Borrowings				
Loans – secured ¹⁾	3,332	17,665	4,464	8,814
Loans – Newcastle airport partnership	–	11,850	–	6,250
Total borrowings	3,332	29,515	4,464	15,064
TOTAL PAYABLES AND BORROWINGS	17,220	32,795	18,809	15,064

¹⁾ Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Domestic waste management	2,022	–	1,797	732
Other	1,232	–	951	–
Crown holiday park reserve	401	5,449	34	–
Payables and borrowings relating to externally restricted assets	3,655	5,449	2,782	732
Internally restricted assets				
Newcastle airport partnership	5,316	15,130	4,162	6,250
Payables and borrowings relating to internally restricted assets	5,316	15,130	4,162	6,250
Total payables and borrowings relating to restricted assets	8,971	20,579	6,944	6,982
Total payables and borrowings relating to unrestricted assets	8,249	12,216	11,865	8,082
TOTAL PAYABLES AND BORROWINGS	17,220	32,795	18,809	15,064

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

\$ '000	2020	2019
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(b) Current payables and borrowings not anticipated to be settled within the next twelve months

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Payables – security bonds, deposits and retentions	396	396
Total payables and borrowings	396	396

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	13,278	7,704	–	1	–	14	20,997
Lease liabilities	–	4,863	–	–	–	–	4,863
Loans – Newcastle airport	6,250	5,600	–	–	–	–	11,850
TOTAL	19,528	18,167	–	1	–	14	37,710

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	17,581	(4,306)	–	3	–	13,278
Loans – Newcastle airport	6,250	–	–	–	–	6,250
TOTAL	23,831	(4,306)	–	3	–	19,528

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

\$ '000	2020	2019
(d) Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ¹	2,500	2,500
Credit cards/purchase cards	1,000	500
Bank loan facilities - Port Stephens Council	7,500	-
Bank loan facilities - Newcastle Airport	25,000	25,000
Total financing arrangements	36,000	28,000
Drawn facilities as at balance date:		
- Credit cards/purchase cards	366	4
- Bank loan facilities - Newcastle Airport	11,850	6,250
Total drawn financing arrangements	12,216	6,254
Undrawn facilities as at balance date:		
- Bank overdraft facilities	2,500	2,500
- Credit cards/purchase cards	634	496
- Bank loan facilities - Port Stephens Council	7,500	-
- Bank loan facilities - Newcastle Airport	13,150	18,750
Total undrawn financing arrangements	23,784	21,746

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Loans are secured over the general rating income of Council.

⁽¹⁾ The bank overdraft facility may be drawn at any time and may be terminated by the bank if any events of default specified in the contract occur.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

Payables

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits				
Annual leave	4,447	-	4,047	-
Sick leave	2,962	-	2,966	-
Long service leave	8,393	771	7,500	742
Flexi time / RDO leave	336	-	299	-
Sub-total – aggregate employee benefits	16,138	771	14,812	742
Asset remediation/restoration:				
Asset remediation/restoration (future works)	263	-	1,355	-
Sub-total – asset remediation/restoration	263	-	1,355	-
Other provisions				
Other	165	-	900	-
Sub-total – other provisions	165	-	900	-
TOTAL PROVISIONS	16,566	771	17,067	742

(a) Provisions relating to restricted assets

Externally restricted assets				
Domestic waste management	263	-	1,355	-
Provisions relating to externally restricted assets	263	-	1,355	-
Internally restricted assets				
Drainage	-	-	900	-
Provisions relating to internally restricted assets	-	-	900	-
Total provisions relating to restricted assets	263	-	2,255	-
Total provisions relating to unrestricted assets	16,303	771	14,812	742
TOTAL PROVISIONS	16,566	771	17,067	742

\$ '000	2020	2019
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(b) Current provisions not anticipated to be settled within the next twelve months

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	11,156	9,776
	<u>11,156</u>	<u>9,776</u>

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

(c) Description of and movements in provisions

\$ '000	Other provisions		Total
	Other Provisions	Asset remediation	
2020			
At beginning of year	900	1,355	2,255
Additional provisions	165	–	165
Amounts used (payments)	(900)	(1,092)	(1,992)
Total other provisions at end of year	165	263	428
2019			
At beginning of year	1,825	1,600	3,425
Amounts used (payments)	–	(245)	(245)
Unused amounts reversed	(925)	–	(925)
Total other provisions at end of year	900	1,355	2,255

Nature and purpose of non-employee benefit provisions**Asset remediation**

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip.

Legal costs provision

Council has a legal obligation to pay legal costs as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required when legal proceedings are finalised.

Provision for commercial concessions - Newcastle Airport

Newcastle airport has an obligation to pay commercial concessions, mostly rent and fee's to it's tenants as a result of Covid-19.

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as borrowing cost.

Employee benefits**Short-term obligations**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Other Provisions

Provision for legal costs

Liabilities for legal costs expected to be wholly settled within 12 months after the end of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Provision for commercial concessions - Newcastle Airport

Liabilities for commercial concessions, that are a result of Covid-19 are expected to be wholly settled within 12 months after the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors**(a) Nature and purpose of reserves****Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

(b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

(ii) AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

Principal v agent

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**Licences**

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Changes in presentation

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- Movement of balances between receivables and contract assets.
- Additional line items of contract assets, contract cost assets and contract liabilities have been created

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

Statement of Financial Position as at 30 June 2020

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassification	Remeasurement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	16,525	-	-	16,525	
Investments	22,913	-	-	22,913	
Receivables	8,406	-	-	8,406	
Inventories	5,149	-	-	5,149	
Other	946	-	-	946	
Total current assets	53,939	-	-	53,939	
Current liabilities					
Payables	13,888	896	-	14,784	(i)
Contract liabilities	2,513	(896)	(1,617)	-	(i)
Lease liabilities	794	-	-	794	
Borrowings	3,332	-	-	3,332	
Provisions	16,566	-	-	16,566	
Total current liabilities	37,093	-	(1,617)	35,476	
Non-current assets					
Investments	3,939	-	-	3,939	
Receivables	172	-	-	172	
Inventories	9,820	-	-	9,820	
Infrastructure, property, plant and equipment	1,001,598	-	-	1,001,598	
Investment property	37,575	-	-	37,575	
Intangible assets	5,835	-	-	5,835	
Right of use assets	4,740	-	-	4,740	
Investments accounted for using equity method	540	-	-	540	
Other	37	-	-	37	
Total non-current assets	1,064,256	-	-	1,064,256	
Non-current liabilities					
Payables	3,280	-	-	3,280	
Lease liabilities	4,069	-	-	4,069	
Borrowings	29,515	-	-	29,515	
Provisions	771	-	-	771	
Total Non-current liabilities	37,635	-	-	37,635	

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Net assets	1,043,467	–	1,617	1,045,084	
Equity					
Accumulated surplus	640,250	–	1,617	641,867	
Revaluation reserves	403,217	–	–	403,217	
Council equity interest	1,043,467	–	1,617	1,045,084	
Total equity	1,043,467	–	1,617	1,045,084	

(i) Transfer of part of the contract liability to payables (income received in advance) and elimination of contract liability which arises under AASB 15 for funds that have been received prior to the satisfaction of performance obligations.

Income Statement for the year ended 30 June 2020

\$ '000	Income Statement and comprehen- sive income under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Income Statement and comprehen- sive income under previous revenue standards	Notes
<u>Income from continuing operations</u>					
Rates and annual charges	59,812	–	–	59,812	
User charges and fees	41,465	–	–	41,465	
Other revenues	2,877	–	–	2,877	
Grants and contributions provided for operating purposes	12,837	–	671	13,508	(i)
Grants and contributions provided for capital purposes	24,318	–	946	25,264	(i)
Interest and investment income	884	–	–	884	
Fair value increment on investment properties	13	–	–	13	
Rental income	4,154	–	–	4,154	
Net share of interests in joint ventures and associates using the equity method	540	–	–	540	
Total Income from continuing operations	146,900	–	1,617	148,517	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	49,812	–	–	49,812	
Borrowing costs	797	–	–	797	
Materials and contracts	39,023	–	–	39,023	
Depreciation and amortisation	17,073	–	–	17,073	

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Other expenses	17,558	–	–	17,558	
Net losses from the disposal of assets	2,570	–	–	2,570	
Total Expenses from continuing operations	126,833	–	–	126,833	
Total Operating result from continuing operations	20,067	–	1,617	21,684	
Net operating result for the year	20,067	–	1,617	21,684	
Total comprehensive income	15,564	–	–	15,564	

(i) Difference in revenue between recognition on receipt under the old standards and as / when performance obligations are met under new standards.

"The adoption of AASB 15 and AASB 1058 has not materially changed the statement of cash flows for the year ended 30 June 2020."

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	–	–
Total assets	1,079,585	–	1,079,585
Contract liabilities	–	148	148
Total liabilities	51,682	148	51,830
Accumulated surplus	618,886	(148)	618,738
Total equity	1,027,903	(148)	1,027,755

(iii) AASB 16 Leases

Council as a lessee

Under AASB 117, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Income Statement on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Financial statement impact of adoption of AASB 16

Council has recognised right-of-use assets and lease liabilities of \$5.26m at 1 July 2019 for leases previously classified as operating leases, or leases that are significantly below market value which were previously off balance sheet.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3.26%

\$ '000	Balance at 1 July 2019
Operating lease commitments at 30 June 2019 per Council financial statements	1,221

Reconciliation of lease liabilities recognised on adoption of AASB 16 Leases

Operating lease commitments discounted using the incremental borrowing rate at 1 July 2019	1,183
Add:	
Contracts not accounted for as operating lease commitments last year	3,893
Remeasurement due to lease modification	280
Less:	
Short-term leases included in commitments note	(14)
Leases for low-value assets included in commitments note	(79)
Lease liabilities recognised at 1 July 2019	<u>5,263</u>

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies,
changes in accounting estimates and errors (continued)

Adjustments to the current year figures for the year ended 30 June 2020

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Rights-of-use assets	–	5,263	5,263
Total assets	1,079,585	5,263	1,084,848
Leases	–	5,263	5,263
Total liabilities	51,682	5,263	56,945
Accumulated surplus	618,886	–	618,886
Total equity	1,027,903	–	1,027,903

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	16,525	13,948
Balance as per the Statement of Cash Flows		16,525	13,948

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income Statement		20,067	25,204
Adjust for non-cash items:			
Depreciation and amortisation		17,073	14,683
Net losses/(gains) on disposal of assets		2,570	(278)
Non-cash capital grants and contributions		(5,804)	(10,430)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		89	–
– Investment property		(13)	(3,592)
– Revaluation decrements / impairments of IPP&E direct to P&L		–	3,174
Amortisation of premiums, discounts and prior period fair valuations			
– Interest exp. on interest-free loans received by Council (previously fair valued)		1	3
Share of net (profits)/losses of associates/joint ventures using the equity method		(540)	–
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		159	157
Increase/(decrease) in provision for impairment of receivables		365	(1)
Decrease/(increase) in inventories		(14)	53
Decrease/(increase) in other current assets		1,401	(1,950)
Increase/(decrease) in payables		2,633	2,742
Increase/(decrease) in other accrued expenses payable		661	34
Increase/(decrease) in other liabilities		(471)	385
Increase/(decrease) in contract liabilities		2,513	–
Increase/(decrease) in provision for employee benefits		1,355	1,228
Increase/(decrease) in other provisions		(1,827)	(1,170)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		40,218	30,242

(c) Non-cash investing and financing activities

Dedicated subdivisions		5,804	8,788
RFS assets		–	1,642
Total non-cash investing and financing activities		5,804	10,430

(d) Net cash flows attributable to discontinued operations

There are no cash flows that relate to discontinued operations

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities

Joint arrangements

(i) Joint ventures

Strategic Services Australia Limited (Hunter Councils)

Council has an interest in Strategic Services Australia Limited, along with other Member Councils of Hunter Councils. The activities of this organisation are not controlled by any one Council.

Strategic Services Australia Limited has been established to improve the quality and efficiency of local government service throughout the Hunter Region. One such service is the establishment and provision of a Record Repository Centre for the use of the Member Councils and to outsource this service to other organisations.

This Organisation was established in January 2003 as Hunter Councils Limited after receiving Minister's consent, pursuant to Section 358(1) (a) of the Local Government Act 1993.

Strategic Services Australia Limited has the same year end date as Council.

This is the first year that Council has recognised the value of its interest in Strategic Services Australia Limited. Previously Council disclosed the value within the notes to the financial statements but never recognised within the Statement of Financial Position and Income Statement as it was considered immaterial. This decision has changed due to the growth of the organisation.

Aggregate information for joint ventures that are not individually material

The Group has interests in a number of joint ventures none of which is considered individually material. The table below summarises, in aggregate, the financial information of individually immaterial joint ventures.

Council's share

	<u>Percentage Owned (%)</u>
Strategic Services Australia Limited	11.71%

(a) Summarised financial information for individually immaterial joint ventures

<u>\$ '000</u>	<u>2020</u>	<u>2019</u>
Strategic Services Australia Limited		
Carrying Amount of Investment in joint ventures that are not individually material	540	-
Council's Share of those joint ventures:		
Profit/(loss) from continuing operations	540	-
Total comprehensive income – individually immaterial joint ventures	<u>540</u>	<u>-</u>

(b) Unrecognised share of losses

The unrecognised share of losses of joint ventures due to the Council's interest, reduce to zero under the equity methods are \$0 for the reporting period and \$0 on a cumulative basis.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities (continued)

(c) Risk associated with the interests in joint ventures

\$ '000	2020	2019
Commitments relating to joint ventures held	–	–
Contingent liabilities incurred jointly with other investments over joint ventures held	–	–

Each of the partners in Strategic Services Australia Limited are jointly and severally liable for the debts of the organisation.

There are no significant restrictions on the ability of joint ventures to transfer funds to the group in the form of cash dividends, or to repay loans or advances made by the council.

(i) Joint operations

(a) Council is involved in the following joint operations (JO's)

Name of joint operation	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2020	2019	2020	2019
Newcastle Airport Partnership and Newcastle Airport Pty Ltd	Airport Operation	Williamtown	50%	50%	50%	50%
Greater Newcastle Aerotropolis Partnership & Greater Newcastle Aerotropolis Pty Ltd	Airport Operation	Williamtown	50%	50%	50%	50%

(b) Council assets employed in the joint operations

\$ '000	2020	2019
Council's share of assets jointly owned with other partners		
Current assets	13,606	16,761
Current liabilities	(5,158)	(4,470)
Non current assets	51,083	32,380
Non-current liabilities	(15,515)	(6,278)
Total net assets employed – Council and jointly owned	44,016	38,393

(c) Share of joint operations expenditure commitments

Capital commitments		
Payable not later than 1 year	11,034	5,395
Total capital commitments	11,034	5,395

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities (continued)

\$ '000	2020	2019
(d) Contingent liabilities of joint operations		
Share of contingent liabilities incurred jointly with other participants	100	100
Share of contingent liabilities for which Council is severally liable	100	100

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities (continued)

Accounting policy for joint arrangements:

AASB 11 Joint Arrangements defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

The council has determined that it has joint operations and joint ventures.

Joint ventures:

Joint ventures are those joint arrangements, which provide Council with rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 Associates and Joint Ventures. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

Council's share in the joint ventures gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of Council for the purpose of the consolidated financial statements.

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the equity method.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Commitments

\$ '000	2020	2019
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(a) Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	723	6,775
Plant and equipment	561	228
Newcastle airport	11,034	5,395
Other	564	1,072
Total commitments	12,882	13,470

These expenditures are payable as follows:

Within the next year	12,882	13,470
Total payable	12,882	13,470

Details of capital commitments

The majority of Councils capital commitments relate to the Newcastle Airport building and terminal development.

\$ '000	2020	2019
---------	------	------

(b) Non-cancellable operating lease commitments (2019 only)

a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:

Within the next year	–	421
Later than one year and not later than 5 years	–	538
Later than 5 years	–	262
Total non-cancellable operating lease commitments	–	1,221

b. Non-cancellable operating leases include the following assets:

Refer to Note 14 for information relating to leases for 2020.

Computer, Printing Equipment, Land and Car Parks. Contingent rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to finance and operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

(c) Investment in joint operations – commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 19 (c)

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions for non 180 Point Members. Nil for 180 Point Members
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2018 to to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2020. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Contingencies (continued)

members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$631,543. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA on 31 December 2019, relating to the period ending 30 June 2019.

The amount of additional contributions included in the total employer contribution advised above is \$309,698. Council's expected contribution to the plan for the next annual reporting period is \$609,035.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

* excluding member accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$332,000 as at 30 June 2020.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 21. Contingencies (continued)

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities**(i) Third party claims**

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

(iii) Legal Matters

Council is dealing with general matters as part of normal operations. No specific disclosure is made as these matters do not represent a significant and probable outflow of resources other than those already provided for.

ASSETS NOT RECOGNISED**(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	16,525	13,948	16,525	13,948
Receivables	8,578	9,102	8,640	9,102
Investments				
– 'Financial assets at amortised cost'	<u>26,852</u>	<u>36,289</u>	<u>26,852</u>	<u>36,289</u>
Total financial assets	<u>51,955</u>	<u>59,339</u>	<u>52,017</u>	<u>59,339</u>
Financial liabilities				
Payables	17,168	14,345	17,816	14,345
Loans/advances	32,847	19,528	32,847	19,528
Lease liabilities	4,863	–	4,863	–
Total financial liabilities	<u>54,878</u>	<u>33,873</u>	<u>55,526</u>	<u>33,873</u>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and financial assets at amortised cost** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's financial services section manages the cash and investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – price risk and interest rate risk

The impact on the result for the year of a reasonably possible movement in interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 1% movement in interest rates	363	–	(363)	–
2019				
Possible impact of a 1% movement in interest rates	412	–	(412)	–

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to the financial services section manager on a monthly basis and monitoring of acceptable collection performance is carried out.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross carrying amount	–	2,279	272	237	134	2,922
2019						
Gross carrying amount	–	2,184	203	188	123	2,698

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2020 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	2,883	968	120	782	1,273	6,026
Expected loss rate (%)	0.06%	29.91%	1.58%	0.77%	5.61%	6.15%
ECL provision	2	289	2	6	71	370
2019						
Gross carrying amount	5,198	454	100	118	539	6,409
Expected loss rate (%)	0.07%	0.11%	0.38%	1.24%	2.32%	0.29%
ECL provision	4	–	–	1	13	18

(c) Liquidity risk

Payables, lease liabilities and borrowings are subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types,

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (i.e. principal and interest) and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2020							
Trade/other payables	0.00%	1,244	13,274	6,560	—	21,078	17,168
Loans and advances	1.89%	—	3,757	22,095	9,104	34,956	32,847
Lease liabilities	0.00%	—	794	2,886	1,184	4,864	4,864
Total financial liabilities		1,244	17,825	31,541	10,288	60,898	54,879
2019							
Trade/other payables	0.00%	961	13,384	—	—	14,345	14,345
Loans and advances	3.14%	—	11,274	8,553	941	20,768	19,528
Total financial liabilities		961	28,820	8,553	941	39,275	33,873

Loan agreement breaches

There were no loan agreement breaches recorded during the year.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 29/01/2019 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	59,087	59,812	725	1% F
User charges and fees	41,682	41,465	(217)	(1)% U
Other revenues	2,503	2,877	374	15% F
Other revenues were higher than originally budgeted for due to the receipt of insurance recoveries for assets that were damaged during the year.				
Operating grants and contributions	12,339	12,837	498	4% F
Capital grants and contributions	5,866	24,318	18,452	315% F
Council was successful in obtaining a number of capital grants during the year which was higher than originally budgeted for.				
Interest and investment revenue	1,421	884	(537)	(38)% U
The rapid decline in interest rates as a result of Covid-19 impacted on Council's investment earnings.				
Net gains from disposal of assets	250	-	(250)	100% U
Council made an overall net loss on disposal of IPPE primarily due to the disposal of infrastructure. Due to its uncertain nature Council does not budget for the disposal of infrastructure assets.				
Fair value increment on investment property	787	13	(774)	(98)% U
The fair value increase in Council's investment property portfolio was impacted due to Covid-19.				
Rental income	3,794	4,154	360	9% F
Joint ventures and associates – net profits	-	540	540	∞ F
Council has recognised its share of Strategic Services Australia Ltd for the first time which was not originally budgeted for.				

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 23. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	46,786	49,812	(3,026)	(6)% U
Borrowing costs	767	797	(30)	(4)% U
Materials and contracts	40,103	39,023	1,080	3% F
Depreciation and amortisation	16,003	17,073	(1,070)	(7)% U
Other expenses	14,387	17,558	(3,171)	(22)% U
Other expenses exceeded the original budget due to the write off of bad debts arising from consolidation with the Newcastle Airport Partnership.				
Net losses from disposal of assets	-	2,570	(2,570)	∞ U
This item primarily relates to the disposal of infrastructure assets. Due to its uncertain nature Council does not budget for the disposal of infrastructure assets.				

STATEMENT OF CASH FLOWS

Cash flows from operating activities	24,052	40,218	16,166	67% F
Cash flows from operating activities exceeded the original budget due to the receipt of capital grants for new infrastructure projects.				
Cash flows from investing activities	(20,888)	(50,217)	(29,329)	140% U
Cash flows from investing activities are higher than originally budgeted for due to the increase in the capital works program which was funded from a mixture of bank loans, contributions and grants.				
Cash flows from financing activities	3,198	12,576	9,378	293% F
Cash flow from financing activities exceeded the original budget due to additional bank loans that were obtained to fund new community infrastructure projects.				

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) Assets and liabilities that have been measured and recognised at fair values

	Date of latest valuation	Fair value measurement hierarchy \$ '000			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
2020					
Recurring fair value measurements					
Investment property					
Investment properties held		-	37,575	-	37,575
Total investment property		-	37,575	-	37,575
Infrastructure, property, plant and equipment					
Plant and equipment		-	-	10,317	10,317
Office equipment		-	-	1,096	1,096
Furniture and fittings		-	-	311	311
Land		-	49,257	74,093	123,350
Land Improvements		-	-	6,986	6,986
Buildings – specialised		-	-	102,611	102,611
Other Structures		-	-	5,647	5,647
Infrastructure	30/06/20	-	-	675,848	675,848
Other Assets		-	-	54,552	54,552
Total infrastructure, property, plant and equipment		-	49,257	931,461	980,718
2019					
Recurring fair value measurements					
Investment property					
Investment properties held		-	35,550	-	35,550
Total investment property		-	35,550	-	35,550
Infrastructure, property, plant and equipment					

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

2019	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Plant and equipment		–	–	11,512	11,512
Office equipment		–	–	1,471	1,471
Furniture and fittings		–	–	211	211
Land		–	38,932	73,726	112,658
Land Improvements		–	–	6,775	6,775
Buildings – specialised		–	–	95,000	95,000
Other Structures		–	–	5,379	5,379
Infrastructure		–	–	682,977	682,977
Other Assets		–	–	35,770	35,770
Total infrastructure, property, plant and equipment		–	38,932	912,821	951,753

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Council's policy for determining transfers between fair value hierarchies is:
- at the date of the event or change in circumstances that caused the transfer.

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Investment property

Council obtains valuations of its investment properties every year or when there are indicators of a change in the carrying value of the asset.

The best evidence of Fair Value is the current price in an active market for similar assets. The following information is used where necessary:

The investment property held by Council has been valued by the valuer using valuation techniques that are appropriate and for which sufficient data was available to measure fair value, maximising the use of observable inputs namely Level 2 inputs (based on per square metres). The income approach is used to value the investment properties and has not changed from prior years.

Infrastructure, property, plant and equipment (IPP&E)

Plant & Equipment, Office Equipment, Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, photocopiers, calculators etc.

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

- Furniture & Fittings - Chairs, desks and display boards.

Land

The main components of Land include Community Land, Operational Land & Land Under Roads.

Community Land is based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land.

Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- 1.The land's description and/or dimensions;
- 2.Planning and other constraints on development; and
- 3.The potential for alternative use.

Sale prices of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre. Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 2 valuation inputs. There has been no change to the valuation techniques during the reporting period.

Land Under Roads was valued in accordance with the Australian Accounting Standard AASB 116 Property, Plant and Equipment, and the Code of Accounting Practice and Financial Reporting.

Values were determined using valuation of Council's total Land under Roads at the average rate unit of land and applying discounting factors which reflects the restrictions placed on land under roads. This asset class is classified as Level 3 asset as significant inputs used in this methodology are unobservable.

There has been no change to the valuation process during the reporting period.

Buildings - Specialised & Other Structures

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence (Level 2 inputs), other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued using Level 3 inputs. There has been no change to the valuation

Infrastructure

The main components of infrastructure include Roads, Bridges, Footpaths, Stormwater Drainage, Recreational and open areas

Roads bridges and footpaths are valued using the cost replacement approach. Valuations for these asset classes were undertaken in-house based on actual costs and assumptions from Council's Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design,

Port Stephens Council**Notes to the Financial Statements**

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Councils recreational areas and swimming pools have been valued in house by experienced engineering and asset management staff using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts.

Other Assets

Other Assets include Other assets in this class includes heritage collections library books, carparks and joint venture operations.

All other asset classes have also been recorded at replacement cost.

While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, Level 3 is best suited.

There has been no change to the valuation process during the reporting period.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Plant and office equipment	Furniture and fittings	Land and land improvements	Buildings	Other structures	Infrastructure	Other assets	Total
2019								
Opening balance	9,927	106	75,912	93,660	4,122	666,847	38,105	888,679
Transfers from/(to) another asset class	(21)	36	4,378	1,640	1,368	—	(2,745)	4,656
Purchases (GBV)	5,551	93	665	4,025	449	(5,754)	3,725	8,754
Disposals (WDV)	(188)	—	(349)	(315)	—	17,575	(553)	16,170
Depreciation and impairment	(2,285)	(24)	(77)	(4,016)	(560)	(232)	(2,762)	(9,956)
Transfer from prior year	—	—	—	—	—	(4,254)	—	(4,254)
Revaluation increments/decrements	—	—	(26)	—	—	8,977	—	8,951
Transfers from/(to) Note 8	—	—	—	—	—	(180)	—	(180)
Closing balance	12,984	211	80,503	94,994	5,379	682,979	35,770	912,820
2020								
Opening balance	12,984	211	80,503	94,994	5,379	682,979	35,770	912,820
Transfers from/(to) another asset class	—	—	—	657	42	280	44	1,023
Purchases (GBV)	1,206	118	667	11,349	758	15,825	9,273	39,196
Disposals (WDV)	(208)	—	(11)	(304)	(27)	(2,438)	(137)	(3,125)
Depreciation and impairment	(2,569)	(18)	(80)	(4,085)	(505)	(5,832)	(2,611)	(15,700)
Revaluation increments/decrements	—	—	—	—	—	(14,966)	10,463	(4,503)
Transfers from/(to) Note 8	—	—	—	—	—	—	1,750	1,750
Closing balance	11,413	311	81,079	102,611	5,647	675,848	54,552	931,461

Port Stephens Council
Notes to the Financial Statements
for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Office Equipment	11,413	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Furniture & Fittings	311	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Land & Land Improvements	81,079	Community Land - land values obtained from the NSW Valuer-General. Crown Land - land values based on the NSW Valuer-General where applicable, otherwise compared to similar properties. Any restrictions on land such as zoning, has been taken into consideration.	Land value, land area
Buildings - Specialised Other Structures	102,611 5,647	Cost approach Cost approach	Unit price Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Infrastructure	675,848	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Other Assets	54,552	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

(5) Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 25. Related party disclosures

(a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2020	2019
Compensation:		
Short-term benefits	3,893	4,146
Post-employment benefits	332	360
Termination benefits	279	-
Total	4,504	4,506

(b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Per	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
2020						
Director remuneration	1	66	-	-	-	-
Director remuneration	2	32	-	-	-	-
Payment of contributions	3	408	-	-	-	-
Legal services	4	215	-	-	-	-
Training services	5	92	-	-	-	-
Tourism services	6	10	-	-	-	-
Cleaning services	10	20	-	-	-	-
Sub lease of Council buildings	11	64	-	-	-	-
Supply of Goods	13	11	4	-	-	-

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Related party disclosures (continued)

Nature of the transaction	PA	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000	PA					
Supply of goods	13	26	-		-	-
2019						
Director remuneration	1	42	-		-	-
Director remuneration	2	9	-		-	-
Payment of contributions	3	399	-		-	-
Legal services	4	240	-		-	-
Training services	5	86	-		-	-
Tourism services	6	3	-		-	-
Rebates	7	1	-		-	-
Surveying services	8	40	-		-	-
Cleaning services	10	24	-		-	-
Sub lease of Council buildings	11	66	-		-	-
Supply of Goods	12	4	4		-	-
Supply of goods	13	-	-		-	-

- Members of Council's KMP is remunerated for the provision of board member services by Newcastle Airport Pty Ltd which Port Stephens Council has a 50% shareholding in
- Members of Council's KMP is remunerated for the provision of board member services by Greater Newcastle Aerotropolis Pty Ltd which Port Stephens Council has a 50% shareholding in.
- A member of Council's KMP is a board member of Destination Port Stephens (a non profit organisation) which receives an annual contribution from Council towards generating economic activity within the LGA. The KMP member is not remunerated by Destination Port Stephens for their Directorship
- Port Stephens Council paid for legal services from Local Government Legal (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship.
- Port Stephens Council paid for training services from Local Government Training Solutions (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Related party disclosures (continued)

- 6 Port Stephens Council paid for tourism promotion services from Screen Hunter (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship
- 7 Port Stephens Council received purchasing rebates from Strategic Services Australia Ltd which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship
- 8 Port Stephens Council purchased surveying services from the Le Mottee Group Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.
- 9 Port Stephens Council purchased training services from Noble Works Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.
- 10 Port Stephens Council purchased cleaning services from Crest Birubi Beach Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.
- 11 Crest Birubi Beach Pty Ltd (a company which has a member of Council's KMP as a director) have a sublease with Birubi Point Surf Lifesaving Club in relation to a Council owned building. The rent is based on current market rates and subject to periodic review.
- 12 Port Stephens Council paid expenses to Port Stephens Koalas in relation to a grant received on their behalf during the year. Port Stephens Koalas has 2 members of Council's KMP as a director.
- 13 Port Stephens Council purchased products from S & K Iatham Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.

(c) Other related party transactions

\$ '000	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
2020						
Shareholder dividend		2,000	-		-	-
2019						
Shareholder dividend		1,943	-		-	-

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Related party disclosures (continued)

1 Port Stephens Council is a 50% shareholder in the joint operation of Newcastle Airport Pty Ltd for which it receives an annual dividend from.

Note 26. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Note 27. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies ¹

	as at 30/06/19		Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Non-cash	Cash					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000									
Civic Administration	505	8	294	4	(317)	494	-	-	-
Town Centre Upgrades	-	-	68	-	-	68	-	-	-
Public Open Space, Parks and Reserves	-	-	243	-	-	243	-	-	-
Sports and Leisure Facilities	-	-	772	-	-	772	-	-	-
Community and Cultural Facilities	-	-	27	-	-	27	-	-	-
Road Works	-	-	145	-	-	145	-	-	-
Meadowle, Traffic and Transport	-	-	68	-	-	68	-	-	-
Shared Paths	-	-	76	-	-	76	-	-	-

Port Stephens Council
Notes to the Financial Statements
for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

\$ '000	as at 30/06/19		Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Non-cash	Cash					Held as restricted asset	Cumulative internal borrowings due/(payable)
Bus Facilities	-	-	8	-	-	-	-	8	-
Fire and Emergency	-	-	11	-	-	-	-	11	-
Flood and Drainage Works	-	-	36	-	-	-	-	36	-
Gross Boundary Contributions	-	-	3	-	-	-	-	3	-
Haulage	2,460	17	758	17	17	(802)	-	2,450	-
S7.11 contributions – under a plan	2,965	25	2,509	21	21	(1,119)	-	4,401	-
S7.12 levies – under a plan	-	-	129	-	-	-	-	129	-
Total S7.11 and S7.12 revenue under plans	2,965	25	2,638	21	21	(1,119)	-	4,530	-
Repealed funds	15,387	102	2,481	108	108	(9,575)	-	8,503	-
Fern Bay - Repealed Funds	1,500	-	-	10	10	-	-	1,510	-
Total contributions	19,852	127	5,119	139	139	(10,694)	-	14,543	-

(1). Interest is earned according to the opening balance for the year

S7.11 Contributions – under a plan

CATCHMENT DISTRICT – RAYMOND TERRACE - RURAL	
Town Centre Upgrades	17
Public Open Space, Parks and Reserves	68
Sports and Leisure Facilities	240
Road Works	58
Shared Paths	9
Bus Facilities	-
Fire and Emergency	6
	17
	68
	240
	58
	9
	-
	6

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

	as at 30/06/19		Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Non-cash	Cash					Held as restricted asset	Cumulative internal borrowings due/(payable)
Flood and Drainage Works	-	-	2	-	-	-	-	2	-
Total	-	-	400	-	-	-	-	400	-
CATCHMENT DISTRICT – CENTRAL GROWTH CORRIDOR									
Town Centre Upgrades	-	-	28	-	-	-	-	28	-
Public Open Space, Parks and Reserves	-	-	85	-	-	-	-	85	-
Sports and Leisure Facilities	-	-	264	-	-	-	-	264	-
Road Works	-	-	62	-	-	-	-	62	-
Medowia, Traffic and Transport	-	-	68	-	-	-	-	68	-
Shared Paths	-	-	6	-	-	-	-	6	-
Bus Facilities	-	-	-	-	-	-	-	-	-
Flood and Drainage Works	-	-	17	-	-	-	-	17	-
Total	-	-	530	-	-	-	-	530	-
CATCHMENT DISTRICT – TOMAREE									
Town Centre Upgrades	-	-	15	-	-	-	-	15	-
Public Open Space, Parks and Reserves	-	-	33	-	-	-	-	33	-
Sports and Leisure Facilities	-	-	80	-	-	-	-	80	-
Community and Cultural Facilities	-	-	27	-	-	-	-	27	-
Road Works	-	-	25	-	-	-	-	25	-
Shared Paths	-	-	12	-	-	-	-	12	-
Bus Facilities	-	-	-	-	-	-	-	-	-
Fire and Emergency	-	-	5	-	-	-	-	5	-
Flood and Drainage Works	-	-	17	-	-	-	-	17	-
Total	-	-	214	-	-	-	-	214	-
CATCHMENT DISTRICT – FERN BAY									
Town Centre Upgrades	-	-	8	-	-	-	-	8	-

Port Stephens Council
Notes to the Financial Statements
for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

	as at 30/06/19		Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Non-cash	Cash					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000									
Public Open Space, Parks and Reserves	-	-	57	-	-	-	-	57	-
Sports and Leisure Facilities	-	-	188	-	-	-	-	188	-
Shared Paths	-	-	49	-	-	-	-	49	-
Bus Facilities	-	-	8	-	-	-	-	8	-
Gross Boundary Contributions	-	-	3	-	-	-	-	3	-
Fern Bay - Repealed Funds	1,500	-	-	-	10	-	-	1,510	-
Total	1,500	-	313	-	10	-	-	1,823	-
CATCHMENT DISTRICT – SHIRE WIDE									
Haulage	2,460	17	758	-	17	(802)	-	2,450	-
Civic Administration	505	8	294	-	4	(317)	-	494	-
Total	2,965	25	1,052	-	21	(1,119)	-	2,944	-
S7.12 Levies – under a plan									
S7.12 LEVIES – UNDER A PLAN									
Section 7.12	-	-	129	-	-	-	-	129	-
Total	-	-	129	-	-	-	-	129	-

Port Stephens Council

Notes to the Financial Statements
for the year ended 30 June 2020

Note 28. Result by fund

Council utilises only a general fund for its operations.

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 29. Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	(2,145)	(1.76)%	2.61%	(0.08)%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	122,118				
2. Own source operating revenue ratio ³					
Total continuing operating revenue excluding all grants and contributions ¹	109,281	74.63%	76.86%	78.24%	>60.00%
Total continuing operating revenue ¹	146,436				
3. Unrestricted current ratio					
Current assets less all external restrictions	44,747				
Current liabilities less specific purpose liabilities	20,586	2.17x	1.59x	2.08x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	15,725				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	6,321	2.49x	3.71x	2.36x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage ³					
Rates, annual and extra charges outstanding	1,921	3.05%	2.95%	2.84%	<10.00%
Rates, annual and extra charges collectible	62,942				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	39,467	4.03	5.22	5.53	>3.00
Monthly payments from cash flow of operating and financing activities	9,791	mths	mths	mths	mths

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(3) Reclassification has occurred on comparative figures for this line item

Port Stephens Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 30. Council information and contact details

Principal place of business:

116 Adelaide Street
Raymond Terrace NSW 2324

Contact details

Mailing Address:

PO Box 42
Raymond Terrace NSW 2324

Telephone: 02 4988 0255

Facsimile: 02 4988 0130

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.portstephens.nsw.gov.au

Email: council@portstephens.nsw.gov.au

Officers

General Manager

Wayne Wallis

Responsible Accounting Officer

Tim Hazell

Public Officer

Tony Wickham

Auditors

The Audit Office of New South Wales
Level 19, Tower 2 Darling Park, 201 Sussex St,
Sydney NSW 2000

Elected members

Mayor

Ryan Palmer

Councillors

Cr John Nell
Cr Glen Dunkley
Cr Jaimie Abbott
Cr Chris Doohan
Cr Steve Tucker
Cr Sarah Smith
Cr Paul Le Mottee
Cr Ken Jordan
Cr Giacomo Arnott

Other information

ABN: 16 744 377 876



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Port Stephens Council

To the Councillors of Port Stephens Council

Opinion

I have audited the accompanying financial statements of Port Stephens Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information. The financial statements include the consolidated financial statements of the Council and the entities it controlled at the year's end or from time to time during the year.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.aasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 23 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Furqan Yousuf
Delegate of the Auditor-General for New South Wales

22 October 2020
SYDNEY



Cr Ryan Palmer
 Mayor
 Port Stephens Council
 PO Box 42
 RAYMOND TERRACE NSW 2324

Contact: Furqan Yousuf
 Phone no: 02 9275 7470
 Our ref: D2023028/1779

22 October 2020

Dear Cr Palmer

**Report on the Conduct of the Audit
 for the year ended 30 June 2020
 Port Stephens Council**

I have audited the general purpose financial statements (GPFS) of the Port Stephens Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020	2019	Variance
	\$m	\$m	%
Rates and annual charges revenue	59.8	57.7	↑ 3.6
Grants and contributions revenue	37.2	33.2	↑ 12.0
Operating result for the year	20.1	25.2	↓ 20.2
Net operating result before capital grants and contributions	(4.3)	3.9	↓ 210

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
 GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

Rates and annual charges revenue increased by \$2.1 million (3.6 per cent) to \$59.8 million in 2019–20. The movement is consistent with the increase in ordinary rates in line with the 2.7 per cent rate peg and the rise in the total number of rateable properties.

Grants and contributions revenue increase by \$3.9 million (12.0 per cent) to \$37.2 million in 2019-20. This was due to an increase of \$5.2 million in grant income received by Newcastle Airport Partnership and \$2.1 million increase in recreation and culture grants, offset by a decrease in developer and other contributions.

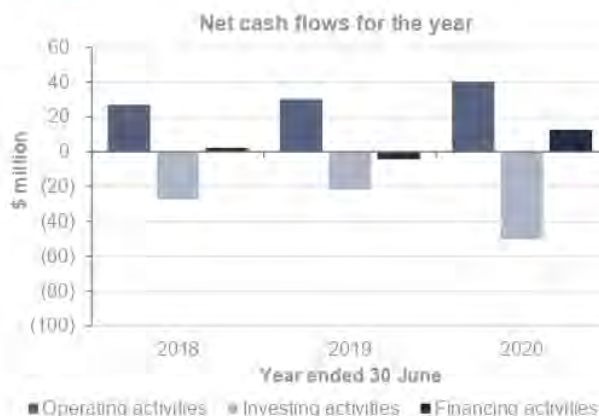
The Council's operating result for the year was a surplus of \$20.1 million, which was \$5.1 million lower than the 2018–19 operating result. The decline in operating result was mainly attributable to the following factors:

- increase in employee benefits and on-costs by \$2.3 million (4.8 per cent), mainly as a result of increase in number of full-time equivalent employees from 503 to 532 and increase in award rates and employee leave entitlement expense as a result of the increased award rates.
- increase in depreciation and amortisation expense of \$2.4 million (16.3 per cent), mainly due to additions and renewals of \$38.8 million in Council's infrastructure, property, plant and equipment assets.

The Council's net operating result before capital grants and contributions was a deficit of \$4.3 million, which was \$8.2 million lower than the 2018-19 net operating result before capital grants and contributions. The movement is mainly attributable to the decrease of \$5.1 million in the net operating result and an increase of \$3.0 million in the capital grants and contributions, as explained above.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$16.5 million (\$13.9 million for the year ended 30 June 2019). There was a net increase in cash and cash equivalents of \$2.6 million at 30 June 2020.
- Net cash inflows from operating activities increased by \$10.0 million mainly due to increased RMS charges received during the year.
- Net cash outflows from the investing activities increased by \$28.4 million mainly due to increased purchases of infrastructure, property, plant and equipment, partially offset by sale of investment securities.
- Net cash inflows from financing activities increased by \$16.9 million, mainly due to proceeds from borrowings of \$18.1 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	12.3	30.0	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have decreased by \$17.7 million primarily due to a decrease in available cash balance relating to the developer contributions. Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The increase in the internal restrictions of \$10.9 million is mainly due to the newly created internal restriction category of Repealed funds carrying a balance of \$10.0 million at 30 June 2020. Unrestricted balances provide liquidity for day-to-day operations of the Council.
Internal restrictions	31.1	20.2	
Unrestricted	-	-	
Cash and investments	43.4	50.2	

Debt

The Council has \$32.8 million of borrowings as at 30 June 2020 (2019: \$19.5 million)

The Council has an accumulated drawdown facility limit of \$36.0 million as at 30 June 2020 (2019: \$28.0 million), of which \$25.0 million pertains to the Newcastle Airport Partnership joint venture. As at 30 June 2020, \$23.8 million of the total facility remains unutilised.

PERFORMANCE

Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.

The Council's operating performance ratio of negative 1.76 per cent did not meet the OLG benchmark for the financial year 2019-20.

This is mainly due to COVID-19 leading to lower revenues from user charges and fees.



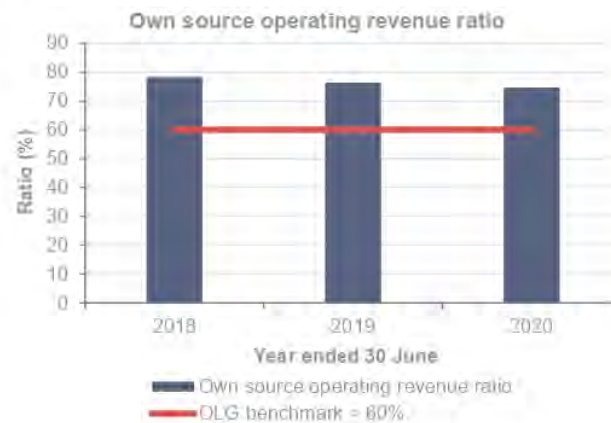
Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.

The Council's own source operating revenue ratio of 74.63 per cent is above the industry benchmark of 60 per cent. This indicates that the Council has a diversified source of income and does not have an overly strong reliance on operating grants and contributions.

The Council's own source operating revenue ratio has remained steady over the past three years.

The 2018-19 ratio was restated as a result of the application of a new Accounting Standard.



Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

The Council's liquidity ratio of 2.17 is above the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as they fall due.

The Council's unrestricted current ratio has increased from prior year mainly due to a decrease in externally restricted cash.

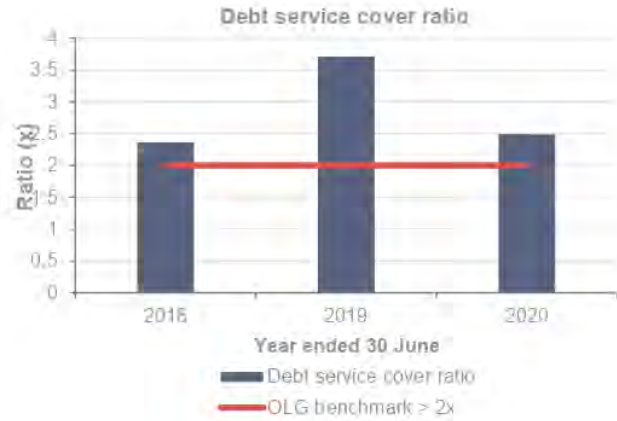


Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

The Council's debt service cover ratio of 2.49 times is above the industry benchmark of greater than 2 times.

The Council's debt service cover ratio has decreased from the prior year mainly due to the decline in net operating result in 2019-20.



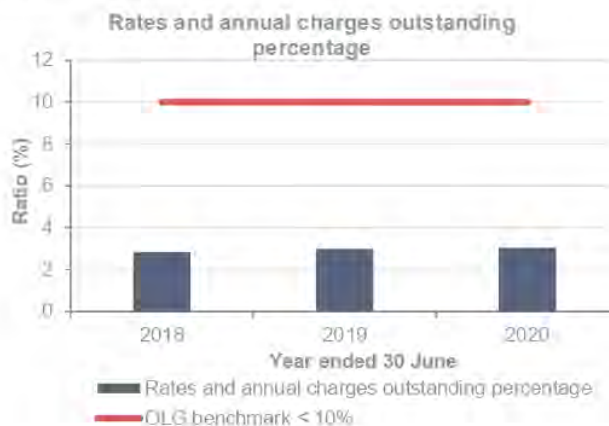
Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The Council's rates and annual charges outstanding percentage of 3.05 per cent is within the benchmark of less than 10 per cent for regional councils.

The Council's rates and annual charges outstanding percentage remained consistent over the past three years. This indicates that the collection procedures of the Council operated effectively to collect more than 90 per cent of the rates and annual charges revenue within the receivable due dates.

The 2018-19 ratio was restated as a result of the application of a new accounting standard.

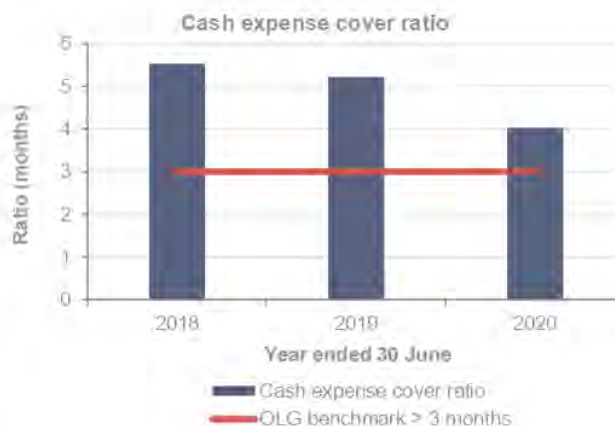


Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

The Council's cash expense cover ratio was 4.03 months, which is above the industry benchmark of greater than 3 months. This indicates that the Council had the capacity to cover 4.03 months of operating cash expenditure without additional cash inflows at 30 June 2020.

The cash expense cover ratio decreased compared with prior year due to increased cash outflows from purchases of infrastructure assets.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$24.3 million of assets in 2019-20 financial year, compared to \$17.6 million of assets in the prior year.

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council disclosed the impact of adopting the new Revenue Standards in Note 17.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council recognised right-of-use assets of \$5.3 million and corresponding lease liabilities of \$5.3 million at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 17.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.



Furqan Yousuf
Delegate of the Auditor-General for New South Wales

cc: Mr Wayne Wallis, General Manager
Mr Ben Niland, Chair of the Audit Committee
Mr Jim Belts, Secretary of the Department of Planning, Industry and Environment



Port Stephens Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

Port Stephens Council

Special Schedules

for the year ended 30 June 2020

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Port Stephens Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
Notional general income calculation ¹			
Last year notional general income yield	a	43,572	42,049
Plus or minus adjustments ²	b	334	372
Notional general income	$c = a + b$	43,906	42,421
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	$i = e \times (c + g)$	1,142	1,145
Sub-total	$k = (c + g + h + i + j)$	45,048	43,566
Plus (or minus) last year's carry forward total	l	10	15
Sub-total	$n = (l + m)$	10	15
Total permissible income	$o = k + n$	45,058	43,581
Less notional general income yield	p	45,065	43,572
Catch-up or (excess) result	$u = o - p$	(7)	10
Plus income lost due to valuation objections claimed ⁴	r	7	-
Carry forward to next year ⁵	$t = q + r + s$	-	10

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates

Port Stephens Council

To the Councillors of Port Stephens Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Port Stephens Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Furqan Yousuf
Delegate of the Auditor-General for New South Wales

22 October 2020
SYDNEY

Port Stephens Council
Report on Infrastructure Assets
as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring to the satisfactory service level or standard		2019/20 Required maintenance \$ '000	2019/20 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost								
		\$ '000	\$ '000					1	2	3	4	5				
(a) Report on Infrastructure Assets - Values																
Buildings	Buildings	1,524	1,524	2,718	2,747	102,611	189,791	19.7%	39.1%	33.6%	6.6%	1.0%				
	Sub-total	1,524	1,524	2,718	2,747	102,611	189,791	19.7%	39.1%	33.6%	6.6%	1.0%				
Other structures	Other structures	-	-	203	176	5,647	13,354	7.2%	44.5%	48.3%	0.0%	0.0%				
	Sub-total	-	-	203	176	5,647	13,354	7.2%	44.5%	48.3%	0.0%	0.0%				
Roads	Sealed roads	10,317	10,317	4,063	4,037	300,661	339,756	50.5%	30.6%	14.0%	4.3%	0.6%				
	Unsealed roads	-	-	796	799	8,905	10,054	6.4%	41.4%	42.6%	9.6%	0.0%				
	Bridges	-	-	12	14	12,917	14,941	38.5%	52.8%	0.5%	8.2%	0.0%				
	Footpaths	191	191	402	371	57,106	67,816	15.8%	23.4%	53.6%	7.1%	0.1%				
	Other road assets	491	491	2,102	1,969	69,027	79,940	18.1%	59.9%	18.6%	3.0%	0.4%				
	Sub-total	10,999	10,999	7,375	7,190	448,616	512,507	39.6%	35.1%	20.1%	4.7%	0.5%				
Stormwater drainage	Stormwater drainage	610	610	1,060	976	208,679	235,509	23.8%	72.8%	2.6%	0.7%	0.1%				
	Sub-total	610	610	1,060	976	208,679	235,509	23.8%	72.8%	2.6%	0.7%	0.1%				
Open space/recreational assets	Swimming pools	-	-	129	124	3,104	6,838	0.0%	15.0%	85.0%	0.0%	0.0%				
	Open space	320	320	3,496	3,654	21,504	32,328	11.8%	51.7%	28.5%	6.0%	2.0%				
	Sub-total	320	320	3,625	3,778	24,608	39,166	9.7%	45.3%	38.4%	5.0%	1.7%				
Other infrastructure assets	Other	380	380	271	222	7,376	13,381	15.0%	46.0%	29.0%	10.0%	0.0%				
	Sub-total	380	380	271	222	7,376	13,381	15.0%	46.0%	29.0%	10.0%	0.0%				
	TOTAL - ALL ASSETS	13,833	13,833	15,252	15,089	797,537	1,003,708	30.2%	45.4%	19.8%	4.1%	0.5%				

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

- 1 Excellent/very good No work required (normal maintenance)
- 2 Good Only minor maintenance work required

Port Stephens Council

Report on Infrastructure Assets - Values (continued)

as at 30 June 2020

- 3 Satisfactory Maintenance work required
- 4 Poor Renewal required
- 5 Very poor Urgent renewal/upgrading required

Port Stephens Council

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	16,621	157.37%	114.92%	123.14%	>=100.00%
Depreciation, amortisation and impairment	10,562				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	13,833	1.73%	1.80%	1.83%	<2.00%
Net carrying amount of infrastructure assets	797,538				
Asset maintenance ratio					
Actual asset maintenance	15,089	98.93%	99.05%	104.10%	>100.00%
Required asset maintenance	15,252				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	13,833	1.38%	1.48%	1.57%	
Gross replacement cost	1,003,708				

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance, as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Port Stephens Council Holiday Parks and Investment Property Report Financial Year 2019/2020						
		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
Holiday Parks	Fingal Bay	4,022,583	3,267,768	754,815	6%	
	Hallifax	2,559,717	2,292,381	267,336	3%	
	Shoal Bay	877,528	785,621	91,906	2%	
	Council	1,629,694	1,459,011	170,683		
		2,507,222	2,244,633	262,589		
	Thou Walla	827,503	810,789	16,714	0%	
TreEscape	81,348	432,645	(351,297)	-3%		
	Total	3,427,196	595,056	2,832,140	8% 2	
Investment Property						
	Total	3,427,196	595,056	2,832,140	8% 2	
Newcastle Airport						
	Total	19,606,293	13,733,723	5,872,571	12%	
Notes	1 Net Yield = EBITDA/Capital 2 Councils policy on the required return on capital in commercial property investments is between 7-9% 3 EBITDA used as the numerator for Return on Investment calculation in accordance with Crown Lands reporting 4 Net Yield = Net Profit/Capital					



PORT STEPHENS
COUNCIL

p 02 4988 0255
e council@portstephens.nsw.gov.au
116 Adelaide Street | PO Box 42
Raymond Terrace NSW 2324

PORTSTEPHENS.NSW.GOV.AU



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