

NOTICE OF ORDINARY MEETING

26 OCTOBER 2021



PORT STEPHENS C O U N C I L

The Mayor and Councillors attendance is respectfully requested:

Mayor: R Palmer (Chair).

Councillors: J Abbott, G Arnott, C Doohan, G Dunkley, K Jordan, P Le Mottee, J Nell, S Smith, 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, a 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 Governance Section Manager or the General Manager prior to the meeting.

Please be aware that Council webcasts its Open Council meetings via its website. All persons should refrain from making any defamatory remarks. Council accepts no liability for any defamatory remarks made during the course of the Council meeting.

For the safety and wellbeing of the public, no signs, placards or other props made from material other than paper will be permitted in the Council Chamber. No material should be larger than A3 in size.

Food and beverages are not permitted in the Council Chamber.

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BUSINESS

- 1) Opening meeting.
- 2) Prayer - We ask Almighty God to give us wisdom and courage so we can serve our community, and uphold justice and equality in Port Stephens. Amen.
- 3) Acknowledgement of Country - Today, we are meeting on Worimi Country, we acknowledge the past, we are working towards a better tomorrow.
- 4) Apologies and applications for a leave of absence by Councillors.
- 5) Confirmation of minutes Ordinary Meeting of 12 October 2021.
- 6) Disclosure of interests.
- 7) Mayoral minute(s) – if submitted
- 8) Motions to close meeting to the public – if submitted.
- 9) Reports to Council.
- 10) General Manager’s reports – if submitted.
- 11) Questions with Notice – if submitted.
- 12) Questions on Notice.
- 13) Notices of motions – if submitted.
- 14) Rescission motions – if submitted.
- 15) Confidential matters – if submitted.
- 16) Conclusion of the meeting.

PRINCIPLES FOR LOCAL GOVERNMENT

Port Stephens Council is a local authority constituted under the Local Government Act 1993. The Act includes the Principles for Local Government for all NSW Councils.

The object of the principles for councils is to provide guidance to enable councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous.

Guiding principles for Council

1. Exercise of functions generally

The following general principles apply to the exercise of functions by Council. Council should:

- (a) provide strong and effective representation, leadership, planning and decision-making.
- (b) carry out functions in a way that provides the best possible value for residents and ratepayers.
- (c) plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- (d) apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- (e) work co-operatively with other councils and the State government to achieve desired outcomes for the local community.
- (f) manage lands and other assets so that current and future local community needs can be met in an affordable way.
- (g) work with others to secure appropriate services for local community needs.
- (h) act fairly, ethically and without bias in the interests of the local community.
- (i) be responsible employers and provide a consultative and supportive working environment for staff.

2. Decision-making

The following principles apply to decision-making by Council (subject to any other applicable law). Council should:

- (a) recognise diverse local community needs and interests.
- (b) consider social justice principles.
- (c) consider the long term and cumulative effects of actions on future generations.
- (d) consider the principles of ecologically sustainable development.
- (e) Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

3. Community participation

Council should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

Principles of sound financial management

The following principles of sound financial management apply to Council. Council should:

- (a) spend responsible and sustainable, aligning general revenue and expenses.
- (b) invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Integrated planning and reporting principles that apply to Council

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by Council. Council should:

- (a) identify and prioritise key local community needs and aspirations and consider regional priorities.
- (b) identify strategic goals to meet those needs and aspirations.
- (c) develop activities, and prioritise actions, to work towards the strategic goals.
- (d) ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- (e) regularly review and evaluate progress towards achieving strategic goals.
- (f) maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- (g) collaborate with others to maximise achievement of strategic goals.
- (h) manage risks to the local community or area or to the council effectively and proactively.
- (i) make appropriate evidence-based adaptations to meet changing needs and circumstances.

PORT STEPHENS COMMUNITY STRATEGIC PLAN

The Local Government Act requires Council to adopt a Community Strategic Plan (10+ years). The Plan includes a Delivery Program (4 years), Annual Operational Plan and a Resource Strategy, it also includes the Council's budget.

The Community Strategic Plan is organised into 4 focus areas:

OUR COMMUNITY – Port Stephens is a thriving and strong community respecting diversity and heritage.

OUR PLACE – Port Stephens is a liveable place supporting local economic growth.

OUR ENVIRONMENT – Port Stephens' environment is clean and green, protected and enhanced.

OUR COUNCIL – Port Stephens Council leads, manages and delivers valued community services in a responsible way.

BUSINESS EXCELLENCE

Port Stephens Council is a quality and a customer service focused organisation. We use the Business Excellence Framework as a basis for driving organisational excellence. The Framework is an integrated leadership and management system that describes elements essential to organisational excellence. It is based on 9 principles.

These outcomes align with the following Business Excellence principles:

- 1) Clear direction and mutually agreed plans enable organisational alignment and focus on achievement of goals.
- 2) Understanding what customers and other stakeholders value, now and in the future, enables organisational direction, strategy and action.
- 3) All people work in a system. Outcomes are improved when people work on the system and its associated processes.
- 4) Engaging people's enthusiasm, resourcefulness and participation improves organisational performance.
- 5) Innovation and learning influence the agility and responsiveness of the organisation.
- 6) Effective use of facts, data and knowledge leads to improved decisions.
- 7) Variation impacts predictability, profitability and performance.
- 8) Sustainable performance is determined by an organisation's ability to deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
- 9) Leaders determine the culture and value system of the organisation through their decisions and behaviour.

MEETING PROCEDURES SUMMARY

Starting time – All meetings must commence within 30 minutes of the advertised time.

Quorum – A quorum at Port Stephens Council is 6.

Declarations of Interest

Pecuniary – Councillors who have a pecuniary interest must declare the interest, not participate in the debate and leave the meeting.

Non-Pecuniary – Councillors are required to indicate if they have a non-pecuniary interest, should a Councillor declare a significant non-pecuniary they must not participate in the debate and leave the meeting. If a Councillor declares a less than significant non-pecuniary they must state why no further action should be taken. Councillors may remain in the meeting for a less than significant non-pecuniary.

Confirm the Minutes – Councillors are able to raise any matter concerning the Minutes prior to confirmation of the Minutes.

Public Access – Each speaker has 5 minutes to address Council with no more than 2 for and 2 against the subject.

Motions and Amendments

Moving Recommendations – If a Committee recommendation is being moved, ie been to a Committee first, then the motion must be moved and seconded at Council prior to debate proceeding. A Councillor may move an alternate motion to the recommendation.

Amendments – A Councillor may move an amendment to any motion however only one amendment or motion can be before Council at any one time, if carried it becomes the motion.

Seconding Amendments – When moving an amendment, it must be seconded or it lapses.

Incorporating Amendments – If a motion has been moved and the mover and seconder agree with something which is being moved as an amendment by others, they may elect to incorporate it into their motion or amendment as the case may be.

Voting Order – When voting on a matter the order is as follows:

1. Amendment (If any)
2. Foreshadowed Amendments – (If any, and in the order they were moved)
3. Motion

NB – Where an amendment is carried, there must be another vote on the amendment becoming the motion.

Voting – an item is passed where a majority vote for the subject. If the voting is tied the Chairperson has a second (casting) vote which is used to break the deadlock.

Closed Session – There must be a motion to close a meeting. Prior to voting on the motion the chairperson will invite the gallery to make representations if they believe the meeting shouldn't be closed. Then Councillors vote on the matter. If adopted the gallery should then be cleared and the matter considered in closed session. Any decision taken in session closed is a resolution. There must be a motion to reopen the Council meeting to the public. If decision occurred in 'closed session', the meeting is advised of the resolution in 'open session'.

Procedural Motion – Is a motion necessary for the conduct of the meeting, it is voted on without debate, eg defer an item to the end of the meeting (however, to defer an item to another meeting is not a procedural motion), extend the time for a Councillor to speak etc.

Points of Order – when any of the following are occurring or have occurred a Councillor can rise on a 'Point of Order', the breach is explained to the Chairperson who rules on the matter.

A Point of Order can be raised where:

- 1) There has been any non-compliance with procedure, eg motion not seconded etc.
- 2) A Councillor commits an act of disorder:
 - a) Contravenes the Act, any Regulation in force under the Act, the Code of Conduct or this Code.
 - b) Assaults or threatens to assault another Councillor or person present at the meeting.
 - c) Moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the Council or Committee, or address or attempts to address the Council or Committee on such a motion, amendment or matter.
 - d) Insults or makes personal reflections on or imputes improper motives to any other Councillor, any staff member or alleges a breach of Council's Code of Conduct.
 - e) Says or does anything that is inconsistent with maintaining order at the meeting or is likely to bring the Council or Committee into disrepute.

Declarations of Conflict of Interest – Definitions

Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated as provided in Clause 7 of the Code of Conduct.

Non Pecuniary interests are private or personal interests the council official has that do not amount to a pecuniary interest as defined in the Code of Conduct. These commonly arise out of family or personal relationships or involvement in sporting, social or other cultural groups and associations and may include an interest of financial nature.

The matter of a report to council from the conduct review committee/reviewer relates to the public duty of a councillor or the general manager. Therefore, there is no requirement for Councillors or the General Manager to disclose a conflict of interest in such a matter.

The political views of a Councillor do not constitute a private interest.



Form of Special Disclosure of Pecuniary Interest

1. This form must be completed using block letters or typed.
2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

Important information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under clause 4.36(c) of the Model Code of Conduct for Local Councils in NSW (the Model Code of Conduct).

The special disclosure must relate only to a pecuniary interest that a councillor has in the councillor's principal place of residence, or an interest another person (whose interests are relevant under clause 4.3 of the Model Code of Conduct) has in that person's principal place of residence.

Clause 4.3 of the Model Code of Conduct states that you will have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative or because your business partner or employer has a pecuniary interest. You will also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.

"Relative" is defined by clause 4.4 of the Model Code of Conduct as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

This form must be completed by you before the commencement of the council or council committee meeting at which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. The special disclosure must be recorded in the minutes of the meeting.

ORDINARY COUNCIL - 26 OCTOBER 2021

Special disclosure of pecuniary interests by [full name of councillor]

in the matter of [insert name of environmental planning instrument]

which is to be considered at a meeting of the PORT STEPHENS COUNCIL

to be held on the _____ day of _____ 20__

Pecuniary interest	
Address of the affected principal place of residence of the councillor or an associated person, company or body (the identified land)	
Relationship of identified land to the councillor [Tick or cross one box.]	<input type="checkbox"/> The councillor has an interest in the land (eg is the owner or has another interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> An associated person of the councillor has an interest in the land. <input type="checkbox"/> An associated company or body of the councillor has an interest in the land.
Matter giving rise to pecuniary interest ¹	
Nature of the land that is subject to a change in zone/planning control by the proposed LEP (the subject land) ² [Tick or cross one box]	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control [Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]	

1 Clause 4.1 of the Model Code of Conduct provides that a pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter, or if the interest is of a kind specified in clause 4.6 of the Model Code of Conduct.

2 A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in clause 4.3 of the Model Code of Conduct has a proprietary interest.

ORDINARY COUNCIL - 26 OCTOBER 2021

Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	
Effect of proposed change of zone/planning control on councillor or associated person [Insert one of the following: "Appreciable financial gain" or "Appreciable financial loss"]	

[If more than one pecuniary interest is to be declared, reprint the above box and fill in for each additional interest.]

Mayor/Councillor's signature _____

Date _____

[This form is to be retained by the council's general manager and included in full in the minutes of the meeting]



Declaration of Interest form

Agenda item No. _____

Report title _____

Mayor/Councillor _____ declared a

Tick the relevant response:

<input type="checkbox"/>	pecuniary conflict of interest
<input type="checkbox"/>	significant non pecuniary conflict of interest
<input type="checkbox"/>	less than significant non- pecuniary conflict of interest

in this item. The nature of the interest is _____

If a Councillor declares a less than significant conflict of interest and intends to remain in the meeting, the councillor needs to provide an explanation as to why the conflict requires no further action to manage the conflict. (Attach a separate sheet if required.)

OFFICE USE ONLY: (Committee of the Whole may not be applicable at all meetings.)

Mayor/Councillor left the Council meeting in Committee of the Whole at _____pm.

Mayor/Councillor returned to the Council meeting in Committee of the Whole at _____ pm.

Mayor/Councillor left the Council meeting at _____ pm.

Mayor/Councillor returned to the Council meeting at _____ pm.

COUNCIL REPORTS

ITEM NO. 1

FILE NO: 21/243180

EDRMS NO:

**DEVELOPMENT APPLICATION DA NO. 16-2007-15-5 FOR A S4.55(2)
MODIFICATION TO AN APPROVED CARAVAN PARK AT 16 TROTTER ROAD,
BOBS FARM**

REPORT OF: KATE DRINAN - DEVELOPMENT AND COMPLIANCE SECTION
MANAGER

GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Approve Development Application 16-2007-15-5 subject to the conditions contained in **(ATTACHMENT 3)**.

BACKGROUND

The purpose of this report is to present Development Application (DA) 16-2007-15-5 for a S4.55(2) modification to an approved Caravan Park at 16 Trotter Road, Bobs Farm to Council for determination.

The modification application was previously reported to Council at its meeting of 27 July 2021, in accordance with Council's Planning Matters to be Reported to Council Policy as it has been called up by Councillor John Nell, Councillor Giacomo Arnott and Councillor Ken Jordan **(ATTACHMENT 4)**.

At its meeting of 27 July 2021, Council resolved to defer consideration of the application (Minute No.192) **(ATTACHMENT 5)**, and to request the applicant to modify the application to limit works to be within the existing approved development footprint, and that Council seek independent legal advice.

Subsequent to the Council meeting, the applicant provided amended plans that removed the proposed tennis court from the area outside of the approved development footprint, and additional landscape treatment features to soften views of the development from the neighbouring site to the west. The amended application also includes an increase to the pot size of compensatory koala feed tree plantings from 20-45 litres to 200 litres (3-4.5m tall).

As a result of the plan amendments, 2 stormwater detention basins remain wholly outside of the approved development footprint, and 6 sites remain partially outside of the approved development footprint.

The amended plans result in the retention of a single large paperbark tree (Coastal Sand Wallum Woodland), however, this is not a koala feed tree.

The amended plans were renotified and advertised for a period of 14 days, during which time an additional 3 submissions were received. A detailed assessment of the submissions is outlined within the Planners Assessment Report (**ATTACHMENT 2**).

A summary of the modification application is provided below:

Subject land:	16 Trotter Road Bobs Farm (LOT: 2 DP: 954600)
Total area:	8.09ha
Zoning:	RU2 – Rural Landscape
Permissibility:	The development relies on existing use rights
Submissions:	3 received objecting to the proposal
Key issues:	The key issues identified during assessment relate to the permissibility of the development, impacts to rural character, amenity and environmental impacts.

A locality plan is provided at (**ATTACHMENT 1**).

Proposal

The existing approved Caravan Park includes 171 sites, including 102 long term sites, 45 short term sites and 24 caravan sites and community facilities.

The modification application seeks the following changes:

- Reduction in the overall number of approved sites from 171 to 119
- Amend ratio of long term and short term sites to the following:
 - 117 long term sites (from 102)
 - 2 short term caravan sites
- Amendment to lot layout and internal road network, including increasing the footprint of the development towards the rear of the site
- Increase size of typical dwelling sites
- Demolition of existing residence
- Amended architectural design and layout of community building;
- Amendments to landscaping
- Amendments to staging of development, reducing the number of stages from 5 to 3
- Amendment to conditions to reflect the proposed modifications to the development
- Removal of 6 koala feed trees.

Site Description and History

The site currently contains two dwellings and a large dam, which was created as a result of historic sand mining activity. The site contains substantial vegetation, which

is mapped as containing preferred koala habitat and endangered ecological communities.

The adjoining development consists of rural residences to the west and east. To the south is an approved caravan park, comprising 196 long term sites, known as the Sunrise over 55s lifestyle community which is currently under construction. A wetland is located to the north and north east of the site.

The original DA was approved in 2008 for 156 sites including 81 long-term sites and 75 short-term sites. The DA has previously been modified as follows:

- DA16-2007-15-2 withdrawn prior to determination
- DA-16-2007-15-3 approved in November 2011 for the modification of staging and addition of 15 sites and car wash
- DA-16-2007-15-4 approved in April 2019 to correct an administrative error.

Key Issues

The key issues identified during assessment relate to the permissibility of the development, impacts to rural character, amenity and environmental impacts. A detailed assessment of the DA is contained within the Planners Assessment Report **(ATTACHMENT 2)**.

Permissibility

Caravan parks are no longer permitted with consent in the RU2 Rural Landscape zone. However, existing use rights apply on this site as the original development consent (approved in 2008) was granted prior to the use being prohibited under an amendment to the Port Stephens Local Environmental Plan 2013.

The development consent has not lapsed as it was physically commenced prior to the 5 year consent lapse date and within 1 year of the use being prohibited. As a result, the consent remains active and has existing use rights in accordance with the Environmental Planning and Assessment Act 1979.

Impacts to rural character and amenity

Concerns were raised in the submissions that the modification application has potential to impact the rural character of the land and cause amenity impacts to neighbouring residences, relating to visual and noise impacts.

Impacts to rural character were considered as part of the original application and subsequent modifications. The impacts have been managed through the inclusion of conditions for boundary landscape plantings and fencing to soften views of the development from adjoining properties and Trotter Road. The amended plans submitted following the 27 July Council meeting includes hedge plantings, rural style fencing and changes to site retaining on the western boundary, which adequately ensures the rural character of the area is not compromised.

Impacts to the amenity of adjoining residences were also considered as part of the original application. The closest residential dwellings are located on adjoining sites at 20 Trotter Road (80m) and 12 Trotter Road (35m). As outlined above, visual impacts to adjoining properties are mitigated through boundary landscape treatment. In addition, the proposed modifications to the DA maintain approximately the same distances from the dwellings as that already approved and therefore, any noise impacts would remain unchanged as a result of the proposal.

In conclusion, impacts to rural character and amenity as a result of the proposed modifications to the DA remain unchanged from the existing approval.

Environmental Impacts

The modification application proposes the removal of an additional 0.48ha of native vegetation, including 6 koala feed trees.

The proposed vegetation removal was assessed within a biodiversity assessment submitted by the applicant, which concluded that the proposal was unlikely to have a significant impact on any threatened flora or fauna.

The biodiversity assessment was reviewed by Council's Natural Resources Officer, who requested that additional impact assessments for threatened flora and fauna (including koalas) be provided for further assessment.

In response, the applicant provided the additional impact assessments and made design amendments to reduce the number of koala feed trees impacted by the proposal from 7 to 6. The applicant also proposed modifications to site fencing to reduce the risk of injury to koalas within the development site, and to encourage movement through to more appropriate areas to the north, which are reserved for compensatory koala feed tree plantings.

To achieve this, conditions of consent are recommended requiring the implementation of koala proof fences around the developed areas and restrictions on placing any fencing around the replanting area to the north.

Overall, Council's Natural Resources Officer concluded that the additional tree clearing proposed was acceptable subject to conditions that will require the planting of 80 compensatory preferred koala feed trees at the rear of the site. It is considered that the application complies with the requirements of the Biodiversity Conservation Act 2016 and the Port Stephens Comprehensive Koala Plan of Management.

Conclusion

As detailed in the Planners Assessment Report (**ATTACHMENT 2**), the modification application is considered to be consistent with the aims and objectives of the relevant environmental planning instruments applicable to the site.

The use is permissible and it is considered that the modification application would not cause any adverse environmental impacts or undue amenity impacts, in excess of those already approved, subject to the recommended conditions contained within **(ATTACHMENT 3)**.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2021
Thriving and Safe Place to Live	Support the amenity and identity of Port Stephens. Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

The modification application could be potentially challenged in the Land and Environment Court. Defending Council's determination could have financial implications.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	Yes		Developer Contributions are applicable under the existing consent. Should Council determine to approve the modification application, s.7.11 development contributions would remain applicable and would be levied in accordance with conditions of consent.
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The modification application is consistent with the relevant planning instruments including the Environmental Planning and Assessment Act 1979 (EP&A Act), Port Stephens Local Environmental Plan 2013 (PS LEP), Port Stephens Development Control Plan 2014 (DCP 2014), Port Stephens Comprehensive Koala Plan of Management and associated State Environmental Planning Policies. A detailed assessment against the relevant environmental planning instruments is contained within the assessment report contained at **(ATTACHMENT 2)**.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
If the DA is approved, there is a risk that the determination of the DA may be challenged by a third party in the Land and Environment Court.	Medium	Accept the recommendation.	Yes
If the DA is refused, there is a risk that the determination of the DA may be challenged by the applicant in the Land and Environment Court.	Medium	Accept the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Social and economic impacts

The proposed increase of long-term sites would provide for an increased number of residents in the locality, which will provide ongoing economic input through daily living activities.

Built environment

The built form is of a contemporary design quality, which would enhance the visual quality of the development. The application incorporates appropriate perimeter landscaping to soften views of the development from neighbouring properties and key locations.

Environmental Impacts

The environmental impacts of the development have been assessed by Councils Natural Resources Officer and found to be acceptable, subject to conditions. Specifically, conditions of consent have been recommended for 80 compensatory plantings of koala feed trees at the rear of the site and the installation of koala fencing.

In addition, the application includes appropriate stormwater quantity and quality controls in accordance with Council's Development Control Plan.

CONSULTATION

Consultation with key stakeholders has been undertaken for the purposes of the assessment of the application, including consultation with the public through the notification and advertising process.

Internal

Consultation was undertaken with Council's Natural Resources, Development Engineering, Building Surveying, Development Contributions and Environmental Health Teams. The referral comments provided by these officers were considered as part of the Planners Assessment Report (**ATTACHMENT 2**). All internal referral officers supported the DA subject to conditions of consent (**ATTACHMENT 3**).

External

External consultation was undertaken with the NSW Rural Fire Service (RFS) and the Natural Resource Access Regulator (NRAR), as the modification application requires General Terms of Approval (GTA) from these agencies. In response, RFS and NRAR made no objection to the modification application and GTA were issued.

External consultation was also undertaken with Transport for NSW, the Environment Protection Authority and Ausgrid. No objection to the modification application was made by these agencies.

The comments provided by external agencies were considered during the detailed assessment and are discussed within the Planners Assessment Report (**ATTACHMENT 2**).

Public exhibition

The modification application was advertised and notified in accordance with the requirements of the Port Stephens Council Community Participation Plan. The application was exhibited for a period of 14 days from 16 April 2021 to 30 April 2021. During that time, 3 public submissions were received.

The amended plans submitted after the 27 July 2021 Council meeting were renotified and advertised for a period of 14 days, during which time an additional 3 submissions were received.

A detailed assessment of the submissions is outlined within the Planners Assessment Report (**ATTACHMENT 2**).

OPTIONS

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

ATTACHMENTS

- 1) Locality plan. [↓](#)
- 2) Planners Assessment Report. (Provided under separate cover) [⇒](#)
- 3) Recommended Conditions of Consent. (Provided under separate cover) [⇒](#)
- 4) Call to Council form. [↓](#)
- 5) Ordinary Council Meeting Minutes - 27 July 2021. [↓](#)

COUNCILLORS ROOM

- 1) Development plans.
- 2) Unredacted submissions.

Note: Any third party reports referenced in this report can be inspected upon request.

TABLED DOCUMENTS

Nil.

ITEM 1 - ATTACHMENT 1 LOCALITY PLAN.



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Call to Council form

Development Application

DEVELOPMENT APPLICATION (DA) CALL TO COUNCIL REQUEST

We (Mayor/Councillor/s)

Name:

Name:

Name:

request that DA number:

for DA description:

located at:

be reported to Council for determination.

REASON

SIGNATURE OF APPLICANT/S

Signature

Signature

Signature

PRIVACY

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MINUTES ORDINARY COUNCIL - 27 JULY 2021

ITEM NO. 2

**FILE NO: 21/173438
EDRMS NO: 16-2007-15-5**

DEVELOPMENT APPLICATION DA NO. 16-2007-15-5 FOR A S4.55(2) MODIFICATION TO AN APPROVED CARAVAN PARK AT 16 TROTTER ROAD, BOBS FARM

REPORT OF: KATE DRINAN - DEVELOPMENT ASSESSMENT AND COMPLIANCE SECTION MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Approve Development Application DA No. 16-2007-15-5 for a S4.55(2) modification to an approved caravan park at 16 Trotter Road, Bobs Farm (LOT 2 DP 954600) subject to the conditions contained in **(ATTACHMENT 3)**.

**ORDINARY COUNCIL MEETING - 27 JULY 2021
MOTION**

192	Councillor John Nell Councillor Glen Dunkley It was resolved that Council defer Development Application DA No. 16-2007-15-5 for a S4.55(2) modification to an approved caravan park at 16 Trotter Road, Bobs Farm (LOT 2 DP 954600) to request the applicant modify the proposal to contain it within the existing approved development footprint, and that Council seek independent legal advice.
------------	--

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

Those for the Motion: Mayor Ryan Palmer, Crs Jaimie Abbott, Giacomo Arnott, Chris Doohan, Glen Dunkley, Ken Jordan, John Nell, Sarah Smith and Steve Tucker.

Those against the Motion: Nil.

The motion was carried.

BACKGROUND

The purpose of this report is to present Development Application (DA) 16-2007-15-5 for a S4.55(2) modification to an approved caravan park at 16 Trotter Road, Bobs Farm to Council for determination.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

The modification application has been reported to Council in accordance with Council's Planning Matters to be Reported to Council Policy as it has been called up by Councillor John Nell, Councillor Giacomo Arnott and Councillor Ken Jordan (**ATTACHMENT 4**).

A summary of the modification application is provided below:

Subject land:	16 Trotter Road Bobs Farm (LOT: 2 DP: 954600)
Total area:	8.09ha
Zoning:	RU2 – Rural Landscape
Permissibility:	The development relies on existing use rights
Submissions:	3 received objecting to the proposal
Key issues:	The key issues identified during assessment relate to the permissibility of the development, impacts to rural character, amenity and environmental impacts.

A locality plan is provided at (**ATTACHMENT 1**).

Proposal

The existing approved caravan park includes 171 sites, including 102 long term sites, 45 short term sites and 24 caravan sites and community facilities.

The modification application seeks the following changes:

- Reduction in the overall number of approved sites from 171 to 119
- Amend ratio of long term and short term sites to the following:
 - 117 long term sites (from 102)
 - 2 short term caravan sites (from 24)
- Amendment to lot layout and internal road network, increasing the footprint of the development towards the rear of the site
- Increase size of typical dwelling sites
- Demolition of existing residence
- Amended architectural design and layout of community building
- Amendments to landscaping
- Relocation of tennis court
- Amendments to staging of development, reducing the number of stages from 5 to 3
- Amendment to conditions to reflect the proposed modifications to the development.

Site Description and History

The site currently contains two dwellings and a large dam which was created as a result of historic sand mining activity. The site contains substantial vegetation which

MINUTES ORDINARY COUNCIL - 27 JULY 2021

is mapped as containing preferred koala habitat and endangered ecological communities.

The adjoining development consists of rural residences to the west and east. To the south is an approved caravan park, comprising 196 long term sites, known as the Sunrise over 55s lifestyle community which is currently under construction. A wetland is located to the north and north east of the site.

The original DA was approved in 2008 for 156 sites including 81 long term sites and 75 short term sites. The DA has previously been modified as follows:

- DA16-2007-15-2 withdrawn prior to determination
- DA-16-2007-15-3 approved in November 2011 for the modification of staging and addition of 15 sites and car wash
- DA-16-2007-15-4 approved in April 2019 to correct an administrative error.

Key Issues

The key issues identified during assessment relate to the permissibility of the development, impacts to rural character, amenity and environmental impacts. A detailed assessment of the DA is contained within the Planners Assessment Report (**ATTACHMENT 2**).

Permissibility

Caravan parks are no longer permitted with consent in the RU2 Rural Landscape zone. However, existing use rights apply on this site as the original development consent (approved in 2008) was granted prior to the use being prohibited under an amendment to the Port Stephens Local Environmental Plan 2013.

The development consent has not lapsed as it was physically commenced prior to the 5 year consent lapse date and within 1 year of the use being prohibited. As a result, the consent remains active and has existing use rights in accordance with the Environmental Planning and Assessment Act 1979.

Impacts to rural character and amenity

Concerns were raised in the submissions that the modification application has potential to impact the rural character of the land and cause amenity impacts to neighbouring residences, relating to visual and noise impacts.

Impacts to rural character were considered as part of the original application and subsequent modifications. The impacts have been managed through the inclusion of conditions for boundary landscape plantings and fencing to soften views of the development from adjoining properties and Trotter Road. The modification application proposal retains existing conditions which requires a combination of screen hedging and tree plantings to be utilised on boundaries.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

Impacts to the amenity of adjoining residences were also considered as part of the original application. The closest residential dwellings are located on adjoining sites at 20 Trotter Road (80m) and 12 Trotter Road (35m). As outlined above, visual impacts to adjoining properties are mitigated through boundary landscape plantings. In addition, the proposed modifications to the DA maintain approximately the same distances from the dwellings as that already approved and therefore any noise impacts would remain unchanged as a result of the proposal.

In conclusion, impacts to rural character and amenity as a result of the proposed modifications to the DA remain unchanged from the existing approval.

Environmental Impacts

The modification application proposes the removal of an additional 0.48ha of native vegetation, including 6 preferred koala feed trees.

The modification application was supported by a biodiversity assessment which concluded that the proposal was unlikely to have a significant impact on any threatened flora or fauna.

The biodiversity assessment was reviewed by Council's Natural Resources Officer and Council staff requested that additional impact assessments for threatened flora and fauna (including koalas) be provided for further assessment.

In response, the applicant provided the additional impact assessments and made design amendments to reduce the number of koala feed trees impacted by the proposal. The applicant also proposed modification to site fencing to reduce the risk of injury to koalas within the development site and encourage movement through to more appropriate areas to the north which are reserved for compensatory koala feed tree plantings.

To achieve this, conditions of consent are recommended requiring the implementation of koala proof fences around the developed areas and restrictions on placing any fencing around the replanting area to the north.

Overall, Council's Natural Resources Officer concluded that the additional tree clearing proposed was acceptable subject to conditions that will require the planting of 80 compensatory preferred koala feed trees at the rear of the site. It is considered that the application complies with the requirements of the Biodiversity Conservation Act 2016 and the Port Stephens Comprehensive Koala Plan of Management.

Conclusion

As detailed in the Planners Assessment Report (**ATTACHMENT 2**), the modification application is considered to be consistent with the aims and objectives of the relevant environmental planning instruments applicable to the site.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

The use is permissible and it is considered that the modification application would not cause any adverse environmental impacts or undue amenity impacts, in excess of those already approved, subject to the recommended conditions contained within **(ATTACHMENT 3)**.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2021
Thriving and Safe Place to Live	Support the amenity and identity of Port Stephens. Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

The modification application could be potentially challenged in the Land and Environment Court. Defending Council's determination could have financial implications.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	Yes		Developer Contributions are applicable under the existing consent. Should Council determine to approve the modification application, s.7.11 development contributions would remain applicable and would be levied in accordance with conditions of consent.
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The modification application is consistent with the relevant planning instruments including the Environmental Planning and Assessment Act 1979 (EP&A Act), Port Stephens Local Environmental Plan 2013 (PS LEP), Port Stephens Development Control Plan 2014 (DCP 2014), Port Stephens Comprehensive Koala Plan of Management and associated State Environmental Planning Policies. A detailed assessment against these environmental planning instruments is contained within the assessment report contained at **(ATTACHMENT 2)**.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
If the DA is approved, there is a risk that the determination of the DA may be challenged by a third party in the Land and Environment Court.	Medium	Accept the recommendation.	Yes
If the DA is refused, there is a risk that the determination of the DA may be challenged by the applicant in the Land and Environment Court.	Medium	Accept the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Social and economic impacts

The proposed increase of long term sites would provide for an increased number of residents in the locality which will provide ongoing economic input through daily living activities.

Built environment

The modified community building is of a contemporary design quality which, whilst not visible from any public areas, would enhance the visual quality of the development.

The modification application incorporates appropriate perimeter landscaping to soften views of the development from key locations.

Environmental Impacts

The environmental impacts of the development have been assessed by Councils Natural Resources Officer and found to be acceptable, subject to conditions. Specifically, conditions of consent have been recommended for 80 compensatory plantings of koala feed trees at the rear of the site and koala fencing.

In addition, the application includes appropriate stormwater quantity and quality controls in accordance with Council's Development Control Plan.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

CONSULTATION

Consultation with key stakeholders has been undertaken for the purposes of the assessment of the application, including consultation with the public through the notification and advertising process.

Internal

Consultation was undertaken with Council's Natural Resources, Development Engineering, Building Surveying, Development Contributions and Environmental Health Teams. The referral comments provided by these officers were considered as part of the Planners Assessment Report (**ATTACHMENT 2**). All internal referral officers supported the DA subject to conditions of consent (**ATTACHMENT 3**).

External

External consultation was undertaken with the NSW Rural Fire Service (RFS) and the Natural Resource Access Regulator (NRAR), as the modification application requires General Terms of Approval (GTA) from these agencies. In response, RFS and NRAR made no objection to the modification application and GTA were issued.

External consultation was also undertaken with Transport for NSW, the Environment Protection Authority and Ausgrid. No objection to the modification application was made by these agencies.

The comments provided by external agencies were considered during the detailed assessment and are discussed within the Planners Assessment Report (**ATTACHMENT 2**).

Public exhibition

The modification application was advertised and notified in accordance with the requirements of the Port Stephens Council Community Participation Plan. The application was exhibited for a period of 14 days from 16 April 2021 to 30 April 2021. During that time, 3 public submissions were received.

A detailed assessment of the submissions is outlined within the Planners Assessment Report (**ATTACHMENT 2**).

OPTIONS

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

ATTACHMENTS

- 1) Locality Plan.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

- 2) Planners Assessment Report. (Provided under separate cover)
- 3) Recommended Conditions of Consent. (Provided under separate cover)
- 4) Call to Council form.

COUNCILLORS ROOM

- 1) Development Plans. (Provided to Councillors separately due to privacy and copyright legislation)
- 2) Unredacted submissions.

Note: Any third party reports referenced in this report can be inspected upon request.

TABLED DOCUMENTS

Nil.

ITEM 1 - ATTACHMENT 5 ORDINARY COUNCIL MEETING MINUTES - 27 JULY 2021.

MINUTES ORDINARY COUNCIL - 27 JULY 2021

ITEM 2 - ATTACHMENT 1 LOCALITY PLAN.





Call to Council form

Development Application

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DEVELOPMENT APPLICATION (DA) CALL TO COUNCIL REQUEST

We (Mayor/Councillor/s)

Name:	John Nell
Name:	Ken Jordan
Name:	Giacomo Arnott
request that DA number:	
for DA description:	16-2007-15-1
located at:	18 Trotter Road Bobs Farm

be reported to Council for determination.

REASON

Public Interest

SIGNATURE OF APPLICANT/S

Signature: [Redacted]

Signature: [Redacted]

Signature: [Redacted]

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ITEM NO. 2

**FILE NO: 21/255592
EDRMS NO: 58-2020-1-1**

HOUSEKEEPING AMENDMENT TO THE PORT STEPHENS LOCAL ENVIRONMENTAL PLAN

REPORT OF: JANELLE GARDNER - STRATEGY & ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the amendments to the planning proposal (**ATTACHMENT 1**) for a housekeeping amendment to the Port Stephens Local Environmental Plan 2013.
- 2) Receive and note the submissions received during the public exhibition of the planning proposal (**ATTACHMENT 2**).
- 3) Authorise the exercise of delegations to make the amendment to the Port Stephens Local Environmental Plan 2013 under section 3.36 of the Environmental Planning and Assessment Act 1979 (NSW).

BACKGROUND

The purpose of this report is to advise Council of the outcome of the exhibition of the planning proposal for a housekeeping amendment to the Port Stephens Local Environmental Plan 2013 (**ATTACHMENT 1**) and note the submissions received (**ATTACHMENT 2**). The report seeks authorisation to exercise delegations to make the amendment to the Port Stephens Local Environmental Plan 2013 (LEP).

The objective of the planning proposal is to align the LEP with Council's principal land use strategies, the Local Strategic Planning Statement (LSPS) and Live Port Stephens and to correct errors and make minor changes throughout the LEP.

The planning proposal makes the following amendments:

- Item 1 – update the aims of the LEP to reflect the LSPS
- Item 2 – correct an error to enable exceptions to minimum lot sizes for attached dwellings
- Item 3 – correct drafting errors, including to ensure dwelling entitlements are retained for allotments that have been the subject of a boundary adjustment under the LEP
- Item 4 – remove redundant provisions relating to the conversion of serviced apartments
- Item 5 – remove redundant provisions relating to development at Boundary Road, Meadowie

- Item 6 – remove redundant provisions relating to development at Medowie Road, Medowie
- Item 7 – clarify that environmental protection works are permitted with consent in the neighbourhood centre zone
- Item 8 – clarify that flood mitigation works are permitted without consent in the public recreation zone
- Item 9 – align the land use prohibitions in the commercial core zone with all other commercial zones by prohibiting single dwelling houses
- Item 10 – clarify that caravan parks are prohibited in residential and business zones to implement an action in Live Port Stephens
- Item 11 – permit child care centres with consent in the rural landscape zone to implement an action in Live Port Stephens
- Item 12 – allow temporary events on Council managed land, schools and places of public worship as exempt development to implement an action in Live Port Stephens
- Item 13 – allow signage on sports fields as exempt development to implement an action in the Port Stephens Recreation Strategy.

Councillors were briefed at a Two Way Conversation on the content of the proposed housekeeping amendment on Tuesday 24 November 2020. The proposal was forwarded to the NSW Department of Planning, Industry and Environment (DPIE) under staff delegation due to its consistency with the LSPS. On 16 August 2021, DPIE issued a Gateway determination for the amendment.

The planning proposal was placed on exhibition for a period of 14 days, consistent with the Gateway determination.

There are proposed amendments to the planning proposal following public exhibition. In relation to item 3 of the planning proposal, it is proposed to make additional amendments to clause 4.2B of the LEP to correct drafting errors identified in consultation with DPIE and as outlined in the planning proposal. In relation to item 13 of the planning proposal, the planning proposal has been amended in response to a submission to defer commencement of this change until Council's Sports Facility Signage Policy and Guidelines have been exhibited and adopted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Thriving and Safe Place to Live	Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONSHunter Regional Plan 2036

The planning proposal is consistent with the aims of the Hunter Regional Plan 2036 (HRP), including encouraging initiatives that revitalise centres, improve housing choice, and make better use of existing infrastructure. The planning proposal gives effect to the following directions of the HRP:

- Direction 6 – Grow the economy of MidCoast and Port Stephens
- Direction 8 – Promote innovative small business and growth in the service sectors
- Direction 13 – Plan for greater land use compatibility
- Direction 17 – Create healthy built environments through good design
- Direction 20 – Revitalise existing communities
- Direction 22 – Promote housing diversity
- Direction 24 – Protect the economic functions of employment land
- Direction 26 – Deliver Infrastructure to support growth and communities.

Greater Newcastle Metropolitan Plan 2036

The planning proposal will give effect to the vision of the Greater Newcastle Metropolitan Plan 2036 (GNMP) for Australia's newest and emerging economic and lifestyle city offering great lifestyles minutes from bushland and the airport. The planning proposal will give effect to the following strategies of the GNMP:

- Strategy 6 – Promote tourism, major events and sporting teams on the national and international stage
- Strategy 9 – Plan for jobs closer to homes in the metro frame
- Strategy 16 – Priorities the delivery of infill housing opportunities within existing urban areas.

Port Stephens Local Strategic Planning Statement (LSPS)

The LSPS identifies the 20-year vision for land use in Port Stephens and sets out social, economic and environmental planning priorities for the future.

The planning proposal will give effect to the following planning priorities of the LSPS:

- Planning Priority 1 – Support the growth of strategic centres and major employment areas
- Planning Priority 3 – Support tourism development and attract events
- Planning Priority 5 – Increase diversity of housing choice.

The planning proposal will give effect to the following actions of the LSPS:

- Action 10.2 – Support the activation of public spaces, including events, public art, small business opportunities, markets and other temporary uses.

Item 1, which amends the aims of the plan, will also give effect to the LSPS because on the adoption of the LSPS, the previous land use strategy (Port Stephens Planning Strategy) was repealed, and is currently referred to in the aims of the plan.

Port Stephens Local Housing Strategy (Live Port Stephens)

The planning proposal will give effect to the following priorities of Live Port Stephens:

- Priority 1.2 – Remove barriers to unlock housing supply
- Priority 1.3 – Increase the proportion of infill housing
- Priority 2.2 – Provide more affordable housing near jobs
- Priority 3.1 – Facilitate new housing within existing urban areas
- Priority 3.2 – Encourage a range of housing types and sizes.

The planning proposal will give effect to the following actions of Live Port Stephens:

- Action 5 – Consider recommendations in the Infill Housing Study to facilitate infill housing in centres, including considering incentives to encourage selected types of infill
- Action 15 – Consider the recommendations of the Infill Housing Study and create opportunities for Council to encourage a greater diversity of infill housing around local centres
- Action 18 – Review local provisions to better plan for lifestyle villages and provide controls to ensure high quality design outcomes and liveable communities are created
- Action 23 – Review access to essential services in rural areas, such as child care centres.

Port Stephens Recreation Strategy

The planning proposal will give effect to Objective 7 of the Recreation Strategy to achieve well managed and maintained recreation facilities through a coordinated and planned approach. Upon its commencement, the proposed amendment will facilitate sports sponsorship and utilisation of external funding sources to manage and upgrade community recreation facilities (Direction 7.3).

Environmental Planning and Assessment Act 1979 (NSW) (EP&A Act)

Part 3 of the EP&A Act provides the framework for amending a local environmental plan. DPIE issued a Gateway determination under section 3.34 of the EP&A Act specifying that the planning proposal should proceed to exhibition, subject to conditions and consultation requirements. Council is authorised to act as the local plan making authority to make the plan by the Gateway determination. Should Council adopt the recommendations, arrangements will be made for the drafting of the amendment to the LEP to give effect to the planning proposal.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the LEP will contain administrative errors and redundant provisions if the amendment is not made.	Medium	Adopt the recommendations.	Yes
There is a risk that priorities in Council's adopted strategies will not be achieved if the amendment is not made.	Medium	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The planning proposal contains amendments that will have positive social, economic and environmental implications. The housekeeping items of the amendment will address errors and uncertainty and remove minor anomalies in the LEP. The items that will align the LEP with the LSPS, Live Port Stephens and other Council strategies will promote liveability and improve quality of life by providing housing with convenient access to essential services such as childcare, increase opportunities to activate public spaces, and will enable Council to better plan for diverse housing stock in appropriate locations.

CONSULTATION

Internal

Consultation with internal stakeholders has been undertaken to inform the planning proposal, including with the relevant sections in the Development Services Group and Facilities and Services Group.

External

In accordance with the Gateway determination, the planning proposal was exhibited for 14 days from 26 August 2021 to 9 September 2021. 2 submissions were received, including 1 in support. A summary of submissions is at **(ATTACHMENT 2)**.

The planning proposal has been amended following exhibition to respond to 1 of the submissions by deferring the commencement of 1 of the amendments. It is noted that this and the other amendments made to the planning proposal following exhibition do not require re-exhibition. In particular as the amendments to correct additional drafting errors are likely to meet the requirements of expedited amendments made under section 3.22 of the EP&A Act.

OPTIONS

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

ATTACHMENTS

- 1) Housekeeping Planning Proposal. (Provided under separate cover) ⇨
- 2) Submission Table. [↓](#)

COUNCILLORS ROOM

- 1) Submissions.

TABLED DOCUMENTS

Nil.

ITEM 2 - ATTACHMENT 2 SUBMISSION TABLE.

Housekeeping Amendment to the Port Stephens LEP 2013 submissions

No.	Author of submission	Comment	Council response
1	Resident	The submission expresses support for the proposed amendment to the Port Stephens Local Environmental Plan 2013 (LEP), in particular amendment to Clause 4.2B.	Council notes the positive submission.
2	Tomaree Ratepayers and Residents Association Inc. (TRRA)	The submission notes that several of the proposed amendments in the planning proposal were not listed in the summary of changes on the website, and that this has since been rectified.	Noted.
		The submission states that it is disappointing that the material on exhibition does not include a 'tracked changes' version of the LEP clearly showing all the proposed changes.	The planning proposal has been prepared in accordance with NSW Department of Planning, Industry & Environment guides which require a prose description of the intended effect of a proposed amendment. To avoid errors and the exhibition of misleading documents during exhibition, councils are directed by the State not to prepare or mark up clauses of a local environmental plan as these will be prepared by the lawyers who are drafting experts at the NSW Parliamentary Counsel's Office before a plan amendment is finalised.
		<p>In relation to item 1 of the planning proposal, the submission asserts that there is no explanation given for the omission of Aim (i) and (j) of the LEP.</p> <p>The submission states that these two aims were crucial foundations for Council's application of the LEP to support maximum transparency and accountability and to underpin Council's approach to long term issues such as its response to climate change.</p>	<p>Current Aim (i) is: (i) to continue to implement the legislative framework that supports openness, transparency and accountability of assessment and decision making,</p> <p>This Aim may be deleted as all councils are required to implement the legislative framework. The Aim duplicates Council's existing obligations and functions under the</p>

ITEM 2 - ATTACHMENT 2 SUBMISSION TABLE.

		<p>The submissions state that Council should re-instate these two aims.</p>	<p>planning legislation and has no additional weight.</p> <p>Current Aim (j) is: (j) to achieve intergenerational equity by managing the integration of environmental, social and economic goals in a sustainable and accountable manner.</p> <p>This Aim duplicates the object of the Environmental Planning and Assessment Act 1979 (NSW) that requires Council to facilitate ecologically sustainable development when making decisions, including decision making under the Port Stephens Local Environmental Plan 2013 which is an instrument of that Act. 'Ecologically sustainable development' is defined in the planning legislation with reference to the Protection of the Environment Administration Act 1991 (NSW) which defines the term as including the principle of inter-generational equity and the integration of environmental, social and economic considerations. The Aim duplicates Council's existing obligations and functions under the planning legislation and has no additional weight.</p> <p>In accordance with LEP Practice Note PN 11-001 'Preparing LEPs using the Standard Instrument: standard clauses', LEP aims should not duplicate objects and obligations under the Environmental Planning and Assessment Act 1979 (NSW).</p>
		<p>In relation to item 4 of the planning proposal, the submission seeks clarification that compliance with State Environmental Planning Policy 65 - Design Quality of Residential Apartment Development, will ensure that the minimum parking standards</p>	<p>The planning framework for residential flat buildings aligns with the standards specified in existing clause 7.13.</p>

ITEM 2 - ATTACHMENT 2 SUBMISSION TABLE.

		<p>currently set out in Clause 7.13(3) remained in effect.</p>	
		<p>In relation to item 10 of the planning proposal, the submission states that it is strongly supportive of this amendment.</p>	<p>Noted.</p>
		<p>In relation to item 11 of the planning proposal, the submission states that while TRRA supports the objective of the amendment there is a concern that this amendment will be 'abused' by large scale commercial care providers seeking to build significant 'urban' scale facilities on rural landscape land on the fringe of existing urban areas as a low-cost alternative to more appropriate sites within the existing urban footprint.</p> <p>The submission states that in the East and Central wards there has been too many inappropriate developments, including manufactured home estates and small industrial buildings on rural land.</p> <p>The submission added that TRAA have no confidence that when assessing DAs for rural land that Council will respect one of the objectives of RU2 zones 'to maintain the rural landscape character of the land'.</p>	<p>The amendment will enable 'centre-based childcare facilities' and 'respite day care centres' to be permitted with consent in the RU2 Rural Landscape zone.</p> <p>The amendment will not enable manufactured home estates or industrial development in this zone. These uses are prohibited in the zone.</p> <p>The amendments will respond to the community liveability survey carried out in 2020 which identified that some rural areas, including on the rural fringe, lacked access to essential services such as child care. Providing access to essential services is an important influence on quality of life. Access to services, such as day respite care and child care, is one of the key measures common to most liveability indexes and contributes to individual health and wellbeing and community cohesion.</p>

ITEM 2 - ATTACHMENT 2 SUBMISSION TABLE.

		<p>In relation to item 13 of the planning proposal, the submission asserts that this change is more than an administrative change.</p> <p>The submission states that it is premature to make this change to the LEP before the Sports Facility Signage Policy and Guidelines have been adopted by Council.</p> <p>The submission references similar provisions in the Lake Macquarie Local Environmental Plan 2014 and states that the conditions applying to signage should be in the LEP itself rather than in Policy and Guidelines which would be less binding and enforceable, and more easily changed.</p> <p>The submission adds that TRRA would support a provision similar to that in the Lake Macquarie LEP, after further public debate about the detail.</p>	<p>The item is administrative because it will remove the duplication of process under Council's Sports Facility Signage Policy and Guidelines.</p> <p>The planning proposal has been amended to include deferred commencement of this clause so that Council's Sports Facility Signage Policy and Guidelines can be exhibited and adopted prior.</p>
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ITEM NO. 3

**FILE NO: 21/248118
EDRMS NO: PSC2021-00560**

KARUAH PLACE PLAN

REPORT OF: JANELLE GARDNER - STRATEGY & ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the draft Karuah Place Plan (**ATTACHMENT 1**) for exhibition for a period of 28 days.

BACKGROUND

The purpose of this report is to seek Council's endorsement to exhibit the draft Karuah Place Plan (**ATTACHMENT 1**) for a period of 28 days.

Place plans are a new way of planning for the growth of the unique towns and villages across Port Stephens. Place plans provide a local filter on the Port Stephens Local Strategic Planning Statement and other strategic documents and create actions that improve the liveability and wellbeing of our communities.

Actions in Place Plans create alignment in the way we plan for future land use, invest in infrastructure, attract investment and bring life to our streets. Place Plans recognise the importance of our public spaces in creating great places to live, work and visit.

Place plans are being developed for those places that are seeing growth, or where existing local area strategies need updating to respond to new housing or population data, growth opportunities or planning proposals. Place Plans will include extensive consultation with the local community. They will respond to the values and aspirations of the community, enable partnerships between residents, council and business and guide a collaborative approach to the delivery of great place outcomes.

Karuah is a peaceful village home to 1,411 residents including 378 families (Remplan September 2021). Karuah is moving forward with the town emerging as an attractive place for those looking for an affordable lifestyle destination with an easy commute to the key employment areas of Williamtown, Raymond Terrace and Newcastle. This increasing demand has created upward pressure on land and house prices and new opportunities for growth need to be investigated.

The Karuah Growth Strategy (KGS) was adopted in 2011. Since this time, the majority of the sites identified for urban growth have been developed. At the same

time, in response to growing demand for regional housing, proponents have sought to lodge planning proposals to rezone new land for housing in Karuah. These applications however, have been inconsistent with the KGS. The Karuah Place Plan will update the KGS and identify appropriate locations to cater for new housing and jobs.

The Karuah Place Plan will also recognize the values and priorities of Karuah community. The plan will aim to strengthen those values that are performing well and promote opportunities for those that require improvement. During the Karuah Liveability Survey, the community rated the following as the most important elements of their place:

1. General condition of public open space
2. Elements of natural environment
3. Sense of neighbourhood safety
4. Local businesses that provide for daily needs
5. Locally owned and operated businesses.

The Karuah Place Plan will reinforce these values by limiting new development to cleared land or where there is only low quality vegetation. The plan will recognize the importance of the timber and oyster industries, include mechanisms to protect and diversify existing businesses and identifying opportunities for improving safety, such as improved pathways and connectivity.

The place plan outlines a range of specific works that have been programmed for Karuah such as new BBQ facilities in Longworth Park, a new playground in Aliceton Reserve and pavement upgrade of Mustons Road. The plan also includes a number of projects that can be undertaken by other parts of community to contribute to improving liveability including:

- New shared pathways connecting the town centre to new growth areas
- Spaces for public art and murals
- Improving the connection between the town centre and Longworth Park
- Upgrading the existing mangrove boardwalk and connecting it back to Longworth Park
- Identifying future employment land to the west of town.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Thriving and Safe Place to Live	Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

Actions identified within the Karuah Place Plan will be funded via a combination of sources including existing budgets, grant funds, sponsorships and partnerships in line with existing work programs.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Hunter Regional Plan 2036 (HRP)

The Karuah Place Plan is consistent with the Hunter Regional Plan 2036 (HRP), including directions to plan for compact settlements, housing diversity and creating liveable communities.

Community Strategic Plan

The Community Strategic Plan 2018-2028 is a critical document for Council as it sets out the priorities of the community for our region to 2028 and beyond. These values have been used as a basis for the Karuah Place Plan, which identifies specific works and actions to provide a setting for people to live and work in their place.

Local Strategic Planning Statement 2020 (LSPS)

The LSPS sets out the vision for land use in Port Stephens over the next 20 years. It identifies the special character and values of our area that we should preserve and how change will be managed.

A place planning approach is consistent with the following actions in the Port Stephens Local Strategic Planning Statement:

- Action 1.3 Complete the strategic planning framework for strategic and local centres including infrastructure plans and funding strategies.
- Action 10.2 Support the activation of public spaces, including events, public art, small business opportunities, markets and other temporary uses.

Local Housing Strategy - Live Port Stephens (2020)

Live Port Stephens encourages more housing in key locations that are well connected to employment, education, open spaces, transport and services.

Live Port Stephens contains criteria for new urban housing areas to determine the site's suitability for residential development.

The Karuah Place Plan is consistent with the outcomes and priorities adopted in Live Port Stephens.

Karuah Growth Strategy (2011)

The KGS was adopted by Council in 2011 to guide future town growth. The KGS was central to identifying how Karuah could adapt following the completion of the highway bypass in 2004. The KGS established a land use plan to identify appropriate locations for new housing while considering economic and social development, environmental management and local infrastructure needs.

Since the adoption of the KGS, council has rezoned Stage One Urban Release Areas and part of Stage Two Urban Release Areas. Only limited land remains unzoned in the Stage Two Urban Release Area, with limited ability to cater for housing growth in the future of Karuah.

Two recent planning proposals were submitted to the Department of Planning, Industry and Environment for Gateway assessment, to rezone land for housing which extended beyond that identified in the KGS. Gateway determinations for the planning proposals were received on 6 April 2020 (**ATTACHMENT 2**) and required the planning proposals to either be resubmitted to be consistent with the KGS or informed by an updated strategic planning framework, which included the following:

- An assessment of supply and demand for residential development within the housing market catchment
- Details of current infrastructure capacity, upgrades required and funding mechanisms
- Prioritisation and staging of release areas
- Biodiversity constraints including regional and subregional corridors.

The Karuah Place Plan has been prepared to support the KGS by identifying locations for housing, employment and public infrastructure, which extend beyond those already identified. It is supported by a Residential Land Needs Assessment (**ATTACHMENT 3**) which outlined that in order to meet demand for housing in Karuah over the next 15 years, land for 340 lots (or 27 hectares at 12.5 dwellings per hectare) needs to be rezoned, in addition to existing zoned, but undeveloped land. This approach was peer reviewed by third party planning consultants (**ATTACHMENT 4**), whose comments and recommendations were considered in the preparation of the Place Plan.

Using this data and taking into account the current market conditions, a short to medium term high growth scenario for Karuah has been assumed for the Karuah Place Plan. Two stages of urban release areas have been identified to accommodate this growth, as well as a future investigation area.

Stage one identifies land that has the necessary infrastructure to be rezoned now. This includes servicing by Hunter Water, which has been scheduled for implementation following planned local facility upgrades.

Stage two and the future investigation area identify opportunities for medium to long term development. To move forward with these stages, developers will need to work closely with the relevant authorities to manage critical infrastructure such as sewerage and water, which is not currently available to service this land.

Port Stephens Local Environmental Plan 2013 (LEP)

Amendments to the LEP may result from the updated land use plan. Planning proposals will be assessed for consistency with the Karuah Place Plan (and other Council plans and policies).

Port Stephens Development Control Plan 2014

Amendments to DCP Chapter D2: Karuah will be required as a result of identifying additional development areas in Karuah. In particular, linkages between adjoin development areas, interface treatments for adjoining environmental land or faunal movement corridors, opportunities for housing diversity and footpaths to new developments should be addressed. The Karuah Place Plan includes an action to amend DCP Chapter D2: Karuah.

Local Infrastructure Contributions Plan 2020 (LIC)

The Karuah Place Plan includes an action to review the LIC to ensure that local infrastructure in Karuah reflects the anticipated growth of the town.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the place plan does not identify sufficient land to cater for demand for residential land over the next 15 years	Low	Adopt the recommendation. The Karuah Place plan identifies stage one urban release areas that will provide residential land for the next 15 years, and stage two and future investigation area that will provide for additional land should growth in Karuah exceed the expected rate.	
There is a risk that land is rezoned that cannot be adequately serviced by Hunter Water	High	Adopt the recommendation. The Karuah Place Plan requires planning proposals to include evidence of an agreement with Hunter Water Corporation confirming that land can be adequately serviced.	

<p>The Karuah Place Plan does not meet the community expectations</p>	<p>Low</p>	<p>Adopt the recommendation. The Port Stephens Liveability Index has been used to create the foundations of the Place Plan and the actions have been created to respond to this data.</p> <p>The Place Plan's effectiveness in addressing these values will be monitored when Placescore data is collected through future liveability census surveys.</p>	
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SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Environment

The community of Karuah place a high value on the local environment with the river, wetlands and native bushland being key attractors to the town. The natural environment provides important habitat for native wildlife and is home to a diverse range of flora and fauna. Karuah's wetlands and bushland play an important role in keeping waterways healthy by absorbing excess nutrients, slowing over land flows, and reducing sediment, pollution and erosion. Preserving the natural environment is key to ensuring the long-term productivity of Karuah's waterways and river.

Actions in the Karuah Place Plan celebrate the connection of the community with the natural environment by improving access to the foreshore and identifying land for conservation.

When planning for future land use, protection of these valuable habitats is an important consideration, in particularly, as development in a place intensifies, consideration needs to be given to the function and importance of natural areas including the way in which native animals access food sources, breeding sites and water.

In Karuah, two important biodiversity corridors have been identified:

- The North-South Corridor has been identified as part of the Watagans to Stockton green corridor and recognised as a high priority regional conservation area within the Lower Hunter Regional Strategy and the Lower Hunter Regional Conservation Plan. The North-South Corridor is also identified in the Port Stephens Biodiversity corridor mapping as a location where improvements to connectivity are required.
- The proposed East-West Corridor will provide connectivity to allow the movement of native animals away from proposed housing developments. The Karuah Place

Plan does not define this corridor, but provides a guide as to where a corridor could be located. As part of any development, an ecological assessment would need to be undertaken to determine the best location, size and scale for these biodiversity corridors along with detailing how these corridors will support the protection and enhancement of valuable environment that makes Karuah so unique.

Biodiversity corridors are not designed to restrict development but to enhance the liveability of the place, protect local habitat and increase the wellbeing of those that live, work and visit the place.

As part of any new development in Karuah, applicants must show how they will minimise the environmental impact and demonstrate how new habitat and movement corridors will be created

Social

Liveability

Place Plans respond to the community's values and aspirations. They enable partnerships between residents, business and council and guide a collaborative approach to the delivery of great place outcomes.

The Karuah Place Plan contains actions to inspire community involvement in creating a better place, through conservation, beautification and civil pride projects, activation opportunities such as events, and improved wayfinding and connections.

Housing affordability

The demand and cost of housing in Karuah is increasing. A mechanism to create more housing affordability is to provide land release on multiple fronts, providing competition and reducing land prices. With only a single site currently zoned for new land release, there is difficulty in providing this competition. The Place Plan therefore identifies urban release areas on land under multiple ownership.

In addition to providing housing in new release areas, Karuah has a number of large lots, where there is opportunity for infill housing. The Place Plan identifies those locations where infill housing can provide competition for greenfield land release. Infill housing also has an opportunity to provide for diverse housing such as secondary dwellings and small lot housing, to cater for those looking to downsize.

Economic

For many years, the oyster and timber industries have been the leading employment industries in Karuah and have been an important element in forming the identity of the people and the place. Through the community engagement process, the need to ensure the long-term viability of these industries was identified as important to the local community. New development will need to consider these industries and ensure

there is no negative impact on the sustainability of these industries. Furthermore, the plan identifies ways that these industries could diversify, such as river tours that showcase the local produce.

As Karuah grows and new residential land is released, new residents will look for new business opportunities and new employment close to home. The KGS identifies land to the west of the town as suitable for industrial or employment land. Further investigation will be required to understand the short and long-term needs for employment land, the amount of employment land needed, the infrastructure required to service this land, and the recommended staging of any land release.

CONSULTATION

Internal

The Karuah Place Plan has been prepared in consultation with the relevant sections in the Development Services Group, Facilities and Services Group, and Corporate Services Group.

External

Community

Place Score data collected in 2020, has been used to determine the community's values and aspirations. The Karuah Place Plan responds to this data by including actions that directly correspond to addressing identified values and areas for improvement.

In August and September 2020, community consultation was undertaken; a community drop-in session attended by 17 people, an online project page with 609 visits, an interactive online map with 166 comments and a survey with 26 responses were used to further refine the values and aspirations of the community. This consultation reinforced that the community value the natural environment and laidback feel of their town. The opportunities for improvement focussed on better open space and recreation facilities, improvements to local roads and footpaths and activation opportunities.

If endorsed, the Karuah Place Plan will be exhibited for a period of 28 days. Outcomes of community consultation will be reported to Council following the exhibition period.

Stakeholder Engagement

Key landholders have been consulted during preparation of the plan, including the Karuah Local Aboriginal Land Council and the landholders within the urban release areas, which includes Council's Property Team.

Hunter Water Corporation

Hunter Water have advised that while there is currently no capacity in the wastewater treatment facility, planned infrastructure upgrades will be sufficient to cater for existing undeveloped zoned land and Stage 1 urban release area. Consultation between Council, landholders and Hunter Water will be ongoing to ensure that Stage 2 and future investigation area are considered in future planning of Hunter Water infrastructure in Karuah.

OPTIONS

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

ATTACHMENTS

- 1) Karuah Place Plan. (Provided under separate cover) [⇨](#)
- 2) Gateway determinations for Timbermill and Wetland sites. [↓](#)
- 3) Macroplan Residential Needs Assessment and Remplan Review. (Provided under separate cover) [⇨](#)
- 4) Independent Review – Karuah Place Plan (Cityplan July 2021). (Provided under separate cover) [⇨](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.



Planning,
Industry &
Environment

PP_2019_PORTS_004_00 (EF19/24696)
PP_2019_PORTS_007_00 (EF19/31356)

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

Attention: Steven Peart

Dear Mr Wallis

Planning proposals PP_2019_PORTS_004_00 and PP_2019_PORTS_007_00 to amend Port Stephen Local Environmental Plan 2013

I am writing in response to Council's request for a Gateway determination under section 3.34(1) of the *Environmental Planning and Assessment Act 1979* (the Act) in respect of two planning proposals:

- PP_2019_PORTS_004_00, being 405 proposed residential lots at 269 Tarean Road, Karuah; and
- PP_2019_PORTS_007_00, being 182 proposed residential lots at 339 Tarean Road, Karuah.

As delegate of the Minister for Planning and Public Spaces, I have determined that the planning proposals should be resubmitted when matters outlined in the enclosed Gateway determinations have been addressed.

Council should seek to finalise its strategic planning work to more clearly set out when and where appropriate land use change is to occur within the local government area, specifically relating to housing growth and diversity. I note that Council has exhibited its draft Local Strategic Planning Statement and Housing Strategy.

The strategic planning matters that particularly relate to the above planning proposals and should be further investigated include supply and demand analysis for the housing market catchment, utility infrastructure servicing capacity of the Karuah area, and biodiversity corridor and conservation planning.

An alternative approach would be for the planning proposals to be resubmitted in line with the existing Karuah Growth Strategy. This would involve revising the planning proposals to be consistent with the release of land aligned with the sequencing and infrastructure capacity identified in this Strategy. Council would need to consider if this could result in a reduction of the proposed housing supply set out individually and cumulatively in the two planning proposals. There may also be merit in considering this as a staged approach.

Department of Planning, Industry and Environment
Central Coast and Hunter Region | Newcastle Office | Level 2, 26 Honeysuckle Drive, Newcastle | PO Box 1226 Newcastle 2300 |
T 02 4904 2700 | www.planning.nsw.gov.au

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.

If the planning proposals are not resubmitted and considered adequate before the timeframe specified in the enclosed Gateway determinations, they will be deemed as withdrawn.

Once you have considered the above the approaches, we would be happy to meet with Council to discuss a way forward. Should you have any enquiries about this matter, I have arranged for Mr James Shelton to assist you. Mr Shelton can be contacted on [REDACTED]

Yours sincerely

[REDACTED]

6/04/2020

Dan Simpkins
Director, Central Coast and Hunter Region
Planning and Assessment

Encl: Gateway determinations

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.



Planning,
Industry &
Environment

Gateway Determination

Planning proposal (Department Ref: PP_2019_PORTS_004_00): to rezone the land to enable approximately 405 residential lots

I, the Director of Central Coast and Hunter Region at the Department of Planning, Industry and Environment, as delegate of the Minister for Planning and Public Spaces, have determined under section 3.34(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Port Stephens Local Environmental Plan (LEP) 2013 to rezone the land to enable approximately 405 residential lots at 269 Tarean Road, Karuah should be resubmitted:

- 1) The resubmitted planning proposal should:
 - a) be revised in line with the existing Karuah Growth Strategy or informed by an updated strategic planning framework, which may include either a publicly exhibited draft Port Stephens Local Housing Strategy and/or an updated Karuah Growth Strategy;
 - b) consider consistency with Council's Local Strategic Planning Statement in terms of meeting future urban growth objectives;
 - c) consider consistency with the land release sequencing and infrastructure capacity in the Karuah Growth Strategy or include consideration of an infrastructure strategy for growth beyond the Strategy in consultation with utility service providers that provides:
 - i. an assessment of supply and demand for residential development within the housing market catchment;
 - ii. details of current infrastructure capacity, upgrades required and funding mechanisms;
 - iii. prioritisation and staging of release areas;
 - d) be updated to consider biodiversity constraints including regional and subregional corridors, which may require consultation with the NSW Biodiversity Conservation Division.
 - e) be updated to include an assessment against the State Environmental Planning Policy (Primary Production and Rural Development) 2019;
- 2) The timeframe to resubmit the planning proposal is by the 31 March 2021.

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.

Dated 6th day of April 2020.



**Dan Simpkins
Director, Central Coast and Hunter
Region
Planning and Assessment
Department of Planning, Industry and
Environment**

**Delegate of the Minister for Planning
and Public Spaces**

PP_2019_PORTS_007_00 (EF19/31356)

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.



Planning,
Industry &
Environment

Gateway Determination

Planning proposal (Department Ref: PP_2019_PORTS_007_00): to rezone the land to enable approximately 182 residential lots.

I, the Director of Central Coast and Hunter Region at the Department of Planning, Industry and Environment, as delegate of the Minister for Planning and Public Spaces, have determined under section 3.34(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Port Stephens Local Environmental Plan (LEP) 2013 to rezone the land to enable approximately 182 residential lots at 339 Tarean Road, Karuah should be resubmitted:

- 1) The resubmitted planning proposal should:
 - a) be revised in line with the existing Karuah Growth Strategy or informed by an updated strategic planning framework, which may include either a publicly exhibited draft Port Stephens Local Housing Strategy and/or an updated Karuah Growth Strategy;
 - b) consider consistency with Council's Local Strategic Planning Statement in terms of meeting future urban growth objectives;
 - c) consider consistency with the land release sequencing and infrastructure capacity in the Karuah Growth Strategy or include consideration of an infrastructure strategy for growth beyond the Strategy in consultation with utility service providers that provides:
 - i. an assessment of supply and demand for residential development within the housing market catchment;
 - ii. details of current infrastructure capacity, upgrades required and funding mechanisms;
 - iii. prioritisation and staging of release areas;
 - d) be updated to consider biodiversity constraints including regional and subregional corridors, which may require consultation with the NSW Biodiversity Conservation Division.
 - e) be updated to include biodiversity studies that address the requirements of the *Biodiversity Conservation Act 2016* and Coastal Wetlands State Environmental Planning Policy 14;
 - f) consider of Council's obligations under the Remediation of Land State Environmental Planning Policy 55;
 - g) provide further analysis and evidence throughout the planning proposal to support various statements made relating to strategic and site specific merit.

- 2) The timeframe to resubmit the planning proposal is by the 31 March 2021.

ITEM 3 - ATTACHMENT 2 GATEWAY DETERMINATIONS FOR TIMBERMILL AND WETLAND SITES.

Dated 6th day of April 2020.



**Dan Simpkins
Director, Central Coast and Hunter Region
Planning and Assessment
Department of Planning, Industry and
Environment**

**Delegate of the Minister for Planning and
Public Spaces**

PP_2019_PORTS_007_00 (EF19/31356)

ITEM NO. 4

**FILE NO: 21/269773
EDRMS NO: PSC2009-00938**

POLICY REVIEW: ROAD NAMING AND ADDRESSING GUIDELINES POLICY

REPORT OF: TIMOTHY CROSDALE - GROUP MANAGER CORPORATE SERVICES
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Road Naming and Addressing Guidelines Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Road Naming and Addressing Guidelines Policy, as amended on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Road Naming and Addressing Guidelines Policy dated 8 October 2019, Minute No 184, should no submissions be received.

BACKGROUND

The purpose of this report is seek Council's endorsement of the revised Road Naming and Addressing Guidelines Policy (the 'policy') **(ATTACHMENT 1)**.

The intent of the policy is to provide guidance and consistency in the naming of roads and addressing of new roads, roads within subdivisions to be dedicated to Council or renaming/readdressing existing roads within the Port Stephens local government area (LGA).

Adopting this policy will result in Council adopting the Geographical Names Board of NSW Address Policy and User Manual as the method in which roads are named and properties are addressed.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Thriving and Safe Place to Live	Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

Adopting the policy will have no financial impact on the existing costs associated with naming roads. The application for naming and renaming roads is covered under the Council adopted fees and charges to recover the administration/advertising costs of this service.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The naming of roads is a low risk service that the Council provides. All names are approved by the Geographical Names Board (GNB) and GNB has a very clear policy and guidelines governing the naming of roads.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that names may be duplicated if the NSW Address Policy and User Manual and practices is not followed.	Low	Adopt the recommendations.	Yes
There is a risk that duplication of road names will lead to public and emergency services not arriving at their destination in the most efficient and timely way.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The consistent naming and addressing of roads allows the public and emergency services to utilise the road network for direction and travel in the most efficient way. The naming and addressing of roads also allows for themes that provide the community with a sense of place.

There are no environmental or economic implications with this policy review.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Strategic Property team.

Internal

- Senior Property Officer.
- Property Officer.
- The Executive Team has been consulted to seek management endorsement.

External

In accordance with local government legislation the revised Road Naming and Addressing Guidelines Policy will go on public exhibition for 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Road Naming and Addressing Guidelines Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 4 - ATTACHMENT 1 REVISED ROAD NAMING AND ADDRESSING GUIDELINES POLICY.

Policy



FILE NO: PSC2009-00938
TITLE: ROAD NAMING & ADDRESSING GUIDELINES POLICY
POLICY OWNER: CORPORATE SERVICES GROUP MANAGER
~~PROPERTY SERVICES SECTION MANAGER~~

1. PURPOSE:

1.1 This policy is to provide consistency in the naming and addressing of new roads, roads within subdivisions to be dedicated to Council or renaming/readdressing of existing roads within the Port Stephens Local Government Area.

2. CONTEXT/BACKGROUND:

2.1 Previous Council policies for the naming of roads have been based on the Geographical Names Board (GNB) Guidelines which linked into the existing standards of the time being:

- a) Roads Act 1993.
- b) Roads Regulation 1994.
- c) Australian Standard AS1742.5 1986.

2.2 In March 2015, The Geographical Names Board of New South Wales formally adopted the new NSW Address Policy and NSW-Addressing User Manual. The new NSW Address Policy and NSW-Addressing User Manual is aligned with the new Australian/New Zealand Rural and Urban Addressing Standard AS/NZS 4819:2011.

2.3 The Geographical Names Board of New South Wales requires has urged road naming authorities such as councils to comply with utilise the new-NSW Address Policy and, NSW-Addressing User Manual and to utilise the online Road Naming System as the adherence to the principles, procedures and processes will ensure consistency and unambiguous road naming and addressing across NSW.

3. SCOPE:

3.1 To fulfil the consistent approach and adopt a 'single source of truth' to the principles, procedures and processes for the naming and addressing of roads under this policy, Council shall adopt the NSW Land and Property Information and Geographical Names Board of New South Wales, NSW Address Policy and NSW-Addressing User Manual.



ITEM 4 - ATTACHMENT 1 REVISED ROAD NAMING AND ADDRESSING GUIDELINES POLICY.

Policy



4. DEFINITIONS:

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

Single Source of Truth "In the context of the custodian of the NSW Address Database, LPI **Spatial Services** aggregate and apply quality assurance mechanisms to address data from data producers in NSW and provision this as a single source of truth" GNB ISSN:2204-9460.

5. POLICY STATEMENT:

5.1 That Council adopts the Geographical Names Board of **New South Wales**, NSW Address Policy and ~~NSW Addressing~~ User Manual when naming and addressing new roads, roads within subdivisions to be dedicated to Council or renaming/readdressing of existing roads within the Port Stephens Local Government Area.

6. POLICY RESPONSIBILITIES:

6.1 The Asset Section Manager is responsible for the policy framework.
6.2 ~~The Property Services Section Manager~~ **Strategic Property Coordinator** is responsible for implementation, monitoring and evaluation.

7. RELATED DOCUMENTS:

7.1 Roads Act 1993.
7.2 Australian/New Zealand Rural and Urban Addressing Standards AS/NZS 4819:2011.
7.3 Geographical Names Board of New South Wales, NSW Address Policy **and** ~~Geographical Names Board of NSW Addressing~~ User Manual.



ITEM 4 - ATTACHMENT 1 REVISED ROAD NAMING AND ADDRESSING GUIDELINES POLICY.

Policy



CONTROLLED DOCUMENT INFORMATION:

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EDRMS container No	PSC2009-00938	EDRMS record No	TBA
Audience	Community, Public Domain and Services, Assets Section and Corporate Services		
Process owner	Property Services Section Manager Corporate Services Group Manager		
Author	Property Services Section Manager Strategic Property Coordinator		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	10 October 1995		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	10/10/1995	John Maretich	Road Naming Guidelines.	315
2	08/09/2015	Property Services Section Manager	Changes to reflect the new NSW Address Policy and the NSW Addressing User Manual that was adopted by the Geographical Names Board (GNB) in March 2015.	265



ITEM 4 - ATTACHMENT 1 REVISED ROAD NAMING AND ADDRESSING GUIDELINES POLICY.

Policy



3	08/10/2019	Property Services Section Manager	<p>Reviewed information and transferred into new template. Inserted full stops at 2.1 a), b) and c).</p> <p>2.2 – Insert 'the' to improve sentence readability.</p> <p>2.3 – Updated utilized to utilised and inserted full stop.</p> <p>4.1 – Removed use of inverted commas.</p> <p>Added 7.3 and 7.4 to 'Related Documents'.</p> <p>Updated EDRMS record number.</p>	184
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ITEM 4 - ATTACHMENT 1 REVISED ROAD NAMING AND ADDRESSING GUIDELINES POLICY.

Policy



4	TBA	Strategic Property Coordinator	<p>2.2 – Deleted the words “NSW Addressing” from both references to the policy to reflect correct policy name.</p> <p>2.3 – Changed “urges” to “requires” as adherence is mandatory; reworded clause to improve readability.</p> <p>3.1 – “Changed Land and Property Information” to “Spatial Services”; changed name of policy to reflect correct name.</p> <p>4.1 – Changed definition so that it is identical to that in the policy.</p> <p>5.1 – Changed name of policy to reflect correct name.</p> <p>6.2 – Changed responsibility from Section Manager to Coordinator.</p> <p>7.3 – Changed name of policy to reflect correct name.</p> <p>Controlled document information:</p> <p>Updated process owner to Corporate Services Group Manager to reflect current structure.</p> <p>Updated author to Strategic Property Coordinator to reflect current title.</p> <p>Amended the review timeframe to 3 years in accordance with Council’s policy review process.</p>
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ITEM NO. 5

**FILE NO: 19/348579
EDRMS NO: PSC2009-02488**

**POLICY REVIEW: BEACHSIDE HOLIDAY PARKS MAJOR EVENT
SPONSORSHIP AND PROMOTIONS POLICY**

REPORT OF: KIM LATHAM - HOLIDAY PARKS SECTION MANAGER
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Beachside Holiday Parks Major Event Sponsorship and Promotions Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Beachside Holiday Parks Major Event Sponsorship and Promotions Policy on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Holiday Parks Event Sponsorship and Promotions Policy dated 26 November 2019, Minute No 233, should no submissions be received.

BACKGROUND

The purpose of this report is to seek Council's endorsement of the revised Beachside Holiday Parks Major Event Sponsorship and Promotions Policy (the 'policy') **(ATTACHMENT 1)**.

Amendments to this policy seeks to include the additional information of a written and legally binding agreement for each sponsorship arrangement. The agreement will be made publicly available and retained for reporting and auditing purposes.

The revised policy provides a transparent framework into how the Holiday Parks Section of Council assesses sponsorship requests and how Council will promote the existence of sponsorship opportunities.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maximise non-rate revenue and investment to support Council services.

FINANCIAL/RESOURCE IMPLICATIONS

The policy has no known financial or resource implications and any activities will continue to be carried out in line with existing budgets.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The policy provides an equitable framework through which Council can provide sponsorship and is written in accordance with Council’s Sponsorship Policy, the Local Government Act 1993 and Sponsorship in the public sector – A guide to developing policies and procedures for both receiving and granting sponsorship; Independent Commission Against Corruption (ICAC), May 2006.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that not adopting the recommendations will affect Council's reputation.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The policy provides the framework to ensure equitable and timely decisions are made by Council with regard to sponsorship arrangements while at the same time ensuring community expectations are met.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Holiday Parks Section to ensure the policy aligns with Council’s objectives.

Internal

- Marketing and Promotions Manager.
- Strategy and Environment Section Manager.
- Governance Section Manager.
- The Executive Team has been consulted to seek management endorsement.

External

In accordance with local government legislation the revised Beachside Holiday Parks Major Event Sponsorship and Promotions Policy will go on public exhibition for 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Beachside Holiday Parks Major Event Sponsorship and Promotions Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



FILE NO: PSC2009-02488

TITLE: **BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY**

POLICY OWNER: HOLIDAY PARKS SECTION MANAGER

1. PURPOSE:

- 1.1 This policy provides clarity around how the Port Stephens Beachside Holiday Parks support major Council event sponsorships through the provision of a maximum of 250 room nights per annum.
- 1.2 This policy also provides clarity around the means in which Port Stephens Beachside Holiday Parks allocate a one off request for in-kind support, usually in the form of providing an accommodation donation at any of the 5 holiday parks under its control.

2. CONTEXT/BACKGROUND:

- 2.1 Port Stephens is a popular tourism and hospitality mecca area that attracts 100,000s of significant numbers of visitors annually to experience the many natural attractions that this region has to offer.
- 2.2 Operating 5 holiday parks that offer a variety of accommodation experiences including beachside holidays, unique retreats and nature escapes, Port Stephens Beachside Holiday Parks are well renowned and highly desired established parks.
- 2.3 The holiday parks include Fingal Bay Holiday Park, Halifax Holiday Park, Shoal Bay Holiday Park, Port Stephens Koala Sanctuary and Thou Walla Sunset Retreat.
- 2.4 Current major sponsorship investment for events in Port Stephens is provided by Council's Economic Development and Tourism Vibrant Spaces unit. Funds are used as seed funding to grow new events, expand existing events and also provide assistance to cover the relevant fees and charges associated with holding events on Council owned or managed land. Other assistance is provided in the form of in-kind marketing and communications support.
- 2.5 There has been an increasing demand for additional support for major events in the form of discounted or complimentary accommodation for officials, VIPs and competitors.
- 2.6 To facilitate this strategy, Port Stephens Beachside Holiday Parks has developed a formal major sponsorship assessment and approval process which clearly articulates the benefits provided in a fair and transparent manner.



ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



2.7 Additionally, Port Stephens Beachside Holiday Parks receive numerous unsolicited requests for minor in-kind accommodation donations from organisations and individuals to use as raffle prizes, giveaways and industry familiarisations.

2.8 Some organisations, such as media outlets, travel industry and trade organisations make unsolicited approaches to offer contra advertising opportunities using an accommodation donation provided in-kind.

3. SCOPE:

3.1 Major event sponsorship approaches are received either via Council's Economic Development and Tourism Vibrant Spaces unit or directly to Port Stephens Beachside Holiday Parks.

3.2 Usually, major event sponsorship approaches are made for in-kind accommodation support are:

- a) included within a major event proposal based on the duration of the event.
- b) for persons associated with the major event including, but not limited to, VIPs, players participants, coaches, team management and officials, event organisers and other support staff.
- c) outline relevant sponsorship cooperative media and promotional opportunities between both organisations.

3.3 Usually minor unsolicited approaches made for in-kind accommodation donations are:

- a) between 1-7 nights.
- b) used to raise much needed funds for charity groups as prizes in raffles, trivia nights and other fundraising events.
- c) industry familiarisation (usually 1-2 nights) requests can be last minute due to schedule changes and itinerary alterations.
- d) media contra advertising opportunity requests are usually received in advance and provide targeted organisational promotional exposures.

4. DEFINITIONS:

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

Sponsorship	A commercial relationship between Port Stephens Beachside Holiday Parks and a third party (organisation, group or individual), governed by written agreement. Sponsorship involves provision of one off non-financial (in-kind) accommodation support in return for mutually agreed economic or reputational benefits.
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ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



5. POLICY STATEMENT:

- 5.1 Port Stephens Beachside Holiday Parks is committed to playing a role within the promotion of the region by supporting those organisations, industry and media who provide suitable brand exposures.
- 5.2 Criteria for providing major event sponsorship support in the form of discounted or complimentary accommodation
- 5.2.1 All requests for major event sponsorship support is considered via:
- the sponsorship assessment matrix and weighted against essential criteria.
 - assessments to include use of REMPLAN Tourism Economic Impact Summary report.
 - application referrals in conjunction with the Economic Development and Tourism Vibrant Spaces unit.
- 5.3 One off major event sponsorship support partners
- 5.3.1 Port Stephens Beachside Holiday Parks will only enter into major event sponsorship with reputable organisations and groups. Any organisation or group that has the potential to involve Port Stephens Beachside Holiday Parks in controversial issues or exposure to adverse criticism will not be considered.
- 5.3.2 No Mayor/Councillor or Port Stephens Council employee, or members of their families are to receive personal benefit from one off in-kind accommodation support.
- 5.4 Approval of major event sponsorship support
- 5.4.1 Major event sponsorship support requests are approved by Port Stephens Holiday Parks Section Manager on receipt of outcomes of assessment and recommendations from the Marketing and Promotions Manager.
- 5.5 Criteria for providing one off requests for minor in-kind accommodation support.
- 5.5.1 All requests for one off minor in-kind accommodation support is considered on a case-by-case basis. To be eligible to apply the following criteria's must be met:
- requests must be in writing stating the nature of support required.
 - requests must outline details of fundraising activities, what is the industry familiarisation's purpose or the contra value to Port Stephens Beachside Holiday Parks.
 - requests must outline any reputational return to Port Stephens Beachside Holiday Parks to raise parks profile.



ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



5.6 One off minor in-kind accommodation support partners

5.6.1 Port Stephens Beachside Holiday Parks will only enter into one off minor in-kind support with reputable organisation and groups. Any organisation or group that has the potential to involve Port Stephens Beachside Holiday Parks in controversial issues, or expose to adverse criticism will not be considered.

5.6.2 No Mayor/Councillor or Port Stephens Council employee, or members of their families, are to receive personal benefit from one off minor in-kind accommodation support.

5.7 Approval of one off minor in-kind accommodation support

5.7.1 One off minor in-kind accommodation support requests are approved by the Holiday Parks Section Manager on receipt of a recommendation from the Business Development and Marketing Manager proposing the in-kind support.

5.8 A written, legally binding sponsorship agreement will be prepared for each sponsorship arrangement.

5.9 Information pertaining to a sponsorship agreement may be:

- a) maintained and filed for auditing.
- b) reported in Council's annual report.
- c) made available to the public on Council's website.

6. **POLICY RESPONSIBILITIES:**

6.1 The Holiday Parks Section Manager has overall responsibility for the implementation of this policy.

6.2 Applications for sponsorship may be received and coordinated at coordinator level, if relevant to their role at Council. In all cases, consultation with the relevant Section Manager and Group Manager must occur prior to agreement being entered into.

6.3 The relevant Section Manager is responsible for reporting sponsorship requests over \$40,001 to Council for endorsement.

7. **RELATED DOCUMENTS:**

- 7.1 Port Stephens Council Code of Conduct.
- 7.2 Port Stephens Council Sponsorship Policy.
- 7.3 Local Government Act 1993.



ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



- 7.4 Sponsorship in the public sector – A guide to developing policies and procedures for both receiving and granting sponsorship; Independent Commission Against Corruption (ICAC), May 2006.
- 7.5 Community and Recreation Infrastructure Sponsorship Guidelines.
- 7.6 Corporate Events Sponsorship Guidelines.
- 7.7 Grants & Donations Policy.
- 7.8 State Environmental Planning Policy (Infrastructure) 2007.

CONTROLLED DOCUMENT INFORMATION:

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EDRMS container No	PSC2009-02488	EDRMS record No	TBA
Audience	Event organisers, community organisations and the Port Stephens community.		
Process owner	Holiday Parks Section Manager		
Author	Holiday Parks Section Manager		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	14 May 2019		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	14 May 2019	Marketing and Promotions Manager	New policy.	091

Policy

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ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



2	26 November 2019	Marketing and Promotions Manager	<p>Updated title to include 'major event'.</p> <p>1.1 – new paragraph.</p> <p>1.2 Inserted 'also' and removed 'Beachside'.</p> <p>2.2 – Updated 'five' to '5'.</p> <p>Added paragraphs 2.4 – 2.6 and updated consecutive paragraph numbering.</p> <p>2.3 – Remove reference to 'Treescape', replace with 'Port Stephens Koala Sanctuary'.</p> <p>2.7 – Removed reference to 'Beachside' – inserted 'additionally' and 'minor'.</p> <p>2.8 – Removed 'additionally' and added 'travel industry and trade organisations' and 'unsolicited'.</p> <p>Added paragraphs 3.1 and 3.2 and updated consecutive paragraph numbering.</p> <p>3.3 – inserted 'minor'.</p> <p>4.1 – removed 'Beachside'</p> <p>5.1 – removed 'Beachside'</p> <p>Added paragraphs 5.2 – 5.4 and updated consecutive paragraph numbering.</p> <p>5.5 – added 'minor'.</p> <p>5.5.1 – added 'minor'.</p> <p>5.5.1b) – removed 'Beachside' added 'Port Stephens'.</p> <p>5.5.1c) - removed 'Beachside' added 'Port Stephens'.</p> <p>5.6 – Added 'minor'.</p> <p>5.6.1 - removed 'Beachside', added 'minor'.</p> <p>5.6.2 – added 'minor'.</p> <p>5.7 – added 'minor'.</p>	233
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Policy



ITEM 5 - ATTACHMENT 1 REVISED BEACHSIDE HOLIDAY PARKS MAJOR EVENT SPONSORSHIP AND PROMOTIONS POLICY.

Policy



			<p>5.7.1 – added 'minor'.</p> <p>6.3 – removed '\$20,001' and replaced with '\$40,001' in line with Corporate Sponsorship policy.</p>	
3	TBA	Marketing and Promotions Manager	<p>Added 'beachside' to all references to the 'Port Stephens Beachside Holiday Parks' to reflect current naming convention.</p> <p>2.1 – minor grammatical update.</p> <p>3.2 b) – Deleted 'players' and added 'participants'.</p> <p>2.4, 3.1 and 5.2.1 c) – Deleted Economic Development and Tourism Unit and replaced with Vibrant Spaces Unit to reflect current naming convention.</p> <p>5.8 – added new paragraph.</p> <p>5.9 a), b) and c) – added new paragraph.</p> <p>7.5 – added Community and Recreation Infrastructure Sponsorship Guidelines.</p> <p>7.6 - added - Corporate Events Sponsorship Guidelines.</p> <p>7.7 - added Grants & Donations Policy.</p> <p>7.8 - added State Environmental Planning Policy (Infrastructure) 2007.</p> <p>Controlled document information: Updated review timeframe to 3 years in accordance with Council's process.</p>	TBA



ITEM NO. 6

**FILE NO: 21/256102
EDRMS NO: PSC2009-02488**

POLICY REVIEW: COMMUNITY GROUP LOANS POLICY

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

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Community Group Loans Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Community Group Loans Policy on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Community Group Loans Policy dated 12 November 2019, Minute No 209 should no submissions be received.

BACKGROUND

The purpose of this report is to seek Council's endorsement of the revised Community Groups Loans Policy (the 'policy') **(ATTACHMENT 1)**.

The intent of the policy is to provide community, cultural and sporting groups in the local government area with access to low interest loan funding.

Supporting documents are proposed as part of the revisions to this policy. The documents aim to provide greater transparency to the process of applying for a community loan.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

The policy has no known financial or resource implications and is within existing budget allocations.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

No adverse legal, policy or risk implications have been identified as a result of the policy review.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that if the revised policy is not adopted then Council could be vulnerable to defaulting loans.	Medium	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

By Council facilitating reasonable loans as a responsible lender to approved community groups, valuable facilities and services will be provided.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section.

Internal

- Assets Section.
- The Executive Team has been consulted to seek management endorsement.

External

In accordance with local government legislation the revised Community Groups Loans Policy will go on public exhibition for 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Community Group Loans Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

Policy



FILE NO: PSC2009-02488

TITLE: COMMUNITY GROUP LOANS POLICY

POLICY OWNER: FINANCIAL SERVICES SECTION MANAGER

1. PURPOSE:

1.1 To provide access to funding through the provision of available loans for improvements to community, cultural, sport and recreation facilities in the Port Stephens Local Government Area in an effective and equitable manner.

2. CONTEXT/BACKGROUND:

2.1 This policy applies to groups seeking to develop buildings or facilities that are Council owned, under Council's Care, Control or Management, under Council's Trusteeship, provides services to the local community or responsibility has been devolved to Council by some form of legislation.

3. SCOPE:

3.1 The Community and Recreation Loans Reserve will be self-supporting over time with repayments to the reserve used to fund further allocation. The Reserves upper limit will be \$200,000.

3.2 This policy assists community groups that are operating and providing services in the Port Stephens Local Government Area and enables Council's assets to be enhanced, improved and maintained in a good state of repair.

4. DEFINITIONS:

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

Loan	The act of giving money, property or other material goods to another party in exchange for future repayment of the principal amount along with interest or other finance charges.
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Interest	The charge for the privilege of borrowing money, typically expressed as an annual percentage rate.
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Policy



5. POLICY STATEMENT:

5.1 The Community Group Loans program will provide funding through the provision of available loans for improvements to the community, cultural, sport and recreation facilities in the Port Stephens Local Government Area (LGA).

5.2 This policy is made possible by a reserve of \$200,000 so loan funds can be drawn upon and Council's financial position managed appropriately.

5.3 This loan is available to groups seeking to develop buildings or facilities that are Council owned, under Council's care, control or management, or under Council's Trusteeship.

5.4 Applicants must be providing services to the local community or responsibility has been devolved to Council by some form of legislation.

5.5 Transparency and Equity

5.5.1 The Community Loans Program will be administered in a transparent and equitable manner and be promoted across the district in a manner that will allow maximum opportunity for community groups to apply. **The Community Group Loans Application Guidelines provide clear parameters around eligibility.**

5.5.2 Each funding program has a process for the assessment of applications with Council making the final decision.

5.6 Eligibility

5.6.1 Local Sports Club:

- a) Must be a current financial member of a Port Stephens Council Sports Council.
- b) Must provide a business plan that clearly establishes the group's capacity to meet the commitments of a loan.
- c) Must be up to date with any Council/Sports Council/Committee accounts.
- d) Have appropriate Public Liability insurance cover.

5.6.2 Community/Cultural Groups:

- a) Must be a properly constituted, incorporated not-for-profit association operating and providing services in the Port Stephens LGA.
- b) Must provide a business plan that clearly establishes the group's capacity to meet the commitments of a loan.
- c) Have appropriate Public Liability insurance cover.



Policy



5.6.3 355c Committee of Council:

- a) Must be a current Committee of Council.
- b) Must provide a business plan that clearly establishes the group's capacity to meet the commitments of a loan.
- c) Must be up to date with financial accounts and record keeping requirements.

5.6.4 The following groups are ineligible to apply:

- a) Groups which do not meet the above requirements.
- b) Groups which already have an outstanding community group loan.
- c) Commercial organisations.
- d) Projects which will be carried out on private land or outside the Port Stephens LGA.

5.7 Application**5.7.1 Applicants will need to complete Council's Community Group Loans application form. The following information may also be requested:**

- a) Business case for applying for the funds.
- b) Cost estimates for any repairs, assets, or manual labour.
- c) Ongoing maintenance plans (where applicable).
- d) Proof of ability to service the loan.

5.7.2 Council staff will exercise discretion when requesting additional information. The Community and Recreation Coordinator, in conjunction with the Financial Reporting Coordinator, will assess applications. Approval may also be required from the Community Development and Engagement Coordinator.**5.7.3 All recommendations will be forwarded to the respective Section Manager and Group Manager for review. Final recommendations will be provided to Council for determination.****5.8 Assessment**

5.8.1 Priority will be given to loans for projects that:

- a) Will benefit a wide range of people in the community.
- b) Have a long term benefit for the community.
- c) Have a clearly defined plan and budget.

5.8.2 The application must clearly demonstrate the capacity to repay the loan including:

- a) Detailed expenditure and revenue forecast budget for term of loan.
- b) Forecast repayment schedule for term of loan.
- c) Additional fundraising and income generating activities.
- d) Evidence of sound governance procedures.

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Policy



- 5.8.3 Applications made by sporting clubs must be for projects included on the relevant Sports Council's Sports Development Strategy. The relevant Sports Council must be supportive of the project and agree to:
- Be a signatory to the application; and
 - Meet the repayments for the loan in the instance where the applicant fails to meet two (2) successive payments.
- 5.8.4 Applications will be prioritised by and assessed on:
- Financial ability to repay loan; and
 - Having particular regard to projects identified as a part of the 10 year Capital Works Plan or Sports Development Strategy.
- 5.9 Terms of Loan
- 5.9.1 Loans to be a maximum of 84 months.
- 5.10 Value of Loan
- 5.10.1 Loans provided to be a minimum of \$20,000 and a maximum of \$75,000.
- 5.10.2 Loan funds cannot exceed more than 75% of the overall project value excluding in kind support, i.e. expected cash value of the project x 75% = maximum loan value.
- 5.10.3 Approval from the Executive Team is required to alter the terms of 5.10 on a case by case basis.
- 6. POLICY RESPONSIBILITIES:**
- 6.1 The Financial Services Section Manager has overall responsibility for the implementation of this policy in consultation with the Assets Section Manager.
- 6.2 Applications for Community Group Loans may be received and coordinated at coordinator level, if relevant to their role at Council. In all cases, consultation with the relevant Section Manager and Group Manager must occur prior to agreement being entered into.
- 6.3 The Financial Services Section Manager is responsible for reporting Community Group Loan requests over \$20,000 to a maximum of \$75,000 to Council for endorsement.
- 7. RELATED DOCUMENTS:**
- 7.1 Community Group Loans Application Guidelines.
- 7.2 Community Group Loans Application Form.
- 7.3 Other suitable documents, records and evidence of review will be maintained retained in support of application, approval and management of loans.



Policy



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EDRMS container No	PSC2009-02488	EDRMS record No	TBA
Audience	Financial Services Section, PSC staff, local Community Groups and Sporting Clubs		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	14 July 2015		

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Policy



VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	26/06/2007	Jason Linnane		158
2	14/07/2015	John Maretich	Updated Community Group Loans Policy does not change the existing policy's intent and only updates the format of the policy.	196
3	12/11/2019	Finance – Reporting Coordinator	<p>Updated policy into new template. Changed Policy Owner from Community & Recreation Coordinator to Financial Services Section Manager.</p> <p>1.1 – Added "in an effective and equitable manner."</p> <p>5.1 – Removed "is to provide an accessible fund where groups and clubs can borrow funds at low interest rates for approved projects. This will assist community groups to improve and develop Council's facilities to support community activities in the Local Government Area."</p> <p>5.1 – Added "program will provide funding through the provision of available loans for improvements to the community , cultural, sport and recreation facilities in the Port Stephens Local Government Area (LGA)."</p>	209

Policy



			<p>5.2.1 - Removed "Interest rates are to be set at Indicative Borrowing Rate for Local Government Authorities (IBRLGA) applicable on the day of approval of recommendation by the Group Manager of the respective Group."</p> <p>5.2.2 - Removed "For projects that are Asset Rehabilitation and are in Port Stephens Council's Asset Management Plans, the interest rate will be 50% of the IBRLGA."</p> <p>5.2.3 – Removed "The interest from Community and Recreation Loans Vote, being equal to Indicative Borrowing Rates for Local Government Authorities, is paid to Council on a quarterly basis (except for Asset Rehabilitation Projects)."</p> <p>5.3 – Removed "Interest to be fixed for the term of the loan."</p> <p>5.3 – Added "This loan is available to groups seeking to develop buildings or facilities that are Council owned, under Council's care, control or management, or under Council's Trusteeship."</p> <p>5.4 – Removed "Loans to be for a maximum of 84 months."</p>	
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Policy

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Policy



			<p>5.4 – Added “Applicants must be providing services to the local community or responsibility has been devolved to Council by some form of legislation.”</p> <p>5.5 – Removed “Loans have a minimum of \$2,000 and an upper limit of \$75,000. Any increase of this amount will require a formal resolution of Council.”</p> <p>Added new paragraphs 5.5 – 5.9.</p> <p>5.6 – Removed “Should a club or group default on loan payments, Council has the right to take whatever action it considers necessary to recover the funds. In extreme cases, Council may consider closing the use of the facilities to the club or community group in default and taking legal action to recover funds.</p> <p>6.1 – Removed “Community & Recreation Coordinator – Responsible for the overall implementation of the policy.”</p> <p>5.7 – Added “The Financial Services Section Manager has overall responsibility for the implementation of this policy in consultation with the Assets Section Manager.”</p> <p>6.1– Removed “Management Accounting Coordinator – Responsible for monitoring the Community and Recreation Loans Reserve and ensuring payments are received.”</p>
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Policy



			<p>6.2 – Added “Applications for Community Group Loans may be received and coordinated at coordinator level, if relevant to their role at Council. In all cases, consultation with the relevant section and group manager must occur prior to agreement being entered into.”</p> <p>6.3 – Added “The Financial Services Section Manager is responsible for reporting Community Group Loan requests over \$20,000 to a maximum of \$75,000 to Council for endorsement.”</p> <p>7.1 – Removed “LGA Act 1993” 7.1 – Added “Suitable documents, records and evidence of review will be maintained in support of application, approval and management of loans.”</p> <p>7.2 - Removed “Code of Conduct” 7.2 – Removed “PSC Financial Assistance Policy”.</p>	
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4	TBA	Financial Services Section Manager	<p>Updated policy into the new template.</p> <p>5.5.1 – Added 'The Community Group Loans Application Guidelines provide clear parameters around eligibility.'</p> <p>5.7 – New paragraph - added whole segment with regards to the application process.</p> <p>5.10.3 – Added 'Approval from the Executive Team is required to alter the terms of 5.10 on a case by case basis'.</p> <p>7.1 – Added 'Community Group Loans Application Guidelines'.</p> <p>7.2 – Added 'Community Group Loans Application Form'.</p> <p>Controlled document information: Amended review timeframe to 3 years in accordance with Council's policy and management directive review process.</p>
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ITEM NO. 7

**FILE NO: 21/256252
EDRMS NO: PSC2009-02488**

POLICY REVIEW: ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY

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

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Asset Disposal (other than property) Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Asset Disposal (other than property) Policy, as amended on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Asset Disposal (other than property) Policy dated 12 November 2019, Minute No 208 should no submissions be received.

BACKGROUND

The purpose of this report is to seek Council's endorsement of the revised Asset Disposal (other than property) Policy (the 'policy') **(ATTACHMENT 1)**.

The policy is required to ensure the disposal of assets is ethical, transparent and accountable. The policy is supported by the Asset Disposal (other than property) Management Directive that prescribes the considerations and processes to be applied in the disposal of Council owned assets.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

The principles of the Asset Disposal (other than property) Policy requires Council to dispose of assets in a suitable public marketplace that maximises Council's financial returns.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Council's asset disposal principles are to achieve the best value for money whilst being ethical, transparent and accountable. They promote fairness and competition. The policy mirrors Council's principles and by adopting the recommendations will thereby reduce potential legal ramifications.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that fraud and corruption will occur, leading to financial and reputational loss.	Low	Adopt the recommendations.	Yes
There is a risk that Council will fail to maximise its return from asset sales.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The disposal of assets by resale supports Council's environmental sustainability principles.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section.

Internal

The Executive Team has been consulted to seek management endorsement.

External

In accordance with local government legislation the revised Asset Disposal (other than property) Policy will go on public exhibition for 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Asset Disposal (other than property) Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 7 - ATTACHMENT 1 REVISED ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY.

Policy



FILE NO: PSC2009-02488

TITLE: ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY

POLICY OWNER: FINANCIAL SERVICES SECTION MANAGER

1. PURPOSE:

- 1.1 The purpose of this policy is to provide a systematic and accountable method to Council officials (Councillors, staff and delegates of Council) for the disposal of surplus assets, excluding real property, and to ensure the process is transparent and complies with Council's Code of Conduct, Statement of Business Ethics and Financial Business Rules.
- 1.2 Environmentally sustainable asset disposal results in minimisation of unnecessary purchasing, waste minimisation, water and energy saving, pollution minimisation, avoidance of toxic chemicals, reduction in greenhouse gases and decision making that incorporates biodiversity and conservation objectives.

2. CONTEXT/BACKGROUND:

- 2.1 The Asset Disposal (other than property) Policy is required to ensure that the disposal of Council assets is ethical, transparent and accountable. The policy is supported by the Asset Disposal (other than property) Management Directive that prescribes the considerations and processes to be applied in the disposal of Council owned assets.

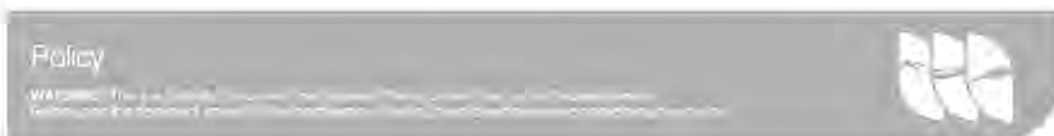
3. SCOPE:

- 3.1 This policy has been written considering the following principles:
 - a) High standards of behaviour and ethics are required of all parties to asset disposal activities.
 - b) Asset disposal activities aim to be efficient, effective and balance risk and total cost.
 - c) Due economy shall be exercised in all asset disposal decisions.
 - d) Asset disposal decisions shall consider relevant evaluation criteria including environmental sustainability, the support of registered disability employers and the support of local industry.

4. DEFINITIONS:

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

Asset	A resource with economic value that an individual, corporation or country owns or controls with the exception that it will provide future benefit.
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ITEM 7 - ATTACHMENT 1 REVISED ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY.

Policy

**5. POLICY STATEMENT:**

- 5.1 Surplus assets will be disposed of in a cost effective manner that complies with relevant regulations in a fair, transparent, environmentally sustainable manner to maximise financial return to Council. Prior to the disposal, assets will be reviewed in order to ascertain whether they have alternative uses within Council, contain hazardous materials or identifying marks. Council has adopted a Statement of Business Ethics that sets out the high ethical standards expected of Council officials and delegates, contractors and business associates.

6. POLICY RESPONSIBILITIES:

- 6.1 Financial Services Section Manager, Finance Expenditure Acquisitions Coordinator, and the Procurement and Contract Management Specialist are responsible for the implementation, compliance of, monitoring, evaluating, reviewing and providing advice on this policy.
- 6.2 Section Managers, Civil Assets Planning Manager and all relevant employees are responsible for complying with this policy.

7. RELATED DOCUMENTS:

- 7.1. Local Government Act 1993 (NSW).
 7.2. Local Government (General) Regulation 2005 2021 (NSW).
 7.3. Competition and Consumer Act 2010 (Cth).
 7.4. Code of Conduct.
 7.5. Statement of Business Ethics.
 7.6. Procurement Policy.
 7.7. Fraud and Corruption Control Policy.
 7.8. Procurement Management Directive.
 7.9. Asset Disposal Management Directive.
 7.10. Financial Business Rules.
 7.11. Environment Policy.
 7.12. Asset Management Policy.
 7.13. NSW Government Sustainability Policy.
 7.14. NSW Government Code of Practice.
 7.15. NSW Government Procurement Policy framework.

Policy

WARRIOR: The Port Stephens Council
 Community's Future



Page: 2 of 5

ITEM 7 - ATTACHMENT 1 REVISED ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY.

Policy

**CONTROLLED DOCUMENT INFORMATION:**

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EDRMS container No	PSC2009-02488	EDRMS record No	TBA
Audience	Council staff		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	25/03/2014		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	25/03/14	Financial Services Section Manager	Policy adopted.	63
2.0	27/11/15	Financial Services Section Manager	This policy has been reviewed and formatted into the new template.	
3.0	09/02/2016	Financial Services Section Manager	Policy adopted.	019
4.0	12/12/2017	Financial Services Section Manager	Updated references from TRIM to RM8. Updated RM8 record number from PSC2009-02488/486 to 17/198654. Added Financial Business Rules to the Purpose. Added Procurement Management Directive, Asset Disposal Management Directive, and Financial Business Rules to the Related Documents.	317



ITEM 7 - ATTACHMENT 1 REVISED ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY.

Policy



5.0	12/11/2019	Financial Services Section Manager	<p>Updated policy into the current format.</p> <p>6.0 – Updated Policy Responsibilities as follows: Removed – 6.1 Section Managers Added - 6.1 Financial Services Section Manager, Financial Expenditure Coordinator and Procurement and Contract Management Specialist are responsible for the implementation, compliance of, monitoring, evaluating, reviewing and providing advice on this policy.</p> <p>Removed - 6.2 Expenditure Coordinator Added - 6.2 Section Managers, Civil Assets Planning Manager and all relevant employees are responsible for complying with this policy.</p> <p>6.3 – Removed 'Contractor' 6.3 – Added 'Contract' Removed - 6.3 Procurement and Contractor Contract Management Specialist.</p> <p>6.4 Asset Section Manager. 6.5 Civil Assets Planning Manager. Added '6.4 Asset Section Manager' Added '6.5 Civil Assets Planning Manager' Added '7.11 Environment Policy.' Added '7.12 Asset Management Policy.' Added '7.13 NSW Government Sustainability Policy.'</p>	208
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ITEM 7 - ATTACHMENT 1 REVISED ASSET DISPOSAL (OTHER THAN PROPERTY) POLICY.

Policy



			<p>Added '7.14 NSW Government Code of Practice.'</p> <p>Added '7.15 NSW Government Procurement Policy framework.'</p> <p>Updated EDRMS record number in version history.</p>
6.0	TBA	Financial Services Section Manager	<p>Updated policy into the new template.</p> <p>6.1 – Removed 'Expenditure' to reflect current naming convention of position title.</p> <p>6.2 – Removed 'Planning' to reflect current naming convention of position title.</p> <p>7.2 – updated Local Government (General) Regulation 2021 (NSW) to current.</p> <p>Controlled document information: Amended review timeframe to 3 years as per Council's policy review process.</p>

ITEM NO. 8

**FILE NO: 21/256105
EDRMS NO: PSC2009-02488**

POLICY REVIEW: BUDGET CONTROL AND AUTHORISATION POLICY

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

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Budget Control and Authorisation Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Budget Control and Authorisation Policy on public exhibition for a period of 28 days and should no submission be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Budget Control and Authorisation Policy dated 10 December 2019, Minute No 253 should no submissions be received.

BACKGROUND

The purpose of this report is to seek Council's endorsement of the revised Budget Control and Authorisation Policy (the 'policy') **(ATTACHMENT 1)**.

The objective of the policy is to ensure that all Council expenditure is legally authorised and that effective systems of budgetary control are in place to monitor and report on actual income and expenditure compared with budgeted income and expenditure.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

The implementation of the policy ensures that all Council expenditure is legally authorised and ensures the sound financial management of Council's assets.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Implementation of the policy ensures that all Council expenditure is authorised under the provisions contained in the Local Government Act 1993 (NSW) and the Local Government (General) Regulations 2021.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that Council's legal responsibilities will not be met if the policy is not implemented which could cause financial and/or reputational damage.	Low	Adopt the recommendations.	Yes
There is a risk that failing to effectively monitor and control actual income and expenditure in conjunction with budgeted income and expenditure could compromise Council's financial position.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

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

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section.

Internal

The Executive Team has been consulted to seek management endorsement.

External

In accordance with local government legislation the revised Budget Control and Authorisation Policy will go on public exhibition for a period of 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Budget Control and Authorisation Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND AUTHORISATION POLICY.

Policy



FILE NO: PSC2009-02488
TITLE: BUDGET CONTROL AND AUTHORISATION POLICY
POLICY OWNER: FINANCIAL SERVICES SECTION MANAGER

1. PURPOSE:

1.1 The purpose of this policy is to ensure that all Council expenditure is legally authorised and that effective systems of budgetary control are in place to monitor and report on actual income and expenditure compared with budgeted income and expenditure.

2. CONTEXT/BACKGROUND:

2.1 On 20 September 2011, Council adopted a Budget Control and Authorisation Policy, Minute No. 349. Council is committed to ensuring the allocation of its resources is responsible and appropriate.

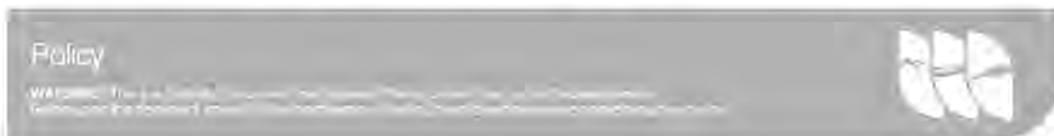
3. SCOPE:

- 3.1 The elected Council is responsible for the allocation of Council's resources for the benefit of the area (section 232 Local Government Act 1993 (NSW) (Local Government Act).
- 3.2 Council cannot delegate its authority to vote money for expenditure on works, services and facilities (section 377 Local Government Act).
- 3.3 The Council is responsible to regularly review and monitor its financial performance (section 232 Local Government Act).
- 3.4 The General Manager is responsible for the efficient and effective allocation of resources and ensuring appropriate policies and delegations of authority (section 335 Local Government Act).
- 3.5 Responsible budget officers are responsible for carrying out activities within their area of responsibility in accordance with their delegations from the General Manager.

4. DEFINITIONS:

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

Budget	An estimate of income and expenditure for a set period of time.
Unexpended votes	Financial resources not spent.



ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND AUTHORISATION POLICY.

Policy



Budget reviews	A quarterly review of budget allocations submitted for Council endorsement.
Responsible Accounting Officer	A staff member designated by the General Manager in accordance with the Local Government Act to take charge of accounting and finance requirements of the organisation.

5. POLICY STATEMENT:

5.1 General

5.1.1 Each year, Council will approve estimated income and expenditure for works and services as detailed in the Community Strategic Plan. The estimates will be submitted to Council in the form of a 10-year Long Term Financial Plan. For the purposes of the Local Government (General) Regulation 2005 (NSW), Council will be deemed to have approved the budget at group level.

5.1.2 No employees shall incur a liability unless Council has approved such expenditure and they must have the necessary authority delegated to incur a liability on behalf of Council.

5.1.3 As the Responsible Accounting Officer, the Financial Services Section Manager is to ensure:

- a) that appropriate budgeting and accounting systems (including internal control systems) are established and maintained.
- b) that a system of budgetary control is established and maintained that will enable Council's actual income and expenditure to be monitored each month and to be compared with the estimate of Council's income and expenditure. If any instance arises, where the actual income or expenditure of the Council is materially different from its estimated income or expenditure, the General Manager must report the instance to the next meeting of Council.

5.2 Voting and authorising new expenditure

5.2.1 The voting and authorising of additional expenditure not included in the original budget is the statutory responsibility of Council and cannot be delegated to the General Manager or any other person. This requirement is valid irrespective of whether new items of expenditure are offset by additional income not included in the original estimates.

5.2.2 Council authority for such new items is to be obtained by either:

- a) including details in a quarterly budget review.
- b) a separate report to Council.

5.2.3 To ensure that all decisions by Council have taken into account the overall impact on the budget and Council priorities:



ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND
AUTHORISATION POLICY.

Policy



- a) reports are to include recommendations from the relevant section manager, of the impact on the current or future budgets.
- b) the funding/budget implications will be referred to a Council meeting as part of the Quarterly Budget Review Statement, with a recommendation from the Executive Team based on a corporate assessment of overall budget implications and priorities.

5.3 Transferring votes

- 5.3.1 The General Manager has delegated authority to approve the transfer of votes, across groups, up to a maximum of \$50,000. Such transfers and the reasons for the transfers are to be included in the next Quarterly Budget Review Statement.
- 5.3.2 The transfer of votes across groups for amounts in excess of \$50,000 or between operational and capital must be submitted to Council for approval.

5.4 Budget reviews

- 5.4.1 The Responsible Accounting Officer will prepare and submit to Council a Quarterly Budget Review Statement within 2 months of the end of each quarter, except for the June quarter, which is discretionary.
- 5.4.2 The Quarterly Budget Review Statement will show the actual income and expenditure at the end of the quarter and a revised estimate of income and expenditure for the year.
- 5.4.3 The Quarterly Budget Review Statement will summarise any additional votes or transfers that require Council approval.
- 5.4.4 The Quarterly Budget Review Statement must include a report as to whether the Responsible Accounting Officer believes that the statement indicates if Council's financial position is satisfactory or unsatisfactory and recommendations for remedial action if necessary.
- 5.4.5 The Quarterly Budget Review Statement must include a report that provides sufficient information to alert Council to any issues or potential problems that may impact its ability to achieve stated financial targets.
- 5.4.6 The Quarterly Budget Review Statement must include a report that provides sufficient information to inform Council as to whether Council's Capital Works Program is on track to deliver the projects outlined in its Asset Management Plan.

5.5 Unexpended votes (revotes)

- 5.5.1 All approvals and votes lapse at the end of the financial year or whenever Council's term of office ends. However, this does not apply to approvals and votes relating to:



**ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND
AUTHORISATION POLICY.**

Policy



- a) work carried out, work in progress or contracted to be carried out.
 - b) any service provided, or contracted to be provided.
 - c) goods and materials provided, or contracted to be provided.
 - d) facilities provided, or contracted to be provided before the term of office of the Council ends.
- 5.5.2 The Responsible Accounting Officer will be responsible to determine if the criteria in 5.5.1 above will apply and to authorise the carrying forward of a vote into the next financial year. The Responsible Accounting Officer will submit a report to Council detailing these carried forward votes.
- 5.5.3 Once an approval or vote has lapsed, it can only be reinstated by a resolution of the Council. In the case of a newly elected Council, a report will be submitted to the first meeting of Council recommending the approval and voting of expenditure to enable the day-to-day operations of Council to continue. In the case of votes unexpended at the end of the financial year, a report is to be submitted to Council itemising the lapsed votes that in the opinion of the Responsible Accounting Officer, should be revoted for the next period.
- 6. POLICY RESPONSIBILITIES:**
- 6.1 The Financial Services Section Manager is responsible for implementing, complying with, monitoring, evaluating, reviewing and providing advice on the policy.
- 7. RELATED DOCUMENTS:**
- 7.1 Local Government Act 1993.
- 7.2 Local Government Act (General) Regulation.



ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND AUTHORISATION POLICY.

Policy



CONTROLLED DOCUMENT INFORMATION:

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EDRMS container No	PSC2009-02488	EDRMS record No	TBA
Audience	Council staff		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	21/07/1998		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	21/07/98	Financial Services Section Manager	Policy adopted.	336
2.0	20/09/11	Financial Services Section Manager	Amended policy adopted.	349
3.0	25/03/14	Financial Services Section Manager	Amended policy adopted.	62
4.0	16/12/15	Financial Services Section Manager	This policy has been reviewed and formatted into the new template. Included a definition of Responsible Accounting Officer.	
5.0	09/02/16	Financial Services Section Manager	Amended policy updated.	017
6.0	12/12/17	Financial Services Section Manager	Updated RM8 reference from 15/244602 to 17/209919.	318



ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND AUTHORISATION POLICY.

Policy



7.0	10/12/2019	Financial Services Section Manager	<p>Updated policy into new template.</p> <p>5.1.1 – Removed 'section'</p> <p>5.1.1 – Added 'Group'</p> <p>5.2.3 b) – Removed 'Leadership'.</p> <p>5.3.1 – Removed 'within the same group'</p> <p>5.3.1 – Added 'across Groups'</p> <p>5.3.1 – Removed '\$10,000'</p> <p>5.3.1 - Added '\$50,000'</p> <p>5.3.2 – Removed 'The transfer of votes between groups must be submitted to Council for approval.'</p> <p>5.3.2 – Removed 'within'</p> <p>5.3.2 – Added 'across'</p> <p>5.4.1 – Removed 'General Manager'</p> <p>5.4.1 – Added 'Responsible Accounting Officer'</p> <p>5.4.3 – Removed 'itemise'</p> <p>5.4.3 – Added 'summarise'</p> <p>5.5.2 – Removed 'General Manager'</p> <p>5.5.2 – Added 'Responsible Accounting Officer' and '5.5.1'.</p> <p>5.5.3 – Removed 'General Manager'</p> <p>5.5.3 – Added 'Responsible Accounting Officer'</p> <p>6.1 – Inserted 'is responsible for implementing, complying with, monitoring, evaluating, reviewing and providing advice on the policy.'</p> <p>Updated EDRMS record number.</p>	253
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ITEM 8 - ATTACHMENT 1 REVISED BUDGET CONTROL AND AUTHORISATION POLICY.

Policy				
8.0	TBA	Financial Services Section Manager	<p>Updated policy into the new template.</p> <p>4.1 – Deleted 'of time' at the end of the budget definition as superfluous.</p> <p>Controlled document information:</p> <ul style="list-style-type: none"> Amended review timeframe to 3 years as per Council's policy review process. 	

ITEM NO. 9

**FILE NO: 21/269943
EDRMS NO: PSC2005-2640**

POLICY REVIEW - OUTDOOR TRADING POLICY

REPORT OF: JOHN MARETICH - ASSET SECTION MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Outdoor Trading Policy shown at **(ATTACHMENT 1)**.
- 2) Place the revised Outdoor Trading Policy, as amended on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted, without a further report to Council.
- 3) Revoke the Outdoor Trading Policy dated 28 August 2018, Minute No. 269 should no submissions be received.

BACKGROUND

The purpose of this report is seek Council's endorsement of the revised Outdoor Trading Policy (policy) shown as **(ATTACHMENT 1)**.

The Outdoor Trading Policy is the instrument that allows consideration of many activities on roadways, such as outdoor dining, casual street stalls, clothing racks, A-frames and more.

The 2021 policy review seeks to streamline the policy scope, statement and responsibilities to aid clarity. No changes to the principles of the policy are proposed.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2021
Infrastructure and Facilities	Plan civil and community infrastructure to support the community.

FINANCIAL/RESOURCE IMPLICATIONS

No additional expense is incurred by Council as a result of the revised policy.

ORDINARY COUNCIL - 26 OCTOBER 2021

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Y		
Reserve Funds	N		
Developer Contributions (S7.11)	N		
External Grants	N		
Other	N		

LEGAL, POLICY AND RISK IMPLICATIONS

Between revisions of the Council Outdoor Trading Policy, the NSW State Government has offered a state based Outdoor Dining policy framework. Port Stephens Council participated in the trial in 2020 with limited success due to low uptake of new applications (ie. existing applications were outside of the trial).

The NSW Government have released the NSW Outdoor Dining Policy and Guideline formally, however the adoption is discretionary for each Council. Within the current policy review the staff have recommended that Council persist to operate the outdoor dining function directly under our Outdoor Trading Policy framework as it provides greater flexibility and securities. This greater flexibility allows Council to move towards a more “Permissive Statement” approval process than a regulative type that we have used in the past.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that businesses fail to undertake an adequate self-assessment and/or fail to maintain compliance during the permit approval period.	Moderate	Council is responsible for final approval and compliance checks. Council staff will continue to assist the applicant.	Yes
There is a risk that not adopting the NSW Government Outdoor Dining Policy and Guideline may lead to reputational damage.	Moderate	Maintain the current rapid processing times and practical approach to approvals. Council’s policy provides greater flexibility to allow businesses to operate and create a vibrant experience.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Outdoor trading in the various forms permissible under the policy can bring vibrancy to local commercial centres, boost local economies and small businesses, and provide additional jobs.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Civil Assets Section.

Internal

- Assets Unit - Facilities & Services Section.
- Enterprise Risk Management – Governance Section.
- Economic Development and Tourism – Development Services Section.
- Environmental Health and Compliance – Development Services Section.

External

In accordance with local government legislation the revised Outdoor Trading Policy will go on public exhibition from 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Outdoor Trading Policy. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

Policy



FILE NO: PSC2005-2640
TITLE: OUTDOOR TRADING POLICY
OWNER: ASSETS SECTION MANAGER

1. PURPOSE:

- 1.1 ~~Regulate the use of the public footway area to avoid nuisance, inconvenience or reduction of safety to the public.~~
- 1.1 Facilitate the creation of a vibrant cosmopolitan trade atmosphere in appropriate areas of Port Stephens.
- 1.2 ~~To ensure that safe access is maintained on footpaths at all times for pedestrians including the users of wheelchairs and mobility aids.~~
- 1.2 Provide an opportunity for local charitable and community organisations to operate casual street stalls within the public footway.
- 1.3 ~~Create a cosmopolitan, alfresco dining/café atmosphere in appropriate areas of Port Stephens.~~
- 1.3 Provide commercial retailers with an opportunity to use the adjoining public footway to enhance, activate and promote their business within the pedestrian area.
- 1.4 ~~Provide an opportunity for local charitable and community organisations to operate casual street stalls.~~
- 1.4 Ensure that equitable and safe access is maintained on footways at all times for pedestrians including the vision impaired, users of wheelchairs and other mobility aids.
- 1.5 ~~Provide retailers with an opportunity to integrate commercial activities into pedestrian areas.~~
- 1.5 Regulate the use of the public footway area to avoid nuisance, inconvenience or reduction of safety to the public.

2. CONTEXT/BACKGROUND:

- 2.1 Council has authority to regulate the use of footways within Council road reserves. This policy replaces 3 separate, existing policies covering the use of footways for footway/alfresco dining, for street trading by organisations and casual street stalls and for the installation or erection of temporary structures. The policies replaced are:
- ~~Footway dining areas in Port Stephens.~~
 - ~~Street trading in local, charitable and community organisations.~~
 - ~~Temporary structures on the footway (Road Reserve): has been created to provide a safe, consistent and equitable approval process for the appropriate use of public footways.~~

- 2.2 The policy must be read in conjunction with:





Policy

- ~~The Footway Dining: Procedures and Guidelines Manual and the related Deed of Licence.~~
 - ~~The Conditions and Procedures Manual: Temporary Structures on the Footway (Road Reserves) in Port Stephens.~~
 - ~~Casual Street Stalls – General Conditions~~
 - Temporary Structures Application Form – Terms and Conditions.
 - Casual Street Stall Application Form – Terms and Conditions.
 - Footway Dining Application Form - Terms and Conditions.
- 2.3 ~~Approval may also be subject to local or specific Development Control Plan conditions or to agreements and conditions formed by the local Chamber of Commerce and Industry or other organisations and approved by Council.~~

3. SCOPE:

- 3.1 ~~Council has authority to grant approval and regulate the use of the footway in accordance with the Roads Act 1993 and the Local Government Act 1993.~~
- 3.1 The policy applies to all applications for outdoor trading on footways within the Port Stephens local government area. Outdoor trading includes businesses operating an outdoor dining area on the footway or where goods and services are offered for sale. These activities require an approval in accordance with Section 125 of the Roads Act 1993.
- 3.2 This policy applies to activities such as outdoor dining, casual street stalls, A-frame signs (sandwich boards), flag structures, clothing racks, planter boxes and other temporary structures.
- 3.3 This policy does not apply to mobile food vending vehicles, permanent structures (including any which are not removed at the end of the days trading), or any other activities undertaken in the road reserve or other public spaces such as parks and reserves. These activities are covered by applying to Council under the Commercial Operators Policy.
- 3.4 The use of part of the footway will only be considered for the use of charity organisations or in association with an established commercial business where the owner/proprietor/manager of that business wishes to apply for use of the adjoining footway.
- 3.5 Council does not charge any fees for applications or annual approvals for activities covered by this policy. An application is still required to ensure appropriate insurances are held and space is managed safely and effectively.

4. DEFINITIONS:

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

Footway	That part of a road as is set aside or formed as a path or way for pedestrian traffic (whether or not it may also be used by bicycle traffic).
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Policy

Outdoor Dining Area	A restaurant that is the subject of an approval under Section 125 of the Roads Act 1993.
Road Reserve	The entire right-of-way devoted to public travel including footways, shoulders, verges and carriageways – the whole width between adjacent property boundaries.
Casual Street Stalls	Used by charity organisations and locals in the community for the selling of goods and services in a public place and are a great way of promoting and raising funds for your charity, selling raffle tickets, and many other events. Used by charity organisations and locals in the community for the selling of goods and services in a public place to promote and raise funds for the charity.
Commercial activity	To conduct any aspect of a business or service in order to provide goods or services to any person for profit or cost recovery on Council owned and managed land.
Charity Organisation	As defined by the Charities Act 2013 ie. an organisation which is not for profit, has charitable purposes for public benefit and not be an individual, a political party or government entity.
A-frame sign	An upright, rigid self-supporting frame with two flat panels connected at the top in the form of a triangle or an inverted V.
Flag Structure	A pole, staff or similar article with a piece of cloth or bunting displaying a design, symbolic colours or patterns.
Clothing rack	A framework for holding and displaying clothing or other items.
Planter boxes	A container used for displaying live plants or flowers.
Permanent Structure	Any article not intended to be moved or one which would be difficult to move without mechanical or other assistance.
Temporary Structure	Any article which can be moved easily and is packed away at the end of each days trade.
Outdoor Trading Area	A part of the footway used on a temporary basis for commercial activities which may include the display of articles, signs, goods, food or beverages for consumption or display in association with an adjacent approved business.

Policy

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Policy



5. STATEMENT:

- 5.1 ~~Port Stephens Council seeks to create a cosmopolitan, alfresco dining/café atmosphere in appropriate areas of Port Stephens and to increase the tourism potential of the local government area.~~
- 5.1 Port Stephens Council seeks to create a vibrant cosmopolitan outdoor trading area by providing charity organisations and commercial retailers with an opportunity to integrate commercial activities into public footways, increasing tourism potential and improving business viability.
- 5.2 ~~Port Stephens Council provides the opportunity for local charitable and community organisations to operate casual street stalls, while ensuring that pedestrians and local businesses are not adversely affected.~~
- 5.3 ~~Port Stephens Council regulates the use of temporary structures on the footway, providing retailers with an opportunity to integrate commercial activities into pedestrian areas. This will increase exposure of specific commercial activities and gives the opportunity for improved business viability.~~

6. RESPONSIBILITIES:

- 6.1 ~~No fee is charged by Council for the approval process for casual street stalls for charitable and community organisations. Council currently does not charge an annual fee for outdoor dining licences and for temporary structures on the footway, though an application is still required to check appropriate insurances and space management.~~
- 6.1 Council has authority to grant approval and regulate the use of the footway in accordance with the Roads Act 1993 and the Local Government Act 1993. The Civil Assets team is responsible for the development, implementation, monitoring and reviewing of this policy.
- 6.2 ~~Appropriate use of footways makes a significant contribution to the quality of public places. Council seeks to assist in the creation of a vibrant business community by implementation of a fair and equitable outdoor trading policy.~~
- 6.3 ~~Appropriate use of the footway assists the viability of business and allows business operators to display goods for sale and information for potential customers.~~
- 6.4 ~~Appropriate regulation of footway trading activities will ensure that the footway is available for safe pedestrian access and is free of obstructions and hazards.~~

7. RELATED DOCUMENTS:

- 7.1 Local Government Act 1993 (NSW).
- 7.2 Roads Act 1993 (NSW).
- 7.3 Commonwealth Disability Discrimination Act 1992 (Cth).
- 7.4 Companion Animals Amendment (Outdoor Dining Areas) Act 2010 (NSW).
- 7.5 Disability Inclusion Act 2014 (NSW).
- 7.6 Smoke Free Environment Act 2000 (NSW).



Policy



- 7.7 Companion Animals Act 1998 (NSW).
- 7.8 Liquor Act 2007 (NSW).
- 7.9 Food Act 2003 (NSW).
- 7.10 Work Health and Safety Act and Regulations 2011 (NSW).
- 7.11 Port Stephens Council Development Control Plan 2014.
- 7.11 State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (NSW).
- 7.12 Advertising Signs in Road Reserves Policy.
- 7.12 Environmental Planning and Assessment Act 1979 (NSW).
- 7.13 Smoke-Free Outdoor Areas Policy.
- 7.13 Port Stephens Council Development Control Plan 2014.
- 7.14 Footway Dining—Procedures and Guidelines.
- 7.14 Port Stephens Council Information & Direction Signs in Road Reserves Policy 2021.
- 7.15 Conditions and Procedures Manual—Temporary Structures on the Footway (Road Reserve) in Port Stephens.
- 7.15 Port Stephens Council Temporary Structures Application Form.
- 7.16 Port Stephens Council Casual Street Stalls Application Form.
- 7.17 Port Stephens Council Footway Dining Application Form.

Policy

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EDRMS container No.	PSC2005-2640	EDRMS record No.	TBA
Audience	Community, Assets Section, Civil Assets, Staff and General Manager		
Process owner	Assets Section Manager		
Author	Civil Assets Planning Manager		
Review timeframe	2 3 years	Next review date	TBA
Adoption date	25/11/2014		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	25/11/2014	Civil Assets Manager	Adopted by Council	321
2	28/08/2018	Civil Assets Planning Manager	Reviewed and updated in new Policy template. Removal of Civil in the Policy Owner 1.1 Reworded to improve purpose. 1.3 Reworded and additional points added as 1.4 and 1.5. 4.1 Additional information in Definition. 6.1 Changed in policy due to NOM (Min No. 024) 14 February 2017. Adopted By Council.	269





Policy

Version	Date	Author	Details	Minute No.
3	TBA	Civil Assets Engineer	<p>Reviewed and updated in the new Policy template.</p> <p>1.1-1.5 Reordered and reworded to better reflect purpose.</p> <p>2.1 Reworded.</p> <p>2.2 Updated document names.</p> <p>2.3 Removed.</p> <p>3.1 Reworded and additional point added 3.2, 3.3, 3.4 and 3.5.</p> <p>4.1 Reworded and additional definitions added.</p> <p>5.1 Reworded and 5.2 and 5.3 removed – points already covered within Policy.</p> <p>6.1 Reworded and 6.2, 6.3 and 6.4 removed – points already covered within Policy.</p> <p>7.5, 7.7, 7.9, 7.12, 7.14 Added related documents.</p> <p>7.15 – 7.17 Updated document names.</p>	

Policy

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ITEM NO. 10

**FILE NO: 21/258758
EDRMS NO: PSC2013-02870**

NEW POLICY - CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES

REPORT OF: JOHN MARETICH - ASSET SECTION MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Receive and note submissions (**ATTACHMENT 1**).
- 2) Adopt the revised Closed Circuit Television (CCTV) in Public Places Policy shown at (**ATTACHMENT 2**).

BACKGROUND

The purpose of this report is seek Council's endorsement of the draft Closed Circuit Television (CCTV) in Public Places Policy (policy) shown at (**ATTACHMENT 2**) following the public exhibition of 24 August 2021 to 21 September 2021.

Council owns and operates a number of CCTV networks across the Local Government Area, including the town centres of Nelson Bay and Raymond Terrace. These were previously owned and managed by the Business Chamber and funded by grants. The network has been operating directly under statutory powers and following the 'NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television CCTV in Public Places'.

The attached policy seeks to provide a framework and a set of underlying principles to direct the operation and management of the CCTV network when observing public places. The requirements and policy statements relevant to the parts of Council's CCTV networks observing places, other than public places, are under the Workplace Surveillance Policy.

During the public exhibition, 2 submissions were received which have been summarised in (**ATTACHMENT 1**). As a result of the submission the advertised policy was modified to include a definition of law enforcement agency.

Please note that text highlighted in blue in the policy shows amendments that have been made following public exhibition.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Thriving and Safe Place to Live	Provide land use plans, tools and advice that sustainably support the community.

FINANCIAL/RESOURCE IMPLICATIONS

There are no additional expenses incurred by Council as a result of adopting the draft Closed Circuit Television (CCTV) in Public Places Policy.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

CCTV systems are subject to complex legislative requirements, guidelines and standards for their installation, operation and management. These include:

- Government Information (Public Access) Act 2009 (NSW).
- Local Government Act 1993 (NSW).
- Privacy and Personal Information Protection Act 1998 (NSW).
- Privacy and Personal Information Protection Regulation 2014 (NSW).
- Security Industry Act 1997 (NSW).
- Crimes Act 1900 (NSW).
- Workplace Surveillance Act 2005 (NSW).
- State Records Act 1998 (NSW).

In 2000, the NSW Government established guidelines around the installation and use of CCTV in public places. Revised in 2014, the NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) in Public Places was published to assist Council navigate the various acts by providing the policy framework and set of underlying principles.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk of inappropriate disclosure of CCTV system footage outside leading to a potential privacy breach.	Medium	Policy provisions stipulate that only law enforcement agencies may be issued footage. Standard Operating Procedure will be developed to reinforce this requirement.	Yes
There is a risk that the NSW Government may change the statutory requirements of owning or operating a CCTV network leading to potential additional cost or noncompliance.	Medium	Monitor legislative changes and participate in any consultation periods.	Yes
There is a risk that community expectation for broader CCTV network coverage leading to additional expense.	Low	Requests for additional CCTV network coverage expansion will be assessed in line with other priorities for Capital Expenditure.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The draft policy will provide a positive social and economic impact to our community by facilitating the Community Strategic Plan's strategic direction of a Thriving and Safe Place to Live.

Council's objectives for using CCTV are to reduce crime levels by deterring potential offenders, to reduce fear of crime, to increase perceptions of safety and to assist in the prosecution of offenders by providing Police with recorded material.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Assets Section.

Internal

- Assets (Fleet Management and Civil Infrastructure Teams) as custodians and operators of the CCTV network.
- ICT as support for the CCTV network.
- Governance Section.
- Strategy and Environment Section.

External

NSW Police Force have been consulted with respect to establishing Standard Operating Procedures and Memorandums of Understanding between our organisations.

The draft Closed Circuit Television (CCTV) in Public Places Policy was placed on public exhibition for a period of 28 days from 24 August 2021 to 21 September 2021. During the public exhibition period, 2 submissions were received and are summarised in **(ATTACHMENT 1)**.

OPTIONS

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

ATTACHMENTS

- 1) Public Exhibition - Submissions Summary. [↓](#)
- 2) Closed Circuit Television (CCTV) in Public Places Policy. [↓](#)

COUNCILLORS ROOM

- 1) Public Exhibition – Full Submissions.

TABLED DOCUMENTS

Nil.

ITEM 10 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

New Policy - Closed Circuit Television (CCTV) in Public Places.

No.	Author of submission	Comment	Council response
1	Resident.	<p>Funds to be directed to CCTV should be directed to other projects.</p> <p>No evidence to support CCTV objectives are to reduce crime levels.</p> <p>No evidence to support CCTV implementation is part of an integrated multi agency approach. No evidence to support how council will consult with communities when expanding CCTV.</p> <p>No evidence to support CCTV will have regard for privacy and civil rights of individuals and the community. No evidence to support records will not be used or disclosed to anyone other than law enforcement agency.</p> <p>No evidence to support that any record will not be used or disclosed unless it is to a member or office of a law enforcement agency.</p> <p>No evidence to suggest Council will manage all complaints in accordance with Complaint Handling Policy.</p>	<p>No additional expenses have been incurred by Council as a result of adopting the draft policy.</p> <p>CCTV is only one of a range of strategies that Council utilises with an aim to reduce crime. Other strategies include activating public space, appropriate lighting, natural surveillance, access control and signage.</p> <p>Consultation with key stakeholders including NSW Police has been undertaken.</p> <p>Any access to information will be in accordance with Council's Access to Information Policy.</p> <p>NSW Police have been consulted regarding establishment of Standard Operating Procedures and Memorandum of Understanding between our organisations.</p> <p>All complaints will be managed in accordance with established Complaint Handling Policy.</p>
2	Resident.	Draft policy does not follow the State Government guidelines.	The policy is based on various legislative requirements, guidelines and standards including the NSW Government guidelines, Privacy Regulation and Crimes Act.

ITEM 10 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

		<p>There should be a publicly available map showing the areas of town centres covered.</p> <p>Further information is required relating to processes and criteria for police/law enforcement access.</p> <p>Further information is required relating to CCTV images being subject to GIPA Act requests.</p> <p>Costs of equipment, maintenance and operation should be made more visible to the community.</p> <p>Further information is required relating to periodic review and regular audits of CCTV.</p> <p>It is unclear if the system allows for real time monitoring.</p> <p>Further details are required of the processes of access to authorising monitoring and viewing. Further information is required on access to CCTV images.</p> <p>Further information is required on ownership of the equipment.</p> <p>Further information is required on who is defined as a law enforcement agency.</p>	<p>A map is available to authorised officers of Council.</p> <p>NSW Police have been consulted regarding establishment of Standard Operating Procedures and Memorandum of Understanding.</p> <p>Any request to obtain data must be made in accordance with Council's access to information process (GIPA).</p> <p>The costs of CCTV are included in the budget as part of the overall Asset Management Strategy that is adopted by Council.</p> <p>This policy will be reviewed every 3 years, or if there are any changes to the NSW Government CCTV Guidelines. The review will consider the results of the audits of Council's CCTV scheme, to ensure that this policy is effective and has been implemented appropriately.</p> <p>The system allows for real time monitoring.</p> <p>Council has appointed a number of authorised officers who have responsibilities for management and oversight of the program. All requests for access to data held by Council must be made through the GIPA process.</p> <p>CCTV equipment is owned by Council.</p> <p>The policy has been updated to include a definition of law enforcement agencies.</p>
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ITEM 10 - ATTACHMENT 2 CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES POLICY.

Policy



FILE NO: PSC2013-02870

TITLE: CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES

OWNER: ASSETS SECTION MANAGER

1. PURPOSE:

- 1.1 This policy has been developed to provide a framework to assist Council in establishing and operating Closed Circuit Television (CCTV) in response to local community safety concerns in accordance with the aspirations of the Community Strategic Plan.

2. CONTEXT/BACKGROUND:

- 2.1 CCTV systems are subject to complex legislative requirements, guidelines and standards for their installation, operation and management. In 2000, the NSW Government established guidelines around the installation and use of CCTV in public places. Revised in 2014, these guidelines (NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) in Public Places) provide the policy framework and following set of underlying principles to assist agencies considering the use and management of CCTV.
- 2.2 CCTV can be effective in reducing crime if it is part of a broader crime prevention and community safety strategy. CCTV is not recommended as an isolated response to addressing crime in public place.
- 2.3 CCTV can bring benefits to the community through reduction in crime, which can lead to enhanced perceptions of safety in a particular area. CCTV programs that have the greatest impact on crime in a local area are those implemented as one of a suite of crime prevention measures as opposed to a stand-alone crime prevention intervention.

3. SCOPE:

- 3.1 This policy applies to the implementation, operation and management of CCTV installed on Council assets observing public places.
- 3.2 The implementation, operation and management of CCTV observing non-public places is addressed separately under the Workplace Surveillance Policy of the relevant workplace.

4. DEFINITIONS:

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



ITEM 10 - ATTACHMENT 2 CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES POLICY.



Policy

- CCTV An initialisation meaning “closed circuit television”. It is a system that transmits images within a closed system to a specific location. The CCTV system is made up of cameras, monitors, recorders, interconnecting hardware, software and support infrastructure.
- Law Enforcement Agency Means any of the following:
 - The NSW Police Force or the Police Force of another State or a Territory.
 - The New South Wales Crime Commission.
 - The Australian Federal Police.
 - The Australian Crime Commission.
 - The Director of Public Prosecutions of New South Wales, of another State or a Territory, or of the Commonwealth.
 - The Department of Justice.
 - The Office of the Sheriff of New South Wales.

5. STATEMENT:

- 5.1 Council’s objectives for using CCTV are to reduce crime levels by deterring potential offenders, to reduce fear of crime, to increase perceptions of safety and to assist in the prosecution of offenders by providing Police with recorded material.
- 5.2 The implementation of CCTV must be part of an integrated, multi-agency approach to crime control and community safety.
- 5.3 Council will maintain and operate the CCTV schemes with due regard for the privacy and civil rights of individuals and the community.
- 5.4 Council will consult with communities when considering establishing or significantly expanding a public area CCTV schemes.
- 5.5 Council will develop and review procedures to cooperate and share information with the NSW Police Force.
- 5.6 Council will ensure that any record made as a result of surveillance will not be used or disclosed unless the disclosure is to a member or officer of a law enforcement agency (e.g. Police) for use in connection with the detection, investigation or prosecution of an offence or to avert an imminent threat of serious violence or of substantial damage to property.
- 5.7 Council will manage all complaints relating to CCTV systems in accordance with our Complaint Handling Policy.

6. RESPONSIBILITIES:

- 6.1 The following key positions within Council are responsible for implementing, complying with, monitoring, evaluating, reviewing and providing advice on the policy:



ITEM 10 - ATTACHMENT 2 CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES POLICY.

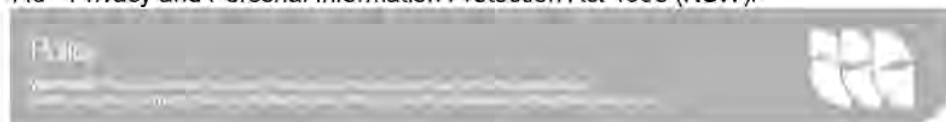
Policy



- | | |
|---|---|
| <p>Civil Assets Manager & Fleet Management Supervisor</p> | <ul style="list-style-type: none"> • CCTV asset class owners, responsible to manage the lifecycle of the asset class. • Ensure staff, contractors and consultants involved with CCTV are adequately trained and inducted into the policies and other applicable policies and procedures. • Arrange compliance audits of public CCTV. |
| <p>Civil Assets Manager, Civil Infrastructure Engineer & Civil Infrastructure Officer</p> | <ul style="list-style-type: none"> • Oversee day to day management, maintenance and operation of the CCTV system. • Develop, implement and on-going review of standards and standard operating procedures to ensure compliance. • Responsible for CCTV footage viewing and download requests • Financial budgeting for Public CCTV. |
| <p>Governance Section Manager & Governance Officer</p> | <ul style="list-style-type: none"> • Provide advice on any on-going reviews of standards and standard operating procedures to ensure compliance. • Responsible for CCTV GIPA requests. • View footage for the GIPA requests. |
| <p>Strategy & Environment Section Manager</p> | <ul style="list-style-type: none"> • Liaise with the NSW Police and the Business Community to determine CCTV needs. • Develop and manage the MOU with the NSW Police. |
| <p>ICT Maintenance & Support Coordinator</p> | <ul style="list-style-type: none"> • Assist with CCTV footage viewing and download requests. |

7. RELATED DOCUMENTS:

- 7.1 Port Stephens Council and Local Area Command CCTV Memorandum of Understanding (2021).
- 7.2 Port Stephens Council and Port Stephens Hunter Police District Memorandum of Understanding (2020).
- 7.3 NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) (2005).
- 7.4 Australian Standard AS 4806.1 – 2006, Closed circuit television (CCTV), Part 1: Management and operation.
- 7.5 Workplace Surveillance Policy.
- 7.6 Government Information (Public Access) Act 2009 (NSW).
- 7.7 Local Government Act 1993 (NSW).
- 7.8 Privacy and Personal Information Protection Act 1998 (NSW).



ITEM 10 - ATTACHMENT 2 CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES POLICY.

Policy



- 7.9 Privacy and Personal Information Protection Regulation 2014 (NSW).
- 7.10 Security Industry Act 1997 (NSW).
- 7.11 Crimes Act 1900 (NSW).
- 7.12 Workplace Surveillance Act 2005 (NSW).
- 7.13 State Records Act 1998 (NSW).

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EDRMS container No.	PSC2013-02870	EDRMS record No.	TBC
Audience	Staff		
Process owner	Assets Section Manager		
Author	Civil Assets Manager		
Review timeframe	3 years	Next review date	TBC
Adoption date	TBC		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1		Civil Asset Manager	First Version.	



ITEM NO. 11

**FILE NO: 21/262392
EDRMS NO: PSC2018-03650**

ANNUAL REPORT 2020 TO 2021

REPORT OF: TIMOTHY CROSDALE - GROUP MANAGER CORPORATE SERVICES
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Annual Report Financial Year 2020 to 2021 (**ATTACHMENTS 1, 2 and 3**).

BACKGROUND

The purpose of this report is to present to Council and the community the Annual Report 2020 to 2021. The Annual Report is in 3 volumes:

- Volume 1 is the report of activities and operations of Council for the financial year to 30 June 2021, reporting on statutory requirements and Council's achievements in implementing its Delivery Program (**ATTACHMENT 1**).
- Volume 2 is the audited financial statements of Council to 30 June 2021 (**ATTACHMENT 2**).
- Volume 3 is the End of Term Report 2017 to 2021 (**ATTACHMENT 3**).

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Governance	Provide a strong ethical governance structure.

FINANCIAL/RESOURCE IMPLICATIONS

Volume 1 of the Annual Report contains a summary of Council's financial performance, capital expenditure and governance across the whole of Council's operations. As at 30 June 2021 Council achieved its organisational target of an underlying financial surplus.

Volume 2 of the Annual Report contains more detail of Council's financial position and audited accounts.

Volume 3 of the Annual Report contains the End of Term Report 2017 to 2021. In accordance with the Local Government Act 1993 (NSW) (Local Government Act) section 428(2) and the Integrated Planning and Reporting Guidelines for Local Government in NSW (March 2013), an End of Term Report 2017 to 2021 has been appended outlining Council's achievements in implementing the Community Strategic Plan. The End of Term Report 2017 to 2021 also addresses the environmental objectives of the Community Strategic Plan, and as such, Council is not required to prepare an additional report on the State of the Environment.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The Annual Report has been prepared in accordance with section 428(1-4) of the Local Government Act 1993.

The Annual Financial Statements and End of Term Report will also be considered by Council in the Council meeting of 26 October 2021.

Section 428(5) of the Local Government Act 1993 states:

"A copy of the Council's Annual Report must be posted on the council's website and provided to the Minister and such other persons and bodies as the regulations may require. A copy of a Council's Annual Report may be provided to the Minister by notifying the Minister of the appropriate URL link to access the report on the Council's website."

Subject to adoption of the Annual Report by Council, officers will place the Annual Report 2020 to 2021 on Council's website, in Council Libraries and advise the Office of Local Government.

Section 428A(1) states:

"The Annual Report of a council in the year in which an ordinary election of Councillors is to be held must include a report (a state of the environment report) as to the state of the environment in the local government area." As outlined above, the End of Term Report addresses and reports on the environmental objectives and indicators of the Community Strategic Plan.

Office of Local Government Circular No 21-16 / 30 June 2021 / A773314 additionally outlines that Councils should ensure they report performance against targets, outcomes, efficiency and cost effectiveness over time.

Volume 1 of the Annual Report provides Council's performance against its 7 main result measures over time and reports on the outcomes of the Delivery Program for 2020 to 2021 including the effectiveness of its Operational Plan actions, efficiencies in continuing to review business operations and our financial sustainability since 2012.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that failure to provide the Annual Report within the legislated timeframe could lead to reputational loss and a breach of the Local Government Act 1993.	Low	Adopt the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The Annual Report 2020 to 2021 provides information on Council's performance and achievements across a range of social, economic and environmental factors, outlining the principal activities of Council which are based on the 4 pillars of sustainability. Council is committed to transparent reporting and accountability to our community.

Despite the challenging year that it has been, Port Stephens Council always has the community's best interests at heart providing the services our community needs in the best possible way. This report provides not only our achievements and challenges for 2020 to 2021 but alternate ways that we've been providing services and supporting the community.

Council achieved the high organisational targets it set for the key result measures of service delivery, employee engagement, financial sustainability, governance and risk management. As outlined in the Annual Report, we did not meet the high targets set for community satisfaction and infrastructure backlog. This is understandable in the aftermath of the natural disaster in March 2021 and the ongoing impacts of COVID-19. However, we are firmly focused on reviewing these results in conjunction with the community's priorities as part of integrated planning throughout 2021 to 2022.

The key result measures (metrics) for 2020 to 2021 were:

Service Delivery:

- Target: > 95% Integrated Plans delivered on time.
- Achievement: 98% of Operational Plan actions on track after revising workplans due to COVID-19 and the natural disaster.

Community Satisfaction

- Target: > 80% Community Satisfaction.
- Achievement: 68% overall Community Satisfaction score.

Employee Engagement

- Target: > 70% Employee Engagement.
- Achievement: 81%.

Governance

- Target: > 95% Governance Health Check.
- Achievement: 98.2%

Risk Management

- Target: > 80% Risk Management Maturity score.
- Achievement: 86%.

Financial Sustainability

- Target: Underlying Financial Surplus.
- Achievement: Underlying Financial Surplus of \$582,807.

Infrastructure Backlog

- Target: Reduction in Backlog
- Achievement: \$14.47m (gap as at 30 June 2021, compared to \$13.83 m 30 June 2020).

CONSULTATION

Compilation of the Annual Report 2020 to 2021 has occurred in consultation with the following internal key stakeholders:

- Executive Team.
- Section Managers.

- Council Officers.

Information was gathered from across Council to compile the Annual Report 2020 to 2021.

If adopted by Council, the Annual Report 2020 to 2021 will be placed on Council's website, with the appropriate web link advised to the Office of Local Government and hard copies distributed to Council's Libraries and the State Library of New South Wales.

OPTIONS

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

ATTACHMENTS

- 1) Annual Report 2020 to 2021 - Volume 1. (Provided under separate cover) [⇨](#)
- 2) Annual Report 2020 to 2021 - Volume 2. (Provided under separate cover) [⇨](#)
- 3) Annual Report 2020 to 2021 - Volume 3. (Provided under separate cover) [⇨](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 12

**FILE NO: 21/250264
EDRMS NO: PSC2017-00180**

2020 - 2021 ANNUAL FINANCIAL STATEMENTS

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

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the 2020-2021 Annual Financial Statements (**ATTACHMENT 1**) and accept the Auditor's reports, as submitted by the Audit Office of New South Wales.
- 2) Place the 2020-2021 Annual Financial Statements on public exhibition, with submissions accepted until 5pm on 2 November 2021 in line with legislation.

BACKGROUND

The purpose of this report is to advise Council that the 2020-2021 Annual Financial Statements have been prepared in accordance with Australian Accounting Standards, the Local Government Act 1993 and associated regulations and the Local Government Code of Accounting Practice.

The 2020-2021 Annual Financial Statements have been reviewed by Council's Auditors (The Audit Office of NSW) and the Audit Committee. This report is to formally present Council's Annual Financial Statements for the year ended 30 June 2021, together with the Auditor's Report, to the public in accordance with sections 418 and 419 of the Local Government Act 1993.

Included with the 2020-2021 Annual Financial Statements is a Holiday Parks and Investment Property Report, which shows the financial result for all holiday parks operated by Council, together with the financial result for Council's investment property portfolio and the Newcastle Airport.

A summary of the key points of the 2020-2021 Annual Financial Statements is shown at (**ATTACHMENT 2**) to assist with legibility.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no known legal or policy implications. The risk implications are listed in the table below.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the Annual Financial Statements will not be adopted by Council and contravene legislation.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Completion of the 2020-2021 Annual Financial reports provides Council with the information needed to facilitate prudent financial management decision making which will have a positive impact on the community.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section.

The 2020-2021 Annual Financial Statements, including the Auditor’s reports, have been circulated separately to the Mayor and Councillors for their information and a two-way conversation held with one of the auditors in attendance to discuss the reports.

Internal

- Senior Leadership Team.
- Audit Committee.

External

- The Audit Office of New South Wales.

Public notice of the presentation of the audited 2020-2021 Annual Financial Statements was advertised on Council's website from 19 October 2021 with copies of the Annual Financial Statements made available on Council's website.

Submissions from the public on the audited 2020-2021 Annual Financial Statements will be accepted for 7 days after the Council meeting, from 27 October 2021 to 2 November 2021 inclusive, in accordance with relevant legislation.

OPTIONS

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

ATTACHMENTS

- 1) Annual Financial Statements 2020 - 2021 [↓](#)
- 2) Annual Financial Statements - Key Discussion Points. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

Port Stephens Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

"A great lifestyle in a treasured environment"



Port Stephens Council

General Purpose Financial Statements

for the year ended 30 June 2021

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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 B1-2.

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 2021

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

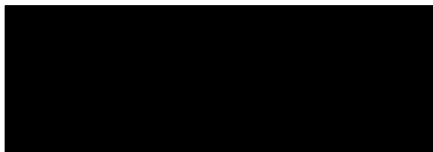
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

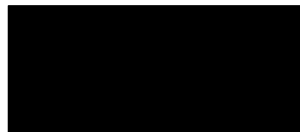
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

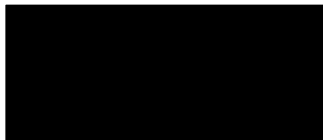
Signed in accordance with a resolution of Council made on 10 August 2021.



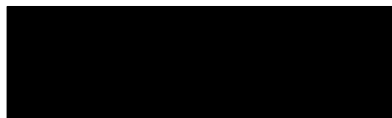
Ryan Palmer
Mayor
10 August 2021



Paul Le Mottee
Councillor
10 August 2021



Wayne Wallis
General Manager
10 August 2021



Tim Hazell
Responsible Accounting Officer
10 August 2021

Port Stephens Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Income from continuing operations				
63,648	Rates and annual charges	B2-1	63,396	59,812
46,024	User charges and fees (*)	B2-2	39,886	42,042
3,572	Other revenue	B2-3	4,516	2,937
12,408	Grants and contributions provided for operating purposes	B2-4	15,032	12,837
9,523	Grants and contributions provided for capital purposes	B2-4	29,992	24,318
1,213	Interest and investment income	B2-5	1,042	884
4,160	Other income (*)	B2-6	4,197	4,070
8,272	Net gains from the disposal of assets	B4-1	2,349	-
148,820	Total income from continuing operations		160,410	146,900
Expenses from continuing operations				
52,267	Employee benefits and on-costs	B3-1	51,662	49,812
55,158	Materials and services (*)	B3-2	50,601	51,816
893	Borrowing costs	B3-3	854	797
17,092	Depreciation, amortisation and impairment for non-financial assets	B3-4	18,331	17,073
4,203	Other expenses (*)	B3-5	6,153	4,765
-	Net losses from the disposal of assets	B4-1	-	2,570
129,613	Total expenses from continuing operations		127,601	126,833
19,207	Operating result from continuing operations		32,809	20,067
19,207	Net operating result for the year attributable to Council *		32,809	20,067
9,684	Net operating result for the year before grants and contributions provided for capital purposes		2,817	(4,251)

The above Income Statement should be read in conjunction with the accompanying notes.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

Port Stephens Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		32,809	20,067
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	10,818	(4,503)
Gain (loss) on revaluation of intangible assets	C1-10	311	–
Total items which will not be reclassified subsequently to the operating result		11,129	(4,503)
Total other comprehensive income for the year		11,129	(4,503)
Total comprehensive income for the year attributable to Council		43,938	15,564

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 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	21,542	16,525
Investments	C1-2	36,145	22,913
Receivables	C1-4	9,673	8,406
Inventories	C1-5	977	5,149
Contract assets and contract cost assets	C1-6	577	-
Non-current assets classified as 'held for sale'	C1-7	42	-
Other	C1-11	1,051	946
Total current assets		70,007	53,939
Non-current assets			
Investments	C1-2	1,102	3,939
Receivables	C1-4	160	172
Inventories	C1-5	10,605	9,820
Infrastructure, property, plant and equipment	C1-8	1,031,239	1,001,598
Investment property	C1-9	42,295	37,575
Intangible Assets	C1-10	5,876	5,835
Right of use assets	C2-1	3,854	4,740
Investments accounted for using the equity method	D2-2	431	540
Other	C1-11	29	37
Total non-current assets		1,095,591	1,064,256
Total assets		1,165,598	1,118,195
LIABILITIES			
Current liabilities			
Payables	C3-1	15,288	13,888
Contract liabilities	C3-2	6,339	2,513
Lease liabilities	C2-1	831	794
Borrowings	C3-3	2,966	3,332
Employee benefit provisions	C3-4	15,937	16,138
Provisions	C3-5	331	428
Total current liabilities		41,692	37,093
Non-current liabilities			
Payables	C3-1	2,922	3,280
Lease liabilities	C2-1	3,209	4,069
Borrowings	C3-3	29,594	29,515
Employee benefit provisions	C3-4	776	771
Total non-current liabilities		36,501	37,635
Total liabilities		78,193	74,728
Net assets		1,087,405	1,043,467
EQUITY			
Accumulated surplus	C4-1	673,059	640,250
IPPE revaluation reserve	C4-1	414,346	403,217
Total equity		1,087,405	1,043,467

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

Port Stephens Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		640,250	403,217	1,043,467	618,886	409,017	1,027,903
Restated opening balance		640,250	403,217	1,043,467	618,886	409,017	1,027,903
Net operating result for the year		32,809	–	32,809	20,067	–	20,067
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	10,818	10,818	–	(4,503)	(4,503)
Gain (loss) on revaluation of intangibles		–	311	311	–	–	–
Other comprehensive income		–	11,129	11,129	–	(4,503)	(4,503)
Total comprehensive income		32,809	11,129	43,938	20,067	(4,503)	15,564
Transfers between equity items		–	–	–	1,297	(1,297)	–
Closing balance at 30 June		673,059	414,346	1,087,405	640,250	403,217	1,043,467

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 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
63,308	Rates and annual charges		62,905	59,588
45,282	User charges and fees		43,758	44,342
1,213	Investment and interest revenue received		464	1,262
19,381	Grants and contributions		38,863	33,183
–	Bonds, deposits and retention amounts received		–	281
2,762	Other		10,556	13,532
<i>Payments:</i>				
(55,211)	Employee benefits and on-costs		(52,029)	(48,826)
(43,293)	Materials and services		(55,570)	(56,047)
(893)	Borrowing costs		(854)	(796)
–	Bonds, deposits and retention amounts refunded		(198)	–
(6,152)	Other		(6,467)	(6,301)
26,397	Net cash flows from operating activities	G1-1a	41,428	40,218
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investment securities		15,500	35,084
12,950	Sale of real estate assets		6,499	–
250	Sale of infrastructure, property, plant and equipment		273	2,095
<i>Payments:</i>				
–	Purchase of investment securities		(25,299)	(25,736)
–	Purchase of investment property		(88)	(2,012)
(23,529)	Purchase of infrastructure, property, plant and equipment		(31,895)	(58,380)
–	Purchase of real estate assets		(181)	(1,075)
–	Purchase of intangible assets		(138)	(193)
(10,329)	Net cash flows from investing activities		(35,329)	(50,217)
Cash flows from financing activities				
<i>Receipts:</i>				
–	Proceeds from borrowings		3,000	18,100
<i>Payments:</i>				
(4,359)	Repayment of borrowings		(3,287)	(4,782)
–	Principal component of lease payments		(795)	(742)
(4,359)	Net cash flows from financing activities		(1,082)	12,576
11,709	Net change in cash and cash equivalents		5,017	2,577
16,525	Cash and cash equivalents at beginning of year		16,525	13,948
28,234	Cash and cash equivalents at end of year	C1-1	21,542	16,525
26,852	plus: Investments on hand at end of year	C1-2	37,247	26,852
55,086	Total cash, cash equivalents and investments		58,789	43,377

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Port Stephens Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 October 2021. 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 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, 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.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

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 property – refer Note C1-9
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-8
- iii. estimated tip remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

continued on next page ...

Page 11

A1-1 Basis of preparation (continued)**Monies and other assets received by Council****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. Council does not have any money or property that is required to be held in a Trust Fund.

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 but 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 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed in Note G4-1.

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Our Community	6,038	6,013	9,912	10,050	(3,874)	(4,037)	1,005	677	180,876	173,998
Our Council	88,091	84,549	46,188	46,710	41,903	37,839	8,430	11,249	250,233	229,530
Our Environment	22,248	19,517	21,348	19,321	900	196	787	446	4,321	4,383
Our Place	44,033	36,821	50,153	50,752	(6,120)	(13,931)	34,802	24,782	730,168	710,369
Total functions and activities	160,410	146,900	127,601	126,833	32,809	20,067	45,024	37,155	1,165,598	1,118,195

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 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.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Timing	2021	2020
Ordinary rates			
Residential	2	35,441	34,362
Farmland	2	866	821
Business	2	8,579	8,158
Less: pensioner rebates (mandatory)		(1,067)	(1,066)
Rates levied to ratepayers		43,819	42,275
Pensioner rate subsidies received	2	591	598
Total ordinary rates		44,410	42,873
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	2	15,134	14,131
Waste management services (non-domestic)	2	4,061	2,997
Section 611 charges		11	11
Less: pensioner rebates (mandatory)		(481)	(456)
Annual charges levied		18,725	16,683
Pensioner subsidies received:			
– Domestic waste management	2	261	256
Total annual charges		18,986	16,939
Total rates and annual charges		63,396	59,812

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at 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 recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees (*)

\$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	2	<u>1,697</u>	1,486
Total specific user charges		1,697	1,486
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	2	94	95
Section 10.7 certificates (EP&A Act)	2	218	184
Section 603 certificates	2	208	145
Building inspection fees	2	299	283
Building services	2	1,036	1,115
Shop inspection fees	2	223	182
Subdivision fees	2	380	316
Total fees and charges – statutory/regulatory		2,458	2,320
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Animal control		9	4
Cemeteries	2	186	181
Child care	1	2,671	2,377
Holiday parks	1	14,506	9,956
Leisure centre	2	1,898	2,183
Library		84	86
Newcastle airport ^a	2	7,816	14,026
Waste disposal tipping fees	2	426	352
Transport for NSW works (state roads not controlled by Council)	2	4,892	6,110
Parking meters	2	957	439
Parks, gardens and other community services		4	2
Sewerage management fees	1	655	644
Other		1,264	1,239
Rental income - other Council properties [*]	2	363	637
Total fees and charges – other		35,731	38,236
Total user charges and fees		39,886	42,042
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		17,833	12,977
User charges and fees recognised at a point in time (2)		22,053	29,065
Total user charges and fees		39,886	42,042

Accounting policy

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 or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining 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 over the term of the licence.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

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B2-2 User charges and fees (*) (continued)

(*) Items in relation to Newcastle Airport have been reclassified as other revenue rather than user charges and fees.

B2-3 Other revenue

\$ '000	Timing	2021	2020
Ex gratia rates	2	116	108
Fines – parking	2	278	398
Fines – other	2	220	252
Legal fees recovery – rates and charges (extra charges)		3	17
Legal fees recovery – other	2	3	212
Commissions and agency fees	1	226	179
Insurance claims recoveries	2	328	481
Events and promotions		46	52
Long service leave receipts		–	2
Private works	1	223	301
Royalties - sand extraction	2	1,406	67
Other revenue - Newcastle airport partnership ^a		768	60
Other		899	808
Total other revenue		4,516	2,937
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		449	480
Other revenue recognised at a point in time (2)		4,067	2,457
Total other revenue		4,516	2,937

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

^(a) Items in relation to Newcastle Airport have been reclassified as other revenue rather than user charges and fees.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	2	3,232	3,343	–	–
Payment in advance - future year allocation					
Financial assistance	2	3,459	3,542	–	–
Amount recognised as income during current year		6,691	6,885	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Bushfire and emergency services	2	1,106	1,192	–	800
Child care	1	631	287	–	–
Environmental programs	1	619	174	90	–
Heritage and cultural	1	18	12	–	–
Library	2	246	238	–	–
LIRS subsidy	2	37	48	–	–
Recreation and culture	1	1,370	11	1,581	4,367
Newcastle airport	1	–	–	2,682	5,392
Youth development	1	116	77	–	–
Street lighting	2	75	75	–	–
Weed control	1	233	107	–	–
Transport (roads to recovery)	1	781	1,081	–	–
Transport	1	–	68	8,442	3,330
Other specific grants	1	67	43	25	–
Previously contributions:					
Drainage	2	–	–	4	–
Kerb and gutter	2	–	–	40	33
Natural disaster funding contributions	2	441	–	155	–
Recreation and culture	2	–	–	357	114
Transport for NSW contributions (regional roads, block grant)	2	1,079	1,073	–	–
Other contributions	2	293	117	–	412
Economic development and tourism	2	–	1	–	–
Environmental projects	2	26	59	–	–
Risk management	2	130	237	–	–
Total special purpose grants and non-developer contributions – cash		7,268	4,900	13,376	14,448
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	8,790	5,804
Total other contributions – non-cash		–	–	8,790	5,804
Total special purpose grants and non-developer contributions (tied)		7,268	4,900	22,166	20,252
Total grants and non-developer contributions		13,959	11,785	22,166	20,252
Comprising:					
– Commonwealth funding		8,659	7,985	4,643	119

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B2-4 Grants and contributions (continued)

\$ '000	<small>Timing</small>	Operating 2021	Operating 2020	Capital 2021	Capital 2020
- State funding		5,270	3,741	8,333	13,770
- Other funding		30	59	9,190	6,363
		13,959	11,785	22,166	20,252

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B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G5					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	318	294	7,452	1,456
S 7.12 – fixed development consent levies		2	–	–	374	129
Repealed Funds		2	–	–	–	2,481
Haulage		2	755	758	–	–
Total developer contributions – cash			1,073	1,052	7,826	4,066
Total developer contributions			1,073	1,052	7,826	4,066
Total contributions			1,073	1,052	7,826	4,066
Total grants and contributions			15,032	12,837	29,992	24,318
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			3,834	1,858	12,821	13,090
Grants and contributions recognised at a point in time (2)			11,198	10,979	17,171	11,228
Total grants and contributions			15,032	12,837	29,992	24,318

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B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	168	47	352	101
Add: capital grants received for the provision of goods and services in a future period (2021)	79	168	4,700	352
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(168)	(47)	(352)	(101)
Unspent funds at 30 June	79	168	4,700	352
Contributions				
Unspent funds at 1 July	2,776	2,553	1,754	17,300
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,074	980	7,825	4,138
Add: contributions received and not recognised as revenue in the current year	20	26	17	102
Add: Interest	1	18	1	121
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(628)	(801)	(1,359)	(9,893)
Less: Transfer of repealed funds	-	-	-	(10,014)
Unspent contributions at 30 June	3,243	2,776	8,238	1,754

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement. 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.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

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.

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B2-4 Grants and contributions (continued)**Capital grants**

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion 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.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While 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 Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council 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.

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	100	186
– Cash and investments	311	659
– Newcastle airport	35	128
Fair value adjustments		
– Movements in investments at fair value through profit and loss	596	(89)
Finance income on the net investment in the lease	–	–
Total interest and investment income (losses)	1,042	884
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	1,040	745
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	2	139
Total interest and investment income	1,042	884

Accounting policy

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 when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income (*)

\$ '000	Notes	2021	2020
Fair value increment on investment properties			
Fair value increment on investment properties		889	13
Total fair value increment on investment properties	C1-9	889	13
Rental income			
Investment properties and PPE			
Lease income (excluding variable lease payments not dependent on an index or rate)		2,978	3,146
Lease income relating to variable lease payments not dependent on an index or a rate		330	371
Total investment properties		3,308	3,517
Total rental income	C2-2	3,308	3,517
Net share of interests in joint ventures and associates using the equity method			
Joint ventures - Arrow Collaborative Services			
Total net share of interests in joint ventures and associates using the equity method	D2-2	–	540
Total other income *		4,197	4,070

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	37,580	34,858
Salaries and wages – Newcastle airport partnership	3,482	3,655
Travel and other allowances	2,895	3,068
Employee leave entitlements (ELE)	8,250	8,209
Superannuation	4,652	4,443
Workers' compensation insurance	1,570	1,069
Fringe benefit tax (FBT)	18	13
Protective clothing	170	155
Corporate uniform	39	19
Employee medical assessments	10	6
Other	27	29
Total employee costs	58,693	55,524
Less: capitalised costs	(7,031)	(5,712)
Total employee costs expensed	51,662	49,812

Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

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 E3-1 for more information.

B3-2 Materials and services (*)

\$ '000	Notes	2021	2020
Raw materials and consumables		7,304	7,071
– Waste collection (2019 only) and disposal contract		8,759	8,200
– Other contractor and consultancy costs		19,340	18,294
Audit Fees	F2-1	192	190
Previously other expenses (*):			
Councillor and Mayoral fees and associated expenses	F1-2	373	307
Bank charges		492	346
Electricity and heating		1,361	1,434
Insurance		1,887	1,642
Street lighting		892	876
Telephone and communications		272	255
Travel expenses		–	7
Training costs (other than salaries and wages)		371	528
Other expenses		520	397
Memberships		167	137
Newcastle airport		3,897	6,820
Legal expenses:			
– Legal expenses		460	482
Expenses from short-term leases		70	57
Expenses from leases of low value assets		7	22
Expenses from Peppercorn leases		1	1
Variable lease expense relating to usage		4,074	4,562
Other		162	188
Total materials and services *		50,601	51,816

Accounting policy

Expenses are recorded on an accruals basis as the Council receives the goods or services.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

B3-3 Borrowing costs

\$ '000	2021	2020
(i) Interest bearing liability costs		
Interest on leases	135	174
Interest on overdraft	38	4
Interest on loans	455	459
Interest – Newcastle Airport	223	240
Interest on leases - Newcastle Airport	14	–
Total interest bearing liability costs	865	877
Less: capitalised costs	(11)	(81)
Total interest bearing liability costs expensed	854	796
(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
Total other borrowing costs	–	1
Total borrowing costs expensed	854	797

Accounting policy

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.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		1,882	1,939
Office equipment		359	631
Furniture and fittings		27	18
Land improvements (depreciable)		93	80
Infrastructure:			
	C1-8		
– Buildings – specialised		4,851	4,085
– Other structures		847	505
– Roads		2,838	2,796
– Bridges		53	53
– Footpaths		380	376
– Car parks		141	140
– Stormwater drainage		732	712
– Swimming pools		117	176
– Other open space/recreational assets		1,620	1,382
– Other infrastructure		370	337
Right of use assets	C2-1	858	865
Other assets:			
– Heritage collections		2	2
– Library books		308	301
– Newcastle airport		2,445	2,168
Intangible assets	C1-10	408	507
Total depreciation and amortisation costs		18,331	17,073
Impairment / revaluation decrement			
Inventory - Real Estate		–	–
Total impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	–
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT		18,331	17,073

Accounting policy

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.

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 not tested for impairment since 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 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 non-financial assets that do 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).

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B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

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.

B3-5 Other expenses (*)

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		28	332
Total impairment of receivables	C1-4	<u>28</u>	<u>332</u>
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		109	–
Total net share of interests in joint ventures and associates using the equity method	D2-2	<u>109</u>	<u>–</u>
Other			
Contributions/levies to other levels of government			
– NSW rural fire service levy		1,048	801
– Lands department levy (holiday parks)		485	378
– Waste levy		3,223	2,377
Donations, contributions and assistance to other organisations (Section 356)		1,053	877
Rehabilitation and restoration expenses		207	–
Total other		<u>6,016</u>	<u>4,433</u>
Total other expenses *		<u>6,153</u>	<u>4,765</u>

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2021	2020
Buildings & Property (excl. investment property)	C1-8		
Proceeds from disposal – property		–	1,990
Less: carrying amount of property assets sold/written off		<u>(1,762)</u>	<u>(4,006)</u>
Gain (or loss) on disposal		<u>(1,762)</u>	<u>(2,016)</u>
Gain (or loss) on disposal of plant and equipment	C1-8		
Proceeds from disposal – plant and equipment		273	105
Less: carrying amount of plant and equipment assets sold/written off		<u>(246)</u>	<u>(205)</u>
Gain (or loss) on disposal		<u>27</u>	<u>(100)</u>
Newcastle airport partnership	C1-8		
Less: carrying amount of infrastructure assets sold/written off		<u>(12)</u>	<u>(32)</u>
Gain (or loss) on disposal		<u>(12)</u>	<u>(32)</u>
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		6,499	–
Less: carrying amount of real estate assets sold/written off		<u>(2,403)</u>	<u>(422)</u>
Gain (or loss) on disposal		<u>4,096</u>	<u>(422)</u>
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		15,500	35,084
Less: carrying amount of investments sold/redeemed/matured		<u>(15,500)</u>	<u>(35,084)</u>
Gain (or loss) on disposal		<u>–</u>	<u>–</u>
Net gain (or loss) on disposal of assets		<u>2,349</u>	<u>(2,570)</u>

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. 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.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on dd/MM/yyyy and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
REVENUES					
Rates and annual charges	63,648	63,396	(252)	0%	U
User charges and fees	46,024	39,886	(6,138)	(13)%	U
The user fees & charges related to the Newcastle Airport Partnership were impacted due to the COVID-19 pandemic.					
Other revenues	3,572	4,516	944	26%	F
Other income has exceeded the original budget due to income received by the Newcastle Airport Partnership					
Operating grants and contributions	12,408	15,032	2,624	21%	F
During the financial year Council was successful in obtaining operating grants and contributions for various projects from Federal & State bodies that had not been originally budgeted.					
Capital grants and contributions	9,523	29,992	20,469	215%	F
During the financial year Council was successful in obtaining a number of capital grants and contributions for various infrastructure projects from Federal & State bodies that had not been originally budgeted.					
Interest and investment revenue	1,213	1,042	(171)	(14)%	U
Interest income is less than the original budget to inflationary effects of COVID-19 which affected the Newcastle Airport Partnerships cash reserves.					
Net gains from disposal of assets	8,272	2,349	(5,923)	(72)%	U
The sale of commercially developed land was delayed and has now occurred in the 2022 financial year.					
Other income	4,160	4,197	37	1%	F
EXPENSES					
Employee benefits and on-costs	52,267	51,662	605	1%	F
Materials and services	55,158	50,601	4,557	8%	F
Borrowing costs	893	854	39	4%	F

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B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
Depreciation, amortisation and impairment of non-financial assets	17,092	18,331	(1,239)	(7)% U
Other expenses	4,203	6,153	(1,950)	(46)% U

Other expenses is above budget due increased levies from the EPA for domestic waste disposal, emergency services levy and tip remediation costs.

Net losses from disposal of assets	-	-	-	∞ F
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STATEMENT OF CASH FLOWS

Cash flows from operating activities	26,397	41,428	15,031	57% F
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During the financial year Council was successful in obtaining a number of capital and operating grants for various projects that were not originally budgeted for.

Cash flows from investing activities	(10,329)	(35,329)	(25,000)	242% U
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As a result of successful grant applications, Council increased the size of its capital works program.

Cash flows from financing activities	(4,359)	(1,082)	3,277	(75)% F
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During the year the Newcastle Airport Partnership obtained loan proceeds which were not originally budgeted for.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	10,526	16,024
Cash-equivalent assets		
– Deposits at call	3,500	–
– Managed funds	7,516	501
Total cash and cash equivalents	21,542	16,525

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	21,542	16,525
Balance as per the Statement of Cash Flows	21,542	16,525

Accounting policy

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.

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	8,992	–	3,910	–
Total	8,992	–	3,910	–
Financial assets at amortised cost				
Long term deposits	27,153	1,102	19,003	3,939
Total	27,153	1,102	19,003	3,939
Total financial investments	36,145	1,102	22,913	3,939
Total cash assets, cash equivalents and investments	57,687	1,102	39,438	3,939

Accounting policy

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.

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C1-2 Financial investments (continued)**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)
- 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.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	57,687	1,102	39,438	3,939

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	4,779	520
Deposits, retentions and bonds	1,034	1,232
External restrictions – included in liabilities	5,813	1,752

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	11,481	4,530
Domestic waste management	2,930	4,561
Crown reserve	2,891	1,430
External restrictions – other	17,302	10,521

Total external restrictions

23,115	12,273
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Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Asset rehabilitation	1,352	–
Commercial properties	4,989	–
Election reserve	400	–
Federal assistance grant in advance	3,459	3,542
Fleet	2,410	–
Newcastle airport partnership	10,542	11,874
Other waste services reserve	183	–
Parking meters	178	–
Section 355C committees	626	674
IT Reserve	380	–
Unexpended loan funds	5,000	5,000
Repealed funds	5,581	10,014
Transport and Environment Reserve	46	–
Administration building reserve	502	–
Ward funds	26	–
Total internal restrictions	35,674	31,104

Total restrictions

58,789	43,377
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Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	3,413	-	2,922	-
Interest and extra charges	202	-	229	-
User charges and fees	739	-	1,060	-
Miscellaneous debtors	328	-	797	-
Contributions to works	143	-	26	-
Accrued revenues				
– Interest on investments	192	-	183	-
– Other income accruals	1,515	-	1,284	-
Government grants and subsidies	169	-	12	-
Net GST receivable	558	-	361	-
Newcastle airport partnership	2,549	-	1,902	-
Other debtors	-	160	-	172
Total	9,808	160	8,776	172
Less: provision of impairment				
User charges and fees	(135)	-	(79)	-
Newcastle airport partnership	-	-	(291)	-
Total provision for impairment – receivables	(135)	-	(370)	-
Total net receivables	9,673	160	8,406	172
Externally restricted receivables				
Domestic waste management	815	-	705	-
Crown reserve	-	-	153	-
Total external restrictions	815	-	858	-
Internally restricted receivables				
Community Loans	200	-	200	-
Newcastle Airport Partnership	2,549	-	1,902	-
Commercial properties	616	-	31	-
Administration building reserve	-	-	734	-
Sustainable energy and water reserve	171	-	148	-
Other waste services reserve	239	-	451	-
Asset Rehabilitation	-	-	409	-
Drainage reserve	196	-	38	-
Election reserve	200	-	400	-
Fleet	-	-	1,315	-
Parking meters	-	-	590	-
IT	305	-	176	-
Ward funds	-	-	39	-
Internally restricted receivables	4,476	-	6,433	-
Unrestricted receivables	4,382	160	1,115	172
Total net receivables	9,673	160	8,406	172

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C1-4 Receivables (continued)

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year	370	5
+ new provisions recognised during the year	137	371
– amounts already provided for and written off this year	(71)	(5)
– amounts written off but not provided for	(2)	3
– amounts provided for but recovered during the year	(291)	–
– previous impairment losses reversed	(8)	(4)
Balance at the end of the year	135	370

Accounting policy

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.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

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. None of the receivables that have been written off are subject to enforcement activity.

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.

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C1-4 Receivables (continued)

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
At cost				
Real estate	977	10,605	4,992	9,820
Stores and materials	-	-	157	-
Total inventories at cost	977	10,605	5,149	9,820
Total inventories	977	10,605	5,149	9,820

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Real estate development				
Residential	752	2,324	-	3,027
Industrial/commercial	225	8,281	4,992	6,793
Total real estate held for resale	977	10,605	4,992	9,820

Accounting policy

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

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.

C1-6 Contract assets and Contract cost assets

\$ '000	2021	2020
Contract assets	577	-
Total contract assets and contract cost assets	577	-

Contract assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Work relating to infrastructure grants	577	-	-	-
Total contract assets	577	-	-	-

continued on next page ...

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C1-6 Contract assets and Contract cost assets (continued)

Accounting policy**Contract assets**

Contract assets represent Council's right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Contract cost asset – costs to fulfil a contract

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

C1-7 Non-current assets classified as held for sale

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Non-current assets held for sale				
Land	42	–	–	–
Total non-current assets classified as held for sale	42	–	–	–

2 Coachwood Drive, Medowie, valued at its carrying amount of \$42,000, has been transferred from operational land to non-current assets held for sale in accordance with Australian Accounting Standards.

It is fully expected that the sale of 2 Coachwood Drive, Medowie will be completed within 12 months of 30 June 2021.

Accounting policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Tfrs from/(to) 'held for sale' category	Tfrs from/(to) investment properties	Revaluation increments / (decrement) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	20,993	(91)	20,902	844	6,003	(229)	-	(13,136)	-	-	-	14,456	(72)	14,384
Plant and equipment	25,406	(15,089)	10,317	77	340	(246)	(1,882)	842	-	-	-	27,113	(17,665)	9,448
Office equipment	3,301	(2,205)	1,096	13	184	-	(359)	-	-	-	-	3,498	(2,564)	934
Furniture and fittings	1,419	(1,108)	311	237	57	-	(27)	-	-	-	-	1,712	(1,135)	577
Land:														
- Operational land	39,704	(573)	39,131	30	972	-	-	(113)	(42)	(1,490)	-	39,061	(573)	38,488
- Community land	42,885	-	42,885	-	40	-	-	113	-	-	4,316	47,353	-	47,353
- Crown land	29,223	-	29,223	-	-	-	-	-	-	-	-	29,223	-	29,223
- Land under roads (post 1/7/08)	1,985	-	1,985	-	286	-	-	-	-	-	-	2,271	-	2,271
- Newcastle airport	10,126	-	10,126	-	-	-	-	-	-	-	-	10,126	-	10,126
Land improvements – depreciable	9,384	(2,398)	6,986	11	-	-	(93)	844	-	-	-	10,302	(2,554)	7,748
Infrastructure:														
- Buildings – specialised	194,077	(91,466)	102,611	1,408	254	-	(4,851)	5,325	-	(1,245)	148	194,920	(91,270)	103,650
- Other structures	10,423	(4,776)	5,647	61	775	-	(847)	2,693	-	-	-	13,888	(5,559)	8,329
- Roads	417,927	(52,765)	365,162	7,557	4,124	(1,532)	(2,838)	3,148	-	-	-	429,541	(53,918)	375,623
- Bridges	14,941	(2,024)	12,917	119	-	-	(53)	-	-	-	-	15,061	(2,078)	12,983
- Footpaths	67,815	(10,709)	57,106	2,177	1,178	-	(380)	213	-	-	-	71,383	(11,089)	60,294
- Car parks	15,603	(2,171)	13,432	1,473	-	-	(141)	-	-	-	-	17,076	(2,312)	14,764
- Stormwater drainage	235,581	(26,902)	208,679	1,544	2,961	-	(732)	378	-	-	-	240,464	(27,634)	212,830
- Swimming pools	7,794	(4,690)	3,104	35	-	-	(117)	(792)	-	-	1,500	4,882	(1,152)	3,730
- Other open space	33,853	(12,349)	21,504	1,380	-	-	(1,620)	535	-	-	-	35,785	(13,986)	21,799
- Other infrastructure	11,428	(4,052)	7,376	515	22	-	(370)	(50)	-	-	4,854	19,547	(7,200)	12,347
Other assets:														
- Heritage collections	237	(77)	160	-	-	-	(2)	-	-	-	-	237	(79)	158
- Library books	5,705	(3,671)	2,034	-	246	-	(308)	-	-	-	-	5,950	(3,979)	1,971
- Newcastle airport	58,227	(19,323)	38,904	-	5,762	(12)	(2,445)	-	-	-	-	63,895	(21,686)	42,209
Total infrastructure, property, plant and equipment	1,258,037	(256,439)	1,001,598	17,481	23,204	(2,019)	(17,065)	-	(42)	(2,735)	10,818	1,297,744	(266,505)	1,031,239

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period						At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
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	3,051	(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)	–	890	–	39,704	(573)	39,131
– Community land	42,518	–	42,518	–	368	–	–	–	–	42,885	–	42,885
– 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
Land improvements – depreciable	9,187	(2,412)	6,775	302	–	(11)	(80)	–	–	9,384	(2,398)	6,986
- Newcastle airport	–	–	–	–	10,126	–	–	–	–	10,126	–	10,126
Infrastructure:												
– Buildings – specialised	183,879	(88,879)	95,000	6,593	4,756	(304)	(4,085)	649	–	194,077	(91,466)	102,611
– Other structures	9,700	(4,321)	5,379	642	116	(27)	(505)	41	–	10,423	(4,776)	5,647
– Roads	443,749	(53,919)	389,830	5,203	3,753	(2,413)	(2,796)	57	(28,472)	417,927	(52,765)	365,162
– Bridges	11,257	(333)	10,924	20	–	–	(53)	–	2,026	14,941	(2,024)	12,917
– Footpaths	63,126	(8,435)	54,691	–	1,596	–	(376)	–	1,196	67,815	(10,709)	57,106
– Stormwater drainage	202,514	(6,435)	196,079	1,440	1,425	(25)	(712)	189	10,284	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)	34	–	33,853	(12,349)	21,504
– Other infrastructure	10,817	(3,715)	7,102	559	52	–	(337)	–	–	11,428	(4,052)	7,376
– Car parks	11,610	(8,804)	2,806	408	–	(105)	(140)	–	10,463	15,603	(2,171)	13,432
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)	1,795	–	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)	2,640	(4,503)	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).

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C1-8 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

Land is not depreciated. 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.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. 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 IPPE 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 IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

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C1-8 Infrastructure, property, plant and equipment (continued)

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

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 C2-1.

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.

C1-9 Investment properties

\$ '000	2021	2020
Owned investment property		
Investment property on hand at fair value	42,295	37,575
Total owned investment property	42,295	37,575
Owned investment property		
At fair value		
Opening balance at 1 July	37,575	35,550
Capitalised subsequent expenditure	88	2,012
Net gain/(loss) from fair value adjustments	889	13
Transfers from/(to) inventories (Note C1-5)	1,008	-
Transfers from/(to) owner occupied (Note C1-8)	2,735	-
Closing balance at 30 June	42,295	37,575

Accounting policy

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 part of other income.

C1-10 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Intangibles		
Opening values at 1 July		
Gross book value	8,876	8,690
Accumulated amortisation	(3,041)	(2,541)
Net book value – opening balance	5,835	6,149
Movements for the year		
Purchases	138	218
Amortisation charges	(408)	(507)
Disposals	–	(25)
Revaluation	311	–
Closing values at 30 June		
Gross book value	9,325	8,876
Accumulated amortisation	(3,449)	(3,041)
Total Intangibles– net book value	5,876	5,835

Accounting policy

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

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.

C1-11 Other

Other assets

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Prepayments	860	–	826	–
Prepayments - Newcastle airport partnership	191	29	120	37
Total other assets	1,051	29	946	37

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C1-11 Other (continued)

Current other assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total externally restricted assets	-	-	-	-
Total internally restricted assets	-	-	-	-
Total unrestricted assets	1,051	29	946	37
Total other assets	1,051	29	946	37

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land, vehicles, carparks 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.

(a) Right of use assets

\$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
2021						
Opening balance at 1 July	3,167	338	462	318	455	4,740
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	-	-	-	-	-	-
Adjustments to right-of-use assets due to re-measurement of lease liability	-	-	-	(6)	(22)	(28)
Depreciation charge	(528)	(4)	(179)	(98)	(49)	(858)
Balance at 30 June	2,639	334	282	215	384	3,854

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C2-1 Council as a lessee (continued)

\$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
2020						
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	3,696	342	641	418	509	5,606
Adjustments to right-of-use assets due to re-measurement of lease liability	-	-	-	-	-	-
Depreciation charge	(529)	(4)	(179)	(100)	(53)	(865)
Balance at 30 June	3,167	338	462	318	455	4,740

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	830	2,872	794	3,728
Lease liabilities - Newcastle Airport	1	337	-	341
Total lease liabilities	831	3,209	794	4,069

(c) (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
2021					
Cash flows	953	2,960	1,287	5,200	4,040
2020					
Cash flows	944	3,234	2,008	6,187	4,863

(ii) Lease liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Crown reserve	43	362	42	427
Domestic waste reserve	500	2,270	475	2,770
Lease liabilities relating to externally restricted assets	543	2,632	517	3,197
Total lease liabilities relating to restricted assets	543	2,632	517	3,197
Total lease liabilities relating to unrestricted assets	288	577	277	872
Total lease liabilities	831	3,209	794	4,069

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C2-1 Council as a lessee (continued)

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2021	2020
Interest on lease liabilities	149	174
Variable lease payments based on usage not included in the measurement of lease liabilities	4,074	4,562
Depreciation of right of use assets	858	865
Expenses relating to short-term leases	70	57
Expenses relating to low-value leases	7	22
Expenses relating to peppercorn leases	1	1
	5,160	5,682

(e) Statement of Cash Flows

Total cash outflow for leases	5,093	5,558
	5,093	5,558

(f) 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

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 received. The 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).

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C2-1 Council as a lessee (continued)

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.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-9)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-8).

\$ '000 **2021** **2020**

(i) Assets held as investment property

Investment property operating leases relate to the assets held predominately for rental purposes.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

Lease income (excluding variable lease payments not dependent on an index or rate)	2,839	3,146
Lease income relating to variable lease payments not dependent on an index or a rate	330	371
Total income relating to operating leases for investment property assets	3,169	3,517
Operating lease expenses		
Direct operating expenses that generated rental income	539	546
Total expenses relating to operating leases	539	546
Repairs and maintenance: investment property		
Contractual obligations for future repairs and maintenance	31	2
Total repairs and maintenance: investment property	31	2

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C2-2 Council as a lessor (continued)

\$ '000	2021	2020
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(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of service delivery objectives, the table below relates to operating leases on assets disclosed in C1-8.

Lease income (excluding variable lease payments not dependent on an index or rate)

	139	91
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Total income relating to operating leases for Council assets	139	91
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Amount of IPPE leased out by Council under operating leases

Buildings	6,446	6,602
Furniture and Fittings	53	-
Land - Council Land	1,786	1,786
Open Space Other	187	234
Other Assets - Carparks	184	-
Other Structures	30	30
Total amount of IPPE leased out by Council under operating leases	8,686	8,652

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	2,726	2,431
1-2 years	2,413	1,798
2-3 years	1,559	1,797
3-4 years	273	1,265
4-5 years	204	217
> 5 years	635	476
Total undiscounted lease payments to be received	7,810	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, 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 for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Payables				
Goods and services	9,245	2,922	8,097	3,280
Accrued expenses:				
– Other expenditure accruals	3,579	–	3,197	–
Security bonds, deposits and retentions	1,034	–	1,232	–
Unclaimed monies	2	–	12	–
Rates in advance	1,423	–	1,230	–
Other	5	–	120	–
Total payables	15,288	2,922	13,888	3,280
Total payables	15,288	2,922	13,888	3,280

Current payables not anticipated to be settled within the next twelve months

\$ '000	2021	2020
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

Accounting policy

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.

C3-2 Contract Liabilities

\$ '000	Notes	2021		2020	
		Current	Non-current	Current	Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	4,635	–	946	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	144	–	671	–
Total grants received in advance		4,779	–	1,617	–
User fees and charges received in advance:					
Fees - holiday park deposits	(iii)	1,337	–	881	–
Fees - rent	(iii)	–	–	15	–
Fees - Newcastle airport	(iii)	223	–	–	–

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C3-2 Contract Liabilities (continued)

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total user fees and charges received in advance	1,560	–	896	–
Total contract liabilities	6,339	–	2,513	–

Notes

(i) Council has received funding to construct assets including transport infrastructure, recreation and cultural facilities 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, mostly environmental protection and child care that were 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 in advance for holiday park fees and Newcastle airport fees are recorded as a contract liability on receipt and recognised as revenue once the service has been fully delivered.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	892	101
Operating grants (received prior to performance obligation being satisfied)	653	47
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,545	148

Accounting policy

Contract liabilities are recorded when 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.

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.

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. Prior to financial year 2020, revenue was recognised on receipt of the funds.

C3-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
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C3-3 Borrowings (continued)

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Loans – secured ¹	2,966	14,744	3,332	17,665
Loans – Newcastle airport partnership	–	14,850	–	11,850
Total borrowings	2,966	29,594	3,332	29,515

⁽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 E.

(a) Changes in liabilities arising from financing activities

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	20,997	(3,314)	–	–	–	27	17,710
Lease liability (Note C2-1b)	4,863	(823)	–	–	–	–	4,040
Loans – Newcastle airport	11,850	3,000	–	–	–	–	14,850
Total liabilities from financing activities	37,710	(1,137)	–	–	–	27	36,600

\$ '000	2019		Non-cash movements				2020
	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 liability (Note C2-1b)	–	4,863	–	–	–	–	4,863
Loans – Newcastle airport	6,250	5,600	–	–	–	–	11,850
Total liabilities from financing activities	19,528	18,167	–	1	–	14	37,710

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Bank overdraft facilities ¹	2,500	2,500
Credit cards/purchase cards	1,000	1,000
Bank loan facilities - Port Stephens Council	7,500	7,500
Bank loan facilities - Newcastle Airport	25,000	25,000
Total financing arrangements	36,000	36,000
Drawn facilities		
– Credit cards/purchase cards	414	366
– Bank loan facilities - Newcastle Airport	14,850	11,850
Total drawn financing arrangements	15,264	12,216
Undrawn facilities		
– Bank overdraft facilities	2,500	2,500
– Credit cards/purchase cards	586	634
– Bank loan facilities - Port Stephens Council	7,500	7,500
– Bank loan facilities - Newcastle Airport	10,150	13,150
Total undrawn financing arrangements	20,736	23,784

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C3-3 Borrowings (continued)**Additional financing arrangements information****Breaches and defaults**

During the current and prior year, there were no defaults or breaches on any of Councils loans.

During the financial year the Newcastle Airport Partnership amended its facility agreement with the ANZ Bank as a result of the COVID-19 pandemic. The amendment waived in full any material adverse effects on its financial covenants caused by the COVID-19 pandemic up to and including 30 June 2021. Management are currently in negotiations to extend this waiver as a result of the continued adverse effects of the COVID-19 pandemic.

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

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. 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.

C3-4 Employee benefit provisions

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Annual leave	4,349	–	4,447	–
Sick leave	2,677	–	2,962	–
Long service leave	8,592	776	8,393	771
Flexi time / RDO leave	319	–	336	–
Total employee benefit provisions	15,937	776	16,138	771

Employee benefit provisions relating to restricted assets

Total employee benefit provisions relating to restricted assets	–	–	–	–
Total employee benefit provisions relating to unrestricted assets	15,937	776	16,138	771
Total employee benefit provisions	15,937	776	16,138	771

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	10,545	11,156
	10,545	11,156

Description of and movements in provisions

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if 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 and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

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 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.

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C3-4 Employee benefit provisions (continued)

These amounts include superannuation, payroll tax 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.

C3-5 Provisions

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Other provisions				
Other - Commercial concessions Newcastle airport partnership	331	-	165	-
Sub-total – other provisions	331	-	165	-
Asset remediation/restoration:				
Asset remediation/restoration (future works)	-	-	263	-
Sub-total – asset remediation/restoration	-	-	263	-
Total provisions	331	-	428	-

Description of and movements in provisions

\$ '000	Other provisions		
	Asset remediation	Other Provisions	Net carrying amount
2021			
At beginning of year	263	165	428
Additional provisions	207	-	207
Amounts used (payments)	(470)	-	(470)
Total other provisions at end of year	-	165	165
2020			
At beginning of year	1,355	900	2,255
Additional provisions	-	165	165
Amounts used (payments)	(1,092)	(900)	(1,992)
Total other provisions at end of year	263	165	428

Nature and purpose of 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 fees to its tenants as a result of Covid-19.

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C3-5 Provisions (continued)**Accounting policy**

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.

Asset remediation – tips and quarries

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 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.

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.

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 infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

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.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

Council utilises only a general fund for its operations.

D2 Interests in other entities

D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

D2-2 Interests in joint arrangements

Joint arrangements

Arrow Collaborative Services Limited (Hunter Councils)

Council has an interest in Arrow Collaborative Services Limited, along with other Member Councils of Hunter Councils. The activities of this organisation are not controlled by any one Council.

Arrow Collaborative Services 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. Arrow Collaborative Services Limited was previously known as Strategic Services Australia Limited.

Arrow Collaborative Services Limited has the same year end date as Council.

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

Percentage Owned (%)

Arrow Collaborative Services Limited 11.71%

(a) Summarised financial information for individually immaterial joint ventures

\$ '000	2021	2020
Arrow Collaborative Services Limited		
Carrying Amount of Investment in joint ventures that are not individually material	431	540
Council's Share of those joint ventures:		
Profit/(loss) from continuing operations	(109)	540
Total comprehensive income – individually immaterial joint ventures	(109)	540

(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.

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D2-2 Interests in joint arrangements (continued)

(c) Risk associated with the interests in joint ventures

\$ '000	2021	2020
Commitments relating to joint ventures held	-	-
Contingent liabilities incurred jointly with other investments over joint ventures held	-	-

Each of the partners in Arrow Collaborative Services 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	
			2021	2020	2021	2020
Newcastle Airport Partnership and Newcastle Airport Pty Ltd	Airport Operation	Williamstown	50%	50%	50%	50%
Greater Newcastle Aerotropolis Partnership & Greater Newcastle Aerotropolis Pty Ltd	Airport Operation	Williamstown	50%	50%	50%	50%

Council assets employed in the joint operations

\$ '000	2021	2020
Council's share of assets jointly owned with other partners		
Current assets	13,282	13,606
Current liabilities	(4,227)	(5,158)
Non current assets	54,300	51,083
Non-current liabilities	(18,139)	(15,515)
Total net assets employed – Council and jointly owned	45,216	44,016

Share of joint operations expenditure commitments

Capital commitments

Payable not later than 1 year	901	11,034
Total capital commitments	901	11,034

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

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D2-2 Interests in joint arrangements (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.

D3 Discontinued operations**D3-1 Discontinued operations**

Council did not have any discontinued operations during the year ended 30 June 2021.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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 Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by the Councillors.

The fair value of Receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- 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 a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
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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.

Impact of a 1% movement in interest rates		
– Equity / Income Statement	229	363
Impact of a 10% movement in price of investments		
– Equity / Income Statement	391	–

(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.

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E1-1 Risks relating to financial instruments held (continued)

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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
2021						
Gross carrying amount	–	2,724	268	259	162	3,413
2020						
Gross carrying amount	–	2,279	272	237	134	2,922

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision 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
2021						
Gross carrying amount	3,171	1,242	1,103	447	592	6,555
Expected loss rate (%)	0.13%	0.04%	0.06%	2.19%	2.78%	0.48%
ECL provision	4	–	1	10	16	31
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

(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, 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.

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E1-1 Risks relating to financial instruments held (continued)

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: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	1,036	14,253	2,921	-	18,210	18,210
Loans and advances	1.63%	-	3,464	29,262	1,136	33,862	32,560
Lease liabilities	0.00%	-	953	2,960	1,287	5,200	4,040
Total financial liabilities		<u>1,036</u>	<u>18,670</u>	<u>35,143</u>	<u>2,423</u>	<u>57,272</u>	<u>54,810</u>
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		<u>1,244</u>	<u>17,825</u>	<u>31,541</u>	<u>10,288</u>	<u>60,898</u>	<u>54,879</u>

E2-1 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).

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E2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
at fair value through profit or loss		8,992	3,910	–	–	8,992	3,910
Total financial assets		8,992	3,910	–	–	8,992	3,910
Investment property							
Investment properties held	C1-9	42,295	37,575	–	–	42,295	37,575
Total investment property		42,295	37,575	–	–	42,295	37,575
Infrastructure, property, plant and equipment							
Plant and equipment	C1-8	–	–	9,448	10,317	9,448	10,317
Office equipment		–	–	934	1,096	934	1,096
Furniture and fittings		–	–	577	311	577	311
Land		48,614	49,257	78,847	74,093	127,461	123,350
Land Improvements		–	–	7,748	6,986	7,748	6,986
Buildings – specialised		–	–	103,650	102,611	103,650	102,611
Other Structures		–	–	8,329	5,647	8,329	5,647
Infrastructure		–	–	714,370	689,280	714,370	689,280
Other Assets		–	–	44,338	41,098	44,338	41,098
Total infrastructure, property, plant and equipment		48,614	49,257	968,241	931,439	1,016,855	980,696
Non-current assets classified as held for sale							
Land	C1-7	42	–	–	–	42	–
Total NCA's classified as held for sale		42	–	–	–	42	–

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E2-1 Fair value measurement (continued)

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.

Valuation techniques

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 (IPPE)**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.
- 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.

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E2-1 Fair value measurement (continued)

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, 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.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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.

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Office Equipment	10,382	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture & Fittings	577	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Land & Land Improvements	86,595	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	103,650	Cost approach	Unit price
Other Structures	8,329	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Infrastructure	714,370	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Other Assets	44,338	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value

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E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and office equipment		Furniture and fittings		Land and land improvements		Buildings	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	11,413	12,984	311	211	81,079	80,503	102,611	95,000
Transfers from/(to) another asset class	842	–	–	–	957	–	5,325	649
Purchases	614	1,206	293	118	336	667	1,662	11,349
Disposals	(246)	(208)	–	–	–	(11)	–	(304)
Depreciation and impairment	(2,241)	(2,569)	(27)	(18)	(93)	(80)	(4,851)	(4,083)
Revaluation increments/decrements	–	–	–	–	4,316	–	148	–
Transfers from/(to) Note C1-9	–	–	–	–	–	–	(1,245)	–
Closing balance	10,382	11,413	577	311	86,595	81,079	103,650	102,611

\$ '000	Other structures		Infrastructure		Other assets		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	5,647	5,379	689,280	685,783	41,098	32,962	931,439	912,822
Transfers from/(to) another asset class	2,693	42	3,432	280	–	1,795	13,249	2,766
Purchases	836	758	23,085	16,237	6,008	8,843	32,834	39,178
Disposals	–	(27)	(1,532)	(2,543)	(12)	(32)	(1,790)	(3,125)
Depreciation and impairment	(847)	(505)	(6,249)	(5,972)	(2,756)	(2,470)	(17,064)	(15,697)
Revaluation increments/decrements	–	–	6,354	(4,505)	–	–	10,818	(4,505)
Transfers from/(to) Note C1-9	–	–	–	–	–	–	(1,245)	–
Closing balance	8,329	5,647	714,370	689,280	44,338	41,098	968,241	931,439

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

E3-1 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 2021. 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 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.

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E3-1 Contingencies (continued)

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 2021 was \$480,225. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

The amount of additional contributions included in the total employer contribution advised above is \$337,700. Council's expected contribution to the plan for the next annual reporting period is \$528,360.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of any surplus or deficit that is broadly attributed to Council is 0.84% as at 30 June 2021.

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.

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.

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E3-1 Contingencies (continued)**(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.

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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	2021	2020
Compensation:		
Short-term benefits	3,762	3,893
Post-employment benefits	311	332
Termination benefits	292	279
Total	4,365	4,504

Other transactions with KMP and their related parties

Nature of the transaction		Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref					
2021						
Director remuneration	1	53	-		-	-
Director remuneration	2	26	-		-	-
Payment of contributions, annual membership and advertising	3	590	-		-	-
Legal services	4	245	1		-	-
Tourism services and annual subscription	5	120	-		-	-
Training service	6	18	-		-	-
Cleaning services	7	23	-		-	-
Sub lease of Council buildings	8	68	-		-	-
Supply of goods, contributions, mayoral donation and painting services	9	299	-		-	-
Supply of goods	10	41	-		-	-
2020						
Director remuneration	1	66	-		-	-

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F1-1 Key management personnel (KMP) (continued)

Nature of the transaction			Outstanding		Impairment	
\$ '000	Ref	Transactions	balances	Terms and conditions	provision on	Impairment
		during the year	including		outstanding	expense
			commitments		balances	
Director remuneration	2	32	–		–	–
Payment of contributions, annual membership and advertising	3	408	–		–	–
Legal services	4	215	–		–	–
Tourism services and annual subscription	5	92	–		–	–
Training service	6	10	–		–	–
Cleaning services	7	20	–		–	–
Sub lease of Council buildings	8	64	–		–	–
Supply of goods, contributions, mayoral donation and painting services	9	11	4		–	–
Supply of goods	10	26	–		–	–

- 1 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
- 2 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.
- 3 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, payments were also made for annual membership and advertising services. The KMP member is not remunerated by Destination Port Stephens for their Directorship
- 4 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.
- 5 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 and an annual subscription to core funding. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship
- 6 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.
- 7 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.
- 8 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.

continued on next page ...

F1-1 Key management personnel (KMP) (continued)

- 9 During the 2020 financial year Port Stephens Council paid expenses to Port Stephens Koalas in relation to a grant received on their behalf. During the 2021 financial year Port Stephens Council paid contributions, a mayoral donation and received payment for painting services provided to Port Stephens Koalas. Port Stephens Koalas has 2 members of Council's KMP as a director.
- 10 Port Stephens Council purchased products from S & K Itham 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.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000 **2021** 2020

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	84	63
Councillors' fees	219	184
Other Councillors' expenses (including Mayor)	70	60
Total	373	307

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2020						
Shareholder dividend	1	2,000	-		-	-
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. No dividend was received for the year ended 30 June 2021.					

F2 Other relationships

F2-1 Audit fees

\$ '000	2021	2020
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	81	99
Remuneration for audit and other assurance services	81	99
Total Auditor-General remuneration	81	99
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Internal audit services - PKF Lawler	41	47
Internal audit services - Newcastle airport partnership	15	13
Audit and review of financial statements - Newcastle airport partnership	55	31
Remuneration for audit and other assurance services	111	91
Total remuneration of non NSW Auditor-General audit firms	111	91
Total audit fees	192	190

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	32,809	20,067
Adjust for non-cash items:		
Depreciation and amortisation	18,331	17,073
Net losses/(gains) on disposal of assets	(2,349)	2,570
Non-cash capital grants and contributions	(8,790)	(5,804)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(596)	89
– Investment property	(889)	(13)
Amortisation of premiums, discounts and prior period fair valuations		
– Interest exp. on interest-free loans received by Council (previously fair valued)	–	1
Share of net (profits)/losses of associates/joint ventures using the equity method	109	(540)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(1,020)	159
Increase/(decrease) in provision for impairment of receivables	(235)	365
Decrease/(increase) in inventories	157	(14)
Decrease/(increase) in other current assets	(97)	1,401
Decrease/(increase) in contract assets	(577)	–
Increase/(decrease) in payables	790	2,633
Increase/(decrease) in other accrued expenses payable	382	661
Increase/(decrease) in other liabilities	(130)	(471)
Increase/(decrease) in contract liabilities	3,826	2,513
Increase/(decrease) in provision for employee benefits	(196)	1,355
Increase/(decrease) in other provisions	(97)	(1,827)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	41,428	40,218

(b) Non-cash investing and financing activities

Dedicated subdivisions	8,790	5,804
RFS assets	–	–
Total non-cash investing and financing activities	8,790	5,804

(c) Net cash flows attributable to discontinued operations

There are no cash flows that relate to discontinued operations

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Road and civil infrastructure	1,994	–
Buildings	1,285	723
Plant and equipment	676	561
Newcastle airport	901	11,034
Aquatic Structures	1,505	–
Other	564	564
Total commitments	6,925	12,882
These expenditures are payable as follows:		
Within the next year	6,925	12,882
Total payable	6,925	12,882

Details of capital commitments

The majority of Councils capital commitments relate to the Newcastle Airport building terminal development and development of Little Beach boat ramp.

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Changes from prior year statements

G4-1 Changes in accounting policy

Adoption of new accounting standards – not retrospective

No newly adopted standards had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures for the year ended 30 June 2021.

G4-2 Correction of errors

Correction of prior period errors

There was no correction of prior period errors for the year ended 30 June 2021.

G4-3 Changes in accounting estimates

Changes in accounting estimates

There were no changes in accounting estimates for the year ended 30 June 2021.

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

G5 Statement of developer contributions as at 30 June 2021

G5-1 Summary of developer contributions ^{1, 2}

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Civic Administration	7	319	-	-	(242)	-	84	-
Civic Administration - Works Depot	487	263	-	-	-	-	750	-
Town Centre Upgrades	68	256	-	-	-	-	324	-
Public Open Space, Parks and Reserves	243	1,209	-	-	(120)	-	1,332	-
Sports and Leisure Facilities	772	3,357	-	-	-	-	4,129	-
Community and Cultural Facilities	27	734	-	-	-	-	761	-
Road Works	145	824	-	-	(313)	-	656	-
Medowie, Traffic and Transport	68	390	-	-	-	-	458	-
Shared Paths	76	145	-	-	(23)	-	198	-
Bus Facilities	8	6	-	-	-	-	14	-
Fire and Emergency	11	72	-	-	-	-	83	-
Flood and Drainage Works	36	213	-	-	-	-	249	-
Cross Boundary Contributions	3	(3)	-	-	-	-	-	-
Haulage	2,450	775	-	1	(1,044)	-	2,182	-
Kings Hill Urban Release Area	-	4	-	-	-	-	4	-
S7.11 contributions – under a plan	4,401	8,564	-	1	(1,742)	-	11,224	-
S7.12 levies – under a plan	129	374	-	-	(246)	-	257	-
Total S7.11 and S7.12 revenue under plans	4,530	8,938	-	1	(1,988)	-	11,481	-
Fern Bay - Repealed Funds	1,510	-	-	1	-	-	1,511	-
Total contributions	6,040	8,938	-	2	(1,988)	-	12,992	-

(1) Interest is earned according to the opening balance for the year

(2) Total internally levied contributions included in 'Cash' contributions is \$37,393

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.

G5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CATCHMENT DISTRICT – RAYMOND TERRACE - RURAL								
Town Centre Upgrades	17	81	-	-	-	-	98	-
Public Open Space, Parks and Reserves	68	303	-	-	-	-	371	-
Sports and Leisure Facilities	240	922	-	-	-	-	1,162	-
Community and Cultural Facilities	-	123	-	-	-	-	123	-
Road Works	58	292	-	-	(313)	-	37	-
Shared Paths	9	51	-	-	(23)	-	37	-
Bus Facilities	-	-	-	-	-	-	-	-
Fire and Emergency	6	27	-	-	-	-	33	-
Flood and Drainage Works	2	13	-	-	-	-	15	-
Kings Hill Urban Release Area	-	1	-	-	-	-	1	-
Total	400	1,813	-	-	(336)	-	1,877	-
CATCHMENT DISTRICT – CENTRAL GROWTH CORRIDOR								
Town Centre Upgrades	28	77	-	-	-	-	105	-
Public Open Space, Parks and Reserves	85	431	-	-	-	-	516	-
Sports and Leisure Facilities	264	1,342	-	-	-	-	1,606	-
Community and Cultural Facilities	-	100	-	-	-	-	100	-
Road Works	62	276	-	-	-	-	338	-
Medowie, Traffic and Transport	68	390	-	-	-	-	458	-
Shared Paths	6	15	-	-	-	-	21	-
Bus Facilities	-	1	-	-	-	-	1	-
Flood and Drainage Works	17	96	-	-	-	-	113	-
Kings Hill Urban Release Area	-	2	-	-	-	-	2	-
Total	530	2,730	-	-	-	-	3,260	-
CATCHMENT DISTRICT – TOMAREE								
Town Centre Upgrades	15	77	-	-	-	-	92	-
Public Open Space, Parks and Reserves	33	473	-	-	(120)	-	386	-
Sports and Leisure Facilities	80	1,083	-	-	-	-	1,163	-
Community and Cultural Facilities	27	511	-	-	-	-	538	-
Road Works	25	256	-	-	-	-	281	-

continued on next page ...

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ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

G5-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Shared Paths	12	63	-	-	-	-	75	-
Bus Facilities	-	-	-	-	-	-	-	-
Fire and Emergency	5	45	-	-	-	-	50	-
Flood and Drainage Works	17	104	-	-	-	-	121	-
Kings Hill Urban Release Area	-	1	-	-	-	-	1	-
Total	214	2,613	-	-	(120)	-	2,707	-
CATCHMENT DISTRICT – FERN BAY								
Town Centre Upgrades	8	21	-	-	-	-	29	-
Public Open Space, Parks and Reserves	57	2	-	-	-	-	59	-
Sports and Leisure Facilities	188	10	-	-	-	-	198	-
Community and Cultural Facilities	-	-	-	-	-	-	-	-
Shared Paths	49	16	-	-	-	-	65	-
Road Works	-	-	-	-	-	-	-	-
Bus Facilities	8	5	-	-	-	-	13	-
Cross Boundary Contributions	3	(3)	-	-	-	-	-	-
Fern Bay - Repealed Funds	1,510	-	-	1	-	-	1,511	-
Total	1,823	51	-	1	-	-	1,875	-
CATCHMENT DISTRICT – SHIRE WIDE								
Haulage	2,450	775	-	1	(1,044)	-	2,182	-
Civic Administration	7	319	-	-	(242)	-	84	-
Civic Administration - Works Depot	487	263	-	-	-	-	750	-
Total	2,944	1,357	-	1	(1,286)	-	3,016	-

S7.12 Levies – under a plan

S7.12 LEVIES – UNDER A PLAN

Section 7.12	129	374	-	-	(246)	-	257	-
Total	129	374	-	-	(246)	-	257	-

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(284)	(0.22)%	(1.56)%	2.61%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	127,180				
2. Own source operating revenue ratio ³					
Total continuing operating revenue excluding all grants and contributions ¹	112,148	71.63%	74.57%	76.86%	> 60.00%
Total continuing operating revenue ¹	156,576				
3. Unrestricted current ratio					
Current assets less all external restrictions	47,179				
Current liabilities less specific purpose liabilities	22,692	2.08x	2.17x	1.59x	> 1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	18,901	3.83x	2.53x	3.71x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,936				
5. Rates and annual charges outstanding percentage ³					
Rates and annual charges outstanding	2,192	3.29%	3.05%	2.95%	< 10.00%
Rates and annual charges collectable	66,650				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	49,797	5.01	4.03	5.22	> 3.00
Monthly payments from cash flow of operating and financing activities	9,933	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

H Additional Council disclosures (unaudited)

H1-1 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

Opening hours:
8:30am - 5:00pm
Monday to Friday

Telephone: 02 4988 0255
Facsimile: 02 4988 0130

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 the 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 2021, the Statement of Financial Position as at 30 June 2021, 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 2021, 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 2021 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:

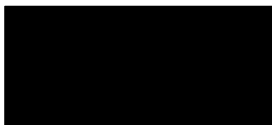
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.auasb.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 B5-1 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

8 October 2021
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: D2120680/1779

8 October 2021

Dear Cr Palmer

**Report on the Conduct of the Audit
 for the year ended 30 June 2021
 Port Stephens Council**

I have audited the general purpose financial statements (GPFS) of Port Stephens Council (the Council) for the year ended 30 June 2021 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 2021 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

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	63.4	59.8	↑ 6.0
Grants and contributions revenue	45.0	37.2	↑ 21.0
Operating result from continuing operations	32.8	20.1	↑ 63.2
Net operating result before capital grants and contributions	2.8	(4.3)	↑ 165

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

The Council's operating result from continuing operations (\$32.8 million including depreciation and amortisation expense of \$18.3 million) was \$12.7 million higher than the 2019-20 result. This was mainly due to:

- \$7.8 million higher grants and contributions revenue
- \$3.6 million higher rates and annual charges revenue
- \$2.3 million higher income from disposal of assets primarily due to sale of real estate assets.

The net operating result before capital grants and contributions (\$2.8 million) was \$7.1 million higher than the 2019-20 result. This was mainly due to higher revenue from rates, annual charges and income from disposal of real estate assets. This was partially offset by \$2.2 million increase in capital grants and contributions revenue for the year.

Rates and annual charges revenue (\$63.4 million) increased by \$3.6 million (6.0 per cent) in 2020-21 mainly due to:

- annual rate peg increase applied to ordinary rates (2.6 per cent)
- increase of \$1.1 million for non-domestic waste management services

Grants and contributions revenue (\$45.0 million) increased by \$7.8 million (21.0 per cent) in 2020-21 mainly due to \$3.8 million increase in cash developer contributions collected under the *Environmental Planning & Assessment Act 1979* (EP&A Act) and \$3.0 million increase in revenue from non-cash asset dedications.

STATEMENT OF CASH FLOWS

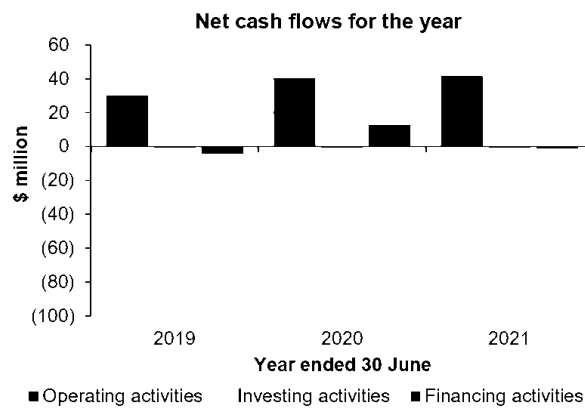
The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year.

The increase in cash provided from operating activities is mainly due to increase in grants and contributions receipt during the year.

The decrease in cash used in investing activities is mainly due to lower payments for purchases of infrastructure, property, plant and equipment.

The decrease in cash provided from financing activities is due to reduced borrowings during the year.

The Council's cash and cash equivalent balances at 30 June 2021 was \$58.8 million (2020: \$43.4 million). The net cash flow for the year was an increase of \$5.0 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	58.8	43.4	<ul style="list-style-type: none"> Cash and investments increased by \$15.1 million. Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased by \$10.8 million primarily due to increase in available cash balance relating to the developer contributions and specific purpose unexpended grants. Internally restricted cash and investments are due to Council policy or decisions to restrict funds for forward plans including strategic capital projects. The increase is mainly due to a in the internal restrictions of \$4.6 million is mainly due to increase in Asset Rehabilitation, Commercial Properties and Fleet reserve balances. This increase was partially offset by the decrease in Repealed Fund balance.
Restricted cash and investments:			
• External restrictions	23.1	12.3	
• Internal restrictions	35.7	31.1	

Debt

The Council has \$32.6 million of borrowings as at 30 June 2021 (2020: \$32.8 million)

The Council has an accumulated drawdown facility limit of \$36.0 million as at 30 June 2021 (2020: \$36.0 million), of which \$25.0 million pertains to the Newcastle Airport Partnership joint venture. As at 30 June 2021, \$20.7 million of the total facility remains unutilised.

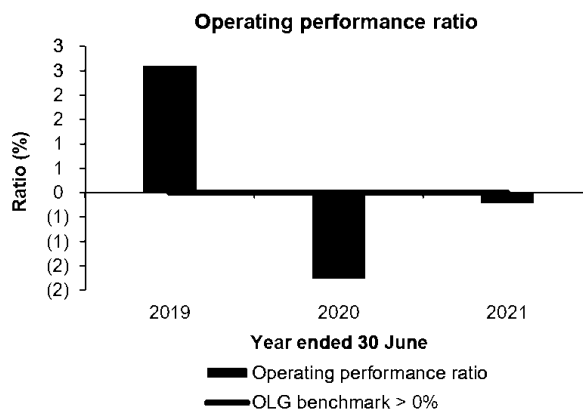
PERFORMANCE

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 OLG is greater than zero per cent. The Council did not meet the OLG benchmark for the current reporting period.

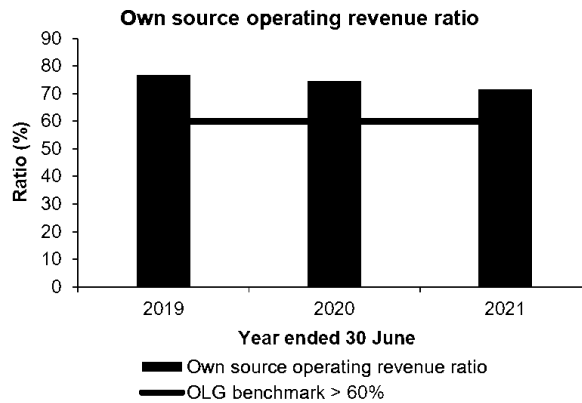


Own source operating revenue ratio

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 OLG is greater than 60 per cent.

The Council met the OLG benchmark for the current reporting period.

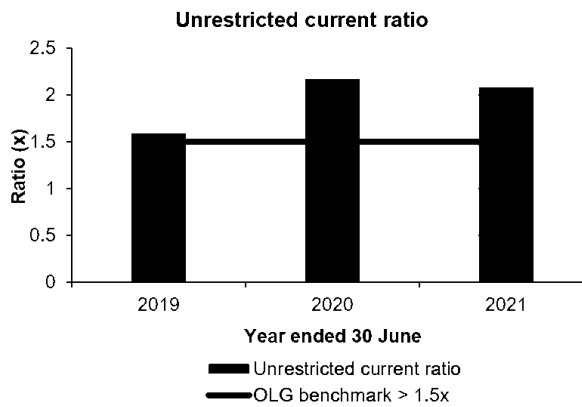
The 2019-20 ratio was restated as a result of the reclassifications in accordance with the Local Government Code of Accounting Practice and Financial Reporting 2020-21.



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.

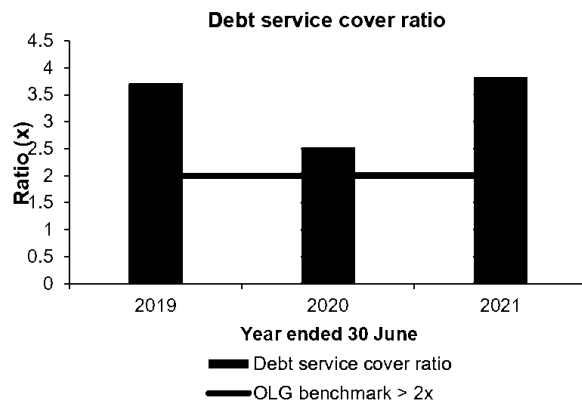
The Council met the OLG benchmark for the current reporting period.



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.

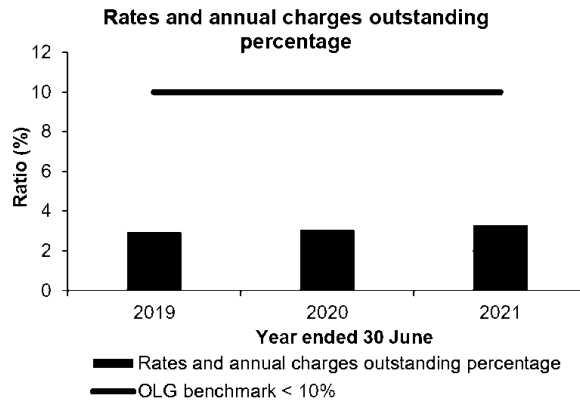
The Council met the OLG benchmark for the current reporting period.



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.

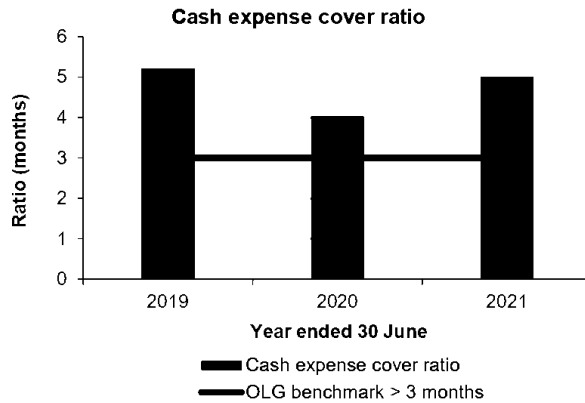
The Council met the OLG benchmark for the current reporting period.



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 met the OLG benchmark for the current reporting period.



Infrastructure, property, plant and equipment renewals

Council reported asset renewals of \$16.6 million in 2020-21 (\$24.3 million in 2019-20). Significant renewals included:

- road renewals of \$7.8 million (\$5.2 million in 2019-20)
- footpath renewals of \$2.2 million (Nil in 2019-20).

OTHER MATTERS

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 GPFS
- 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 Betts, Secretary of the Department of Planning, Industry and Environment

Port Stephens Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

"A great lifestyle in a treasured environment"



Port Stephens Council

Special Schedules

for the year ended 30 June 2021

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2021	7

Port Stephens Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	43,572	45,065
Plus or minus adjustments ²	b	334	385
Notional general income	c = a + b	43,906	45,450
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	1,142	909
Sub-total	k = (c + g + h + i + j)	45,048	46,359
Plus (or minus) last year's carry forward total	l	10	-
Less valuation objections claimed in the previous year	m	-	(7)
Sub-total	n = (l + m)	10	(7)
Total permissible income	o = k + n	45,058	46,352
Less notional general income yield	p	45,065	46,296
Catch-up or (excess) result	q = o - p	(7)	56
Plus income lost due to valuation objections claimed ⁴	r	7	-
Carry forward to next year ⁶	t = q + r + s	-	56

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.
- (6) 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 2022.

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 2020–21 (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 2021 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 2021'.

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

8 October 2021
SYDNEY

ITEM 12 - ATTACHMENT 1 ANNUAL FINANCIAL STATEMENTS 2020 - 2021

Port Stephens Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost						
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1
Buildings	Other	1,781	1,781	2,498	2,012	103,650	194,745	21.4%	27.7%	43.0%	7.2%	0.7%		
	Sub-total	1,781	1,781	2,498	2,012	103,650	194,745	21.4%	27.7%	43.0%	7.2%	0.7%		
Other structures	Other structures	61	61	207	238	8,329	19,553	3.6%	51.1%	44.8%	0.4%	0.1%		
	Sub-total	61	61	207	238	8,329	19,553	3.6%	51.1%	44.8%	0.4%	0.1%		
Roads	Sealed roads	10,538	10,538	4,021	4,004	308,698	349,731	52.8%	29.2%	13.3%	4.0%	0.7%		
	Unsealed roads	-	-	814	828	8,886	10,054	6.4%	41.4%	42.6%	9.6%	0.0%		
	Bridges	-	-	20	27	12,983	15,057	38.2%	53.0%	0.7%	8.1%	0.0%		
	Footpaths	282	282	302	232	60,294	71,398	20.0%	22.4%	51.0%	6.6%	0.0%		
	Other road assets	491	491	2,175	2,379	72,803	84,265	12.1%	54.8%	23.3%	8.1%	1.7%		
	Sub-total	11,311	11,311	7,332	7,470	463,664	530,505	40.6%	33.3%	20.2%	5.2%	0.7%		
Stormwater drainage	Stormwater drainage	610	610	1,066	1,157	212,830	240,360	24.9%	71.0%	3.2%	0.8%	0.1%		
	Sub-total	610	610	1,066	1,157	212,830	240,360	24.9%	71.0%	3.2%	0.8%	0.1%		
Open space recreational assets	Swimming pools	-	-	117	109	3,730	4,917	0.0%	15.0%	85.0%	0.0%	0.0%		
	Open space	359	359	3,729	3,412	21,799	23,289	15.1%	47.3%	28.2%	7.8%	1.6%		
	Sub-total	359	359	3,846	3,521	25,529	28,206	12.5%	41.7%	38.1%	6.4%	1.3%		
Other infrastructure assets	Other	350	350	218	327	12,347	19,248	10.0%	48.0%	32.0%	10.0%	0.0%		
	Sub-total	350	350	218	327	12,347	19,248	10.0%	48.0%	32.0%	10.0%	0.0%		
Total – all assets		14,472	14,472	15,167	14,725	826,349	1,032,617	31.3%	41.8%	21.7%	4.6%	0.6%		

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required

continued on next page ...

Port Stephens Council

Report on infrastructure assets as at 30 June 2021 (continued)

3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Port Stephens Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	16,269	137.78%	157.37%	114.92%	>=100.00%
Depreciation, amortisation and impairment	11,808				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	14,472	1.72%	1.69%	1.80%	<2.00%
Net carrying amount of infrastructure assets	840,733				
Asset maintenance ratio					
Actual asset maintenance	14,725	97.09%	98.93%	99.05%	>100.00%
Required asset maintenance	15,167				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	14,472	1.40%	1.38%	1.48%	
Gross replacement cost	1,032,617				

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) 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 2020/2021						
Holiday Parks						
		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
	Fingal Bay	Crown	4,906,642	3,757,151	1,149,491	10%
	Halifax	Crown	3,470,605	2,477,262	993,343	11%
	Shoal Bay	Crown	1,282,623	873,452	409,171	
		Council	2,382,014	1,622,125	759,889	8%
			3,664,637	2,495,576	1,169,060	
	Thou Walla	Council	1,252,759	1,004,784	247,975	5%
	TreEscape	Council	1,606,437	1,982,027	(375,591)	-3% 5
Investment Property						
		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
	Total	3,188,677	562,093	2,626,584	6%	2
Newcastle Airport						
		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (4)	Notes
	Total	11,301,175	10,089,913	1,211,263	2%	6
Notes						
	1 Net Yield = EBITDA/Capital					
	2 Councils policy on the required return on capital in commercial property investments is between 7-9%. This years returns have been affected by vacancies COVID-19					
	3 EBITDA used as the numerator for Return on Investment calculation in accordance with Crown Lands reporting					
	4 Net Yield = Net Profit/Capital					
	5 The Koala Sanctuary is in its first year of operation.					
	6 Due to the financial impacts of COVID-19, no dividend was paid by the Newcastle Airport Partnership to Council.					

ITEM 12 - ATTACHMENT 2 ANNUAL FINANCIAL STATEMENTS - KEY DISCUSSION POINTS.**PORT STEPHENS**
COUNCIL**KEY DISCUSSION POINTS**
12 October 2021**TITLE:** Annual Financial Statements
PRESENTER: Tim Hazell – Financial Services Section Manager**PURPOSE**

To provide the Mayor and Councillors with a summary of the Annual Financial Statements and the key issues.

BACKGROUND

Each year, individual local governments across NSW are required to present a set of audited financial statements. The statements set out the financial performance, financial position, and cash flows of the council for the financial year ending 30 June 2021.

The annual financial statements comprise:

1. General purpose financial statements
2. Special schedules

The statements comply with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government. They were audited by the Audit Office of NSW.

KEY POINTS**Audit Process & Areas of Importance**

1. RSM were engaged by the Audit Office of NSW to perform the audit of PSC for the third year running
2. The audit process has followed the agreed timetable and been on budget
3. An unqualified audit opinion of the financial statements has been issued indicating the following:
 - that 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 presented, in all material respects, in accordance with the requirements of this Division.
 - are consistent with the Council's accounting records

ITEM 12 - ATTACHMENT 2 ANNUAL FINANCIAL STATEMENTS - KEY DISCUSSION POINTS.

- present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended.
 - are 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.
4. Council has revalued its Aquatic structures this year which increased by \$10.8M
 5. There were no new Accounting Standards adopted this year however OLG made a significant number of changes to the format of the Code of Accounting which dictates the Financial Statements and as well as changes to the grouping of income and expenditure.

Income Statement

1. The underlying operating result for Council was a surplus of \$583k, which is in line with the March Quarterly Budget Review result (\$316k) and up on last years' underlying deficit of \$185k. In 2020, Council was severely impacted by a \$4m downturn in gross revenue across Council operations as a result of Covid-19.
2. Total income increased by \$13.5m or 9%.
3. Total expenditure grew by \$800k or 0.6%.

Statement of Financial Position (Balance Sheet)Assets

1. Total cash & investments increased due to unspent grants and the build-up of reserves post the Covid-19 lockdown in the prior financial year.
2. Receivables increased predominately due to Newcastle Airport Operations.
3. Inventories decreased due to the sale of commercial real estate during the year.
4. IPPE increased in value. The main driver was the capex program of \$40m.
5. Investment properties were independently valued and saw a slight increase in fair value.

Liabilities

1. Current Payables slightly increased due to cost control procedures that were implemented last year.
2. Non-Current Payables represent a Newcastle Airport liability for the purchase of the Astra lab land.
3. Contract liabilities increased due to unspent grants that were received for projects under construction.
4. Borrowings – Council took out no new loans during the year however, Newcastle Airport drew down on loan facilities related to the construction of the Astra Aero lab.
5. Provisions slightly decreased due to tip remediation provision being completed during the year which extinguished the financial liability.
6. Employee provisions decreased due to staff taking leave during the year.
7. Lease liabilities decreased in line with repayment schedules.

ITEM 12 - ATTACHMENT 2 ANNUAL FINANCIAL STATEMENTS - KEY DISCUSSION POINTS.

Performance Indicators

1. All financial indicators have exceeded the industry benchmarks except for the Operating Performance Ratio, which was affected by the consolidation of the Newcastle Airport Operations which had a \$1.5 million consolidated deficit. Without this consolidation, Council would have recorded a positive Operating Ratio.
2. All asset management indicators have met industry benchmark

ITEM NO. 13**FILE NO: 21/205499
EDRMS NO: PSC2010-03190****END OF TERM REPORT 2017 TO 2021**

REPORT OF: TIMOTHY CROSDALE - GROUP MANAGER CORPORATE SERVICES
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Note the Port Stephens Council End of Term Report 2017 to 2021 **(ATTACHMENT 1)**.

BACKGROUND

The purpose of this report is to table the Port Stephens Council End of Term Report 2017 to 2021 (the Report) as required by Section 406 of the Local Government Act 1993 and Essential Element 1.10 of the Integrated Planning and Reporting Guidelines (Guidelines). These require that a report on the progress of implementation of the Community Strategic Plan (End of Term Report) be presented at the final meeting of an outgoing Council.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Governance	Provide a strong ethical governance structure.

FINANCIAL/RESOURCE IMPLICATIONS

The End of Term Report 2017 to 2021 provides a snapshot of the highlights and challenges faced over the past 4 years, together with more detail on the progress and achievements made in the 4 Focus Areas of the Community Strategic Plan 2018-2028 (CSP).

The Report has been prepared using information from a range of sources within Council such as Council's Annual and Six-monthly reports and other external information.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Essential Element 1.10 of the Guidelines require that this Report be compiled and presented at the final meeting of an outgoing Council.

The legislation intends the End of Term Report to be a guide for the incoming Council to see what has been achieved and what still needs to be done towards achieving the community's goals. The Report is also required to be attached as an appendix to the Annual Report (Section 428) the year in which an ordinary election of the Mayor and Councillors is held.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the End of Term Report 2017 to 2021 contains errors of fact regarding information.	Low	Data obtained from internal sources and external websites has been cross-checked, where possible.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

There are no sustainability implications.

CONSULTATION

Compilation of the Report has occurred in consultation with the following internal key stakeholders:

- Executive Team
- Section Managers
- Specialist Council Officers

OPTIONS

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

ATTACHMENTS

- 1) End of Term Report 2017 to 2021. (Provided under separate cover) [⇒](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 14

**FILE NO: 21/250545
EDRMS NO: PSC2017-00180**

PORT STEPHENS COUNCIL FINANCIAL SUSTAINABILITY AND PROSPERITY FUND

REPORT OF: TIMOTHY CROSDALE - GROUP MANAGER CORPORATE SERVICES

GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the key directions for ongoing financial sustainability as detailed in this report.
- 2) Endorse the establishment of the Prosperity Fund.
- 3) Receives a report within 6 months to endorse associated governance processes for the Prosperity Fund.

BACKGROUND

Council's financial sustainability has been achieved and enhanced through the implementation of a range of strategies since the early 2010's. A central aspect of this has been maintaining approximately 1% of budget as an underlying operating surplus. This has enabled ongoing reinvestment into critical works and services.

Achieving this metric has been supported by our rolling Service Review program that provides for ongoing efficiency reviews of Council services and aims to deliver ongoing budget savings.

Effective financial reserve management and ongoing success with grant funding has also supported Council's ongoing achievement of key metrics, such as reduction of asset backlog, as well as the attainment of financial reporting metrics as determined by the Office of Local Government. Council has been able to increase its capital works spend considerably over time as financial sustainability has been achieved.

Council has also pursued a strategy of increasing sources of non-rate revenue to support the provision of Council services to the community. This has been embedded into Council's Delivery Program and Operational Plans. This strategy has been successful and has enabled Council to maintain the lowest rates in the region whilst continuing to deliver services valued by the community.

The key sources of non-rate revenue for Council include returns from:

- Council's property development and investment portfolio – managed in accordance with the Property Investment Strategy.

- Council’s Beachside Holiday Parks (BSHP) operations – managed in accordance with the 4 Year Delivery Program.
- A dividend from the operations of Newcastle Airport Pty Limited (NAPL) – managed in accordance with separate NAPL governance processes.

In addition to these key sources of non-rate revenue Council has also initiated strategies around additional revenue from Smart Parking in town centres across the LGA.

The key tool for Council to effectively plan for, and deliver, ongoing financial sustainability is the Long Term Financial Plan (LTFP). For some time the LTFP has identified 2021/2022 and 2022/2023 financial years as being tight with predicted underlying surplus generally being lower than Council’s target of 1% of budget. This prediction was on account of expected legislated increases in superannuation contributions amongst other factors.

From 2020, Council has been faced with a challenging financial position as a result of the COVID-19 pandemic (the pandemic). This included the loss of an annual dividend from NAPL and impacts to commercial operations from public health orders. The pressure of the pandemic forced Council to reassess capital projects and discretionary spending, including recruitment, and produced a small operating deficit of \$185k in the 2019/2020 financial year. This is the first reported underlying deficit since 2012.

At the time of setting the 2020/2021 budget the impacts of COVID-19 were thought to result in a budgeted underlying deficit of \$4.4 million. Council’s results for the 2020/2021 financial year have resulted in an underlying surplus of \$583,000. This has been achieved through managing discretionary aspects of Council’s budget as well as performance from non-rate revenue sources such as the Beachside Holiday Parks.

Despite Council’s demonstrated ability to implement effective short term strategies, the ongoing effects of COVID-19, including lockdown periods through the first part of 2021/2022 are continuing to impact Council’s financial position. The updated LTFP projections highlight that Council requires the re-setting of strategies to attain ongoing financial sustainability into the future.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

These recent results indicate that Council is effective in implementing clear business decisions to minimise short term impacts to Council’s financial position.

A range of external factors (**ATTACHMENT 1**) will continue to present ongoing challenges to the financial sustainability of Council.

Accordingly, Council will implement a range of strategies, initiatives and plans across a range of focus areas as shown in (**ATTACHMENT 2**) and include the following key directions:

- Avoid shocks – focus on reserve management and cash forecasting in order to recover from recent impacts and continue to have resilience to meet ongoing impacts.
- Attain underlying surplus – move back to achieving 1% underlying surplus as a key metric of financial sustainability and review the need to increase this target over time.
- Prosperity Fund – establish an internally governed reserve for significant organisational projects, financial sustainability or commercial reinvestment funded through excess non-rate revenue (as detailed below).
- Increase income – to continue to meet community expectations further opportunities will be examined to increase income sources to Council including statutory processes relating to rates, fees and charges as well as increasing non-rate revenue.
- Review and adjust services – continue existing Service Review program to drive operational efficiencies (budget savings) and reinvest in services and works expected from the community.
- Advocacy and partnerships – to assist with the success of grants and to minimise external impacts to the organisation.

What has also been evident in recent history is the growing importance of non-rate revenue streams. Based on Council's ongoing management, non-rate revenue streams can generate revenue in excess of what is required to maintain services and reinvest in these revenue sources. In these instances Council have episodically allocated these excess funds into specific projects or initiatives, commonly infrastructure projects across the LGA.

Whilst this has enabled Council to fund projects outside of rate revenue or grant based sources, this has typically been one off projects. Accordingly, there is also an opportunity for Council to improve decision making around the use of excess non-rate revenue sources to ensure that Council is strategic in its use of these funds.

Moreover, the ability to align and pool these funds also provides a unique opportunity for Council to utilise this funding for large scale strategic projects and initiatives such as:

- Infrastructure in demand for the community.
- Contribute to Council's financial sustainability such as providing a cash backed reserve to assist funding emergency response.
- Investment in initiatives to extend and or provide additional returns to Council.

Council has developed the Port Stephens Council Prosperity Fund to provide this governance and decision framework for the use of excess non-rate revenue for Council. An overview of the Prosperity Fund is provided at **(ATTACHMENT 3)**.

The overall aim of the Prosperity Fund is to ensure that the use of excess non-rate revenue is directed towards significant projects, investments or initiatives to achieve the strategies of Council. The Prosperity Fund includes:

- Clear objectives and criteria for the use of funds towards significant projects, investments or initiatives to achieve the strategies of Council.
- Clarity on the use of non-rate revenue streams to ensure that these streams can be perpetuated and enhanced over time to continue to offset Council services and reliance on rate based revenue.
- Details on the management of the reserve including cash and minimum reserve levels to maintain effectiveness of this fund.
- Governance processes including the establishment of a Prosperity Fund Oversight Committee to administer the fund.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	Yes		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal, policy or risk implications from the adoption of the recommendations of this report. Should Council endorse the broad directions outlined in this report further detailed governance processes will be developed.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council face an increasingly uncertain long term financial outlook that may affect ongoing financial sustainability.	Medium	Adopt the recommendations.	Yes

There is a risk that Council miss the opportunity to align the use of excess non-rate revenue that would contribute to financial sustainability and significant community projects.	Medium	Adopt the recommendations.	Yes
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SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The continued attainment and enhancement of financial sustainability is central to Council's ability to continue to deliver services valued by our community in the best possible way.

CONSULTATION

Consultation with key stakeholders has been undertaken in the development of the key directions for financial sustainability and the Prosperity Fund.

Internal

- Senior Leadership Team
- Executive Team
- Property Advisory Panel
- Mayor and Councillors

OPTIONS

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

ATTACHMENTS

- 1) Key internal and external impacts. [↓](#)
- 2) Key directions for financial sustainability. [↓](#)
- 3) PSC Prosperity Fund flow chart. [↓](#)

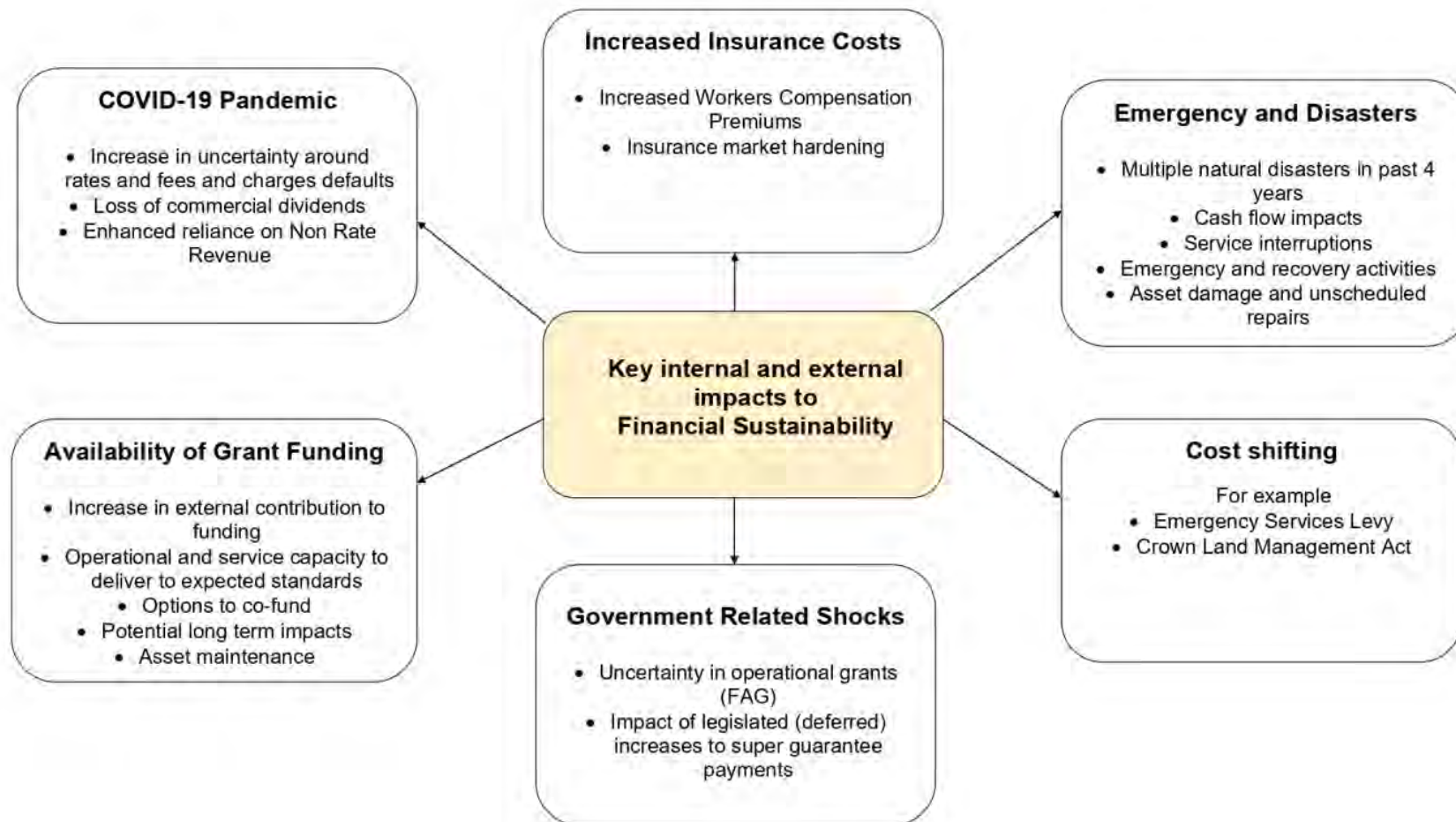
COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

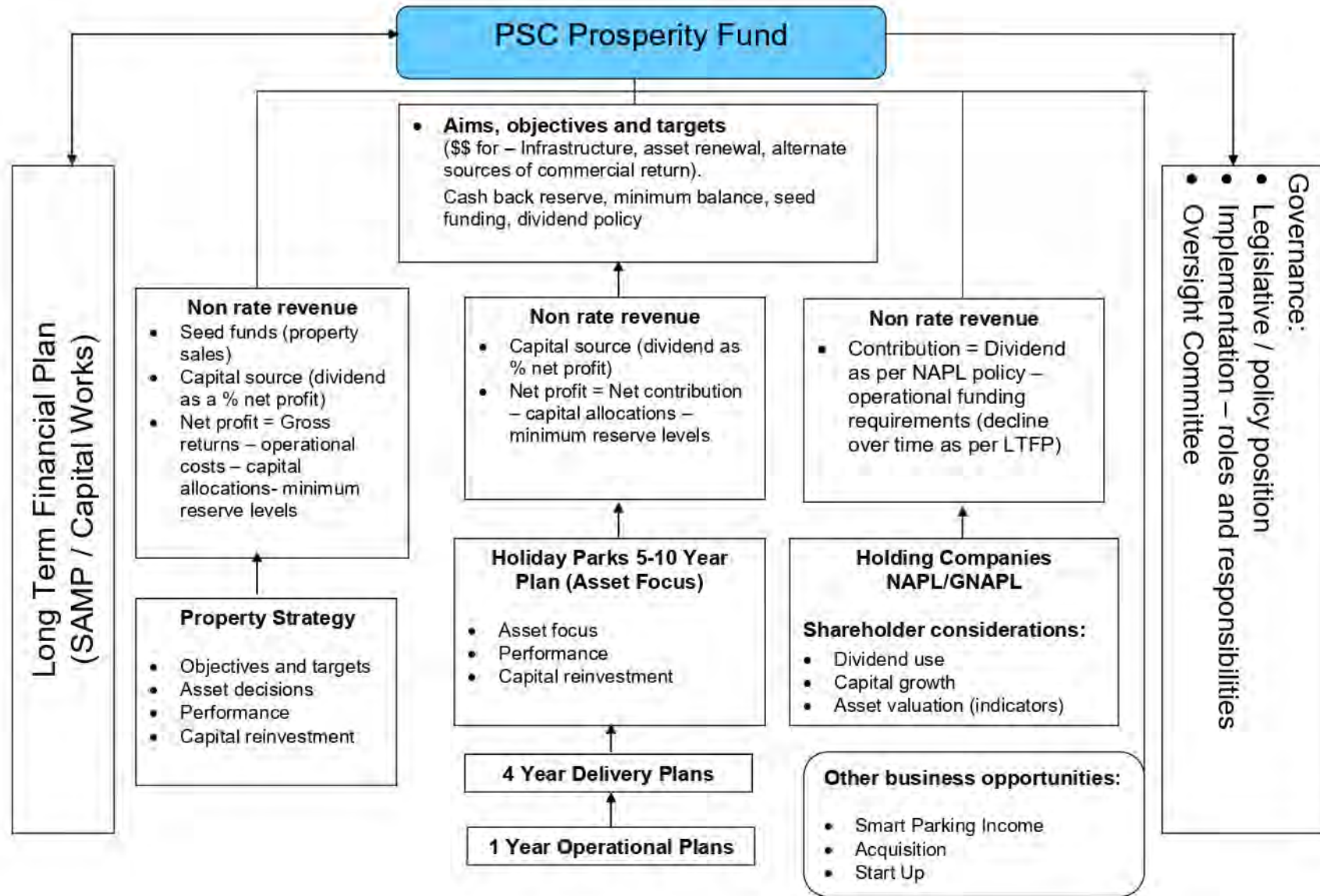
ITEM 14 - ATTACHMENT 1 KEY INTERNAL AND EXTERNAL IMPACTS.



KEY DIRECTIONS FOR FINANCIAL SUSTAINABILITY



ITEM 14 - ATTACHMENT 3 PSC PROSPERITY FUND FLOW CHART.



ITEM NO. 15

**FILE NO: 21/268774
EDRMS NO: PSC2010-05281**

SALE OF BIOBANKING CREDITS FROM THE KARUAH BIOBANKING SITE

REPORT OF: TIMOTHY CROSDALE - GROUP MANAGER CORPORATE SERVICES
GROUP: CORPORATE SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Authorise the sale of a maximum of 267 biodiversity credits (HU833) from the Karuah Biobanking site at the rate of \$4626 per credit.
- 2) Authorise the sale of a maximum of 581 biodiversity credits (HU804) from the Karuah Biobanking site at the rate of \$1510 per credit.
- 3) Authorise the General Manager to sign all documentation required to effect the sale, including the application to transfer biodiversity credits in accordance with section 377 of the Local Government Act 1993.

BACKGROUND

The purpose of this report is to request Council to approve the sale of the following biodiversity credits to Transport for New South Wales (TfNSW) to enable it to meet its conditions of approval for the Newcastle Inner City Bypass project:

- A maximum of 267 biodiversity credits of HU833 (Smooth-barked Apple – Red Bloodwood – Brown Stringybark – Hairpin Banksia heathy open forest of coastal lowlands) and;
- A maximum of 581 of biodiversity credits of HU804 Spotted Gum - Broad-leaved Mahogany - Red Ironbark shrubby open forest.

TfNSW have invited Council to quote on the sale of Biobanking credits from Council's Biobanking site at 210-262 Tarean Road, Karuah (**ATTACHMENT 1**). TfNSW may elect to purchase a sum, all or none of the credits and should Council be successful in selling a portion of, or all credits listed above, a significant financial return will be received.

On 20 March 2013, the land was registered with the Biodiversity Conservation Trust (BCT) as Biobanking Agreement No 97 (the Agreement) under the Threatened Species Conservation Act 1995. The Agreement sets out annual maintenance and management requirements for the land, and required the first \$555,819 from credit sales to be paid into BCT's trust fund (known as the Part A Payment). The Part A payment was finalised in June 2019 and Council receives annual payments from the trust fund to assist with meeting the annual maintenance and management requirements, and the proceeds of all future credit sales are retained by Council.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maximise non-rate revenue and investment to support Council services.

FINANCIAL/RESOURCE IMPLICATIONS

The Biobanking credit market is similar to an exchange whereby buyers and sellers negotiate a price and make trades. The biodiversity credit market is a public marketplace and as such previous sales can be examined. The last previous sale is known as the spot price. Should a purchaser not want to purchase credits from the open market, the Biodiversity Offset Payment Calculator (BOPC) credit price from the Biodiversity Conservation Trust can be utilised, this is known as the upper most limit credit price.

TfNSW require 750 of credit type HU833 and 1098 of credit type HU804.

The spot price of credit type HU833 is \$3504 and the BOPC calculator price (upper most limit) is \$5562. The credit type HU833 has been externally valued at \$4396. The proposed credit price of \$4626 for HU833 has been derived from the average of the previous two sales in 2021 and exceeds the independent valuation. It is noted that sales of this credit type are rare with only 118 credits of HU833 sold in the last 5 years. Council owns 267 of the 717 HU833 credits currently on the open market and should it be successful in selling all 267 at \$4626 per credit, a financial return of \$1,235,142 will be received.

The spot price of credit type HU804 is \$1510 and the BOPC calculator price (upper most limit) is \$3033. The proposed credit price at \$1510 for HU804 is the spot price. The credit type HU804 has been externally valued at \$1810. It is noted that sales of this credit type are common and there is currently a large surplus of this credit type on the biodiversity credit market. On this basis, and in consideration of the potential volume of credits as part of this potential transaction, it is recommended Council maintain the spot price for these credits. Council owns 581 HU804 credits and should it be successful in selling all 581 at \$1510 per credit, a financial return of \$877,310 will be received.

The sale of the remaining credits will be ongoing under the processes established under the scheme.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	Yes		Proceeds from the sale will be retained in the Property Reserve.
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Biobanking was established by the NSW Government, supported by legislation and is managed by the BCT. The proposal is consistent with the legislation and the Agreement.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the purchaser could source credits from another Biobanking site.	High	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council receives annual payments from the BCT to undertake management actions and maintenance of the site. It provides a mechanism and method to address the loss of biodiversity and threatened species.

CONSULTATION

Internal

- Strategic Property Coordinator
- Principal Property Planner
- Property Planner
- Senior Environmental Planner

External

- Biodiversity Conservation Trust

- Transport of New South Wales

OPTIONS

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

ATTACHMENTS

- 1) Locality Plan: 210 - 262 Tarean Road, Karuah. [↓](#)

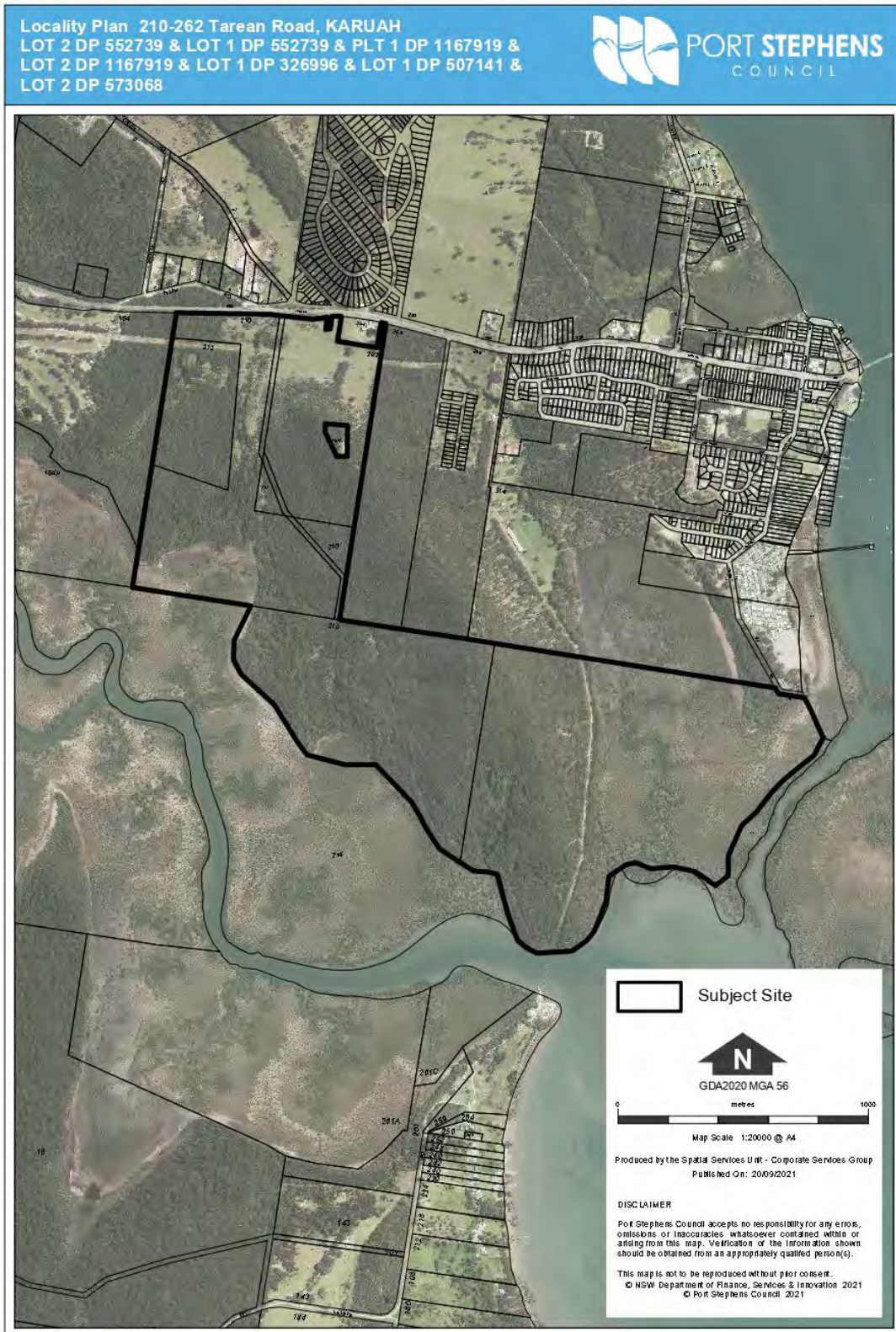
COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 15 - ATTACHMENT 1 LOCALITY PLAN: 210 - 262 TAREAN ROAD, KARUAH.



116 Adelaide Street, Raymond Terrace NSW 2324. Phone: (02) 49800255 Fax: (02) 49873612 Email: council@portstephens.nsw.gov.au

ITEM NO. 16

FILE NO: 21/252708
EDRMS NO: A2004-0242**QUARTERLY BUDGET REVIEW TO 30 SEPTEMBER 2021**REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES**RECOMMENDATION IS THAT COUNCIL:**

- 1) Approve the discretionary changes to the adopted budget as detailed in **(ATTACHMENT 1)** presented as the 2021-2022 Quarterly Budget Review Statement – September 2021.

BACKGROUND

The purpose of this report is to amend the budget by bringing to Council's attention the proposals and issues that have an impact on the 2021-2022 budget. The Quarterly Budget Review Statement – September 2021 **(ATTACHMENT 1)** sets out the details of variations between Council's original budget and the proposed budget.

The COVID-19 pandemic has had a significant impact on Council's financial position, with lengthy, detailed analysis across all financial operations undertaken to achieve a level of clarity.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Financial Management	Maintain strong financial sustainability.

FINANCIAL/RESOURCE IMPLICATIONS

Council's anticipating underlying result is as follows:

	Surplus (\$)	Deficit (\$)
Budget 2021 - 2022	\$66,000	
September 2021 review		\$2,500,000
December 2021 review		
March 2022 review		

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

While Council's financial situation continues to be impacted, financial expenditure will continue to be carefully managed to ensure minimal financial risk to the organisation and community.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the underlying operating result may be unsteady for an unforeseeable amount of time.	High	The Long Term Financial Plan will be reviewed regularly to ensure that expenditure remains sustainable and that revenue is at appropriate levels.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council's budget is fundamental for operational sustainability and for the provision of facilities and services to the community. The budget will continue to be carefully managed with conservative expenditure to ensure that the financial outlook continues to improve.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section to discuss the overall financial result for the quarter.

Formal communication has been conducted in conjunction with a number of meetings and it was recommended to submit the Quarterly Budget Review to September 2021 to Council for formal adoption.

Internal

- Executive Team.

External

Nil.

OPTIONS

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

ATTACHMENTS

- 1) Quarterly Budget Review Statement – September 2021. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.



PORT STEPHENS
C O U N C I L

"A great lifestyle in a treasured environment"

2021 – 2022
Quarterly Budget Review Statement
September 2021

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1) Executive Summary

The quarterly budget review has been compiled during period of great uncertainty, not only for Council but for the industry as a whole. While many possibly scenarios have and will continue to be modelled, the following summary best represents the current situation as well as it is known.

Financial performance is generally measured through three primary statements. Each are discussed in detail in the attached report. A summary of the predicted outcomes are provided as follows:

Profit & Loss Statement – operational budget

Original budget – expected result	\$66k surplus
September 2021 review	(\$2,500k) deficit

The decrement of \$2,500k is primarily due to:

Decreased income from:

Holiday Parks	\$2,350k
Parking Income	\$500k

Decreased expenditure from:

Emergency Services Levy	\$250k
Insurance Premiums	\$100k

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

Capital Works Program – capital budget

	<u>Gross</u>	<u>Contribution</u>	<u>Net</u>
Original budget – total spend	\$28,402k	\$12,122k	\$16,280k
September 2021 review	\$67,439k*	\$28,607k	\$2,707k

The increase of \$39,037k is principally due to:

Increased program:

2021/2022 budget revotes	\$27,768k
Blackspot/safe roads	\$5,000k
Cycle ways & pathways	\$4,500k
Commercial investment buildings	\$1,000k
Recreation upgrades	\$1,000k

*Total capital works program includes \$3,850k for airport works. The net program for Council is \$67,439 - \$3,850 = \$63,589k.

Cash flow

Original budget – cash projected	\$65,443k
September 2020 review	\$40,946k

The decline in the anticipated cash position to 30th June 2021 is principally due to the decrease in income in response to the COVID-19 pandemic and capital works as detailed above being brought to account.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

1) Executive Summary - continued

Categorising the changes by Group:

Corporate Services: The operating budget change in this Group was \$2m (Unfavourable). The operating budget changes predominately relate to the decrease in holiday parks income in response to the COVID-19 shutdown and a projected increase in royalties.

Capital budget changes were \$906k (Favourable) and mainly relate to the receipt of a grant to refurbish the rooms at the Koala Sanctuary Park and reduction in the capital works program.

Development Services: Operating budget changes for this Group were \$50k (Unfavourable). The operating budget changes predominately relates to the decrease in infringements and fines in response to the COVID-19 shutdown.

There were no capital budget changes for the quarter.

Facilities & Services: The operating budget change in this Group was \$295k (Unfavourable). This is due to the decrease in parking fee income, children services income and emergency services levy. For new potential operating grants, budget adjustment will be made in the future.

Changes in the capital budget were \$4.6m (Unfavourable) which is mainly due to the inclusion of the 2022 Community Projects program recently exhibited.

General Manager's Office: The operating budget changes in this Group was \$50k (Favourable). The operating budget changes predominately relate to the decrease in the anticipated motor vehicle insurance premiums.

There were no capital budget changes for the quarter.

Newcastle Airport: There were no budget changes for the quarter. The Newcastle Airport operations are excluded for the purposes of calculating Councils underlying operating result.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

Operating Budget	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Services	52,259	-	(2,044)	-	-	50,215	43,103
Development Services	(8,104)	-	(50)	-	-	(8,154)	(1,920)
General Manager's Office	(7,007)	(31)	50	-	-	(6,988)	(3,522)
Facilities & Services	(32,448)	433	(294)	-	-	(32,309)	6,867
Newcastle Airport	244	-	-	-	-	244	61
Operating Surplus/(Deficit) before capital grants	4,944	402	(2,338)	-	-	3,008	44,590
Less: Gain on sale	(3,750)	-	-	-	-	(3,750)	-
Less: Fair value increases & royalties	(1,485)	-	(500)	-	-	(1,985)	(336)
Less: Newcastle Airport	(244)	-	-	-	-	(244)	(61)
Add: NAP Dividend	-	-	-	-	-	-	-
Add: Local election costs	600	-	-	-	-	600	-
Underlying Operating Surplus/(Deficit)	66	402	(2,838)	-	-	(2,370)	44,193

Capital Budget	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Services	(4,690)	(4,539)	906	-	-	(8,323)	(1,449)
Development Services	4,520	-	-	-	-	4,520	1,815
Facilities & Services	(12,260)	(14,338)	(4,581)	-	-	(31,178)	(3,073)
General Manager's Office	-	-	-	-	-	0	-
Newcastle Airport	(3,850)	-	-	-	-	(3,850)	-
Total	(16,280)	(18,876)	(3,675)	-	-	(38,831)	(2,707)

Note - + = inflow () = outflow

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

2) Introduction

Clause 203(1) of the *Local Government (General) Regulation 2005* requires Council's responsible accounting officer to prepare and submit a Quarterly Budget Review Statement (QBRS) to Council. The QBRS must show, by reference to the estimated income & expenditure that is set out in the operational plan, a revised estimate of income and expenditure for the year.

It also requires the QBRS to include a report by the responsible accounting officer as to whether or not the statement indicates Council to be in a satisfactory financial position, with regard to Council's original budget.

Council's operational plan sets out the achievements, goals and revenue policy, including estimates of income and expenditure. The QBRS plays an important role in monitoring Council's progress against the plan and ongoing management of the annual budget.

The QBRS is the mechanism whereby Councillors and the community are informed of Council's progress against the operational plan (original budget) and the recommended changes and reasons for major variances.

The QBRS is composed of the following components:

- Responsible Accounting Officer Statement.
- Income & Expenses Budget Review Statement.
- Capital Budget Review Statement.
- Cash Flow Statement Review.
- Budget Review Contracts and Other Expenses.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

3) Responsible Accounting Officer's Statement

The Regulations require that a budget review statement must include or be accompanied by a report as to whether or not the Responsible Accounting Officer (RAO) believes that the QBRS indicates that Council's financial position is satisfactory, having regard to the original estimate of income and expenditure. If Council's financial position is considered by the RAO to be unsatisfactory, then recommendations for remedial action must be included.

The following statement is made in accordance with clause 203(2) of the *Local Government (General) Regulations 2005*.

It is my opinion that the Quarterly Budget Review Statement for Port Stephens Council for the quarter end 30/09/2021 indicates that Council's projected financial position will not be satisfactory at year-end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure. The impact of the COVID-19 pandemic and lock down processes continues to be monitored and used to model the potential financial impacts on the organisation. A range of austerity measures have been implemented, aimed at reducing the potential deficit to break even or better. These measures and the impact are monitored on a weekly basis and reported to the Executives and Council on a regular basis. The cash position is being critically examined and monitored to ensure that the maximum amount of cash is being retained within the organisation. Potential delays to the capital works program are being examined and will be separately reported as appropriate.

Name: Tim Hazell

Responsible Accounting Officer, Port Stephens Council

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

4) Income & Expenses Budget Review Statement

Consolidated Income Statement	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates and Annual Charges	66,079	-	-	-	-	66,079	65,087
User Charges & Fees Income	48,862	-	(3,037)	-	-	45,825	5,142
Interest & Investment Income	1,237	-	-	-	-	1,237	340
Other Income	7,493	-	228	-	-	7,720	1,508
Grants and Cont.	12,161	433	235	-	-	12,829	1,895
Grants and Cont.(Capital)	12,122	8,891	7,594	-	-	28,607	6,416
Fair value gains	835	-	-	-	-	835	-
Net Gain on Sale	3,750	-	-	-	-	3,750	-
Total Revenue	152,539	9,324	5,019	-	-	166,882	80,388
Employee Costs	53,672	-	161	-	-	53,833	11,252
Borrowing Costs	882	-	-	-	-	882	59
Materials & Contracts	57,994	-	(164)	-	-	57,830	13,308
Other Expenses	4,678	31	(235)	-	-	4,474	1,081
Depreciation & Impairment	18,247	-	-	-	-	18,247	3,682
Total Expenditure	135,472	31	(237)	-	-	135,266	29,382
Operating Surplus/(Deficit) after capital grants	17,067	9,293	5,256	-	-	31,616	51,006
Operating Surplus/(Deficit) before capital grants	4,944	402	(2,338)	-	-	3,009	44,590
Less: Net Gain on sale	(3,750)	-	-	-	-	(3,750)	-
Less: Fair value increases & royalties	(1,485)	-	(500)	-	-	(1,985)	(336)
Less: Newcastle Airport	(244)	-	-	-	-	(244)	(61)
Add: NAP Dividend	-	-	-	-	-	-	-
Add: Local election costs	600	-	-	-	-	600	-
Underlying Operating Surplus/(Deficit)	66	402	(2,838)	-	-	(2,370)	44,192

Notes:

1. Revised Budget = Original Budget +/- approved budget changes in previous quarters.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

Council's original operating budget for 2021-2022 was incorporated as part of the Integrated Plans that were adopted by Council on 22 June 2021.

This statement sets out the details of variations between Council's original operating budget and the revised budget as part of the September Quarterly Budget Review. This has altered from an original projected underlying surplus of \$66,000 to a revised deficit of \$1,670,000.

Note that for budgetary changes: **F** = favourable budget change, **U** = unfavourable budget change.

REVENUE	Budget Change	
	\$'000	F/U
Rates and Annual Charges	-	-
No Change		
User Charges and Fees	3,037	U
User charges and fees have decreased due to holiday park revenue, parking meter income and children services fees being impacted by the COVID-19 lockdown.		
Grants and Contributions provided for Operating Purposes	235	F
Income has increased due to new grants for recreation & culture, transport and environmental protection.		
Interest and Investment Revenue	-	-
No Change		
Other Revenues	228	F

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

Other revenue has increased primarily due to the increase in forecasted royalties.

Grants and Contributions provided for Capital Purposes	7,594	F
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Capital grants & contributions have increased primarily due to the following projects:

- Salamander Way Foreshore Drive – culvert and road upgrade - \$1.5m
- Pathways – various - \$3.3m
- Roads blackspot grant - \$2m
- Port Stephens Drive Koala blackspot project - \$845k

Net Gains from the Disposal of Assets	-	-
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No Change

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

EXPENDITURE	\$'000	Budget Change F/U
Borrowing Costs	-	-
No Change		
Depreciation, Amortisation and Impairment	-	-
No Change		
Employee Benefits and On-Costs	161	U
Employee benefits and on-costs have increased primarily due to grant income being received which requires internal labour as part of the delivery.		
Materials and Contracts	164	F
Materials and contracts have been decreased due to lower than anticipated insurance premiums.		
Other Expenses	235	F
Other expenses have decreased due to lower emergency service levies than originally budgeted.		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

5) Capital Budget Review Statement

Consolidated - Summary	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Cont.(Capital)	12,122	8,891	7,594	-	-	28,607	6,416
Total Receipts	12,122	8,891	7,594	-	-	28,607	6,416
Capital Equipment & Contracts	28,402	27,768	11,269	-	-	67,439	8,955
Property Acquisition & Development	-	-	-	-	-	-	168
Total Payments	28,402	27,768	11,269	-	-	67,439	9,123
Capital Surplus/(Deficit)	(16,280)	(18,876)	(3,675)	-	-	(38,832)	(2,707)

This statement sets out the details of variations between Council's original capital budget and revised capital budget. There are budgetary changes proposed which result in a net increase in the capital program to the value of \$11m.

Note that for budgetary changes: **F** = favourable budget change, **U** = unfavourable budget change.

INCOME	\$'000	Budget Change F/U
Capital Grants & Contributions	7,594	F

Capital grants & contributions have increased primarily due to the following projects:

- Salamander Way Foreshore Drive – culvert and road upgrade - \$1.5m
- Pathways – various - \$3.3m
- Roads blackspot grant - \$2m
- Port Stephens Drive Koala blackspot project - \$845k

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

EXPENDITURE	\$'000	Budget Change F/U
Property Acquisition and Development	-	-
No Change		
Capital Equipment and Contracts	11,269	U
Capital equipment and contracts have increased primarily due to the following projects:		
<ul style="list-style-type: none"> • Sealed Roads - \$5m (mainly Foreshore Drive, James Rd, Medowie Rd, One Mile rehab and blackspot) • Cycleway & pathways - \$4.5m (mainly fly point to Halifax, Nelson Bay Rd, William St, Lemon Tree Passage and Kings Park sports complex) • Commercial investment buildings - \$1m (437 Hunter St, 49 William St, 113 Beaumont St and 528 Hunter St) • Sports grounds & facilities - \$1m (mainly Kings Park sports complex and Tomaree match field upgrades) 		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

The capital works program by section is as follows:

Consolidated - Detailed	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Funding							
Capital Grants & Contributions	12,122	8,891	7,594	-	-	28,607	6,416
Total Capital Funding	12,122	8,891	7,594	-	-	28,607	6,416
Capital Expenditure							
Corporate Services Group							
Commercial Property Reserve & Cluster Plan							
Fingal Bay Holiday Park	2,019	679	(1,396)	-	-	1,302	610
Halifax Holiday Park	490	53	(64)	-	-	479	17
Shoal Bay Holiday park	481	150	(360)	-	-	271	138
Thou Walla Sunset Retreat	300	-	(105)	-	-	195	55
Koala Sanctuary	350	124	62	-	-	536	158
Office and Chambers	-	-	-	-	-	-	-
Property Development	-	-	-	-	-	-	168
Administration Building	250	3,000	-	-	-	3,250	259
Property Investments	-	93	1,107	-	-	1,200	-
Commercial Property Total	3,890	4,099	(756)	-	-	7,234	1,405
Business Improvement Technology	800	439	-	-	-	1,239	104
Corporate Services Group Total	4,690	4,539	(756)	-	-	8,473	1,509

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

Consolidated - Detailed	2022 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2022 Revised Budget	2022 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Manager's Office							
Software	-	-	-	-	-	-	-
General Manager's Office Total	-	-	-	-	-	-	-
Facilities and Services							
Assets							
Fleet Maintenance	2,213	1,340	-	-	-	3,553	-
Drainage and Flooding	600	196	200	-	-	996	242
Assets Total	2,813	1,536	200	-	-	4,549	242
Community Services							
Domestic Waste Management	-	17	-	-	-	17	0
Library Services	250	-	-	-	-	250	19
Community Services	250	17	-	-	-	267	19
Capital Works							
Capital Works Construction	16,799	21,675	11,825	-	-	50,299	7,353
Capital Works Total	16,799	21,675	11,825	-	-	50,299	7,353
Facilities and Services Total	19,862	23,229	12,025	-	-	55,115	7,614
Newcastle Airport	3,850	-	-	-	-	3,850	-
Total Capital Expenditure	28,402	27,768	11,269	-	-	67,438	9,123
Net Outlay	16,280	18,876	3,675	-	-	38,831	2,707

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

6) Reserve Balances

This statement sets out the budgeted reserve balances and funding source change.

Reserves	Opening Balance	Rollover Transfers	Operating Transfers in / (out)	Financing Transfers in / (out)	Transfers between Reserves	Original Capital Budget	Budget Revision Sept Qtr		Budget Revision Dec Qtr	Budget Revision Mar Qtr	Closing Balance
							Capital	Operating			
							\$'000	\$'000			
Administration Building Reserve	502	-	102	-	-	(250)	-	-	-	-	354
Asset Rehabilitation Reserve	1,352	(854)	4,100	(500)	-	(3,600)	(74)	-	-	-	424
Commercial Properties Reserve	5,605	(2,046)	6,473	(2,209)	(100)	-	(1,107)	456	-	-	7,072
Community Loans	200	-	-	-	-	-	-	-	-	-	200
Crown Reserves	2,891	(1,380)	2,717	(400)	-	(3,640)	1,338	(2,201)	-	-	-
Developer contributions	11,481	(33)	4,389	-	-	(632)	(474)	-	-	-	14,730
Domestic Waste	3,744	(197)	(77)	-	-	(270)	-	-	-	-	3,201
Drainage Reserve	196	(196)	1,417	-	-	(675)	(200)	-	-	-	542
Election Reserve	600	-	(600)	-	-	-	-	-	-	-	-
Federal Assistance Grant Reserve	3,459	-	(3,459)	-	-	-	-	-	-	-	-
Fleet Reserve	2,410	(1,357)	2,180	-	-	(2,213)	-	-	-	-	1,020
IT Reserve	684	(439)	800	-	-	(800)	-	-	-	-	245
Newcastle Airport	10,542	-	2,916	-	-	(3,850)	-	-	-	-	9,608
Other Waste Services Reserve	422	(185)	(96)	-	-	-	-	-	-	-	142
Parking Meters Reserve	178	(47)	1,128	-	-	(130)	-	(500)	-	-	629
Repealed Funds Reserve	5,581	(2,765)	-	-	-	-	(997)	-	-	-	1,819
Roads / Environmental Reserve	46	(44)	425	-	-	(425)	-	-	-	-	3
Section 355C committees	626	-	-	-	-	-	-	-	-	-	626
Unexpended Grants Reserve	4,779	(1,173)	-	-	-	-	(3,527)	(79)	-	-	-
Sustainable energy and water reserve	171	-	0	-	-	-	-	-	-	-	171
Unexpended Loan Funds Reserve	5,000	(13,424)	(1,576)	10,000	-	-	-	-	-	-	-
Ward Funds Reserve	26	(100)	(26)	-	100	-	-	-	-	-	-
Total	60,497	(24,240)	20,813	6,891	-	(16,485)	(5,041)	(2,325)	-	-	40,787

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRs.

7) Cash Flow Statement (Consolidated)	Original Budget	Revotes & Carried Forward	Budget Revision Sept	Budget Revision Dec	Budget Revision Mar	Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities						
Receipts:						
Rates and Annual Charges	64,640	-	-	-	-	64,640
User Charges & Fees Income	48,272	-	(3,037)	-	-	45,235
Interest & Investment Revenue Received	1,237	-	-	-	-	1,237
Other	8,138	-	228	-	-	8,366
Grants and Contributions	21,735	9,324	7,828	-	-	38,887
Payments:						
Employee Benefits & On-Costs	(52,134)	-	(161)	-	-	(52,295)
Borrowing Costs	(872)	-	-	-	-	(872)
Materials & Contracts	(47,679)	-	164	-	-	(47,515)
Other	(18,633)	(31)	235	-	-	(18,429)
Net Cash provided (or used in) Operating Activities	24,704	9,293	5,256	-	-	39,253
Cash Flows from Investing Activities						
Receipts:						
Proceeds from disposal of Property Plant & Equipment	3,750	-	-	-	-	3,750
Proceeds from development & land sales	-	-	-	-	-	-
Payments:						
Purchase of Real Estate, Infrastructure, Property Plant & Equipment and Intangibles	(28,402)	(27,768)	(11,269)	-	-	(67,439)
Net Cash provided (or used in) Investing Activities	(24,652)	(27,768)	(11,269)	-	-	(63,689)
Cash Flows from Financing Activities						
Receipts:						
Proceeds from borrowings	10,000	-	-	-	-	10,000
Payments:						
Repayment of Leases, Borrowings & Advances	(3,408)	-	-	-	-	(3,408)
Net Cash provided (or used in) Financing Activities	6,592	-	-	-	-	6,592
Net Increase/(Decrease) in Cash & Cash Equivalents	6,644	(18,474)	(6,013)	-	-	(17,843)
plus: Cash & Investments - beginning of year (*)	58,789	-	-	-	-	58,789
Cash & Investments - end of the year	65,433	(18,474)	(6,013)	-	-	40,946

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

*opening balance adjustment made to reflect 30 June 2021 actual closing balance

Cash Flow Statement Funding Reconciliation

The 'Recommended Changes to Budget' in the September QBR constitute an overall decrease in Council's Cash Flow position by \$6m (Unfavourable) after the use of internal reserves and external funding sources are factored in.

PSC is clearly solvent based on the current and estimated cash position from the review changes. PSC's current cash position as per the September investment report was \$42.9m.

8) Budget Review Contracts and Other Expenses

Councillors are currently made aware of tenders of \$250,000 or more in accordance with legislation. However, Councillors should be made aware of other material contracts entered into by Council and details of other expenses that are of particular interest. To this end, a contract listing and details of legal fees and consultancy expenses are included in the QBRS.

Part A lists contracts (other than employment contracts and contracts entered into from Council's preferred suppliers list) that:

- Were entered into during the quarter ending 30/09/2021; and
- Have a value equal to or more than \$50,000.

Part B of the report shows expenditure as at 30/09/2021 for:

- Consultancies
- Legal fees

For the purposes of this report, a consultancy is defined as a person or organisation engaged under contract on a temporary basis to provide recommendation or high level specialist or professional advice to assist decision making by management.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2021 and should be read in conjunction with other documents in the QBRS.

Part A

Contracts Listing

Contractor	Contract Details and Purpose	Contract Value Inc GST	Commencement date	Budgeted (Y/N)
OASIS SKATE PARKS PTY LTD	RFQ077-2021 - 9/7/2021 - TILLIGERRY SKATE PAR, etc	198,000.00	15/07/2021	Y
THE TRUSTEE FOR ELZA FAMILY TRUST	Remediation of the story walk - Koala Sanctuary	171,721.00	16/08/2021	Y
RDO EQUIPMENT PTY LTD	RFQ83-2020 - 2/9/2021 - SUPPLY & DELIVER JOHN, etc	162,842.00	29/09/2021	Y
RDO EQUIPMENT PTY LTD	RFQ83-2020 - 2/9/2021 - SUPPLY & DELIVER JOHN, etc	137,918.00	03/09/2021	Y
NEW ENGLAND EDUCATION AND RESEARCH PTY.	UNE External Assessments - SRV Project	88,000.00	30/09/2021	Y
CREATIVE RECREATION SOLUTIONS PTY	Wetpour Rubber Surfacing Upgrade remove, supply an	82,413.14	04/08/2021	Y
THE TRUSTEE FOR ELZA FAMILY TRUST	Block work and pathways at Orana Street Amenity bu	80,894.00	17/09/2021	Y
UNDERCOVER CANVAS PTY LTD	glass doors for 10 x glamping tents	70,000.00	09/07/2021	Y
SQUIZ AUSTRALIA PTY LTD	This work order is for Phase 1: Neo/Funnelback Imp	68,440.90	06/09/2021	Y

Part B

Consultancy & Legal Expenses

Expense	Expenditure YTD (\$)	Budgeted (Y/N)
Consultancies	69,089	Y
Legal Fees	107,129	Y

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ITEM NO. 17

**FILE NO: 21/230387
EDRMS NO: A2004-0654**

ECONOMIC DEVELOPMENT STRATEGY

REPORT OF: JANELLE GARDNER - STRATEGY & ENVIRONMENT SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the Economic Development Strategy 2021-2025 shown at **(ATTACHMENT 1)**.
- 2) Revoke the Economic Development and Tourism Strategy 2018-2020 **(ATTACHMENT 2)**.

BACKGROUND

The purpose of this report is to seek Council’s endorsement of the Economic Development Strategy 2021-2025.

Port Stephens Council is committed to leading an integrated and collaborative approach to the delivery of a vibrant and liveable place supporting economic growth.

The Economic Development Strategy 2021-2025 has been developed, in partnership with business, to provide a framework for the delivery of actions which support recovery from the impacts of the COVID-19 pandemic and facilitate the strategic growth of innovative and successful business which are both strong and globally competitive.

The Economic Development Strategy 2021-2025 will focus on the delivery of actions to support the following Strategic Outcomes:

- Investment Attraction
- Workforce for the Future
- Sustainability and Resilience
- Support Local

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Strong Economy, Vibrant Businesses, Active Investment	Support sustainable business development in Port Stephens.

FINANCIAL/RESOURCE IMPLICATIONS

There are no financial or resource implications. Funds for the delivery of actions will be sourced from existing budgets, partnerships with business, grants or sponsorship.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Endorsement of the strategy demonstrates Council’s commitment to supporting a strong local economy, vibrant business and active investment in Port Stephens.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that Council’s reputation may be damaged as a result of decisions made in relation to a Strategy that does not reflect the needs of residents, visitors and the community	Low	A formal consultation process has been undertaken that has informed the Strategy Adopt the recommendations	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

With an improved focus on investment attraction, business resilience, workforce development and local supply chains, Council can help build capacity in the local business community, facilitate employment opportunities and increase the wellbeing of the resident population.

CONSULTATION

Internal

Consultation was undertaken with the Assets, Strategy & Environment, Development Services, Corporate Services and Communications sections.

A Two Way Conversation with the Mayor and Councillors was held on 21 September 2021 to provide an overview of the strategy.

External

A formal consultation process was undertaken to increase local awareness of the Economic Development Strategy within the business community, seek an understanding of local business priorities for the future and gather business feedback on proposed Council initiatives and actions.

Over 230 community and businesses participated in consultation activities from May to September 2021.

The process included an online business workshop with key industry representatives, consultation with the Economic Development Advisory Panel (EDAP), online surveys and targeted business surveys.

A summary of engagement activities and key findings is outlined in **(ATTACHMENT 3)**.

OPTIONS

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

ATTACHMENTS

- 1) Economic Development Strategy 2021-2025. [↓](#)
- 2) Economic Development and Tourism Strategy 2018-2020. [↓](#)
- 3) Economic Development Strategy Engagement Summary. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.



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- Measures of Success 19



GUUDJI YIIGU (GUG-JEE IK-KOO)

We welcome you to Port Stephens - part of the Worimi Aboriginal Nation.

Port Stephens Council acknowledges the Worimi people as traditional owners and custodians of the lands and waterways on which we all live, learn, work and play. We value and respect the Worimi people and the legacy 65,000 years of Aboriginal Nation traditions and culture brings with it. As part of Council's culture of acceptance, diversification and harmony we walk alongside the Worimi people on a journey of listening and learning. Together we will strive to make this a better place for all peoples.

As guardians of these lands, we ask that you tread lightly to help preserve the biodiversity and respect those who came before as well as those who will follow.

A message from the Mayor

Welcome to our unique and beautiful part of the world. This is a place with endless horizons, abundant natural beauty, an engaged and forward thinking community and, I'm proud to say, an innovative, cohesive Council with a big vision matched only by the drive to make things happen.

It is our vision to build a vibrant and liveable place that supports local economic growth. It is our intent to provide fertile ground for growth whilst prioritising the people and the place. A fine balance where the environment is not sacrificed for the sake of economy but where growth is encouraged and supported and the economic benefits enhance the lifestyle we love to live. Where heritage and history and traditional owners are honoured as we work together and build a flourishing future for generations to come.

Here in Port Stephens we're not just known for our stunning natural wonders and enviable lifestyle – our LGA is a significant economic hub and forms an important part of Australia's engine room - the Hunter region. The resource rich Hunter Valley with its mines, wines and thoroughbreds and the dynamic cities of Newcastle and Lake Macquarie make this the largest regional economy in Australia.

Home to major strategic centres including Tomago, a thriving manufacturing and industrial area, the Newcastle Airport, RAAF and aerospace precinct at Williamstown and a booming tourism industry linked directly to our unique natural environment of National Parks, Marine Parks and the Worimi Conservation Lands – Port Stephens continues to diversify and grow.

We are a hub for manufacturing, resources, defence, aviation, aerospace, tourism, information technology, education, health, marine and energy industries.

Port Stephens provides a competitive, innovative business environment with well-connected transportation links, close proximity to the Hunter region's rich resources and access to key markets, infrastructure and a skilled workforce.

Recognised by the State and Federal Governments as a regional economic driver, significant investment continues to pour into Port Stephens via major public, private and civil projects. Millions have been committed to infrastructure, including urban development, town centre rejuvenation, environmental projects, educational facilities, tourism and roads, providing a high level of confidence for investors.

The Port Stephens Economic Development Strategy, created through in partnership with business, community and council, provides an economic blueprint for the next four years to guide the recovery from the COVID-19 pandemic and plant the seeds for future growth. The pandemic pause has only strengthened our resolve, highlighted our resilience and provided the time and space to identify new opportunities.

I invite you to share in our vision and the inevitable prosperity ahead. Join us as we strive to make Port Stephens an even better place to live, work, play and grow.



Ryan Palmer
Mayor of Port Stephens

READY.
SET.
GROW.

OUR VISION

THE PURPOSE.
To build relationships, grow trust and create connections to support the development of a strong and resilient economy.

THE VISION.
A vibrant and liveable place supporting local economic growth.

Port Stephens Council is committed to leading an integrated and collaborative approach to the delivery of a strong economy, vibrant local business and active investment.

Our focus is on creating results that help make Port Stephens a better place to live, work and visit. It is imperative, to achieve these goals, that we work collaboratively with community, business and government.

By building relationships, creating connections and growing trust, we can create an environment that supports business growth, injects vibrancy into our town centres and drives the local economy.

This strategy has been designed to provide a blueprint to achieve positive outcomes towards sustainable business in the long term and the recovery from recent natural disasters and the COVID-19 pandemic.

In partnership with our business community, Council will focus on the delivery of strategic priorities that support and enable business growth across Port Stephens:

- Investment attraction
- Sustainability and resilience
- Workforce for the future
- Support local



ITEM 17 - ATTACHMENT 1 ECONOMIC DEVELOPMENT STRATEGY 2021-2025.



THE VALUE

THE VALUE OF THE PORT STEPHENS ECONOMY

The Port Stephens Local Government Area (LGA) is situated on the northern boundary of the City of Newcastle and stretches from Fern Bay in the south, west to Duns Creek, east to Nelson Bay and north to Karuah and encompasses the Tomaree National Park, the Worimi Conservation Lands and a 98,000 hectare Marine Park.

Almost 73,000 people call Port Stephens home and this is predicted to grow to over 90,000 in the next 20 years. The Port Stephens' economy has a diverse industry and employment base built around the natural environment. Well established manufacturing, defence and aviation facilities together with access to markets in Sydney, the Hunter and the Port of Newcastle, are key strengths.

Location and access to transport infrastructure create a strong competitive advantage for Port Stephens, with key linkages to national markets via the M1

Pacific Motorway, Pacific Highway Corridor and New England Highway. These transport networks support a robust and innovative manufacturing sector at Tomago leading in metals manufacturing, heavy engineering and light industrial activities.

Williamstown is home to Newcastle Airport, RAAF Base Williamtown and a number of high-profile primes in defence, aviation, aerospace and technology. In May 2020, the NSW Government announced the area as NSW's 5th Special Activation Precinct (SAP), which will essentially fast-track planning and prioritise investment to further stimulate economic activity and development.

A \$66 million funding investment from the State will bring the airport's runway to Code E standard allowing larger aircraft to land. This development significantly expands the potential for international connections, creating opportunities for business across a range of sectors, including tourism.



All data sourced from REMPLAN September 2021

COUNCIL'S ROLE IN ECONOMIC DEVELOPMENT

Port Stephens Council understands the critical role it plays in the development of a strong and resilient economy.

The day to day operations of Council play a key role in creating an environment which attracts investment and encourages business to thrive. Land use planning, development application processing times, procurement, infrastructure, environmental management and the design and management of our public spaces all contribute to creating the foundations of a strong and resilient economy.

This influence, however, does not occur in isolation, and key to the growth of the Port Stephens economy is the development of strong partnerships with business, State and Federal agencies, industry organisations and neighbouring councils.

Council encourages creative and innovative ideas. Out of the box thinking will help create new

opportunities inject vigour and attract entrepreneurs, motivators, creators and leaders from all corners of the globe.

Council is committed to lead by example with a focused approach to the delivery of actions which create genuine opportunity for business across Port Stephens.

By sharpening our focus, Port Stephens Council will help build capacity and resilience in local businesses, activate employment opportunities and increase the liveability and wellbeing of the Port Stephens community.



COUNCIL'S
ROLE

OPPORTUNITIES



ADVANCED MANUFACTURING

The Hunter Region is currently undergoing economic transformation moving from traditional goods-producing sectors, such as mining and manufacturing, to high value-added, knowledge-based industries based around aviation and defence, and advanced manufacturing.

The Williamstown Special Activation Precinct (SAP) was announced by the NSW Government in May 2020 as part of a broader commitment to accelerating investment and growth via infrastructure investment in NSW. The SAP is located adjacent to the of the Williamstown RAAF base, Australia's primary Department of Defence fighter pilot training base home to Australia's F-35 fleet and the Asia Pacific Regional Warehouse for F-35s. The investment in the Williamstown SAP and ongoing expansion of the RAAF base continues to create significant opportunities for Port Stephens.

Existing developments like Astra Aerolab and Williamstown Aerospace Centre are already home to internationally recognised companies such as BAE Systems, Raytheon, Lockheed Martin and Boeing. New investment in this precinct will further grow opportunities for advanced manufacturing by bringing together specialised large scale international prime contractors, small and medium enterprises, and research and development institutions to create jobs and attract talent into the region. Through an integrated planning process, the SAP will unlock the potential of surrounding land and enable further investment and growth to position Williamstown and Port Stephens as the global gateway to the Hunter and Greater Newcastle.



NEWCASTLE AIRPORT RUNWAY UPGRADES

In May 2021, the Federal Government announced \$66 million in funding to bring Newcastle Airport's runway to Code E standard. This investment will see the widening of the runway to accommodate longer range domestic and international aircraft as well as significantly increased freight capabilities for the region. This investment is a game changer for the region generating around 4,400 full time jobs and delivering \$12.7 billion in regional economic benefit through increased freight and stimulation of the visitor economy.

Newcastle Airport is also investing in upgrades to the existing terminal with supporting services such as car hire, accommodation and retail also expected to grow. Business across Port Stephens will be boosted by access to year round visitor markets, new opportunities for the trade and the ability to attract a highly skilled workforce.



VIBRANT PLACES

Creating vibrancy in our town centres and public spaces requires a collaborative approach. It requires ownership from Council, business and the community to create places that are resilient, welcoming and inclusive.

Vibrant places are not about big budgets and big infrastructure. They are about creating unique and innovative experiences and testing new ideas which are connected to our local identity both through the built form of the place and the programming of the space. Through a place-based approach, Council will continue to build on the local identity of our towns and villages. Investment in quality social infrastructure and open space will provide the foundation for economic growth, attracting new investment, new residents and new experiences across Port Stephens.



RENEWABLE ENERGY

In September 2021, the Federal Government declared the Hunter Region as the NSW centre of a federal scheme for a "hydrogen hub" in each state or territory (except the ACT), complementing the NSW Government's November 2020 commitment to the development of the Hunter Renewable Energy Zone. This cluster will support the development of the hydrogen supply chain, reduce overlaps and identify gaps in the development, deployment and commercialisation of new hydrogen focused technologies. Our region has responded by establishing the Hunter Hydrogen Taskforce and the Hydrogen Technology Cluster (NewH2), which is designed to bring together industry, business, research and government.

Strong signals of confidence from both levels of government and increasing private investment will

create significant demand for technology, infrastructure and industrial growth and give confidence to the private sector. Port Stephens is currently experiencing a high level of advanced enquiry from renewable energy businesses keen to establish, primarily in and around Tomago where advanced manufacturing businesses are actively supporting innovation and development of prototypes. These businesses will complement, and create new collaborative opportunities, for our existing corporates with a demonstrated focus on renewables.

Established industry connections with the University of Newcastle create unique collaborations for research and development, and the proliferation of STEM programs in schools will ensure future workforce supply. Port Stephens has the opportunity to play a vital role in delivering affordable energy generation to the state.

OPPORTUNITIES



THE VISITOR ECONOMY

Port Stephens is recognised as one of the most popular regional tourism destinations in NSW and while COVID-19 has decimated the international market for now, Port Stephens' domestic tourism is very much on the rise. Infrastructure developments such as Murrock Cultural & Conference Centre, Worimi Eco Tourism Resort, Tomaree Coastal Walk and the Port Stephens Koala Sanctuary not only keep the visitor offering fresh and interesting, but create flow-on opportunities for local businesses.

Balancing this growth will be key to the long term sustainability of the visitor economy. A focus on immersive, authentic, unique and environmentally sustainable experiences will grow visitor spend, not just visitors and create new opportunity for diversification and expansion of the current visitor offering.



WORK LIFE BALANCE

One of the most significant changes to emerge from the COVID-19 pandemic has been the rapid transition to a flexible workplace. Working from home has become the 'new normal' and since the first lockdowns in 2020, many businesses have moved to a hybrid model of employment.

Port Stephens offers an enviable lifestyle for people in all stages of life: with both rural and coastal lifestyles, 2 ½ hours from Sydney, and daily flights to capital cities combining to increase demand for sea changers and tree changers wanting to balance the best of work and lifestyle. This growth in professionals working from home will drive new opportunities and demand for local services, increase local spending and see greater participation in local programs contributing to vibrancy and growth across our communities.



RAYMOND TERRACE ECONOMIC ZONE

Raymond Terrace is recognized in the Greater Newcastle Metropolitan Plan as a Strategic Centre for the Hunter and has been identified as particularly suitable for the development of health services to support the region's growing population. Raymond Terrace is centrally located to regional population centres and transport nodes and is supported by suitably zoned land ready for development. New legislation is expected to further unlock employment precincts and expand investment opportunities in Raymond Terrace and surrounding suburbs.

The Raymond Terrace Economic Zone will drive an integrated approach to attracting investment and growth in the town centre. The program will identify and implement initiatives to activate street frontages, increase height limits, ensure zonings support business use and reduce red tape



CHALLENGES



PUBLIC TRANSPORT & ROADS

With the rapid increase of residents, visitors and workers in our region it is evident that public transport has not kept pace. Though private providers have gone some way to fill this need, transport and roads are posing a significant challenge. Public transport access and connections to Newcastle and Maitland, whilst reasonable for those traveling at traditional work or school hours, are often problematic for those commuting at irregular times. Tertiary education students and shift workers need to be considered at the risk of us losing their skills and talent.

Council continues to advocate for the upgrade to Nelson Bay Road, Cabbage Tree Road / Tomago Road and the M1 Pacific Motorway extension. The completion of these major infrastructure items will have a fundamental impact on travel times, reduce costs for business and open new opportunities for investment in Port Stephens.

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BUSINESS RESILIENCE

Recent natural disasters and the COVID-19 pandemic have highlighted the challenges of planning for the future in turbulent times.

The pandemic has clearly illustrated the vulnerability of a number of sectors including; retail, tourism and food & accommodation services (21% of the regions workforce). These sectors have been severely impacted creating flow-on effects across the broader economy. Reliance on this single source of transient, visitor income has exposed the perils of this "holiday economy".

Council and key stakeholders will play a key role in helping build resilience through facilitating connections, collaboration and diversification. We will expose our businesses to 'best practice' solutions and innovation from across the globe and connect them to the training, information and support services they need to respond proactively and confidently in the future.



SMART CITIES

Digital connectivity across the Port Stephens Local Government area is continually improving, however remains a source of concern for residents and businesses in certain locations.

In July 2020, Council adopted the new "Smart Cities Blueprint" and continues to work with Telstra and NBN to address blackspots and ensure they remain a priority for service improvement.

Developing innovative and relevant digital technologies to improve community connectivity, to drive smart city initiatives and build digital capacity will improve the liveability of our town centres, support local business, attract new residents and drive workforce attraction.



HOUSING SUPPLY

The supply of new housing in Port Stephens has been in decline since 2001, impacting housing affordability and the availability of new housing. Significant commitments to invest in Port Stephens to grow the regional and local economy and provide major infrastructure will attract new residents and drive additional demand for new housing in our area over the next 20 years.

Government investment in employment sectors such as defence and aviation, and easy access to Maitland and Newcastle City will increasingly attract more people to live and work in Port Stephens. Recent trends in regional migration, domestic tourism growth and increased remote working opportunities have already increased demand and increased the urgency to address housing supply shortages in Port Stephens. A lack of rental vacancies is impacting many local businesses who are



SUSTAINABILITY

unable sustain an adequate workforce and have reported difficulties in attracting staff due to shortages of suitable accommodation.

Maintaining an adequate pipeline of new housing will be critical to sustaining healthy local economies and ensuring there are diverse housing opportunities in our area.

Place Plans are being prepared for our centres to build more liveable communities and improve the quality of life for residents. In some centres, Place planning will attract investment in new housing and in more diverse housing types.

Place planning will be a key part of addressing our housing supply shortage and in particular encouraging more affordable housing options.

The success of the Port Stephens economy is based on the natural environment. Our beaches, bays, waterways, national parks, rivers and agricultural land are all key contributors to not only the growing regional economy and attracting business investment and residents – but to the well being of the people and the place.

Initiatives to reduce carbon emissions, incentivise renewables, limiting the use of plastics, protecting our waterways and educating business on the value of the local environment will help drive change. This can be further supported by strategies which communicate the value and importance of the environment to our local communities. Opportunities for eco-tourism accreditation will drive new experiences and appeal to a growing demand from visitors wanting to minimise their environmental impact.

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ITEM 17 - ATTACHMENT 1 ECONOMIC DEVELOPMENT STRATEGY 2021-2025.

WE LISTENED

...resilience, sustainability and business growth are key to getting through the pandemic...

MANY MINDS MAKE GREAT WORK

In 2021 Council undertook a formal consultation process with the community and business to ascertain the needs, goals, opportunities and challenges relating to the growth and sustainability of our local economy and the development of Port Stephens on a local, national and global level.

It was clear the liveability, environment, affordability, culture and location are key drivers in attracting people to live work and play here, but what were the incentives to attract business and investment? How can we create a sustainable future?

The pandemic highlighted the need for diversification and resilience and the ability to pivot, but what innovative and practicable solutions can we aim for to avoid the economic impact of unpredictable predicaments like natural disasters, pandemics or global crises.

This consultation process included input from Council's Economic Development Advisory Panel (EDAP), industry representatives including: Business Port Stephens, Destination Port Stephens, TAFE NSW, Newcastle Airport, Port Stephens Women in Business, Tomaree Residents and Ratepayers Association, key members of local industry and residents.

To best identify what it is we want this place to be and how we want the world to view us we brought together big thinkers and small business, residents with a lifetime of local knowledge, industry leaders with global experience.

The outcomes of this consultation process laid the groundwork for our Economic Development Strategy providing clear goals, and identifying opportunities and challenges to help create a blueprint for growth.



THE CONSULTATION PROCESS

- 850 NEWSLETTERS
- 8 INDUSTRY WORKSHOP
- 250 BUSINESS HEALTH CHECKS
- 36 ONLINE SURVEYS
- ECONOMIC DEVELOPMENT ADVISORY PANEL CONSULTATION

PRIORITY ACTIONS

- MAKE PORT STEPHENS AN ATTRACTIVE PLACE TO LIVE
- ADVOCATE FOR INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH
- BUILD ON EXISTING STRENGTHS AND OPPORTUNITIES
- TRANSITION TO SUSTAINABILITY
- DEVELOP LOCAL SUPPLY CHAINS

QUICK WINS

- REDUCED RED TAPE
- PLACE ACTIVATION
- COVID RECOVERY SUPPORT
- SHOP LOCAL

WHAT'S OUR FOCUS?

- INVESTMENT ATTRACTION**
Support opportunities for innovation and entrepreneurship to attract new business and investment
- SUSTAINABILITY & RESILIENCE**
Support businesses to be agile resilient and innovative
- FUTURE WORKFORCE**
Building skills and capabilities to ensure skilled future workforce
- SUPPORT LOCAL**
Support the development and promote the benefits of local supply chains

BLUEPRINT FOR GROWTH

Council has a key role in creating a fertile environment where business can grow and thrive.

By fostering a business enabling environment, Council will facilitate the growth of innovative and successful businesses which are both strong and globally competitive.

We will provide the incentive, tools, strategies and support to foster diversity, growth, innovation and resilience throughout the Port Stephens LGA.

Growth can only be achieved with clear goals and a roadmap to achieve these goals. Our blueprint for growth is outlined here.

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INVESTMENT ATTRACTION

Port Stephens has a lot to offer prospective investors. It is home to one of Australia's fastest-growing aviation and defence hubs, has a long-established manufacturing sector and is one of the east coast's most loved tourism destinations.

It is an integral part of the Hunter - the largest regional economy in Australia and has been identified by all tiers of government as a strategic centre for economic growth.

KEY PRIORITIES

- Partner with State and Federal Governments to attract and facilitate investment
- Advocate for investment in high quality tourism products and experiences
- Provide end-to-end support for investors in Port Stephens
- Enable opportunities to unlock more employment generating land



SUSTAINABILITY AND RESILIENCE

By creating strong networks which encourage collaboration and innovation, Council can help business adapt to ongoing disruptions.

Through strong industry networks, education and training Council will facilitate and deliver programs that expose business across Port Stephens to new ideas and new thinking along with insights and information which grow business confidence, business strength and resilience.

KEY PRIORITIES

- Share data, monitor trends and facilitate evidence-based decision making
- Proactively support the growth of existing business and industry
- Encourage the transition to more environmentally sustainable business models
- Promote and enable a progressive, connected and collaborative business community



WORKFORCE FOR THE FUTURE

Traditional structures for working as we know it are undergoing a fundamental transformation creating both opportunities and challenges. With the increasing demand for regional living, the ability to work remotely and a greater focus on work life balance, housing prices in Port Stephens continue to rise. This in turn impacts the able residents moving to Port Stephens, demand for suitable housing is increasing, boosting prices and reducing the ability for many to find suitable housing near their place of work.

KEY PRIORITIES

- Advocate and enable new housing to support workforce growth
- Increase awareness of the employment opportunities and lifestyle benefits in Port Stephens
- Partner with industry, government and education providers to deliver training aligned to industry demands
- Drive public and private investment in digital infrastructure



SUPPORT LOCAL

The COVID-19 pandemic has created both a realisation of the value of shopping locally and the importance of local businesses localising their supply chains. Across Port Stephens, there is significant opportunity for business to adopt a more purposeful approach to local spending. By connecting big business with small business and growing awareness of the value of local spending and supply chains Council can support the growth of local business and increase local jobs.

KEY PRIORITIES

- Support benefits of supporting local businesses and developing local supply chains
- Develop and support campaigns that encourage local spending
- Prioritise local procurement across Port Stephens
- Invest in place activation programs to increase vibrancy across our town centres

MEASURES OF SUCCESS

- ACTIVE BUSINESSES + 5,300
- BUILDING APPROVALS + \$194M
- JOBS + 27,346
- ECONOMIC OUTPUT + \$12.7B
- UNEMPLOYMENT - 6.6%
- LIVEABILITY + PX66

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PORT STEPHENS
COUNCIL

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Contents

- 2. About this Plan
- 3. About Port Stephens
- 4. Council's role in Economic Development
- 4. Challenges and opportunities for Port Stephens
- 6. Strategic alignment
- 9. Vision
- 9. Strategic outcomes
- 11. How will we get there?

ABOUT THIS PLAN

Port Stephens Council is committed to leading an integrated and collaborative approach to the delivery of the community's focus of a liveable and vibrant place supporting local economic growth (Port Stephens Community Strategic Plan 2018 -2021 - Focus Area Four).

Council's new leadership is focused on creating results that help make Port Stephens a better place to live, work and play. To achieve these goals Council must work collaboratively with community, business and government.

By building relationships, creating connections and growing trust, we can create an environment that supports business growth, injects vibrancy into our communities and drives the visitor economy.

This strategy has been designed to provide a way forward to achieving positive outcomes over the next two years, in line with the current Council term which ends in September 2020. Key priorities have been developed after consultation with the community and business which align with other key strategic documents aimed at creating economic growth across the region.

Council's Economic Development and Tourism Team will lead the implementation of this strategy in partnership with the Economic Development Advisory Panel (EDAP) and other key stakeholders with a focus on four key strategic outcomes:

- > Make business growth easier
- > Attract events that drive economic outcomes
- > Increase overnight visitor spend
- > Create people friendly spaces



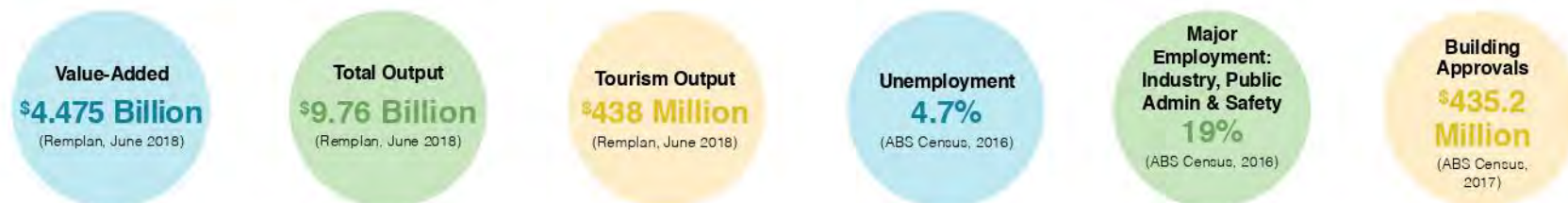
ABOUT PORT STEPHENS

Port Stephens is a significant economic hub and forms part of the Hunter Region, the largest regional economy in Australia. The Port Stephens' economy has a diverse industry and employment base built around the natural environment. Well established manufacturing, defence and aviation facilities together with access to markets in Sydney, the Hunter and the Port of Newcastle, are key strengths.

Port Stephens has a Gross Regional Product estimated at \$4.88 billion per annum and a population of 71,716. Port Stephens GRP accounts for 4.11% of the overall Hunter GDP. The major employment industries include manufacturing, public administration and safety, retail trade, and accommodation and food services, collectively employing 56% of the 27,346 people working in the area. The local economy includes over 4,544 actively trading businesses.

Location and access to transport infrastructure creates a strong competitive advantage for Port Stephens, with key linkages to national markets via the M1 Pacific Motorway, Pacific Highway Corridor and New England Highway. These transport networks support a robust manufacturing sector at Tomago leading in metals manufacturing, heavy engineering, and light industrial.

Newcastle Airport is located in Port Stephens and is well recognised as a major economic driver for the Hunter, with over 1.2 million passengers per year and potential international capability to increase visitation to the area.



COUNCIL'S ROLE IN ECONOMIC DEVELOPMENT

Port Stephens Council understands the critical role it plays in the development of a strong and stable economy. The day to day role of Council has a fundamental effect on the ability to attract investment and grow the local economy. These core functions include land use planning, procurement, public asset management, development application processing time, environmental management and the design of our public spaces.

This influence however, does not occur in isolation and key to the growth of the Port Stephens economy is the development of strong partnerships with business, State and Federal agencies, industry organisations and neighbouring councils.

Council understands the constraints and challenges faced in the delivery of economic development and tourism outcomes, particularly in terms of resourcing and influence.

Council will lead industry with a focused approach to the delivery of actions which create genuine change for business across Port Stephens. By sharpening our focus, Port Stephens Council will build capacity in the local business community, facilitate employment opportunities and increase the wellbeing of the resident population.



CHALLENGES AND OPPORTUNITIES FOR PORT STEPHENS

The scope and diversity of the Port Stephens economy presents ongoing challenges for both Council and industry.

By understanding our challenges, we can prioritise opportunities to create proactive partnerships which support the development of a strong economy with a vibrant local business and active investment.

Council will focus efforts on those opportunities that provide the best return on investment across our community.

Ageing Population

Between 2011 and 2016, the population of Port Stephens increased by 4,793 residents. Over 90% of this growth came from residents aged 55 and over. In contrast, the younger age cohorts showed either limited or negative growth over the same period. With 37% of the population of Port Stephens aged 55 plus (compared to the NSW average of 28%) opportunities need to be developed that harness the skills and engagement of this sector. As the population increases and continues to age, the demand for support services and Infrastructure is expected to increase providing an opportunity for employment in these industries.

Volunteering, mentoring and ambassador programs along with retraining will assist in growing a skilled labour force. The Hunter Research Foundation has identified that a key strategy for increasing the productivity of a region is increasing its workforce, specifically by engaging the 60+ cohort.

Town Centre Revitalisation

Nelson Bay and Raymond Terrace are noted as Strategic Centres as part of the Greater Newcastle Metropolitan Plan and are well recognised as key locations in creating place-based solutions to economic growth. Currently, town centres tend to be dated and particularly in the case of Nelson Bay, impacted by the seasonality of the tourism sector.

Through the development and implementation of strategic masterplans, public domain plans and planning controls which advocate for consideration of the agreed character of a centre, Port Stephens will continue to attract new residents (including critical workforce), new business and increased visitation.

Land Use Planning

Port Stephens contains a mix of rural land, town, villages and coastal areas that are major recreational, tourist and retirement destinations. In addition, Newcastle Airport has been identified as a regionally significant economic driver and a global gateway that provides capacity to support growth in defence and aerospace-related industries. Employment clusters in Tomago and Heatherbrae are also well located to capitalise on the road, sea and air trade routes that connect our region to global markets.

Whilst there may be development challenges in our local government area (e.g. flooding, aircraft noise, bushfire risk and more recently per- and polyfluoroalkyl substances (PFAS) contamination), creating opportunities to leverage the proximity to major global gateways, as well as the attractive and valuable natural environment and coastal and rural settings, can generate economic growth and diversity.

Infrastructure

With the costs of asset maintenance increasing faster than the available source of fund, infrastructure across Port Stephens is not always meeting the needs of business, residents and visitors. Investment in infrastructure is critical to creating an environment that drives prosperity and growth. Partnerships with other levels of government are required to secure this investment and ensure that Port Stephens can leverage opportunities for business and residents.

From a visitor economy perspective, the ability to increase yield is constrained by the limited range of product at the "top end" of the market. Ongoing investment in the development of new quality products and experiences such as the Port Stephens Koala Sanctuary, Birubi Point Tourism Interchange and the Tomaree Sports Complex will drive economic output and attract new investment in Port Stephens.

Labour Force and Employability

Port Stephens has a marginally higher unemployment rate of 4.7% (as of 2017) than the state average unemployment rate of 4.5%. In Port Stephens, 53.5% of those in the labour force work full-time, a lower rate than 59.2% for NSW and there are 33.6% who work part-time in Port Stephens, higher than 29.7% for NSW. The full-time/part-time ratio is likely a reflection of the older demographic and the prevalence of residents who are

transitioning to retirement through reduced work hours. While there may be an opportunity to attract future residents to higher-paying employment in the region, this may require a fundamental change in the traditional employment and economic base.

Improving tertiary learning opportunities in related industry sectors such as aged care, tourism and marine industries will both provide greater options to disadvantaged students and create support for emerging sectors.

Industry Funding Models

For many years, Council has provided funding support to local business chambers, however, in line with the changing business environment, the traditional models of funding are no longer relevant. Port Stephens has a range of industry organisations and networking groups providing support services to business.

Council needs to determine how it can provide support to these organisations to ensure the best possible outcomes for all business in Port Stephens.

Tourism

With visitation expected to increase by 1.9% per annum for domestic markets and 5.4% per annum for international markets (2016-17 to 2026-27 - TRA State and Territory Tourism Forecasts 2017), Port Stephens is ideally positioned to leverage this increasing demand and reduce seasonal fluctuations through the development of high quality tourism products and experiences that increase overnight visitor spend during low and shoulder periods.

Digital Capacity

Port Stephens suffers from what is sometimes referred to as a 'brain drain' – which results in young, educated people leaving the area to pursue career and study options further afield. This has accentuated the ageing of the population in Port Stephens and in the future, will reduce the availability of the workforce across the LGA.

Developing innovative and relevant digital infrastructure to drive 'smart city' initiatives and build digital capacity across the LGA will be critical to the future economic prosperity of Port Stephens.

Transport Connectivity

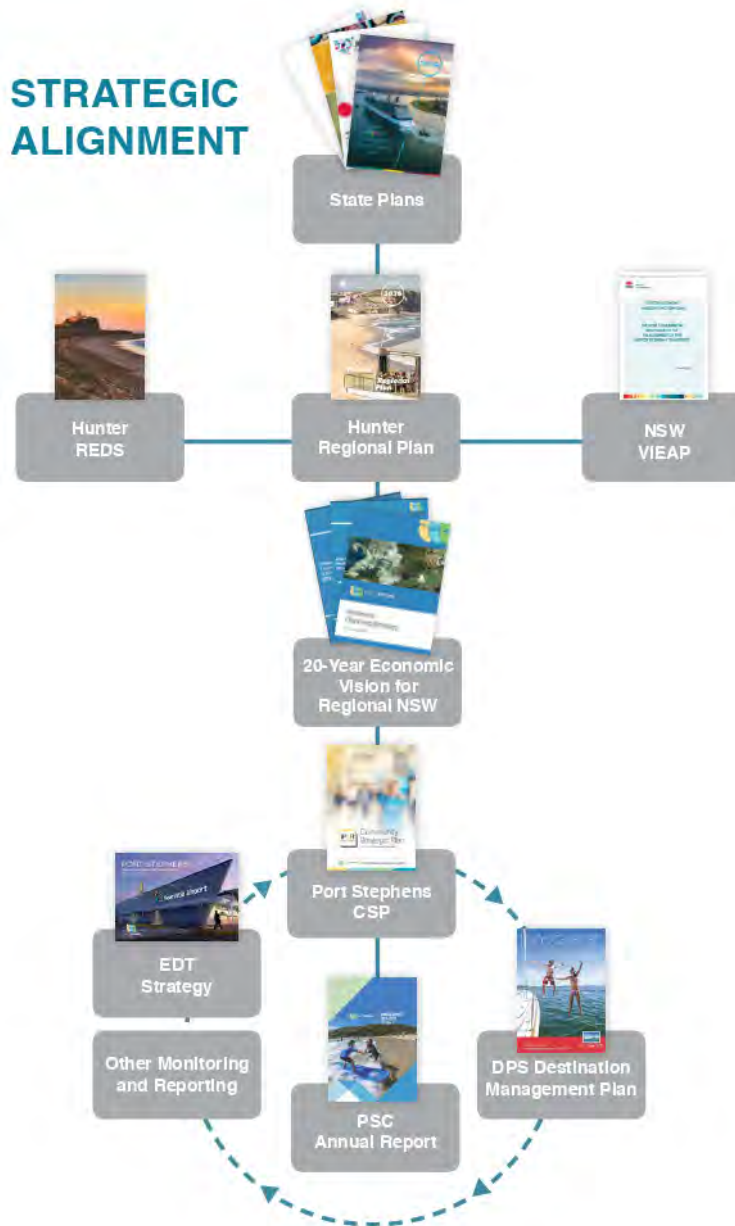
Whilst Newcastle Airport remains a key regional asset for Port Stephens, transport connectivity is less than optimal.

Strategies to increase pedestrian traffic within the town centres are ongoing, as are efforts to upgrade of the road from the Tomaree Peninsula to Newcastle, which is currently an hours drive in non-peak traffic.

Further upgrades to the M1 and further investment in the Newcastle Port Container Terminal will expand opportunities for international growth and distribution business in Port Stephens.



STRATEGIC ALIGNMENT



Hunter Regional Plan 2036

The Hunter Regional Plan 2036 guides the NSW Government's land use planning priorities over the next 20 years to achieve the stated vision of "the leading regional economy in Australia with a vibrant new metropolitan city at its heart". It acknowledges the importance of Greater Newcastle and sets the following regionally focused goals:

- > The leading regional economy in Australia
- > A biodiversity rich natural environment
- > Thriving communities
- > Greater housing choice and jobs

Regionally significant priorities for Port Stephens include:

- > Protecting the functioning of the Newcastle Airport, and supporting its growth; and
- > Maximising opportunities being created by growing international transport connections, which will make the valuable natural environment increasingly accessible to international tourists

More locally, the Hunter Regional Plan outlines priorities for the strategic centres of Raymond Terrace, Nelson Bay and Newcastle Airport/Williamstown (noting it as a Global Gateway) and a number of future housing and urban renewal opportunities across the Local Government Area.

Greater Newcastle Metropolitan Strategy – Economic Prospects to 2036

Commissioned by the Department of Planning and Environment to inform the inaugural Greater Newcastle Metropolitan Plan 2036, research shows the economy is likely to grow more strongly in the next 20 years than it did in the last two decades, supported by the right policy, and public and private investment to reach population targets.

Of significance to Port Stephens is a focus on higher value-added industries and growth in the services sector, including new initiatives to reinvigorate tourism and education. This plan also notes Newcastle Airport will require a significant shift from an origin airport to a destination airport, which in turn will require tourism infrastructure, including hotels and conference facilities to draw in business tourists.



Hunter Regional Economic Development Strategy (REDS)

Port Stephens Council together with seven local Hunter Councils are working in collaboration with the NSW Government to develop a Regional Economic Development Strategy (REDS) for the Hunter. The REDS will be used to inform regional development policy and identify actions that can be undertaken to support economic growth and enable faster access to dedicated State funding, such as the Growing Local Economies Fund.

The REDS will consider the strategic context of the Hunter region; significant industries and activities; regional endowments; barriers, issues, constraints and threats; and opportunities for the Hunter.

This strategy is consistent with the outcomes and initiatives as outlined in the Hunter REDS.

NSW Visitor Economy Plan

The NSW Government established the Visitor Economy Taskforce to consult with industry and other stakeholders and to prepare a strategy to achieve the NSW Governments' 2020 target of doubling overnight visitor spend.

The recommendations and actions in the Visitor Economy Action Plan are those which the Taskforce has assessed as being key to accelerating overnight visitor expenditure to NSW.

The Plan nominates seven strategic imperatives:

1. Increase visitation
2. Grow physical capacity
3. Renew and revitalise NSW destinations
4. Improve the visitor experience
5. Increase visitor spend
6. Make NSW more competitive





*A vibrant and liveable place
supporting local economic growth*

OUR VISION

A vibrant and liveable place supporting local economic growth

Purpose

Build relationships, grow trust and create connections to support the development of a strong local economy.

STRATEGIC OUTCOMES

Making business growth easier

Council has a key role in creating an environment where business can thrive. By fostering a business enabling environment, Council can facilitate the growth of innovative and successful business which are both strong and globally competitive.

With over 4,500 active businesses operating across Port Stephens, a major focus will be the delivery of opportunities for growth in existing business. We will provide the incentive, tools, strategies and support to foster diversity, growth, innovation and resilience across Port Stephens. Council will work to attract new investment through the development of a vibrant and attractive environment for business to establish and invest.

Key Priorities

- > Increase the capacity and competitiveness of business
- > Advocate for business
- > Facilitate evidence-based decision making
- > Support effective business networks which demonstrate clear outcomes
- > Coordinate the Economic Development Advisory Panel

Increase overnight visitor spend

Port Stephens is recognised as one of the key regional tourism destinations in NSW and attracts a broad range of domestic and international visitor each year. Year ending September 2017, Port Stephens welcomed 2,170,700 domestic visitor nights, 723,500 day visitors and 196,600 international visitor nights. These visitors spent an estimated \$534 million (or almost \$1.5 million per day) across the LGA and directly employed approximately 2,221 people.

Port Stephens is a sophisticated tourism destination with established product. The popularity of the destination to both domestic and international visitors is directly tied to the unique natural environment of Port Stephens including the Worimi Conservation Lands, Tomaree National Park and the Port Stephens - Great Lakes Marine Park.

Supporting these natural assets this is an extensive range of tourism product and experiences such as whale and dolphin watching, surfing, quad bike riding, bushwalking, mountain biking, fishing and sailing. Accommodation across the destination ranges from holiday parks and self-contained units through to luxury beachfront homes and resorts.

Port Stephens Council recognizes the economic, environmental and social benefits that a vibrant and sustainable tourism industry provides through increased employment, investment, and infrastructure. Council is committed to the conservation of the natural assets on which the visitor economy depends whilst supporting investment in the development of quality tourism product and infrastructure development. These assets encourage overnight visitor spend, positively impact the visitor experience, promote awareness of Port Stephens and drive the construction of new facilities and infrastructure.

Key Priorities

- > Provide strategic and financial support to Destination Port Stephens
- > Develop strategic plans to guide the sustainable growth of the visitor economy
- > Build trust and understanding in the strategic value of the visitor economy
- > Build partnerships with Newcastle Airport, neighbouring councils and key stakeholders
- > Encourage development of high quality tourism products and experiences

Attract events that drive economic benefit

Council's new leadership has identified events as a key opportunity for growth across the LGA, not only for the economic benefit they generate, but just as importantly for the connections and vibrancy they create across our community.

Events are well recognised as drivers of visitation and visitor spend and provide tourism, trade and investment opportunities for Port Stephens. Events can also be a driver of infrastructure development through increasing demand and provide an opportunity for Council to reinforce its brand, stimulate the economy and smooth seasonal fluctuations.

Over the past five years, Council has built a strong reputation as a regional event destination. The organisation has been focused on attracting and supporting events that align with our values and visions however, as more Councils recognise the economic benefits of events, attracting events becomes more competitive.

Council will continue to grow this sector and increase the benefits of events for business, residents and visitors across Port Stephens.

Key Priorities

- > Develop the Port Stephens Events Strategy
- > Increase the diversity and quality of cultural events
- > Educate Council and the community on the value of events
- > Work in partnership with key stakeholders to attract and deliver events
- > Seek increased funding and resourcing for events in Port Stephens

Create people-friendly and vibrant spaces

Placemaking requires a collaborative approach to managing the issues, challenges and opportunities across Port Stephens. It requires ownership from both Council and the community to create vibrant spaces that provide the opportunity for a diverse range of experiences and activities. These unique spaces should reflect the culture and identity of each community and ultimately, contribute to the wellbeing of those that use the space.

To grow business, Council will create a more desirable place to live and work, through the development of high quality residential areas, improved town centres, adequate infrastructure and quality industrial areas and business parks.

Effective placemaking is a fundamental driver of economic growth. By connecting the key elements of live, work and play, Port Stephens will attract more residents, more workers, more visitors and ultimately, more investment.

Key Priorities

- > Promote a place-led approach to design and development
- > Activate our public spaces
- > Develop and use cultural themes to guide placemaking activities
- > Promote processes and partnerships that create placemaking outcomes
- > Expand "Nelson Bay Next" beyond Nelson Bay



HOW WILL WE GET THERE?

STRATEGIC OUTCOMES	KEY PRIORITIES	MEASURES OF SUCCESS
We will make business growth easier	Increase the capacity and competitiveness of business	Increase in business networking opportunities CBD Occupancy audit Annual business survey feedback Improvements across key economic indicators
	Advocate for business	
	Facilitate evidence-based decision making	
	Support effective Business Networks which demonstrates clear outcomes	
	Coordinate the Economic Development Advisory Panel	
We will increase overnight visitor spend	Provide strategic and financial support to Destination Port Stephens	Development of the DPS Strategic Plan Increase in the economic output of the visitor economy Destination Port Stephens Funding Agreement Key Performance Indicators Secure ongoing funding for destination marketing
	Develop strategic plans to guide the sustainable growth of the visitor economy	
	Build trust and understanding in the value of the visitor economy	
	Build partnerships with Newcastle Airport, neighbouring councils and key stakeholders	
	Encourage investment in high quality tourism product and experiences	
We will attract events that drive economic growth	Develop the Port Stephens Events Strategy	Development of one new cultural event per year Increase in the economic impact of events Increase in funding for events in Port Stephens Development and implementation of Port Stephens Events Strategy
	Increase the diversity and quality of cultural events	
	Educate Council and the community on the value of events	
	Work in partnership with key stakeholders to attract and deliver events	
	Seek increased funding and resources for events in Port Stephens	
We will create people friendly spaces	Promote a place based - design led approach across Council and the community	Success of town centre implementation panels Expression of the Next brand Delivery and success of Vibrant Spaces Program Increase in public art and performance
	Activate our public spaces	
	Develop and use cultural themes to guide placemaking activities	
	Promote processes and partnerships that create place making outcomes	
	Expand "Nelson Bay Next" beyond Nelson Bay	

*Build relationships, grow trust &
create connections to support the
development of a strong local economy*



PORT STEPHENS
COUNCIL

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ITEM 17 - ATTACHMENT 3 ECONOMIC DEVELOPMENT STRATEGY ENGAGEMENT SUMMARY.



Economic Development Strategy Engagement snap-shot

The Economic Development Strategy 2021-23 will provide a blueprint for enhancing and supporting the growth, vibrancy and sustainability of the local economy. Over August and September 2021 we have been speaking with local business leaders and groups on what's important to their business and how Council can best support industry and business development across Port Stephens.

What we've been up to

-  Online survey
-  Business Health Check
-  Business consultation session
-  1-1 meetings
-  EDAT briefing

Project timeline



Top Economic Development Focus Areas

-  Sustainability and resilience
-  Business growth

ITEM 17 - ATTACHMENT 3 ECONOMIC DEVELOPMENT STRATEGY ENGAGEMENT SUMMARY.

Great ideas we've heard

- Offer training to local business on how to tender for local contracts.
- Promote entrepreneurship in young people rather than just concentrate on job seeking.
- Support a Raymond Terrace business chamber or group.
- Beautify entry corridors - create spaces people want to work, live and play in!

Emerging themes

- Short-term priorities required to support COVID-19 recovery include a focus on shopping local and development of local supply chains. Longer-term priorities are investment attraction and workforce development activities.
- The need to balance environmental protection with development and growth.

Highest priority actions for each focus area

- Make Port Stephens an attractive place to live (e.g. improve linkages and amenities and beautify town centres).
- Advocate for infrastructure to support economic growth.
- Build on existing strengths and opportunities e.g. ecotourism, renewables, airport upgrade.
- Simplify planning processes and reduce red tape for businesses processes.
- Promote the benefits of supporting local business and develop local supply chains.

In the current market conditions resilience and sustainability, and business growth are key to getting through COVID, however in the longer term workforce for the future and investment attraction are key to longer economic growth.
Destination Port Stephens

Promote Port Stephens as a 'clean, green' business environment.

Embrace new technologies, renewable energy, electric vehicle.
Appomattox Operations Pty Ltd

Investment attraction is the one area Council can make the biggest contribution to...and this Strategy should focus on what we can realistically do well.
Newcastle Airport

ITEM NO. 18

**FILE NO: 21/268439
EDRMS NO: PSC2021-02594**

LOCAL STRENGTHENING FUNDS/GRANTS FUNDING

REPORT OF: STEVEN BERNASCONI - COMMUNICATIONS SECTION
MANAGER
GROUP: DEVELOPMENT SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Approves the provision of financial assistance from applications received for the Local Strengthening Fund 2021 to 2022 (round 1) under Section 356 of the Local Government Act 1993.
 - a) \$6000 to Caring for Our Port Stephens Youth (COPSY) - Early Intervention Complete Coverage
 - b) \$6,000 to Nelson Bay Junior Australian Football Club - Footy for All
 - c) \$6,000 to Thou-Walla Family Centre - Starting School
 - d) \$6,000 to The MindStorm Foundation (The Cooper Storm Memorial Foundation Ltd) - Entrepreneurs Pitch & Innovation Challenge
 - e) \$6,000 to Rotary Club of Raymond Terrace - BBQ trailer refurbishment
 - f) \$2,800 to Anna Bay All Abilities Recreational Play Park Inc - Bird Habitat Landscaping
 - g) \$4,186.51 to Birubi point Surf Life Saving Club – Surf sport training equipment.

BACKGROUND

The purpose of this report is to seek Council's endorsement of the Round 1 recipients of the Local Strengthening Fund 2021 to 2022.

The Local Strengthening Fund is a new funding stream which replaces the previous COVID-targeted response grant stream, the Community Support Fund.

The Local Strengthening Fund aims to build sustainable local communities and environments, and enhance the wellbeing and development of the Port Stephens community. This grant welcomes applications from community groups and not-for-profit organisations seeking support for projects, activities and events that address community and environmental needs.

ORDINARY COUNCIL - 26 OCTOBER 2021

Round 1 of the Local Strengthening Fund program opened on 1 September 2021 and closed 5 October 2021, in conjunction with several other grant streams including the:

- Vibrant Spaces Fund
- The Community Event Development Fund
- My Incredible Place Micro Fund

The overall response rate for the funding program included 27 applicants across the all streams.

The assessment panel for the Local Strengthening Fund includes assessment by a panel of Councillors, the Mayor and two Council staff. The assessment process was carried out in accordance with the fund guidelines.

Table 1 details the recipients recommended for Round 1 of the Local Strengthening Fund program 2021 to 2022. A total of \$36,986.51 is recommended for funding.

Organisation	Project Title	Amount	Brief Description
Caring for Our Port Stephens Youth (COPSY) Inc	Early Intervention Complete Coverage	\$6,000	Establish new youth counselling service in Raymond Terrace
Nelson Bay Junior Australian Football Club	Footy for All	\$6,000	Program to increase local women and girls' participation in AFL, Rugby Union and Soccer
Thou-Walla Family Centre	Starting School	\$6,000	School resource bags for new kindergarten students
The MindStorm Foundation (The Cooper Storm Memorial Foundation Ltd)	Entrepreneurs Pitch & Innovation Challenge	\$6,000	Youth entrepreneurship and local projects program
Rotary Club of Raymond Terrace	BBQ Trailer refurbishment	\$6,000	Refurbishment of existing BBQ trailer
Anna Bay All Abilities Recreational Play Park Inc.	Bird Habitat Landscaping	\$2,800	Native tree planting and building local bird nesting boxes
Birubi Point Surf Life Saving Club Incorporated	Surf sport training equipment	\$4,186.51	Surf sport training equipment for little nippers

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Table 2 below outlines the successful applications for the Vibrant Spaces fund following the recent assessment process. A total of \$21,000 will be allocated for funding in round 1. Table 2 is for information only.

Table 2: Vibrant Spaces approved projects		
Applicant	Project Title	Amount
Homegrown Markets	Homegrown Port Stephens, Summer in the Bay	\$6,000
Raymond Terrace Rotary Club	King St Heritage Festival	\$6,000
UP & UP Inspirations	Medowie Mural	\$3,500
Tilligerry Habitat Association	Visitors Centre Wall Mural	\$2,500
Ortenburg Interior Design	Magnus St Gallery, Façade Beautification	\$3,000

Table 3 below outlines the successful applications for the Community Event Development Fund following the recent assessment process. A total of \$9,000 will be allocated for funding in round 1. Table 3 is for information only.

Table 3: Community Event Development Fund approved projects		
Applicant	Project Title	Amount
Krystal Grzelak	Eat & Greet Pop Up Market, Riverside Park	\$3,000
UP & UP Inspirations	Snak n Rap Youth Event	\$3,000
Hunter Region Botanic Gardens(moved from Vibrant Places)	Welcome Back, High Tea Workshop	\$3,000

Table 4 below outlines the successful applications for the My Incredible Place Micro Grant following the recent assessment process. A total of \$500 will be allocated for funding in round 1. Table 4 is for information only.

Table 4: My Incredible Place Micro Grant approved project		
Applicant	Project Title	Amount
Tilligerry Tennis Club	Clubhouse Wall Mural	\$500

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Community Partnerships	Support local community events that highlight and foster the creative and diverse nature of our community.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$36,986.51	From overall budget of \$70,000.
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal or policy impediments in adopting the recommendations. Council provides financial assistance in accordance with Section 356(1) of the Local Government Act 1993. Council manages the Local Strengthening Fund in accordance with the Grants and Donations policy.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that funds to successful applicants may not be expended or projects uncompleted and/or not acquitted.	Low	Manage grant administration process as per the grants procedure	Yes
There is a risk that unsuccessful applicants are displeased with Council decision-making	Low	Provide feedback and grant writing support to unsuccessful applicants	Yes
There is a risk that that Council may set a precedent when allocating funds to the community and an expectation those funds will always be available.	Low	Adopt the recommendations	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Adopting the recommendation will result in improved social and environmental outcomes for the Port Stephens community through opportunities to generate social connections, and improvements for community wellbeing and to local environments.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Economic Development and Tourism and the Community Development and Engagement teams.

The realigned grant, sponsorship and donations program for 2021 to 2022 was launched on 1 September 2021 and was promoted through existing community networks and media.

OPTIONS

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

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 19

**FILE NO: 21/259766
EDRMS NO: PSC2021-03003**

WASTE MANAGEMENT STRATEGY 2021-2031

REPORT OF: TAMMY GUTSCHE - COMMUNITY SERVICES SECTION
MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Receive and note submissions **(ATTACHMENT 1)**.
- 2) Adopt the draft Waste Management Strategy 2021-2031 shown at **(ATTACHMENT 2)**.
- 3) Revoke the Waste Management and Resource Recovery Policy **(ATTACHMENT 3)** dated 8 December 2020, Minute No. 280 should no submissions be received.

BACKGROUND

The purpose of this report is seek Council's adoption of the draft Waste Management Strategy 2021-2031 (strategy) shown at **(ATTACHMENT 2)** following the public exhibition period of 24 August 2021 to 22 September 2021.

The strategy is intended to review current regional growth in the area and identify possible options for the future, which meet the needs of the community, whilst ensuring Port Stephens Council remains at the forefront of the waste industry.

The key objectives of the strategy are to:

- 1) Address how Council can meet current targets set by the NSW EPA in the 2021-2041 Waste and Sustainable Materials Strategy by:
 - investigating systems for the processing of our waste
 - introduction of a third bin.
- 2) Identify opportunities for Council to utilise waste assets and resources in the most efficient manner to maximise recovery and provide waste services more efficiently through:
 - regional cooperation and coordination
 - service delivery.

3) Reduce the community’s environmental footprint through:

- waste avoidance, reduction and resource recovery
- expansion of litter prevention and management initiatives
- community education.

4) Identify opportunities to reduce waste to landfill through:

- recycling of additional material through the procuring of waste technology
- use of alternate processing options/locations.

The Waste Management Strategy will replace Council's existing Waste Management and Resource Recovery Policy (**ATTACHMENT 3**).

During public exhibition, 16 submissions were received which have been summarised in (**ATTACHMENT 1**). The submissions received did not require the advertised strategy to be modified or changed.

The submissions received were positive in regard to the strategy and the consultation conducted during the creation of the document, with the bulk of submissions offering further advice, input into the sizing and make-up of the third bin and the collection frequency.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2021
Environmental Sustainability	Reduce the community's environmental footprint.

FINANCIAL/RESOURCE IMPLICATIONS

There are no additional financial or resource implications created by this strategy in excess of those already provided under the previous Waste Management and Resource Recovery Policy.

Once adopted, the implementation of the strategy may impact the waste reserve, particularly in relation to the rollout of the third bin. Staff will carry out investigations into the supply, processing and collection of this service and present a business case back to Council outlining the impact to Council and residents.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

There are no legal or policy impediments to adopting the recommendations.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that Council will not meet the future waste needs of the community.	Low	Adopt the recommendations.	Yes
There is a risk that Council will not comply with waste legislation.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

There are no sustainability implications created by this strategy. The adoption of this strategy is intended to increase Council's environmental credentials and have a positive effect on social outcomes.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Community Services Section in conjunction with Talis Consultants. Consultation with both internal and external stakeholders was undertaken to ensure that the position taken by Council on waste management and resource recovery practices is in line with current trends in the industry as well as safe, convenient and affordable for the residents and businesses of Port Stephens.

Internal

All internal staff associated with the delivery of the suite of waste services were consulted in person during the drafting of this strategy. All Council staff were provided the opportunity to contribute via the external consultation options provided below.

External

A consultation program was developed to allow multiple opportunities for residents and ratepayers to have their say in a manner that they are comfortable with. This

included: face-to-face consultation sessions; online survey; telephone survey and a PS Live Facebook event.

The draft Waste Management Strategy 2021-2031 was placed on public exhibition for a period of 28 days from 24 August 2021 to 22 September 2021. During the public exhibition period, 16 submissions were received and are summarised in **(ATTACHMENT 1)**.

Further public consultation will be carried out prior to implementation of a third bin, which is identified in the strategy as a short term action.

OPTIONS

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

ATTACHMENTS

- 1) Public Exhibition - Submissions Summary. [↓](#)
- 2) Waste Management Strategy 2021-2031. [↓](#)
- 3) Waste Management and Resource Recovery Policy. [↓](#)

COUNCILLORS ROOM

- 1) Public Exhibition - Full Submissions.

TABLED DOCUMENTS

Nil

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

Waste Management Strategy 2021-2031: Submissions

No.	Author of submission	Comment	Council response
1	Resident	<p>Green waste bin should be a service fee for those residents that would like to utilise, like upsizing the recycle bin. As majority of the Port Stephens LGA are not small lot residential and multi-dwelling/ apartment complexes utilise landscaping services that dispose of the waste as part of the service charge.</p> <p>A green waste bin is not suitable as a necessity for all of Port Stephens LGA.</p>	<p>Council will be carrying out an extensive investigation into the introduction of a third bin. Investigations will focus on processing of waste, cost of an additional bin and the EPA FOGO mandate. Suggestions and issues raised by residents, will be included in this investigation. Once complete, decisions can be made on the make up and sizing of bins and the frequency of collection. This information will then be used in the business case for implementation.</p>
2	Resident	<p>We need to reduce material going to landfill so communicate this: 1) use price as a signal; downsize the red bins (keeping weekly collection as health issue) but provide larger/ current size at a price, and 2) add green bins for compostables, allowing people to reduce size of red bin use. 3) Provide larger yellow bins routinely.</p>	<p>See Council response to Submission 1.</p>
3	Resident	<p>I would just like to say I think it would be so much better having a green lid bin. As we do a fair bit of gardening and sometimes don't have room in our red lid bin. So 100% agree to having a green lid bin.</p>	<p>See Council response to Submission 1.</p>
4	Resident	<p>Red Bin – provide a choice if a big or small red bin. There are two of us so we need a small bin. People with bigger families need a bigger bin. The choice is what could work. Keep the weekly pick up. Green Bins – Please introduce green bins fortnightly pick up. Yellow bins – Same as now.</p>	<p>See Council response to Submission 1.</p>
5	Resident	<p>There is no mention of Green Bins. Green waste could be collected separately, processed, and made available as mulch for ratepayers to use.</p> <p>Please advise the current waste management process in relation to green waste? Is it going to landfill?</p> <p>The ratepayers of Port Stephens deserve an environmentally responsible Council.</p>	<p>See Council response to Submission 1.</p> <p>Council will be preparing educational material which outlines what happens with each waste stream.</p> <p>This strategy confirms Council's commitment to being an environmentally responsible council. Future initiatives will focus on reducing our environmental footprint.</p>

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

6	Resident	<p>Since the introduction of a third bin type for garden organics or food & garden organics would contribute most to allowing council to meet the EPA targets, and since this option is very popular with your residents, I submit that it should be introduced.</p>	<p>See Council response to Submission 1.</p>
7	Resident	<ul style="list-style-type: none"> • A 360-litre minimum size bin be introduced replacing the 240 litre smaller and inadequate size dual purpose use of the current red bin. • Council introduces a fortnightly pick up of the new and separate collection schedule 360 litre bin. • The 360-litre bin be available only to Rural Residential and larger land areas. • A 240-litre specific general waste bin be introduced on a fortnightly collection for all normal residential R2 zonings. • The option in R2 areas for residents to present a case for the larger bin. <p>A 360-litre bin would closely accommodate [but be less in capacity] than the current disposal of our approx. 384 litre wastes based on a new fortnightly pick-up schedule.</p> <p>The introduction of the larger 360 litre size for Rural Residential + areas would clearly support the many anticipated outcomes in Management outsourcing and cost efficiency: both to the Contractor and Council.</p>	<p>See Council response to Submission 1.</p>
8	Resident	<p>Size of bins – From my observations around the state and in Victoria I find that the 240L bins are the most practical. The smaller bins which I believe are only 85L tend to become overfilled and people look for less full bins in the street to deposit there extra weekly rubbish. As an older member of the community the larger 360L bins are too heavy to locate at the kerb side, particularly if ones house is situated on steep sloping ground.</p> <p>Electronic Waste – I live in Nelson Bay so having to travel to the Salamander Bay Recycling Depot is too far away when one only has a relative small electronic item to dispose of. This article is then places in the RED Bin. Is it possible to have a collection point in the NB Council Depot for electronic waste. This site, say is only open one day a week, within the depot site and with the approval of the Site Foreman or some other approved person.</p>	<p>See Council response to Submission 1.</p> <p>Council will consider all options to make it easier for residents to dispose of electronic and other problem waste.</p>
9	Resident	<p>Comments on green bins:</p> <ul style="list-style-type: none"> • Larger rural blocks don't need it. 	<p>See Council response to Submission 1.</p>

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

		<ul style="list-style-type: none"> • Congestion of bins in built up areas. • Units in high density don't need it. • Who wants one could get one. • Garden waste to go in red bin to help composition. • Use disused mine sites in Hunter Valley for waste. 	
10	Climate Action Port Stephens	<p>CAPS support aims to reduce the Community's Environmental Footprint:</p> <ul style="list-style-type: none"> • A Circular Economy approach and utilisation of the NSW Waste Management Hierarchy. • A commitment to increase Community Education around Waste; and • Inclusion of Performance Measures and Targets. <p>Disappointed no commitment to green bin implementation.</p>	<p>Council acknowledges and appreciates the support of Climate Action Port Stephens in our aim to reduce the Community's Environmental Footprint.</p> <p>See Council response to Submission 1.</p>
11	Resident	Introduction of third bin should result in changes to open burn policy.	This suggestion will be referred to the Natural System team.
12	Resident	Disagree with green bin (rural area).	See Council response to Submission 1.
13	Plastic Free Port Stephens	<p>PFPS enthusiastically supports the local single-use plastics ban – this could also include promoting local businesses already taking a lead on providing plastic free and reusable alternatives.</p> <p>PFPS supports the expansion of Council's waste education program. This initiative could be further improved by changing the intent of the action to committing to the implementation of an improved waste education program (rather than just "exploring the expansion of..." page 20).</p> <p>PFPS would like to see the strategy include specific actions resulting in reduced per capita waste through waste avoidance. For example, a targeted program to better manage waste and litter generated by residents, visitors and holiday makers. We believe education on waste reduction/ avoidance, as well as composting and correct separation / minimising contamination of recyclable wastes, are all key to help transition Port Stephens residents towards adoption of smaller red bins and to improve Council's overall performance in the waste diversion rate.</p> <p>PFPS would like to see Circular Economy principles incorporated in to specific actions. For example purchase of products with recycled content for Council projects.</p>	<p>Council acknowledges and appreciates the support from Plastic Free Port Stephens.</p> <p>Education is a key component of the strategy. A waste education program will be developed as part of this strategy. Council's Waste Services team is happy to work with PFPS to promote education within the community.</p> <p>Performance measures and targets are outlined in recently released EPA documentation including reduction of waste per capita, which the strategy makes a commitment to achieve.</p> <p>Council are using Circular Economy principals in utilising these products in civil projects, examples are the use of green concrete made from recycled</p>

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

		<p>PFPS supports the development of a Sustainable Events Policy – reducing the amount of single-use waste items generated at public events will help reduce the event’s footprint and promote more sustainable alternatives to disposable and non-recyclable wastes.</p> <p>Litter prevention and management - PFPS has run local clean up events and we have appreciated Council’s support at Clean Up Australia Day events. We are eager to partner with Council on more regular events in future. This action could be further improved through identification of local problem litter hotspots and litter source reduction activities, e.g. auditing over-full commercial bins, cigarette butt hotspots, and encouraging participants to record clean up data in the Australian Marine Debris Database.</p> <p>PFPS is collaborating with Salamander Bay Recycling Centre on the recent roll out of a TerraCycle bin hub for recycling of specific items, including soft plastics, empty oral care and beauty product containers, gloves and safety equipment (such as face masks), office supplies (pens, etc) and textiles. PFPS received grant funding support from PSC Mayoral funds for this. To date the textiles container has been particularly well used, providing a good indication that the Waste Strategy’s proposal for a textile collection and recycling trial would be a worthwhile activity for Council to implement.</p> <p>PFPS supports collaborating with other local regional Councils, and information sharing between businesses, residents and communities on topics of interest, e.g. better promotion of the Small Acts Big Change campaign).</p>	<p>materials and reconophalt, which is a recycled asphalt material.</p> <p>Council acknowledges and appreciates the support of Plastics Free Port Stephens.</p> <p>Council’s Waste Services team will be collaborating with PFPS on litter prevention and management campaigns.</p> <p>Council’s Waste Services team is happy to collaborate with PFPS to investigate textile collection and recycling options</p> <p>Council acknowledges and appreciates the support from Plastic Free Port Stephens.</p>
14	EcoNetwork	<p>Strategy does not provide detail on waste education or promotion of a Circular Economy beyond Council’s own waste management services. Ongoing public education must be a key element of community waste management.</p>	<p>Education is a key component of the strategy. A waste education program will be developed as part of this strategy. Council are using Circular Economy principals in utilising these products in civil projects, examples are using green concrete made from recycled materials and reconophalt,</p>

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

		<p>The Strategy needs to be integrated more closely with relevant Council Policies and should include targets, performance measures and monitoring, and reporting provisions.</p> <p>We welcome the investigation of a third green bin option and the suggestion of a wider range of bin sizes to better match the very variable quantities of waste generated by different households, with green waste destined for compost rather than sent to landfill.</p> <p>We agree that the trapping and filtering of waste at stormwater outlets is unsatisfactory as not all outlets have solid waste traps causing large quantities of solid waste to routinely flush into bays and ocean causing environmental damage and littering of the waterways. This needs to be rectified.</p>	<p>which is a recycled asphalt material.</p> <p>Performance measures and targets are outlined in recently released EPA documentation, which the strategy makes a commitment to achieve.</p> <p>See Council response to Submission 1.</p> <p>Stormwater issues will be referred to the Civil Assets team for investigation.</p>
15	Tomaree Ratepayer Residents Association	<p>Whether the third bin would only be for Garden organics (GOO or also for Food organics (FOGO).</p> <p>The practical problems in ensuring that green waste collected in a third bin is not contaminated by other refuse such that the same constraints on use of the output as currently apply to the composted output from the ARRT facility</p> <p>The additional costs of a third bin and separate collection and processing.</p> <p>The net costs or benefits of diverting green waste from the red bin waste stream currently processed through the ARRT facility.</p> <p>Calls for Council to do more regarding climate change.</p> <p>Expectation that third bin investigation would be further advanced.</p> <p>Litter on road verges throughout the LGA. Some stretches of major access roads such as Nelson Bay Road and Port</p>	<p>See Council response to Submission 1.</p> <p>Council is working with SUEZ on alternative uses for composted waste which are currently commercial in confidence.</p> <p>This strategy confirms Council's commitment to reducing our environmental footprint and supporting climate change.</p> <p>There are many factors to consider as part of introducing a third bin. Rather than making assumptions, Council's preference was for residents to have input into what is best for their community.</p> <p>Improvements to roadside litter collection will be reviewed in</p>

ITEM 19 - ATTACHMENT 1 PUBLIC EXHIBITION - SUBMISSIONS SUMMARY.

		<p>Stephens Drive are routinely disfigured by unsightly litter, which can often persist until in some cases it is 'minced' by Council mowers. Many local landcare and other groups, and individual residents, remove roadside litter on a voluntary basis but this is not a sufficient solution. As with public waste bins, we acknowledge the cost of increased litter removal, but again submit that it must be given a higher priority.</p> <p>Request further collaboration with non Council waste management and resource recovery initiatives.</p>	<p>consultation with other relevant business units within Council.</p> <p>Council plans to incorporate and trial smartbins in Nelson Bay with sensors to alert bin is full, as well as trialling the use of compactor bins in high density areas.</p> <p>Council's renewed education focus, plans to incorporate and include non Council waste enterprises throughout the Council area with Council already involved collaboratively with Plastic Free Port Stephens in clean up events and having daily interaction with Salamander Bay Recycling Centre through The Salamander Bay Transfer Station.</p>
16	Resident	<p>Calls for more education and better public place waste collection including recycling.</p> <p>Don't agree with third bin due to congestion.</p>	<p>Education is a key component of the strategy. A waste education program will be developed as part of this strategy.</p> <p>See Council response to Submission 1.</p>



PORT STEPHENS
COUNCIL

WASTE MANAGEMENT STRATEGY 2021-2031





2

Port Stephens Council
Waste Management Strategy

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PORT STEPHENS COUNCIL
116 Adelaide Street (old Pacific Highway)
Raymond Terrace NSW 2324

Phone: 02 4988 0255
<https://www.portstephens.nsw.gov.au/>



INTRODUCTION

Like many communities across Australia, Port Stephens Council (Council) is facing challenges with the management of solid wastes. Changes in policy nationally and internationally are affecting many of these challenges in addition to greater community expectation for Council to manage waste in a more sustainable way.

Council recognises the importance of sustainable waste management services for its communities. Therefore, this Waste Management Strategy will guide the management of waste and resources and the delivery of services to the community over the next ten years and beyond.



Key Outcomes

Council is dedicated to progressing its waste management and resource recovery services and striving for better practice. The key objectives of the Strategy are to:

1

Address how Council can meet current targets set by the NSW EPA in the 2021-2041 Waste and Sustainable Materials Strategy by:

- Investigating systems for the processing of our waste
- Introduction of a third bin.

2

Identify opportunities for Council to utilise waste assets and resources in the most efficient manner to maximise recovery and provide waste services more efficiently through:

- Regional cooperation and coordination
- Service delivery.

3

Reduce the community's environmental footprint through:

- Waste avoidance, reduction and resource recovery
- Expansion of litter prevention and management initiatives
- Community education.

4

Identify opportunities to reduce waste to landfill through:

- Recycling of additional material through the procuring of waste technology
- Use of alternate processing options/locations.





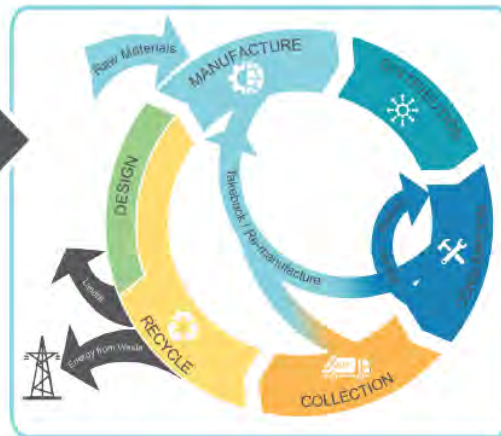
KEY DRIVERS

The NSW Waste Avoidance and Resource Recovery (WARR) Strategy aims to avoid and reduce waste generation, increase recycling, alter public behaviour through education and increase investment, innovation and improvement of environmental practices and divert more waste from landfill. In doing so, the NSW WARR Strategy includes specific waste diversion from landfill targets to achieve its objectives, as outlined below.

1 NSW WARR Strategy Diversion Targets	
Waste Type	2022 Diversion Target
Municipal Solid Waste (MSW)	70%
Commercial and Industrial (C&I)	70%
Construction and Demolition (C&D)	80%
Overall Diversion from Landfill	75%

Circular Economy

The circular economy is an alternative to the traditional, linear economy (take, make, use, dispose) which refers to taking resources, making goods that are then bought and used to then be disposed of as waste. Given there is a finite supply of natural resources which are getting increasingly harder and costlier to extract, these traditional processes result in unnecessary waste. A circular economy aims to 'close the loop' by recovering and reusing items that would otherwise have been disposed of and returning them to the economy – considering them as a valuable resource rather than waste.



Waste Management Hierarchy

The Waste Management Hierarchy has been adopted within this report as the basis for classifying and assessing the various resource recovery options which are being considered to assist Council to improve its waste management system. Options which achieve outcomes higher up the Waste Management Hierarchy are preferred over those located further down the Hierarchy. Notwithstanding this, options from each level of the Waste Management Hierarchy have been identified and assessed.





CURRENT WASTE MANAGEMENT SERVICES

Collection Services



There are approximately **34,721** properties within the LGA.



73% of properties comprising single dwellings:



22% multi-unit dwellings (MUDS)

Kerbside Collection

As required by section 496 of the Local Government Act 1993, a domestic waste service charge is applied to all developed residential properties, whether occupied or unoccupied, including land categorised as 'residential' and 'farmland'.

In 2020/21 services are provided to 33,030 domestic residences and 2,338 non-domestic services, including commercial services.



2 Kerbside Collection Service Summary			
Waste Stream	Standard Bin Size	Options	Collection Frequency
General Waste	240L	Nil	Weekly
Recycling	240L	360L	Fortnightly

On-Call Kerbside Collection of Bulky Items

Council offers each rate paying household access to two on-call kerbside collection of bulky waste/or garden organic items each financial year. Acceptable materials include:

- Furniture - chairs, cupboards, tables and similar (furniture containing glass is not accepted)
- Appliances - fridges, washing machines and similar
- Mattresses and mattress bases
- Scrap metal - fencing, hot water systems, BBQs
- Electronic waste (e-waste)
- Garden organics.

Materials are collected in a rear compactor collection vehicle and transported to the Salamander Bay Waste Transfer Station. Council sorts the material and recovers scrap metal and mattresses for recycling.

Public Place Waste Collection



Council provides and services approximately 598 public place waste and recycling bins which are located in CBD areas, streets, parks, reserves and sporting facilities.





Waste Management Facilities

Council owns and operates the Salamander Bay Waste Transfer Station, which includes a Community Recycling Centre. The following waste types are accepted at the facility.

Free Waste Type

-  Household recycling
-  Fire extinguishers
-  Cardboard & paper
-  Motor & other oils
-  Metals
-  Car batteries
-  Electronic Waste
-  Household batteries
-  Paint
-  Smoke detectors
-  Gas Bottles
-  Fluro globes & tubes

Paid Waste Type

-  General waste
-  Green waste
-  Tyres
-  Mattresses
-  Construction & demolition waste
-  Old furniture items



Waste Education

Council facilitates several waste education programs to support the current waste collection service and other waste initiatives within the community including:



Preparation and distribution of kerbside collection service calendar and information brochure.



Website and social media posts, including video campaigns and direct messaging.



Waste and recycling presentations, including truck visits, for pre-school and primary school children.



Visual audits of the recycling bin as a means for reminding residents what can and cannot be recycled.



Online and in-person workshops on decluttering, waste minimisation, upcycling and beeswax wraps.



Internal programs providing information on recycling within Council facilities and reducing waste.

The Small Acts Big Change program is a long-running initiative between councils in the Hunter and Central Coast to divert waste from landfill. The program website and Facebook page engages community groups, businesses and individuals via ideas and

informative reviews to understand that the small things people do can re-imagine the way we buy, use, and dispose of "stuff" for a better planet and better community.

Other Waste Services



Drop-off Days

In addition to providing permanent drop off locations at the Salamander Bay Waste Transfer Station, Council offers residents free drop off days for green waste, chemicals, mattresses, tyres, and e-waste at various locations across the LGA.



Annual Chemical Cleanout

Household chemicals and hazardous wastes can be dropped off by residents at the EPA funded annual chemical cleanout on specified dates which are advertised on Council's website. These items can also be disposed of free of charge at Salamander Bay Waste Transfer Station during opening hours.



WASTE DATA AND PERFORMANCE

Waste data is collected based on three distinct waste streams. These distinct, and regulated waste streams include:



Municipal Solid Waste (MSW)

MSW is solid waste from households and local government operations, including waste placed at the kerbside for collection and waste collected by councils from municipal parks and gardens, street sweepings, council engineering works and public council bins.



Commercial and Industrial (C&I) Waste

C&I waste is solid waste generated by business, industries (including shopping centres, restaurants, and offices) and institutions (such as schools, hospitals and government offices).



Construction & Demolition (C&D) Waste

C&D waste is solid waste generated from construction and demolition works, including building and demolition waste, asphalt waste and excavated natural material.

Current Generation



Waste Streams and Composition

Municipal Solid Waste

In 2019/20 a total of 37,412 tonnes of MSW was generated across the LGA. Of this, 16,377 tonnes were recovered, and the remaining 21,035 tonnes was landfilled resulting in an overall diversion rate of 44%.

3 Summary of Municipal Solid Waste Tonnes 2019/20				
	Tonnes Collected	Tonnes Landfilled	Tonnes Recovered	Diversion Rate
Red-lidded waste bin	25,859	17,951	7,908	44%
Yellow-lidded recycling bin	5,614	545	5,069	
On-call kerbside bulky waste	1,634	1,157	477	
Self-hauled	3,392	1,382	2,010	
Drop-off days	913	0	913	
TOTAL	37,412	21,035	16,377	



Kerbside Waste

In 2019/20 a total of 31,473 tonnes of material was collected at the kerbside as part of Council's kerbside collection service. The current kerbside collection system results in a kerbside diversion rate of 41%, which is well short of the NSW EPA target of 70% for MSW. It should be noted that Council's performance against the municipal solid

waste diversion target has been significantly impacted by the NSW EPA's ban on the application of mixed waste organic output (MWOO) to land. If the ban on MWOO was not implemented, Council's kerbside diversion rate would be 60%.

4 2019/20 Kerbside Tonnages & Diversion Rate				
	Tonnes Collected	Tonnes Recovered	Tonnes Landfill	Diversion Rate
Red-lidded waste bin	25,859	7,908	17,951	41%
Yellow-lidded recycling bin	5,614	5,069	545	
TOTAL	31,473	12,977	18,496	

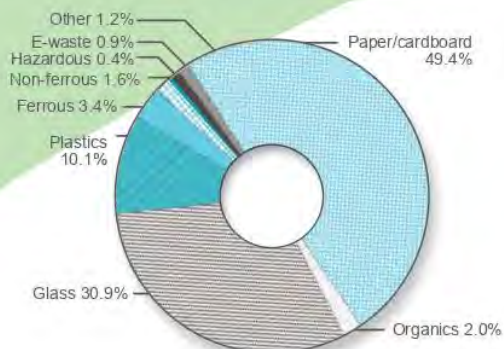
Annual Kerbside Tonnages & Diversion Rates 2014 - 2020



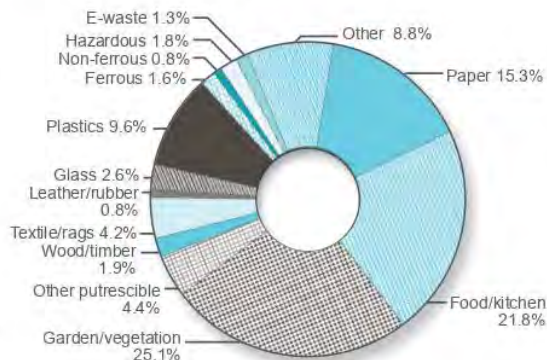
The slow decline in recycling tonnages collected at the kerbside may be a result of the Container Deposit Scheme, which has collected 5,676 tonnes since its introduction in December 2017.

Kerbside Composition

Composition of Yellow-lidded Recycling Bin (2020 audit)



Composition of Red-lidded Waste Bin (2020 audit)



Council has undertaken kerbside waste compositional audits of the yellow-lidded recycling and red-lidded waste bins in 2011, 2013, 2016, 2018 and 2020 with the objective of identifying the performance of the bin system, measuring trends, and planning reductions in waste to landfill.

The above graphs detail the composition of the yellow-lidded recycling bin and the red-lidded waste bin from the 2020 audit.

C&I Waste

In 2019/20 a 5,907 tonnes of C&I waste was received at the Salamander Bay Transfer Station. Of this, 1,436 tonnes (24%) were recovered for recycling or reprocessing. The remaining 4,471 tonnes (76%) was landfilled, resulting in a diversion rate of 24% for this waste stream.

C&D Waste

In 2019/20 a 641 tonnes of C&D waste was received at the Salamander Bay Transfer Station. The composition of this material consisted of two material types, bricks or concrete (44%) and ferrous (56%). All tonnes received were recovered for recycling or reprocessing, resulting in a diversion rate of 100% for this waste stream.

Performance Against State Diversion Targets

Council's performance against the Waste Diversion Targets set by the NSW EPA in the WARR Strategy for 2019/20 are detailed below. As previously mentioned, if the ban on MWOO was not implemented, Council's overall diversion rate would be 60%.

5 WARR Waste Diversion Targets		
Waste Type	2019/20 Council Diversion Rate	2022 Diversion Target
MSW	44%	70%
C&I	24%	70%
C&D	100%	80%
Overall Diversion from Landfill	56%	75%



Port Stephens Council
Waste Management Strategy



COMMUNITY ENGAGEMENT

Community engagement has been identified by Council as a core aspect of the development of the Waste Management Strategy in order to allow community input and to ensure services delivered by Council match the community's expectations. It is seen as particularly important to ensure that the input from the key waste generators (the community) is obtained and utilised to help form future actions and recommendations moving forward.



Telephone Survey

400 completed response from a random sample of residents in the Port Stephens LGA.



92% of residents believe the current collection frequency of the red-lidded bin is appropriate.

40% of residents indicated that their red-lidded bin was full or overflowing when presented for collection.

30% indicated their bin was 75% full when presented for collection.



77% of residents believe the current collection frequency of the yellow-lidded bin is appropriate.

51% of residents indicated that their yellow-lidded bin was full or overflowing when presented for collection.

The following seven ideas were presented to respondents, who were asked to indicate whether they were supportive of the idea.

Minimising the environmental, social and economic impacts of littering	97%	1%	2%
Encouraging waste avoidance and reuse behaviours to help generate less waste	92%	4%	4%
Expansion of waste and recycling education programs to the community	91%	5%	4%
Increasing recycling by recovering food and garden organics	90%	6%	4%
Increasing the range of recycling for the community and businesses	88%	6%	6%
Developing markets for the reuse, repair and re-selling of waste	87%	5%	8%
Prohibiting the use of single-use plastic bags	78%	16%	6%



Facebook Live Sessions

23,000 residents reached, sessions viewed for a total of 2,281 minutes.

Council facilitated a Facebook Live session to provide answers to those "burning" questions being asked by the community. During the live stream, the session reached 51 residents.

The post reached 23,000 people and the recorded version of the session was viewed for a total of 2,261 minutes. Overall, the sentiment was positive from the community.



Face-to-face Engagement

To discuss and obtain feedback on the proposed resident focused themes and initiatives.

Council undertook face-to-face engagement with members of the community. The purpose of these sessions was to provide attendees with the outcomes of the telephone survey and to discuss and obtain feedback on the proposed resident focused themes and initiatives detailed below.

6 Proposed Resident Focused Themes and Initiatives	
Themes	Initiative
Kerbside Collection Services	<ul style="list-style-type: none"> • Introduction of alternative sizes of waste and recycling bins (140L) • Greater promotion of the availability of a 360L recycling bin • Introduction of a third kerbside bin for the collection of garden organics (GO) or Food Organics Garden Organics (FOGO) • Consider transitioning to a user-pay on call kerbside bulky waste collection service
Drop-off Days	<ul style="list-style-type: none"> • Reassess the number of drop-off days for garden organics and problem wastes
Littering	<ul style="list-style-type: none"> • Implement Council supported anti-littering campaign • Review locations and collection frequencies of public place bins
Single-use Plastics	<ul style="list-style-type: none"> • Implement a local ban on single-use plastics • Implement supporting education campaign for businesses, residents and visitors
Sustainable Events Policy	<ul style="list-style-type: none"> • Introduce a Sustainable Events Policy that requires the use of recyclable or compostable packaging and source separation of waste collected at events
Expansion of materials collected at the Salamander Bay Waste Transfer Station	<ul style="list-style-type: none"> • Soft plastics • Polystyrene • Textiles
Education Programs	<ul style="list-style-type: none"> • Introduce and promote reuse, upcycling and repair workshops utilising the existing Tip Shop or local Men's Shed (or similar) • Greater promotion of material accepted at the Salamander Bay Waste Transfer Station • Promotion of anti-littering program • Promotion of single-use plastics ban • Promotion of Sustainable Events Policy



Online Survey

To determine levels of community support of the resident focused themes and initiatives.

IRIS Research undertook an online community survey to determine levels of community support of the resident focused themes and initiatives.

A total of 225 completed surveys were collected over this period.



PROPOSED RESOURCE RECOVERY OPTIONS

Based on the outcomes of the community engagement and review of Council's current services and waste management systems, the following resource recovery options were proposed for detailed analysis.



Avoid, Reduce, Reuse

- Integrated community education and behavioural change program
- Council Waste Minimisation Plan
- Litter prevention and management
- Business waste reduction.



Recycle

Undertake a visual audit of material accepted at the Salamander Bay Waste Transfer Station to identify additional material for recovery.

Undertake a textiles collection and recycling trial.



Recover & Treat

Investigate the feasibility of implementing a third kerbside bin for the source separation and collection of garden organics (GO) or Food Organics Garden Organics (FOGO), including processing technology options.



Kerbside Collection Options

- Introduction of third kerbside bin
- Introduction of alternative bin sizes
- Promotion of 360L recycling bin
- Soft plastics recycling trial
- Kerbside bulky items collection assessment
- Commercial waste collections.



Public Place Smart Waste Technology

- Smart sensors in new/existing public place bins
- Smart compactor bins
- Smart tree hubs
- Smart waste/recycling hubs trial
- Smart Cities Pilot and Action Plan.



Free Drop-off Days Assessment

Undertake an assessment of the number of free-drop off days offered and consider alternative solutions.



Regional Collaboration Opportunity

Continue to work collaboratively with neighbouring councils and other stakeholders on regional and circular economy opportunities.



Planning & Management


- Waste management planning controls
- Sustainable Events Policy
- Waste management services financial model review
- Waste data management
- Landfill Aftercare Management and Rehabilitation Works Plan
- Master Plan Salamander Bay Waste Transfer Station





PREFERRED WASTE MANAGEMENT SYSTEM

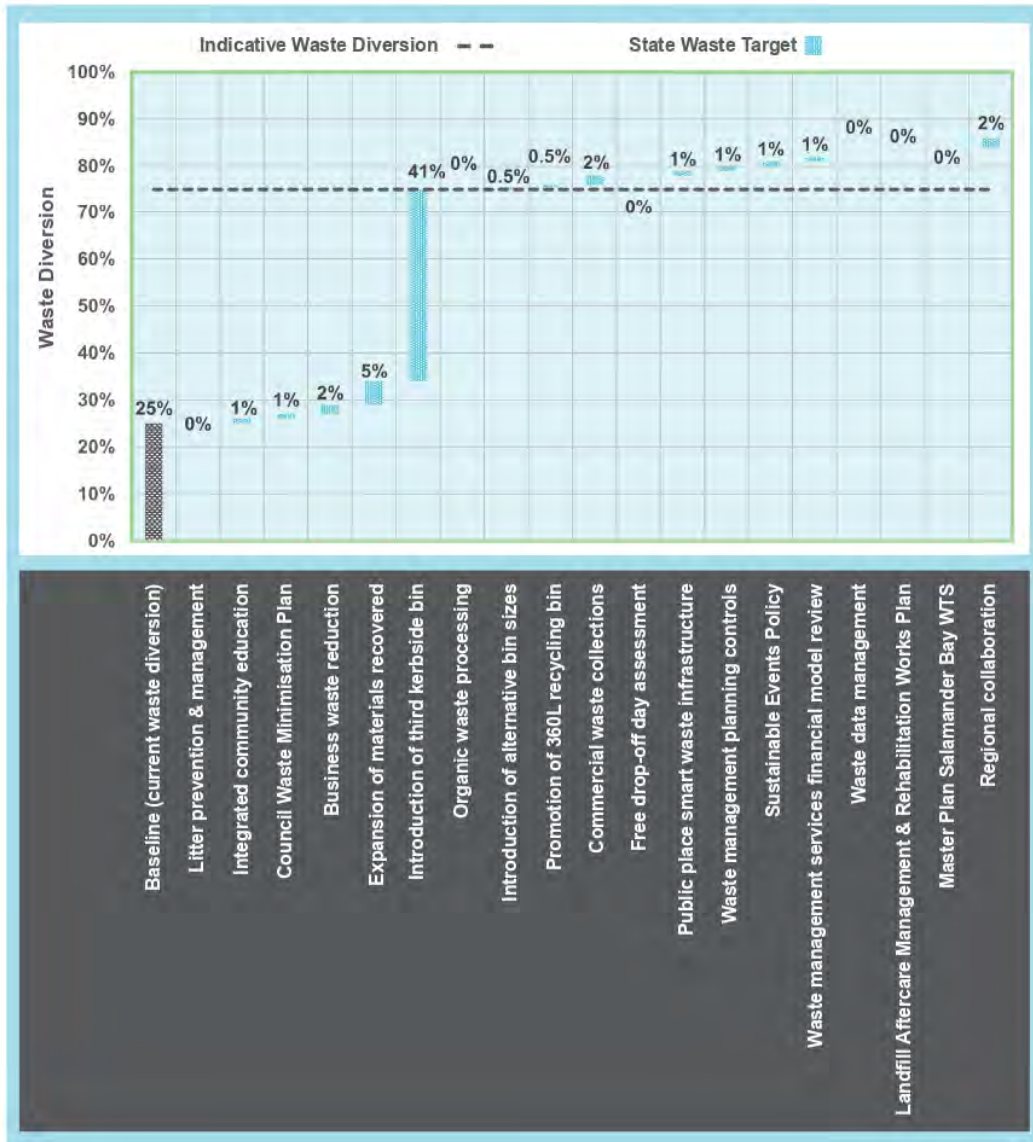
Following detailed analysis of the proposed Resource Recovery Options the Preferred Waste Management System is shown below.

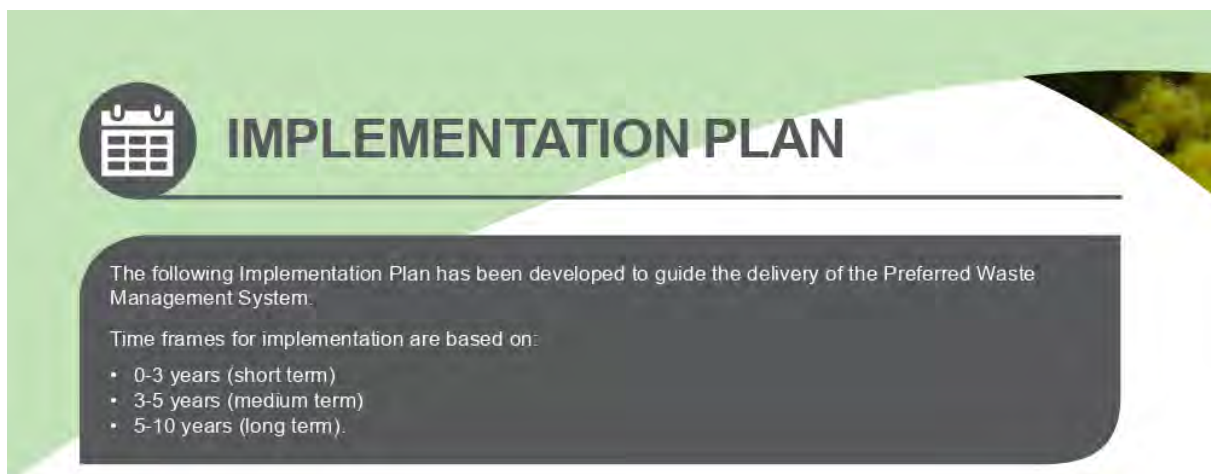
7 Preferred Waste Management System		
Grouping	Options	
	Avoid, Reduce, Reuse	<ul style="list-style-type: none"> Litter prevention and management Integrated community education Council Waste Minimisation Plan Business waste reduction
	Recycle	<ul style="list-style-type: none"> Expansion of materials recovered
	Recover & Treat	<ul style="list-style-type: none"> Source separated organics collection Organic waste processing
	Kerbside Collection Options	<ul style="list-style-type: none"> Introduction of third kerbside bin Introduction of alternative bin sizes Promotion of 360L recycling bin Commercial waste collections
	Drop-off Days	<ul style="list-style-type: none"> Free drop-off day assessment
	Smart Waste Technology	<ul style="list-style-type: none"> Smart sensors in new/existing public place bins Smart compactor bins Smart tree hubs Smart waste/recycling hub trial Smart Cities Pilot and Action Plan
	Planning & Management	<ul style="list-style-type: none"> Waste management planning controls Sustainable Events Policy Waste management services financial model review Waste data management Landfill Aftercare Management and Rehabilitation Works Plan Master Plan Salamander Bay Waste Transfer Station
	Regional Collaboration Opportunities	<ul style="list-style-type: none"> Investigate regional opportunities



PERFORMANCE IMPROVEMENT

The waterfall diagram below illustrates Council's current waste diversion rate and how it would be impacted by the Preferred Waste Management System. The implementation of the Preferred Waste Management System has the potential to increase Council's current diversion rate from 25% to 84% which exceeds the state target.





IMPLEMENTATION PLAN

The following Implementation Plan has been developed to guide the delivery of the Preferred Waste Management System.

Time frames for implementation are based on:

- 0-3 years (short term)
- 3-5 years (medium term)
- 5-10 years (long term).

8 Implementation Plan			
Grouping	Option	Action	Timeframe
Avoid, Reduce, Reuse	Integrated community education	Explore the expansion of community education programs including the delivery of recycling, upcycling, repair, community farming, composting, and worm farming workshops.	Short
	Council Waste Minimisation Plan	Develop a Waste Minimisation Plan which aligns with Council's sustainability goals and formalises Council's commitment to sustainable waste management.	Short
	Litter prevention & management	Develop a one-stop web presence to advertise and provide information on upcoming local, regional, and state litter-related events. Consider provision of suitable equipment for some events such as waste collection bags and litter grabbers in exchange for data feedback from the event.	Short
	Business waste reduction	Investigate options available to divert food waste generated by businesses from landfill including supporting a food program. Explore the implementation of a local ban on single use plastics across the LGA.	Medium
Recycle	Expansion of materials recovered	Undertake a visual audit of material accepted at the Salamander Bay Waste Transfer Station to identify additional materials for recovery. Undertake a textiles collection and recycling trial.	Short
Recover & Treat	Source separated organics collection	Investigate the feasibility of implementing a third kerbside bin for the source separation and collection of garden organics (GO) or Food Organics Garden Organics (FOGO), including processing technology options.	Short
Kerbside Collection Options	Introduction of third kerbside bin	If feasible, introduce a third kerbside bin for the collection of GO or FOGO	Medium



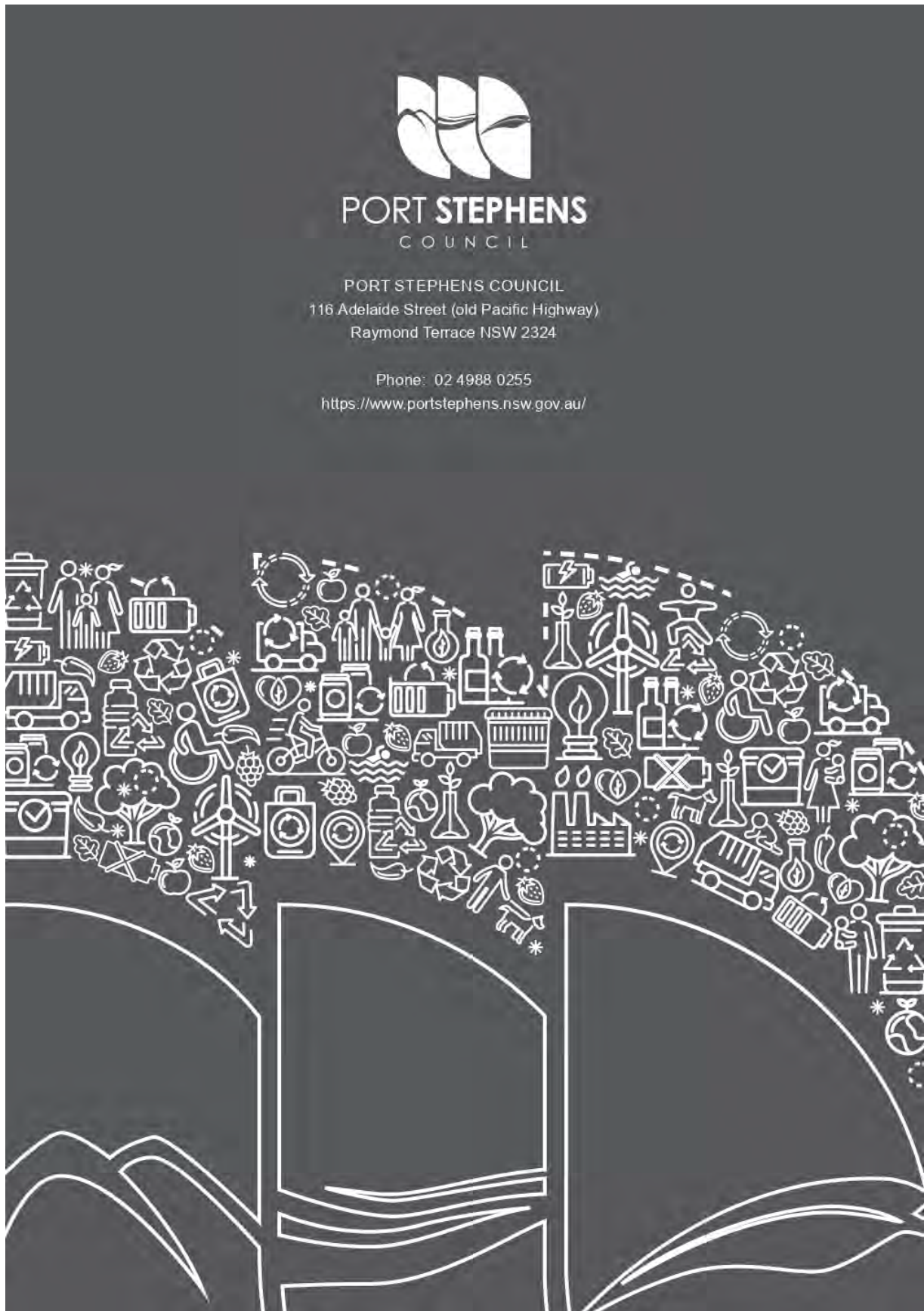
8 Implementation Plan			
Grouping	Option	Action	Timeframe
Kerbside Collection Options	Introduction of alternative bin sizes	Investigate the introduction of a smaller suite of kerbside bins, including 80L and 140L, for those residents that generate minimal waste.	Short
	Promotion of 360L recycling bin	Actively promote the availability of the 360L kerbside recycling bin to ensure appropriate management of excess recyclables at the household level.	Short
	Commercial waste collections	Consider the expansion of a source separated organics collection service to businesses if the service is rolled out to residents. Such a service would be undertaken as Phase 2, with residential roll-out being considered Phase 1.	Medium
Drop-off Days	Free drop-off day assessment	Undertake an assessment of the number of free drop-off days offered and consider alternative solutions.	Short
Smart Waste Technology	Smart sensors in new/existing public place bins	Undertake a bin sensor installation trial at determined locations to explore ways to further utilise smart data in managing public place waste collections, routes, and reporting.	Short
	Smart compactor bins	Consider trialling the broader rollout of smart solar compaction bins to gain a clearer understanding of public place waste collections with the aim of increasing collection efficiencies and reducing collection costs.	Medium
	Smart tree hubs	Liaise with relevant Council departments regarding the implementation of smart tree hubs which integrate facilities such as smart bins, shade, seats, and tables, charging stations, solar power, sensors, lighting, public WiFi, greenery, and smart fountains.	Long
	Smart waste/recycling hub trial	Consider trialling smart waste hubs as a replacement for multiple commercial bin services in key areas that experience high pedestrian access and/or servicing issues.	Long
	Smart Cities Pilot and Action Plan	Implement a Smart City Pilot Project and Action Plan in collaboration with relevant Council departments and other key stakeholders.	Short



IMPLEMENTATION PLAN

8 Implementation Plan			
Grouping	Option	Action	Timeframe
Planning & Management	Waste management planning controls	Prepare and include a waste management chapter in Council's Development Control Plan (DCP) which will inform on the waste management requirements of the various types of development both during construction and ongoing management.	Medium
	Sustainable Events Policy	Develop a Sustainable Events Policy, in consultation with relevant stakeholders, that requires the use of recyclable or compostable packaging and source separation of waste collected at events. Support the implementation of the Policy with an education campaign for both stallholders and event attendees.	Short
	Waste management services financial model review	Undertake a review of Council's waste management financial model to ensure currency, auditability and incorporation of all operational and capital costs associated with Council's waste management services.	Medium
	Waste data management	Undertake a review of Council's current weighbridge recording system to ensure waste types are allocated against the correct stream and source (municipal, commercial & industrial and construction & demolition).	Short
	Landfill Aftercare Management and Rehabilitation Works Plan	Prepare Landfill Aftercare Management and Rehabilitation Work Plans for the decommissioned waste facilities located at New Line Road, Salamander Bay and Lemon Tree Passage that consider "best practice" monitoring and rehabilitation and future uses for the sites.	Short
	Master Plan Salamander Bay Waste Transfer Station	Prepare a Master Plan for the Salamander Bay Waste Transfer Station.	Medium
Regional Opportunities	Investigate regional opportunities	Continue to work collaboratively with neighbouring councils and other stakeholders on regional and circular economy opportunities.	Long





ITEM 19 - ATTACHMENT 3 WASTE MANAGEMENT AND RESOURCE RECOVERY POLICY.

Policy



FILE NO: PSC2007-3163
TITLE: WASTE MANAGEMENT AND RESOURCE RECOVERY POLICY
OWNER: COMMUNITY SERVICES SECTION MANAGER

1. PURPOSE:

1.1. The purpose of this policy is to detail Council's position on waste management within the Port Stephens Council Local Government Area in order to facilitate the delivery of waste services that are both convenient and cost effective and that maximise the diversion of waste from landfill.

2. CONTEXT/BACKGROUND:

2.1 Port Stephens Council currently provides domestic and non-domestic waste services in accordance with sections 496 and 501 of the Local Government Act 1993.

2.2 These services include:

- a) the provision of mobile garbage bins
- b) weekly residual waste (red bin) collection service
- c) fortnightly dry recycling (yellow bin) collection service
- d) on-call bulky and green waste collection
- e) processing of recyclables
- f) processing of residual waste via an Advanced Resource Recovery Technology (ARRT) Facility
- g) green waste drop off days
- h) where required, the land filling of residual wastes
- i) environmental monitoring of decommissioned landfills
- j) community education about waste services provided by Council, how to correctly use the provided services and how waste generation can be reduced.

2.3 Port Stephens Council also coordinates the collection of certain hazardous and problem waste not suitable for collection in either waste or recycling household bins. These include the provision of permanent drop off sites or drop off events for the collection of household chemicals, paints, oils, gas bottles, electronic waste, mattresses, tyres, car and household batteries, mobile phones printer cartridges and fluorescent tubes.

2.4 Port Stephens Council also provides waste and recycling services to events held within Port Stephens and in public places such as parks and reserves,



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Policy



sporting fields and streets where Council's asset owners have determined the need for this service.

2.5 Residents and businesses of Port Stephens have self-haul access to one Council-owned Waste Transfer Station at Salamander Bay. Waste delivered to the transfer station is sorted and separated for reuse, recycling or disposal.

2.6 The management of waste provides significant outcomes for human health and for the quality of our environment. Since the mid 1990's Council's approach to waste management has moved from simple landfilling of all wastes to kerbside recycling and the utilisation of technology designed to efficiently collect and sort waste for maximum resource recovery. Through these actions Port Stephens Council has improved the sustainability of its waste management services to the community.

3. SCOPE:

3.1 The policy outlines what waste services are provided to the residents, ratepayers and businesses of Port Stephens as well as Council's overall position on waste management.

4. DEFINITIONS:

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

Domestic Waste Management	Collection, processing and disposal of solid waste collected from the kerbside of residential properties.
Non-Domestic Waste Management	Collection, processing and disposal of solid waste collected from non-domestic (commercial) properties.
Public Place Waste Management	Collection, processing and disposal of waste collected from streets, parks and central business districts.
Problem Waste	Waste streams such as mattresses, electronic waste, tyres, medical sharps and household chemicals such as paints, oils, batteries etc.

5. STATEMENT:

5.1 Council provides the following waste management to the residents, ratepayers and businesses of Port Stephens.



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5.2 Domestic and Non-domestic (Commercial) Waste Management

5.2.1 Council is committed to:

- a) providing convenient and accessible waste services that meet the needs of the community
- b) reasonable costing of waste services in accordance with Sections 496 and 501 the Local Government Act 1993
- c) the source separation of commercially viable recyclables from residual waste both in its kerbside collections and bulk waste collections
- d) processing residual waste via Advanced Resource Recovery Technology (ARRT) Facility until at least 2027
- e) the disposal of inert domestic waste to licensed landfill sites
- f) the provision of waste collection services via contracts with commercial operators
- g) the provision of alternative waste technology via contracts with commercial operators
- h) continually educating the community about its range of waste services and how to correctly use them.

5.2.2 Toxic/Hazardous/Medical Waste

5.2.2.1 Council is committed to:

- a) creating solutions that separate these wastes from the domestic/commercial waste streams
- b) supporting extended producer responsibility schemes for the collection and disposal of hazardous and medical wastes
- c) run drop off events for problem wastes such as chemicals, mattresses, tyres and electronic waste
- d) continue to operate the Community Recycling Centre (CRC) at the Salamander Bay Waste Transfer Station that accepts hazardous household chemicals free of charge from residents of Port Stephens
- e) continue to have medical sharp collection points in amenities across Port Stephens LGA to allow safe disposal of these items in public places.

5.2.3 Public Place Waste Management

5.2.3.1 Council is committed to:

- a) providing mobile garbage bins and bulk containers in public places where the need is determined by Council's asset owners including:
 - o CBD areas
 - o Streets
 - o Parks & Reserves
 - o Sporting Facilities



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- b) the source separation of commercially viable recyclables in locations where trials have deemed it successful
- c) the provision of waste services for special events where Council has approved the waste management plans for these events
- d) the maintenance of all public place waste infrastructure to ensure that it is safe and clean for the users of the area
- e) the collection and disposal of unidentifiable illegal dumped waste in public spaces
- f) the collection and disposal of litter within public spaces.

5.2.4 Management of Waste Transfer Stations

5.2.4.1 Council is committed to:

- a) the provision and operation of Salamander Bay Waste Transfer Station at 4 Tarrant Road Salamander Bay as per Council's Community Strategic Plan.

5.2.5 Landfill Management

5.2.5.1 Council is committed to:

- a) the rehabilitation of decommissioned landfills to meet or exceed the licence requirements
- b) the continued monitoring of decommissioned landfill sites for due diligence purposes so that the environmental impacts are known
- c) reducing the community's reliance on land filling as the primary waste management method.

5.2.6 Financial Assistance for the Disposal of Waste in Port Stephens

5.2.6.1 Council is committed to:

- a) The provision of financial assistance for the disposal of waste to charitable, not for profit or benevolent organisations in accordance with Council's Policy "Financial Assistance for the Disposal of Waste in Port Stephens" under section 356 of the Local Government Act 1993.

5.2.7 Illegal Dumping

5.2.7.1 Council is committed to:

- a) minimising illegal dumping as it is an offence under the NSW Protection of the Environment Operations Act 2001 and those carrying out such activities may be fined. Council's Compliance Policy addresses the issues surrounding illegal



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dumping, in terms of its regulation and the need to prioritise activities that educate the community.

5.2.8 Information/Education

5.2.8.1 Council is committed to:

- a) providing clear and concise information on the range, cost and availability of waste services provided
- b) providing education to residents and visitors to the area in order to maximise the potential of its services
- c) working with the Strategy and Environment Section to educate the community via its association with community groups, schools and other interest groups.

5.2.9 Development Planning

5.2.9.1 Council is committed to:

- a) ensuring that waste management issues are managed in the Local Environment Plan and related Development Control Plan.

5.2.10 Legislative compliance

5.2.10.1 Council will comply with relevant legislation, including:

- a) observing the principles of ecological sustainable development (as defined in the Local Government Amendment (Ecologically Sustainable Development) Act 1997) in the management of waste services, specifically:
 - o inter-generational equity
 - o improved valuation
 - o pricing and incentive mechanisms (eg: polluter pays and full life cycle costing)
 - o the precautionary principle and the conservation of ecological integrity.
- b) NSW Environment Protection Licences for the Salamander Bay Waste Transfer Stations and the surrender notices for all decommissioned landfill sites
- c) the Local Government Act 1993 by continuing to provide waste services to domestic and non-domestic properties under sections 496 and 501 of the Act
- d) the Work Health and Safety Act 2011 (NSW)
- e) giving due consideration to state and commonwealth guidelines and strategies including but not limited to:
 - o NSW Waste Avoidance and Resource Recovery Act 2001
 - o NSW Waste Avoidance and Recovery Strategy 2014-21.
- f) the NSW Waste Hierarchy of Avoid, Reduce Reuse, Repair, Recycle, Recover, Dispose, will guide decision making processes (Waste Avoidance & Resource Recovery Act 2001)



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Policy



- g) complying with Australian Standards relating to mobile garbage bin design and standard colours (AS4123.6 2006 and AS4123.7 2006)
- h) providing services and education material that is consistent with regional, state and national strategies and programs
- i) participating in local and regional initiatives to address waste issues where opportunities exist.

6. RESPONSIBILITIES:

- 6.1 Overall review and evaluation of this policy lies with the Community Services Section Manager.

7. RELATED DOCUMENTS:

- 7.1 Financial Assistance for the disposal of waste in Port Stephens Policy.
- 7.2 Compliance Policy.



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Policy



CONTROLLED DOCUMENT INFORMATION:

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EDRMS container No.	PSC2007-3163	EDRMS record No.	20/275597
Audience	Residents, Ratepayers and Businesses of Port Stephens		
Process owner	Community Services Section Manager		
Author	Waste Management Coordinator		
Review timeframe	2 years	Next review date	08/12/2022
Adoption date	27/11/2007		

VERSION HISTORY:

Version	Date	Author	Details	Min. No
1	27/11/2007	Steve Bernasconi	Policy Adopted.	337
2	24/11/2009	Steve Bernasconi	Amended Policy Adopted.	396
3	23/6/2015	Aaron Malloy	Amended Policy Adopted.	176
4	27/02/2018	Steve Bernasconi	<ul style="list-style-type: none"> Reformatting the policy into the new format. Inclusion of additional information to cover new services under Toxic/Hazardous/Medical Waste and Public Place Waste Management. Some minor wording changes through the document to make if reflect current trends in the waste industry and levels of services provided. 	035



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Policy



			<ul style="list-style-type: none"> Revised draft policy for review and endorsement by Executive Leadership Team. Draft for Public Exhibition. 	
5	08/12/20	Community Services Section Manager	<p>Reformatted policy into the new template.</p> <p>Updated Policy owner from Waste Management Coordinator to Community Services Section Manager.</p> <p>1.1 Deleted 'solid', 'a Waste Management and Resource Recovery Plan.' Added 'waste services that are both convenient and cost effective and that maximise the diversion of waste from landfill.'</p> <p>3.1 Added 'waste' and 'overall'. Deleted 'solid'.</p> <p>4.1 Added definition for Problem Waste.</p> <p>5.2.2.1a Deleted 'source'.</p> <p>5.2.3.1 Added lines 'e' and 'f'.</p> <p>5.2.8.1c Deleted 'Environmental Services'. Added 'the Strategy and Environment Section'.</p> <p>5.2.9.1 remove 'Plans' and replace with 'Plan'.</p> <p>5.2.10 Added line.</p> <p>5.2.10.1 Deleted 'In pursuing this policy'. Added 'relevant'. Replaced 'specifically' with 'including'.</p>	280



ITEM 19 - ATTACHMENT 3 WASTE MANAGEMENT AND RESOURCE RECOVERY POLICY.

Policy



			<p>5.2.10.1a Reworded sentence</p> <p>5.2.10.1b Deleted 'Council will comply with'</p> <p>5.2.10.1c Deleted 'Council will comply with'</p> <p>5.2.10.1d Deleted 'Council will comply with'</p> <p>5.2.10.1e Deleted 'Council will give'. Added 'giving'.</p> <p>5.2.10.1f Added 'Reduce, Repair, Recover'.</p> <p>5.2.10.1g Deleted 'Council will comply'. Added 'compliance'.</p> <p>5.2.10.1h Deleted 'Council will provide'. Added 'providing'.</p> <p>5.2.10.1i – reworded sentence.</p> <p>6.2 to 6.7 have been deleted.</p> <p>6.8 Added line.</p> <p>6.9 Added line.</p> <p>6.10 Added 'is responsible for'.</p> <p>7.1 – deleted reference to date and minute number.</p> <p>7.2 – deleted reference to date and minute number.</p> <p>Updated EDRMS record number from 18/86846 to 20/275597.</p>	
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ITEM NO. 20

**FILE NO: 21/268533
EDRMS NO: PSC2019-04770-004**

REVIEW OF DOG OFF LEAD AREAS - BOAT HARBOUR

REPORT OF: JOHN MARETICH - ASSET SECTION MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the extension of the Boat Harbour beach dog off lead area trial for an additional 3 months beyond the current trial before being reported back to Council.

BACKGROUND

The purpose of this report is to seek Council's endorsement to extend the trial period for the temporary dog off lead provisions on Boat Harbour beach for an additional 3 months to conclude on Friday 4 February 2022.

The trial commenced on Wednesday 4 August 2021 and was communicated to the community via a media release, site signage and social media. An online survey was also launched at the commencement of the trial to capture feedback from the community. The trial and survey are both scheduled to conclude Thursday 4 November 2021.

Community survey results to date have been provided within (**ATTACHMENT 1**) for consideration.

Whilst the trial period has provided useful insight into the suitability of Boat Harbour beach as a dog off lead area, there are a number of limiting factors that prevent Council from comprehensively understanding the impact of dogs on Boat Harbour beach. These limiting factors are:

- Recent COVID lock downs throughout the trial period have prevented people from accessing public spaces for recreation purposes. Therefore anyone who usually visits Boat Harbour from outside of Port Stephens may not have had an opportunity to visit during the trial.
- The current trial period does not extend over the peak tourist holiday period being the Christmas School holidays. Extending the trial over the Christmas holidays will increase engagement and provide a more comprehensive understanding of issues that may arise from dogs on Boat Harbour beach.
- The current trial period will conclude prior to a Council dog awareness event planned to be held on-site in December (clear of COVID restrictions). Council staff along with community volunteers will be engaging with the community to raise

awareness of how to enjoy public spaces with your dogs in a safe and enjoyable way. This event would provide a great opportunity to engage on the Boat Harbour trial.

To overcome the above limitations, it is recommended that Council extends the off lead trial for a further 3 months to conclude on Friday 4 February 2022 before being reported back to Council.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Infrastructure and Facilities	Plan civil and community infrastructure to support the community.

FINANCIAL/RESOURCE IMPLICATIONS

The recommendations will have a financial implication on Council as a result of the additional social media, signage and staff resources to support the extended trial. These costs will be accommodated within the existing operational budgets.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	\$300	Estimated costs incurred from signage modifications and online media campaign.
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The NSW Companion Animal Act is the overall guide and statutory basis which must be abided by when providing dog off lead exercise areas. This Act sets down a guide for the provision of exercise areas, where Companion Animals exercise areas are permitted and also prohibits companion animals from certain areas e.g. children's play areas or public food preparation/consumption areas.

The risks associated with endorsing the recommendations are detailed in the table below:

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that increased usage of Boat Harbour beach as a dog off lead exercise area may have adverse impacts on other users experience and the environment.	Low	Time restrictions during peak usage periods will reduce the adverse impact of dogs on users and the environment.	Yes
There is a risk that if the trial period is not extended, Council will be making a decision based on limited information and not adequately address community needs.	Low	Endorse the recommendations of the Report.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

There are clear social, economic and environmental benefits for providing off lead areas that have access to water.

Dog off lead areas provide a public recreational space for pets and their owners to safely interact with other animals and members of the community. They provide people with the opportunity for social contact and improving social cohesion within a community. It is the intention that trialling Boat Harbour beach as an off lead area will provide useful insight into the suitability of the beach to be utilised as an off lead area over the longer term.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Assets Section. The objective of the consultation was to understand how the recommendations of the report would impact the affected stakeholders.

Internal

Community Development and Engagement – to note survey responses received to date and to understand the impact of extending the trial period on staff resources.

OPTIONS

- 1) Accept the recommendation.
- 2) Amend the recommendation.

3) Reject the recommendation.

ATTACHMENTS

1) Trial Survey Results. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.



Review of Dog Off Lead Areas – Boat Harbour

Survey results to date:

As of 5 October 2021, the survey had received 258 responses from residents residing in Boat Harbour (67%), the Tomaree Peninsula area (17%), Anna Bay (13%) and other areas within Port Stephens (3%).

When participants were asked how they feel about dogs being permitted off lead between 5pm and 9am during October, 57% were 'very supportive' or 'somewhat supportive' and 41% were 'very unsupportive' or 'somewhat unsupportive'. 2% withheld opinion.

When participants were asked how they feel about dogs being permitted on lead at all times, 57% were 'very supportive' or 'somewhat supportive' and 38% were 'very unsupportive' or 'somewhat unsupportive'. 5% withheld opinion.

When participants were asked how they feel about dogs being permitted on and off lead at all times during August and September, 50% were 'very supportive' or 'somewhat supportive' and 47% were 'very unsupportive' or 'somewhat unsupportive'. 3% withheld opinion.

Two incidents involving dogs at Boat Harbour have been reported to Council however neither of these incidents are understood to have occurred within the trial area.

ITEM NO. 21

**FILE NO: 21/227422
EDRMS NO: PSC2015-01492**

AUDIT COMMITTEE ANNUAL REPORT 2020 TO 2021

REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the Audit Committee 2020 to 2021 Annual Report as presented **(ATTACHMENT 1)**.

BACKGROUND

The purpose of this report is to present to Council the Audit Committee's Annual Report for the period 2020 to 2021.

The Audit Committee has been established in accordance with the Office of Local Government 'Best Practice Guidelines 08/64'.

The Annual Report to Council summarises the Audit Committees activities for the 2020 to 2021 period in accordance with the Audit Committee Charter, item 5.1 Reporting to Council **(ATTACHMENT 1)**.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Governance	Provide a strong ethical governance structure.

FINANCIAL/RESOURCE IMPLICATIONS

Costs associated with the activities of the Audit Committee and development of the Annual Report are covered within existing budget.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		

ORDINARY COUNCIL - 26 OCTOBER 2021

Source of Funds	Yes/No	Funding (\$)	Comment
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Audit Committee activities remain consistent with the Audit Committee Charter, all relative legislative requirements and the Office of Local Government Guidelines.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council is not compliant with the Audit Committee Charter and relevant legislation.	Low	Accept the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

It is considered that the Audit Committee will continue to add significant rigour to Council's governance framework, risk control, compliance and financial reporting and will enhance Council's reputation, operations and financial sustainability.

CONSULTATION

Consultation with key stakeholders has been undertaken by the General Manager's Office.

Internal

- Executive Team.
- Audit Committee officers.

External

Audit Committee members.

OPTIONS

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

ATTACHMENTS

- 1) Audit Comimittee Annual Report 2020 to 2021. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.



FOREWORD

This annual report provides commentary on the operations and activities of the Audit Committee (Committee) for the 2020 to 2021 financial year.

The Port Stephens Council (PSC) local government area covers 860 sq km with 220 sq km (23%) National Park, State Forest and Nature Reserves. It has a resident population of 73,481 which is estimated to rise to 82,050 by 2041.

PSC has 547 (EFT) staff and an operational budget of \$126M plus a capital works program of \$63M.

At its meeting held on 9 February 2010, Port Stephens Council (PSC) resolved to establish a Section 355c Audit Committee in accordance with the Office of Local Government’s Best Practice Guidelines 08/64.

The charter objective of the Committee is to enhance the corporate governance of PSC through the provision of independent oversight, review and advice. The Committee assists Council by providing independent assurance and assistance on the organisation’s governance, risk, control and compliance frameworks.

AUDIT COMMITTEE STRUCTURE AND MEETING ATTENDANCE

The Committee has 5 voting members. Three are independent members in accordance with the Office of Local Government’s Best Practice Guidelines, and 2 Councillors represent Council on the committee, with 1 additional Councillor appointed as an alternate delegate.

Non-voting members include the General Manager, group managers, the Financial Services Section Manager, the Governance Section Manager and Enterprise Risk Manager. Representatives from Council’s internal audit provider PKF and external audit provider RSM Australia Pty Ltd also attend meetings as required. The Audit Office’s Financial Audit Director attends meetings as appropriate.

A quorum was available for the 4 meetings held during the 2020 to 2021 period. The meetings were held on 23 July 2020, 15 October 2020, 25 February 2021 and 27 May 2021.

A list of Audit Committee members and non-voting members for 2020 to 2021 is detailed below noting the number of meetings attended by each member.

Voting Members	Number of meetings attended
Mr Ben Niland (independent Chair).	4
Mr Frank Cordingley (independent member).	4
Mr Shaun Mahony (independent member).	3
Councillor Chris Doohan.	2
Councillor Glen Dunkley.	3
Councillor Ken Jordan (alternate delegate).	0

ITEM 21 - ATTACHMENT 1 AUDIT COMMITTEE ANNUAL REPORT 2020 TO 2021.



PORT STEPHENS
COUNCIL

**Audit Committee Annual Report
1 July 2020 to 30 June 2021**

Non-voting Members	Number of meetings attended
General Manager (or representative).	4
Corporate Services Group Manager (or representative).	4
Development Services Group Manager (or representative).	4
Facilities & Services Group Manager (or representative).	3
Financial Services Section Manager.	4
Governance Section Manager.	3
Enterprise Risk Manager	4
Internal Auditor representative.	2
External Auditor representative.	2
Financial Audit Director (Audit Office).	0

COMMITTEE'S PERFORMANCE REVIEW

The Committee continues to perform well overall against the core responsibilities contained in its charter. The Council is benefiting from a stable, skilled and experienced membership that is suitably qualified and works in a collegiate fashion.

Annual survey results are reported separately to the Committee. Completed by 8 respondents results of the 2019-2020 annual review showed that participants agreed that the Committee performed well against its core responsibilities.

SUMMARY OF RECOMMENDATIONS

The Audit Office raised 2 recommendations in its external audit management letter for 2020 – all were completed during the 2020 to 2021 period.

COMPLETED Actions	
Issue	Recommendation
Nil balance of unrestricted cash	That Council manage its cash and investment balance to ensure availability of sufficient unrestricted cash reserves to fund its general operations.
Excessive annual leave balances	That management: <ul style="list-style-type: none"> • Establish individual leave management plans to reduce excess annual leave. • Regularly monitor and manage staff with high level balances on periodic basis. • Report leave statistics to senior management.

ITEM 21 - ATTACHMENT 1 AUDIT COMMITTEE ANNUAL REPORT 2020 TO 2021.



PORT STEPHENS
COUNCIL

**Audit Committee Annual Report
1 July 2020 to 30 June 2021**

There were 14 internal audit recommendations provided to the Committee as part of 6 internal audit reviews undertaken during this reporting period.

The following internal audit reviews were completed during the period, with no serious internal control weaknesses identified.

Audit Review	Risk Rating
Corporate Purchasing Cards	Low
Elected Members Reimbursements	Low
Business Continuity	Low
Chain of Responsibility	Low
Data Management	Low
Customer Request Management	Low-Medium
Compliance Audits	
National Heavy Vehicle Accreditation Scheme	
RMS DRIVES	

OPINION: RISK/CONTROL FRAMEWORK

A key role of the committee is to review and monitor the effectiveness of the key controls in place to manage and mitigate the risks encountered by Council. These matters include operational, strategic, financial and fraud control environments, as well as ensuring adequate insurance coverage and business continuity planning.

During 2020 to 2021 the committee considered the high priority risks facing the organisation and monitored risk treatment plans established by management to reduce or mitigate those risk exposures.

Material risks in 2020 to 2021 have been dominated by the influence of the COVID-19 pandemic and natural disaster on Council's operations and the local government area (LGA). Those material risks included:

- Natural disaster (including pandemic and flooding) affecting the local government area.
- Injury to workers – including consideration of greater work-from-home presence and distancing implications on the workforce and operations.
- Effective management of contracts and contractors.
- Strategic and operational impacts of State and Federal government decisions (notably during COVID-19 pandemic period).
- Quality of data and management systems for effective decision-making.
- Relationships between Councillors and/or management.



Audit Committee Annual Report 1 July 2020 to 30 June 2021

SUMMARY OF WORK – HIGHLIGHTS

RISK MANAGEMENT

- Received and reviewed Enterprise Risk reports focusing on the high priority risks facing the organisation and monitored risk treatment plans established by management to reduce or mitigate those risk exposures.

CONTROL FRAMEWORK

- Received and reviewed relevant policy, directives and procedures as required.

EXTERNAL ACCOUNTABILITY

- Completed a review of the financial statements prior to submission to the Office of Local Government.

COMPLIANCE

- Noted information provided in presentations and reports on credit cards in Local Government.
- Noted EFT Audit of payments made to employee bank accounts.

INTERNAL AUDIT

- Reviewed and endorsed the internal audit plan.
- Reviewed internal audit actions and implementation.
- Noted results of 6 completed internal audit reviews. No serious internal control weaknesses were reported.

EXTERNAL AUDIT

- Received and noted the Annual Engagement Plan.
- Reviewed the management letter and ensured corrective action was established in a suitable action plan.

LEGAL MATTERS

- As at 27 May 2021: 3 legal matters remained before the Courts; 2 matters remained with NCAT, 1 matter set before the Local Court – Small Claims Division, and 3 court elected infringement notices are set to be heard before the Local Court.

COST OF AUDIT ACTIVITIES

- The total cost to Council for audit activities for the period is \$136,851 compared to \$145,794 for the previous 2019 to 2020 period.



PORT STEPHENS
COUNCIL

Audit Committee Annual Report
1 July 2020 to 30 June 2021

COMMENTS

1. The committee is very satisfied with the improvements made in the risk management space of Council's operations this year. A decision by Council staff to embrace a different software package (ProTecht) and reframe and revisit its risk appetite on the back of that work ends a longstanding challenge to find the best software package to fit into Council's business.
2. Several longstanding legal matters have now been resolved which is a good thing for Council.
3. The committee thanks the non-voting members (staff) for their regular attendance and willingness to be involved in open discussions with voting committee members.



BEN NILAND – CHAIR

06 / 09 / 2021

DATE

ITEM NO. 22

**FILE NO: 21/249663
EDRMS NO: PSC2017-00178**

REQUEST FOR FINANCIAL ASSISTANCE

REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Approves provision of financial assistance under Section 356 of the Local Government Act 1993 from Mayoral and Ward funds to the following:-
 - a. Irrawang High School – Mayoral funds - \$4500 donation towards a sensory garden project for students in the Support Faculty.
 - b. Irrawang High School – Cr Paul Le Mottee – Rapid Response - \$500 donation towards a sensory garden project for students in the Support Faculty.
 - c. Irrawang High School – Cr Giacomo Arnott – Rapid Response - \$500 donation towards equipment for a sensory garden for students in the Support Faculty.
 - d. Port Stephens Family and Neighbourhood Services – Cr Giacomo Arnott – Rapid Response - \$500 donation towards community COVID-19 support.
 - e. Fern Bay Community Centre Committee – Cr Paul Le Mottee – Rapid Response - \$500 donation towards Wi-Fi installation and operating costs for Fern Bay Community Hall.
 - f. Birubi Point Surf Life Saving Club Incorporated – Central Ward funds - \$3000 donation towards purchase of a trauma kit and inflatable rescue boat motor.
-

BACKGROUND

The purpose of this report is to determine and, where required, authorise payment of financial assistance to recipients judged by the Mayor and or Councillors as deserving of public funding. The Grants and Donations Policy gives the Mayor and Councillors a wide discretion either to grant or to refuse any requests.

Council's Grants and Donations Policy provides the community, the Mayor and Councillors with a number of options when seeking financial assistance from Council. Those options being:

- 1) Mayoral Funds
- 2) Rapid Response
- 3) Community Capacity Building

Council is unable to grant approval of financial assistance to individuals unless it is performed in accordance with the Local Government Act 1993. This would mean that

ORDINARY COUNCIL - 26 OCTOBER 2021

the financial assistance would need to be included in the Operational Plan or Council would need to advertise for 28 days of its intent to grant approval. Council can make donations to community groups.

The requests for financial assistance are shown below:

MAYORAL FUNDS – Mayor Palmer

Irrawang High School	Irrawang High School is a government funded coeducational secondary day school located at Raymond Terrace.	\$4500	Donation towards a sensory garden project for students in the Support Faculty at the school.
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WARD FUNDS

Irrawang High School	Irrawang High School is a government funded coeducational secondary day school located at Raymond Terrace.	\$500	Donation towards a sensory garden project for students in the Support Faculty at the school.
Irrawang High School	Irrawang High School is a government funded coeducational secondary day school located at Raymond Terrace.	\$500	Donation towards equipment for a sensory garden for students in the Support Faculty at the school.
Port Stephens Family and Neighbourhood Service	Port Stephens Family and Neighbourhood Service is an incorporated not for profit organisation providing community services in the Port Stephens LGA.	\$500	Donation towards community COVID-19 support.
Fern Bay Community Centre Committee	The Committee is managed by volunteers managing bookings for the community.	\$500	Donation towards Wi-Fi installation and operating costs at Fern Bay Community Centre.
Birubi Point Surf Life Saving Club Incorporated	The Birubi Point Surf Life Saving Club is a small club with a proud history of keeping people safe while they relax and	\$3000	Donation towards the purchase of a trauma kit and inflatable rescue boat motor.

ORDINARY COUNCIL - 26 OCTOBER 2021

	enjoy our spectacular environment.		
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COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2018-2022
Community Partnerships	Support financially creative and active communities.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

LEGAL AND POLICY IMPLICATIONS

To qualify for assistance under Section 356(1) of the Local Government Act 1993, the purpose must assist the Council in the exercise of its functions. Functions under the Act include the provision of community, culture, health, sport and recreation services and facilities.

The policy interpretation required is whether the Council believes that:

- a) applicants are carrying out a function, which it, the Council, would otherwise undertake.
- b) the funding will directly benefit the community of Port Stephens.
- c) applicants do not act for private gain.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council may set a precedent when allocating funds to the community and an expectation those funds will always be available.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

CONSULTATION

Consultation with key stakeholders has been undertaken by the General Manager's Office.

Consultation has been undertaken with the key stakeholders to ensure budget requirements are met and approved.

OPTIONS

- 1) Accept the recommendation.
- 2) Vary the dollar amount before granting each or any request.
- 3) Decline to fund all the requests.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 23

**FILE NO: 21/272471
EDRMS NO: PSC2017-00015**

INFORMATION PAPERS

REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

Receives and notes the Information Papers listed below being presented to Council on 26 October 2021.

No:	Report Title	Page:
1	Quarterly Grants Update – 30 September 2021	383
2	Council Meetings during Election Period	385
3	Council Resolutions	386
4	September 2021 Cash and Investments	398
5	Questions on Notice/Questions with Notice	401

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 21/271463
EDRMS NO: PSC2017-00180**

QUARTERLY GRANTS UPDATE - 30 SEPTEMBER 2021

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

BACKGROUND

The purpose of this report is to provide Council with a quarterly update on its Grants status.

ATTACHMENTS

- 1) Quarterly Grant Update - Q1 2021-2022. [↓](#)

ITEM 1 - ATTACHMENT 1 QUARTERLY GRANT UPDATE - Q1 2021-2022.

Grants status

for the period 1 July 2021 to 30 September 2021

Grant	Section	Team	Status	Value
Fixing Local Roads 2020-2021 Round 3	Assets	Civil Projects	Successful	1,364,970
			Total	1,364,970

Grant	Section	Team	Status	Value
2022 NSW Seniors Festival Grants Program	Communications	Community Development and Engagement	Awaiting Outcome	10,000
Black Spot Programme 2022-23	Assets	Civil Projects	Awaiting Outcome	3,257,500
ClubGrants Infrastructure Grants 2021-22 Round 1	Assets	Community and Recreation	Awaiting Outcome	170,000
Coastal and Estuary Grants Program 2021-22	Strategy and Environment	Natural Resources	Awaiting Outcome	19,275
Festivals Australia Program - September 2021	Communications	Community Development and Engagement	Awaiting Outcome	21,885
Regional Tourism Activation Fund	Assets	Community and Recreation	Awaiting Outcome	3,617,342
Regional Tourism Activation Fund	Assets	Civil Projects	Awaiting Outcome	396,467
Youth Opportunities Program 2021-22	Communications	Community Development and Engagement	Awaiting Outcome	50,000
			Total	7,542,469

There were no unsuccessful grants to report for the period 1 July 2021 to 30 September 2021.

ITEM NO. 2

**FILE NO: 21/206096
EDRMS NO: A2004-0284**

COUNCIL MEETINGS DURING ELECTION PERIOD

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

BACKGROUND

The purpose of this report is to inform Council that ordinary meetings of Council scheduled to be held between the period 5 November 2021 up to the declaration of the election poll will be cancelled, as there will be no operational reports to be considered.

Council is required to meet at least 10 times each year between 1 July and 30 June. To date, a total of 8 meetings have been held since July 2021, including this meeting.

The local government election caretaker period commences from 5 November 2021 and concludes after Election Day. The NSW Electoral Commission has announced the declaration of the poll will occur between 21 to 23 December 2021. The timetable released by the NSWEC (at this point in time) for the period post the election is provided below:

- 25 October 2021 Candidate nominations open
- 26 October 2021 Lodgement of postal vote applications open
- 3 November 2021 Candidate nominations close
- 4 November 2021 Ballot paper draw
- 22 November 2021 Pre-poll voting period and iVote applications open
- 29 November 2021 Close of postal voting applications
- 3 December 2021 Close of pre-poll voting period
- 4 December 2021 Election day (8am–6pm)
- 17 December 2021 Return of completed postal vote certificates (6pm)
- 21 to 23 December 2021 Declaration of results

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 3

**FILE NO: 21/249671
EDRMS NO: PSC2017-00106**

COUNCIL RESOLUTIONS

REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to inform the Mayor and Councillors of the status of all matters to be dealt with arising out of the proceedings of previous meetings of the Council in accordance with the Code of Meeting Practice.

The General Manager's Office currently has no outstanding actions.

ATTACHMENTS

- 1) Corporate Services Group report. [↓](#)
- 2) Development Services Group report. [↓](#)
- 3) Facilities & Services Group report. [↓](#)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 3 - ATTACHMENT 1 CORPORATE SERVICES GROUP REPORT.



Outstanding	Division: Corporate Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 22/09/2020	Crosdale, Timothy	Newline Road, Raymond Terrace	28/02/2022		
2		Crosdale, Timothy				20/288489
199						
15 Oct 2021						
Approved. Contracts prepared. Finalising survey levels in contract.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 13/04/2021	Crosdale, Timothy	PROPOSED CLOSURE AND SALE OF PATHWAY IN BOAT HARBOUR	30/04/2022	14/04/2021	
2		Crosdale, Timothy				21/96728
090						
15 Oct 2021						
Matter progressing.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 11/05/2021	Crosdale, Timothy	Car parking in Shoal Bay	30/12/2021	12/05/2021	
1		Crosdale, Timothy				21/123694
15 Oct 2021						
Consultation continues with Crown Lands to enable this proposed use.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/09/2021	Crosdale, Timothy	Port Stephens Koalas	30/11/2021	29/09/2021	
2		Crosdale, Timothy				21/263230
15 Oct 2021						
Review commenced.						

ITEM 3 - ATTACHMENT 1 CORPORATE SERVICES GROUP REPORT.



Outstanding	Division: Corporate Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/09/2021	Crosdale, Timothy	Proposed purchase of land in Medowie	30/12/2021	29/09/2021	
1		Crosdale, Timothy				21/263230
258						
15 Oct 2021						
Negotiations ongoing.						

ITEM 3 - ATTACHMENT 2 DEVELOPMENT SERVICES GROUP REPORT.



Outstanding **Division:** Development Services **Date From:** 26/09/2017
Committee: **Date To:** 12/10/2021
Officer: **Printed: Monday, 18 October 2021**
Action Sheets Report

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 13/07/2021	Drinan, Kate	Publication of Development Application Information	28/02/2022		
3		Peart, Steven				21/190429
178						
15 Oct 2021						
Awaiting legal advice.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 13/07/2021	Drinan, Kate	Publication of Development Application Submissions	28/02/2022		
4		Peart, Steven				21/190429
15 Oct 2021						
Awaiting legal advice.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 14/09/2021	Gardner, Janelle	Port Stephens Waterway Strategy	31/12/2021	15/09/2021	
1		Peart, Steven				21/252518
240						
18 Oct 2021						
Natural Resources team are reviewing strategy to see if there is any crossover with the Coastal Management Program (CMP). Meetings with key stakeholders will be scheduled to discuss the Waterway Strategy key objectives.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/09/2021	Drinan, Kate	Animal Shelter	2/03/2022	29/09/2021	
1		Peart, Steven				21/263230
253						
15 Oct 2021						
A report is to be prepared and reported to Council on 1 March 2022.						

ITEM 3 - ATTACHMENT 2 DEVELOPMENT SERVICES GROUP REPORT.



Outstanding	Division: Development Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 12/10/2021	Gardner, Janelle	Carbon Neutrality	1/12/2022	13/10/2021	
2 275		Peart, Steven				21/274186
18 Oct 2021						
The Natural Systems team will meet with stakeholders to provide a report to Council on a roadmap to achieving carbon neutrality and determine a suitable funding source to support Council in achieving this goal.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding **Division:** Facilities & Services **Date From:** 26/09/2017
Committee: **Date To:** 12/10/2021
Officer:
Action Sheets **Printed: Monday, 18 October 2021**
Report

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/12/2019	Gutsche, Tammy	GREEN WASTE DROP OFF - SALAMANDER BAY	30/11/2021	11/12/2019	
7 265		Kable, Gregory				19/388450
15 Oct 2021 Included as part of the Waste Management Strategy 2021-2031. The Strategy went to public exhibition until Wednesday 22 September, responses to the submissions presented to Council 26 October 2021.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 24/11/2020	Miles, Philip	Disposal of Surplus Excavated Materials at Newcastle Airport Development Project Site.	1/12/2021		
11 261		Kable, Gregory				20/358525
15 Oct 2021 Newcastle Airport to submit DA modification. Legal Contracts have been drafted in preparation for DA modification approval.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 8/12/2020	Stewart, Adam	Fly Point and Little Beach Parking/SMART Parking	31/12/2021		
3		Kable, Gregory				20/391301
15 Oct 2021 Awaiting completion of the associated Place Plans. Report to be prepared and reported back to Council during March 2022.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/02/2021	Stewart, Adam	5G Small Cell Technology Rollout in Port Stephens	31/12/2021		
3 006		Kable, Gregory				21/33235
15 Oct 2021 Discussions have commenced with Telstra.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/02/2021	Lamont, Brock	MEDOWIE REGIONAL PLAYGROUND AND TOWN CENTRE	1/12/2021		
2		Kable, Gregory				21/33235
012						
15 Oct 2021 Report due diligence being undertaken. Resources are being prioritised to scoping and delivery of Capital Works Program. Recruiting in Community and Recreation Assets to achieve full complement and report will be finalised by December 2021.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 25/05/2021	Maretich, John	Anna Bay Drainage Union	1/12/2021	26/05/2021	
2		Kable, Gregory				21/138820
126						
15 Oct 2021 The State Government agency responsible for Anna Bay Drainage Union shall be consulted with.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 25/05/2021	Maretich, John	Bus Stop in Seaside Estate, Fern Bay	31/12/2021	26/05/2021	
5		Kable, Gregory				21/138820
128						
15 Oct 2021 This review shall be undertaken through Local Traffic Committee and consultation with members of the Seaside Community Association.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 8/06/2021	Lamont, Brock	Sand Movement from Shoal Bay to Fly Point	31/12/2022	9/06/2021	
2		Kable, Gregory				21/156213
143						
15 Oct 2021 Council shall apply for grants in accordance with associated criteria.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 13/07/2021	Stewart, Adam	Hydrogen and Electric Vehicles in Council's Fleet	31/12/2021		
2		Kable, Gregory				21/190429
177						
	15 Oct 2021					
Staff are currently in consultation with suppliers on how to introduce new fuel sources for our vehicle.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Maretich, John	DEDICATION AS PUBLIC ROAD OF PART LOT 491 DP 27846 - 18C CROMARTY ROAD, SOLDIERS POINT	31/12/2022	13/08/2021	
1		Kable, Gregory				21/218740
210						
	15 Oct 2021					
Council staff will commence transfer of land parcel to the road reserve.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Maretich, John	Agreement with Community Association DP270468 - Lagoons Estate, Nelson Bay	30/04/2022		
4		Kable, Gregory				21/218740
208						
	15 Oct 2021					
Council to enter agreement with the Community Association DP 270468 in accordance with the confidential terms as per Council report.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Stewart, Adam	NEW POLICY - CLOSED CIRCUIT TELEVISION (CCTV) IN PUBLIC PLACES	31/10/2021	13/08/2021	
4		Kable, Gregory				21/218740
213						
15 Oct 2021						
The Public Exhibition of the CCTV In Public Places Policy ended on the 21 September 2021.						
A report will be provided to Council at the Ordinary Meeting on 26 October 2021.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Stewart, Adam	Kirrang Drive, Medowie Shared Pathway	31/01/2022	13/08/2021	
8		Kable, Gregory				21/218740
217						
15 Oct 2021						
Council staff will undertake further investigations into the financial requirements and options to accelerate the Kirrang Drive, Medowie pathway. Staff will report the outcomes back to Council.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Stewart, Adam	Australia Post Mail Box, 14A William Street, Raymond Terrace	31/10/2021	13/08/2021	
20		Kable, Gregory				21/218740
229						
15 Oct 2021						
There are a variety of site specific constraints and factors which need to be taken into account including compliance with the Disability Discrimination Act, NSW Road Rules in regard to stopping near a postbox, and Councils Stage 2 works for William Street which will seek to relocate and optimise the location of street furniture including mail boxes.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 24/08/2021	Gutsche, Tammy	Waste Management Strategy 2021-2031	30/11/2021	26/08/2021	
1 235		Kable, Gregory				21/230755
15 Oct 2021 A response is being prepared for Council meeting held 26 October 2021 following the 15 submissions received by Council.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/08/2021	Lamont, Brock	Raymond Terrace Seven Day Makeover	31/12/2022		
17 228		Kable, Gregory				21/218740
15 Oct 2021 2 Way Conversation scheduled on 26 October 2021.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/09/2021	Maretich, John	Policy Review - Contribution to Works for Kerb and Gutter Construction Policy	15/01/2022	29/09/2021	
5		Kable, Gregory				21/263230
15 Oct 2021 The Contribution to Works for Kerb and Gutter Construction Policy has been placed on public exhibition from Wednesday 29 September 2021 to Tuesday 26 October 2021.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/09/2021	Gutsche, Tammy	Policy Review - Volunteer Recognition Policy	15/01/2022	29/09/2021	
6		Kable, Gregory				21/263230
15 Oct 2021 The Volunteer Recognition Policy has been placed on public exhibition for 28 days from the 29 September to 26 October 2021.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 12/10/2021	Lamont, Brock	Shade Sail at Robinson Reserve, Anna Bay	31/12/2021	13/10/2021	
7		Kable, Gregory				21/274186
269						
15 Oct 2021						
As per resolution, Council staff will identify future funding opportunities and include in the Works Plus Plan.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 12/10/2021	Gutsche, Tammy	Change to Lease Arrangements for Fingal Bay Surf Life Saving Club and Commercial Tenancies	26/12/2021	13/10/2021	
8		Kable, Gregory				21/274186
270						
15 Oct 2021						
Proposed changes currently being prepared to be put on public exhibition as resolved at Council.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 12/10/2021	Lamont, Brock	Raymond Terrace Indoor Sports Facility	31/12/2021	13/10/2021	
9		Kable, Gregory				21/274186
271						
15 Oct 2021						
Council staff will identify future funding opportunities to prepare an options analysis, include in the Works Plus program and include in election advocacy documents.						

ITEM 3 - ATTACHMENT 3 FACILITIES & SERVICES GROUP REPORT.



Outstanding	Division: Facilities & Services	Date From: 26/09/2017
	Committee:	Date To: 12/10/2021
	Officer:	
Action Sheets Report		Printed: Monday, 18 October 2021

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 12/10/2021	Lamont, Brock	Naming of Fields at Yulong Oval	31/12/2021	13/10/2021	
1		Kable, Gregory				21/274186
274						
15 Oct 2021						
Council Staff to prepare signage to rename fields.						

ITEM NO. 4

**FILE NO: 21/274371
EDRMS NO: PSC2006-6531**

SEPTEMBER 2021 CASH AND INVESTMENTS

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

BACKGROUND

The purpose of this report is to present Council's schedule of cash and investments held at 30 September 2021.

ATTACHMENTS

- 1) September 2021 Cash and Investments. [↓](#)
- 2) September 2021 Cash Flow Report. [↓](#)

ITEM 4 - ATTACHMENT 1 SEPTEMBER 2021 CASH AND INVESTMENTS.

CASH AND INVESTMENTS HELD AS AT 30 SEPTEMBER 2021									
ISSUER	BROKER	RATING	DESC.	YIELD %	TERM DAYS	MATURITY	AMOUNT INVESTED	MARKET VALUE	
TERM DEPOSITS									
ICBC	IMPERIUM	A	TD	1.62%	729	13-Oct-21	1,000,000	1,000,000	
AUSWIDE BANK	IMPERIUM	BBB	TD	1.65%	731	15-Oct-21	500,000	500,000	
MACQUARIE BANK	LAMINAR	A	TD	0.70%	286	25-Oct-21	1,000,000	1,000,000	
MUTUAL BANK	MUTUAL BANK	NR	TD	0.90%	159	27-Oct-21	700,000	700,000	
AMP BANK	LAMINAR	BBB+	TD	0.75%	365	25-Nov-21	1,250,000	1,250,000	
DEFENCE BANK	CURVE	BBB	TD	0.60%	367	6-Dec-21	600,000	600,000	
AMP BANK	LAMINAR	BBB	TD	0.75%	371	8-Dec-21	550,000	550,000	
AMP BANK	LAMINAR	BBB	TD	0.75%	376	15-Dec-21	350,000	350,000	
JUDO BANK	LAMINAR	BBB	TD	0.84%	385	22-Dec-21	350,000	350,000	
JUDO BANK	LAMINAR	BBB	TD	0.85%	383	22-Dec-21	550,000	550,000	
NAB	LAMINAR	AA	TD	0.50%	386	23-Dec-21	1,000,000	1,000,000	
DEFENCE BANK	CURVE	BBB	TD	0.60%	399	5-Jan-22	1,000,000	1,000,000	
NAB	LAMINAR	AA	TD	0.50%	399	5-Jan-22	1,000,000	1,000,000	
NAB	LAMINAR	AA	TD	0.50%	413	19-Jan-22	1,000,000	1,000,000	
BANK OF SYDNEY	LAMINAR	NR	TD	0.70%	391	19-Jan-22	750,000	750,000	
MACQUARIE BANK	LAMINAR	A	TD	0.70%	385	1-Feb-22	1,000,000	1,000,000	
AUSWIDE BANK	RIM	BBB	TD	1.73%	701	2-Feb-22	1,250,000	1,250,000	
JUDO BANK	RIM	BBB	TD	0.70%	294	12-Apr-22	1,000,000	1,000,000	
DEFENCE BANK	CURVE	BBB	TD	0.65%	539	25-May-22	1,000,000	1,000,000	
DEFENCE BANK	CURVE	BBB	TD	0.65%	550	7-Jun-22	600,000	600,000	
MOVE BANK	RIM	NR	TD	0.65%	384	21-Jun-22	1,000,000	1,000,000	
MOVE BANK	RIM	NR	TD	0.65%	391	28-Jun-22	500,000	500,000	
JUDO BANK	RIM	BBB	TD	0.75%	392	19-Jul-22	1,000,000	1,000,000	
BNK BANK	RIM	NR	TD	1.02%	356	2-Aug-22	1,000,000	1,000,000	
JUDO BANK	LAMINAR	BBB	TD	0.80%	349	18-Aug-22	875,000	875,000	
BNK BANK	LAMINAR	NR	TD	0.77%	376	14-Sep-22	875,000	875,000	
JUDO BANK	LAMINAR	BBB	TD	0.80%	390	28-Sep-22	875,000	875,000	
SUB TOTAL (\$)							22,575,000	22,575,000	
TCORP CASH FUND	TCORP	AAA					2,000,000	1,999,506	
TCORP SHORT TERM INCOME FUND	TCORP	AAA					5,000,000	5,019,330	
TCORP MEDIUM TERM GROWTH FUND	TCORP	AAA					5,500,000	5,828,272	
TCORP LONG TERM GROWTH FUND	TCORP	AAA					3,000,000	3,285,678	
INVESTMENTS TOTAL (\$)							38,075,000	38,707,786	
CASH AT BANK (\$)							4,196,178	4,196,178	
TOTAL CASH AND INVESTMENTS (\$)							42,271,178	42,903,964	
CASH AT BANK INTEREST RATE				0.20%					
BBSW FOR PREVIOUS 3 MONTHS				0.02%					
AVG. INVESTMENT RATE OF RETURN ON TDs				0.82%					
TD = TERM DEPOSIT									
AC = AT CALL CASH ACCOUNT									
FRTD = FLOATING RATE TERM DEPOSIT									
*STANDARD AND POORS LONG TERM RATING									
CERTIFICATE OF RESPONSIBLE ACCOUNTING OFFICER									
I HEREBY CERTIFY THAT THE INVESTMENTS LISTED ABOVE HAVE BEEN MADE IN ACCORDANCE WITH SECTION 625 OF THE LOCAL GOVERNMENT ACT 1993, CLAUSE 212 OF THE LOCAL GOVERNMENT (GENERAL) REGULATION 2005 AND COUNCIL'S CASH INVESTMENT POLICY									
T HAZELL									



**Cash flow analysis
30/09/2021**

CASHFLOW STATEMENT

Opening Cash and Investment 1 July 2020
Closing Cash and Investment 30 September 2021
Movement in cash

YTD	Notes
44,745,940	
39,943,254	
(4,802,686)	

Movement in cash represented by:

Operating Activities

Receipts from ratepayers, customers and government authorities
Payments to suppliers & employees
Interest received
Interest paid
Total

35,968,840
(30,990,855)
91,146
(70,943)
4,998,188

Investing Activities

Receipts from sale of Infrastructure, Property, Plant & Equipment
Payments for Property, Plant & Equipment
Total

724,732
(9,924,100)
(9,199,367)

Financing Activities

Payment of loans
Receipt of new loans
Total

(601,507)
-
(601,507)

Total Cash Movement

Plus Opening Cash and Investment 1 July 2020
Closing Cash and Investment 30 September 2021

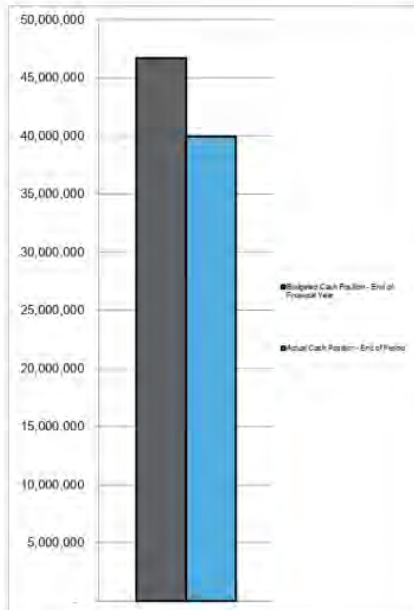
(4,802,686)
44,745,940
39,943,255

Budgeted Cash Movement for the Financial Year
Plus Opening Cash and Investment 1 July 2020
Budgeted Cash and Investment Position 30 June 2021

1,936,740
44,745,940
46,682,680

In front / (behind) on budget

(6,739,426)	1
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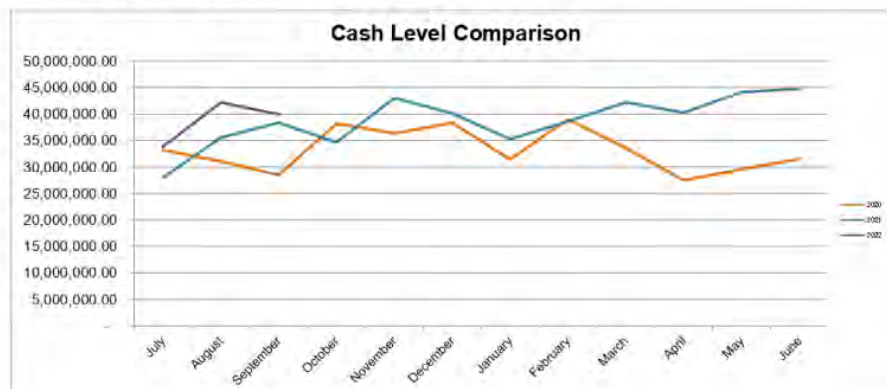


Notes

- Council's cash position is behind on the budgeted year end position predominately due to the following reason:
 - Income from holiday parks, parking fees and infringements and fines have reduced significantly due to the COVID -19 shutdown
 - Sale of commercial land is outstanding
 - Large outlays have been made in relation to capital works.

Significant future cash inflows expected in the next few months include the recently approved bank loans and 2022 operating grants.

Significant future cash outflows expected in next few months include: Tomaree sports complex amenities replacement, Stuart park clubhouse upgrade, Boyd Oval clubhouse amenities replacement, Foreshore drive upgrade, Little Beach boat ramp upgrade, Birubi Point aboriginal place tourism interchange, Mallabula park upgrades, Tomaree aquatic centre upgrades, 44B Squire St upgrades, Lakeside leisure centre upgrades, Fingal Bay amenities block, Bettles park amenities, Medow park amenities, depot rebuild and sundry plant.



ITEM NO. 5**FILE NO: 21/275727
EDRMS NO: PSC2021-02510****QUESTIONS ON NOTICE/QUESTIONS WITH NOTICE**REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE**BACKGROUND**

The purpose of this report is to provide a response to Questions taken on or with Notice in accordance with the Code of Meeting Practice.

Item:	1
Councillor:	Cr Giacomo Arnott
Date Received:	12 October 2021
Question with Notice:	Did Mayor Ryan Palmer have advance notice of the motion arising that was to be proposed regarding the airport board appointment at the 14 May 2019 Council meeting?
Response:	Council has no knowledge of whether Mayor Palmer had advance notice of the motion in question.

Item:	2
Councillor:	Cr Giacomo Arnott
Date Received:	12 October 2021
Question with Notice:	Did Mayor Ryan Palmer have a conflict of interest when he voted on a motion which would provide him personally with \$50,000 per year at the 14 May 2019 Council meeting?
Response:	The Director's fee is received directly from Newcastle Airport Pty Ltd and provided to the community through the Mayoral fund. It is a matter for elected members to declare conflicts of interest as they arise.

Item:	3
Councillor:	Cr Giacomo Arnott
Date Received:	12 October 2021
	Does Mayor Ryan Palmer receive the \$50,000 personally from the Newcastle Airport board, and then donate it to Council, thereby providing a tax benefit to him personally?

ORDINARY COUNCIL - 26 OCTOBER 2021

Response:	<p>Council does not have any knowledge on how Mayor Palmer accounts for the payment in his personal tax affairs.</p> <p>In the ordinary course of business, an individual would not receive any tax benefit in making a donation to Port Stephens Council as it is not a registered charity or hold any Deductible Gift Recipient status.</p>
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Item:	4
Councillor:	Cr Giacomo Arnott
Date Received:	12 October 2021
Question with Notice:	Does Port Stephens Council account for the \$50,000 received from Mayor Ryan Palmer in its annual financial statements as a payment or donation directly from Newcastle Airport and, if so, does that provide a tax benefit to the Airport?
Response:	<p>Port Stephens Council accounts for the payment as income being received from Mayor Palmer and not Newcastle Airport.</p> <p>Newcastle Airport accounts for the payment as Director Fees and would not receive any tax benefit.</p>

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

NOTICES OF MOTION

NOTICE OF MOTION

ITEM NO. 1

**FILE NO: 21/275244
EDRMS NO: PSC2017-00019**

PORT STEPHENS KOALAS

COUNCILLOR: KEN JORDAN

THAT COUNCIL:

- 1) Calls on the CEO and President of Port Stephens Koalas (PSK) to stand down until the investigation is undertaken.

BACKGROUND REPORT OF: WAYNE WALLIS – GENERAL MANAGER

BACKGROUND

Council entered into a partnership with Port Stephens Koalas (PSK) as part of the development of the Koala Sanctuary which opened in September 2020. PSK is a separate incorporated body that fulfils a number of functions in relation to the conservation of koalas within the Port Stephens LGA.

In relation to Council's Koala Sanctuary, PSK operates the hospital and associated care services for koalas as well as maintain a number of koalas on the premises.

Council entered into a commercial services agreement to outline how the parties cooperate in the operation of this facility. As part of this services agreement, Council contributes ongoing annual funding to PSK to provide a level of ongoing financial stability to assist in PSK meeting its obligations under the services agreement. This is a commercially binding agreement.

This arrangement is a highly cost effective way for Council to have koalas cared for and displayed at the Koala Sanctuary, which is critical to ongoing success of this business.

Following media reports, PSK have advised Council an independent and confidential investigation of allegations relating to the management of PSK and the Koala Hospital will be undertaken.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 2

**FILE NO: 21/274897
EDRMS NO: PSC2017-00019**

CARAVAN PARK COMMUNITIES

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Requests that the General Manager prepare a report answering the following questions relating to 'caravan park'/lend-lease communities such as Latitude One and Sunrise:
 - a) How do energy efficiency standards apply compared to equivalent 'normal' developments?
 - b) How do setbacks apply compared to equivalent 'normal' developments?
 - c) How does noise insulation apply compared to equivalent 'normal' developments?
 - d) How is rate income determined compared to equivalent 'normal' developments?
 - e) What is the average cost of these homes compared to equivalent 'normal' developments?
 - f) Do these communities assist with affordable housing? If so, can examples please be provided?

**BACKGROUND REPORT OF: STEVEN PEART – GROUP MANAGER
DEVELOPMENT SERVICES**

BACKGROUND

Latitude One and Sunrise developments are developments approved by Council which permit moveable dwellings to be installed on the land along with associated facilities such as clubhouses, swimming pools, bowling greens, tennis courts for the over 55's population. They provide a secure village environment for seniors and provide facilities and activities for the occupiers to enjoy.

The moveable dwellings require approval under Section 68 of the Local Government Act which provides requirements around setbacks and other matters surrounding amenity.

The rating of moveable dwellings is prescribed by the Local Government Act. The individual occupiers of the moveable dwellings generally are not subject to rates.

ORDINARY COUNCIL - 26 OCTOBER 2021

The overall landowner of the village pays the rates for the village which does result in lower rate income for Council than if the individual occupiers paid rates.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 3

**FILE NO: 21/274925
EDRMS NO: PSC2017-00019**

MEDOWIE LIBRARY

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes the strong population growth in Medowie over the last few years, and ongoing predicted growth with several residential developments in progress.
 - 2) Asks the General Manager to prepare a report on the viability of a street library or more regular visits from the mobile library to deliver library services to the growing population in Medowie.
-

**BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION
MANAGER**

BACKGROUND

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

The population of Medowie has grown. The NSW State Library People, Places Guidelines and Standards suggests 1 Branch Library for every 20,000 people and 1 Library Lounge for every 10,000 people. Based on this guideline and funding sources, it has been considered that the Raymond Terrace main branch library would continue to meet the near future population growth in Medowie. Noting that a library lounge may soon be needed in Medowie.

Until such time that the library lounge is required, the Mobile Library is a service that Council provides to the Medowie community. At present, the Mobile Library visits Medowie 5 times per fortnight making stops at Ferodale Road and Kindlebark Drive.

A street library was constructed as part of the recent Medowie 7 Day Makeover and is operating out of the park adjacent to the Medowie Community Centre.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 4****FILE NO: 21/274928
EDRMS NO: PSC2017-00019****FORD ROAD, MEDOWIE****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that there is a road deformity at approximately 3 Ford Avenue, Medowie, in the form of a sharp rise across the width of the road.
 - 2) Asks the General Manager to prepare a report on when a fix to this deformity is expected to occur.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER**BACKGROUND**

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

Ford Avenue is a sealed local access street located in the suburb of Medowie. Council is aware that a number of utility accesses have crossed this road leaving depressions / humps on the road. While the road itself could be improved for ride-ability, given the other priorities on Council's road network, this road is not scheduled in the near foreseeable future.

FINANCIAL/RESOURCE IMPLICATIONS

The inspection and assessment tasks are able to be completed at no additional expense to Council.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 5****FILE NO: 21/275090
EDRMS NO: PSC2017-00019****STURGEON STREET, RAYMOND TERRACE****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that the road in Sturgeon Street, Raymond Terrace is in a poor state.
 - 2) Asks the General Manager to prepare a report outlining when works will be conducted to repair the road and how to maintain it going into the future.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER**BACKGROUND**

Sturgeon Street is a Local Road within the recognised Raymond Terrace Town Centre. The road does change from full width seal in the business end of the street, to variable seal widths with grass shoulders adjacent to the residential area.

Sturgeon Street between Glenelg Street and Jacaranda Avenue has been submitted in Round 3 of the NSW Government's Fixing Local Roads Grant in July. No announcements have yet been made for Round 3.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 6

**FILE NO: 21/275097
EDRMS NO: PSC2017-00019**

RAYMOND TERRACE LAKESIDE PATHWAY

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes the significant number of unregistered motorbikes which travel along the Lakeside to Medowie pathway behind Raymond Terrace and Richardson Road.
 - 2) Notes that local families use this path, and should not have to face the physical danger of unregistered motorbikes when using the pathway.
 - 3) Asks the General Manager to prepare a report on ways to reduce entry points for unregistered motorbikes, and engineered solutions to prevent usage on the pathway of unregistered motorbikes.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER

BACKGROUND

The purpose of this report is to provide background information to allow consideration of the Notice of Motion

The shared pedestrian and cyclist pathway between Martens Avenue Reserve and Lakeside Leisure Centre is approximately 2.5km in length and is intended for active recreational usage.

Previous site inspections and preliminary investigations confirm that this stretch of pathway features approximately 20 access points available to motorcyclists. Many of the access points are extremely wide. Due to the width, dismount points for cyclists (and motorcycles) could be installed at these entry points, but would also need to be supplemented with steel cable barrier to be effective at a cost of at least \$5,000 per site. Dismount style treatments were also considered to be placed along the length of the pathway. Their effectiveness is predicted to be low with the adjoining bushland providing opportunity to circumnavigate the treatments.

Given motorcycles often feature similar dimension to bicycles, proposed treatments introduced to prevent motorbikes may have adverse impacts to bicyclists.

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Riding of motorbikes on footpaths is illegal with the NSW Police Force as the appropriate regulatory authority. Council staff will continue to work with the NSW Police Force on monitoring the area.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 7

**FILE NO: 21/275114
EDRMS NO: PSC2017-00019**

NELSON BAY ROAD AND GAN GAN ROAD

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Acknowledges the speed change on Nelson Bay Road near the Gan Gan Road intersection going from 60km/h to 80km/h.
 - 2) Asks Council's Traffic Committee to investigate the difficulty in judging car speeds due to acceleration when trying to turn out of Gan Gan Road and whether any speed changes or relocation of speed signs is warranted to reduce risk at this intersection.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER

BACKGROUND

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

Council has been successful in gaining a Black Spot Grant for the eastern intersection of Gan Gan Road and Nelson Bay Road. The grant is for the design stage in 2020-2021 and works in 2022-2023. The project is to improve the intersection sight distance.

Following the design stage, the project will be estimated and information be submitted under the same program for works in 2022-2023.

The initial proposed treatments will not require Local Traffic Committee review.

It should be noted that Nelson Bay Road is under the care and control of the NSW State Government and their approval will be required.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
Developer Contributions (S7.11)	No		
External Grants	Yes	\$50,000	Black Spot Grant design stage.
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 8

**FILE NO: 21/275143
EDRMS NO: PSC2017-0019**

FORESHORE RESERVES

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes the potential damage to our foreshores that unauthorised structures can cause.
 - 2) Asks the General Manager to prepare a report on existing unauthorised structures on foreshore areas, and what action Council is taking to have them removed or development approval provided.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER

BACKGROUND

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

Council owns and manages a large portfolio of land for community use. The interface between private and public land on foreshore reserves can often lead to situations where clear lines of ownership and responsibility are difficult for property owners to define.

Council recognises that some adjoining private property owners will undertake works to beautify and maintain Council's land to the mutual benefit of each party. This is not dissimilar to the mowing of a nature strip or the removal of leaf litter from kerb drainage.

In some cases these works extend beyond general maintenance and may result in private assets being placed on Council land. This can lead to a sense of ownership and pride that benefits Council and the public. In other cases, this beautification and encroachment on Council owned or managed land may have a negative impact to the community, public safety, environment and amenity of the land. The extent of the encroachment and the organisation's risk appetite determines Council's ability to accept or deny each encroachment and any further action required.

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It is important to note that retrospective development consent cannot be issued by Council. Council may only permit the encroachment to remain once matters such as structural adequacy and design have been assessed.

Council is currently preparing a Coastal Management Program (CMP) in partnership with the NSW Department of Planning, Industry and Environment (DPIE). The preparation and implementation of the CMP is legislated under the Coastal Management Act 2016 and State Environmental Planning Policy (Coastal Management) 2018.

An outcome of the CMP will be to provide clarity for foreshore landholders who share an interface with Council owned or managed land. Resources will be made available to better educate these property owners on land tenure and boundary definition, the necessary approval process required for works on both private and public land as well as best practice coastal zone maintenance activities.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 9

**FILE NO: 21/275154
EDRMS NO: PSC2017-00019**

REUSABLE NAPPIES AND MENSTRUAL PRODUCTS

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes that other Councils such as Wagga Wagga Council offer rebates to residents who use reusable nappies and menstrual products, to reduce the volume of these products reaching landfill.
- 2) Asks the General Manager to initiate discussions with Council's waste provider, to see whether they would provide a reduction in costs passed on to Council if these products could be removed from landfill, and using those savings in waste costs to provide a rebate to those purchasing reusable products.

**BACKGROUND REPORT OF: TAMMY GUTSCHE – COMMUNITY SERVICES
SECTION MANAGER**

BACKGROUND

The reusable nappy and menstrual products rebate scheme is currently being trialled across a number of Councils including Wagga Wagga and Penrith. The aim of the scheme is to take the financial pressure off families and women trying to reduce their waste footprint. Disposable nappies end up in landfill where they take up to 150 years to break down. Whilst cloth nappies require detergents and water to wash, they are a better alternative for both the environment and families' finances.

Also included in the trial are free community workshops that provide information and resources around the financial benefits of reusable cloth nappies and menstrual products, different styles of products and how to clean and maintain them.

Council's Waste Services team has commenced research into the rebate scheme as part of the 'Source separated organics collection' option identified in the implementation plan component of the draft Waste Management Strategy 2021-2031.

As benchmarking of other Councils progresses, discussions will be held with our waste service provider to look at potential savings that could be achieved, and the potential to implement within Port Stephens LGA.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 10

**FILE NO: 21/275183
EDRMS NO: PSC2017-00019**

FLYING-FOX ISSUES AT ROSS WALLBRIDGE RESERVE

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes that bats at Ross Wallbridge reserve are continuing to be a nuisance for locals in Raymond Terrace.
- 2) Requests the General Manager to prepare a report to provide an update on the flying-fox colony in Ross Wallbridge Reserve that includes:
 - An update on the current flying-fox numbers; and
 - Clarification on the flying-fox management actions in place for the reserve.

BACKGROUND REPORT OF: JANELLE GARDNER – STRATEGY & ENVIRONMENT SECTION MANAGER

BACKGROUND

Flying-fox first established a camp at Newbury Park, Raymond Terrace in summer 2011 and then later at the adjacent Ross Wallbridge reserve in 2016. Historically, the camp has been primarily occupied by the Grey-headed Flying-fox with the population varying seasonally over time in response to food resources.

The Grey-headed Flying-fox is listed as a 'vulnerable' species under both the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 and the NSW Biodiversity Conservation Act 2016. The Raymond Terrace Flying-fox camp is also recognised and protected as a 'Nationally Important Camp' under the Environmental Protection and Biodiversity Conservation Act 1999.

The number of flying-fox in the reserve varies substantially over time, particularly seasonally, in response to food resources and habitat changes. The Raymond Terrace Flying-fox Camp is located adjacent to residential areas, approximately 700 metres east of Raymond Terrace shopping district, and is a cause of conflict and community concern due to noise, smell and excrement impacts, as well as potential health risk perceptions by the community.

The Raymond Terrace Flying-fox Camp Management Plan, prepared in 2016, provides a tool to ensure appropriate management of the camp. This management plan outlines the issues of concern to the community caused by the presence of

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flying-fox and the measures that will be taken to manage the land and reduce conflict with the local community. Council also undertakes regular flying-fox population monitoring and has adopted specific processes to limit impacts on the colony during routine maintenance activities.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 11

FILE NO: 21/275209
EDRMS NO: PSC2017-00019**ROBINSON RESERVE - DOG POO BAGS****COUNCILLOR:** GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes that there are dog poo bags at Robinson Reserve Anna Bay.
 - 2) Asks the General Manager to prepare a report on whether these dispensers can be replaced with lockable dispensers and to provide a dedicated dog poo bag away from the children's playground.
-

BACKGROUND REPORT OF: TAMMY GUTSCHE – COMMUNITY SERVICES SECTION MANAGER**BACKGROUND**

In late 2020, the Waste Services team within Council took over the management of the public place cleaning functions. As part of these functions, the team is responsible for the maintenance of the dog refuse dispensers across the LGA.

Over recent months, it has been identified that a number of these refuse dispensers located within foreshore reserves have become rusty and in need of replacement. Robinson Reserve at Anna Bay has been identified as a location of concern.

Waste Services have conducted an audit into the condition and location of these bins and have initiated a replacement program. Bins have been ordered and will be ready for installation late 2021 to early 2022.

Bins at Robinson Reserve will be relocated when new bins are installed.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 12

**FILE NO: 21/275212
EDRMS NO: PSC2017-00019**

BOOMERANG PARK BBQS

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes that Boomerang Park Raymond Terrace is a beautiful, fantastic space which benefits all locals and visitors with its pathway network, recreation and exercise facilities, and natural beauty.
 - 2) Asks the General Manager to prepare a report on whether BBQ facilities are adequately provided for in Boomerang Park, and to identify opportunities to increase quality BBQ facilities for public use.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER

BACKGROUND

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

The Boomerang Park Masterplan was adopted by Council in April 2016. Since the adoption of the masterplan, a number of infrastructure improvements have been made to the park. The masterplan does identify public barbeque facilities to be co-located with the playground, skate park and exercise equipment, however, these are yet to be realised.

The existing public barbeque facility in Boomerang Park is classed as being in very poor condition and in need of relocation and upgrade. It is currently situated at the top of the hill, near the old public amenities building and water tower.

Based on other asset rehabilitation and replacement priorities, this item is not currently listed within Council's 10 year Capital Works Program. Park facilities improvements (which would include a public barbeque replacement and upgrade) are listed within the adopted Development Contributions Plan for estimated delivery in 2025. To fast track the delivery of items from Council's various infrastructure plans, staff seek to identify and secure external grant funding which may deliver these improvements ahead of time.

The cost of providing a double plate, accessible public barbeque facility, shelter and footpath works is estimated at \$35,000.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 13****FILE NO: 21/275223
EDRMS NO: PSC2017-00019****ILLEGAL DUMPING****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that illegal dumping is a major problem in our remote, forested areas close to residential parts of Port Stephens.
 - 2) Asks the General Manager to prepare a report outlining whether lowering the costs of going to the tip would reduce illegal dumping.
-

BACKGROUND REPORT OF: KATE DRINAN – DEVELOPMENT AND COMPLIANCE SECTION MANAGER**BACKGROUND**

Based on Council's 2021 Community Satisfaction Survey, respondents rated satisfaction for 'managing illegal dumping' at 70%, 4 points higher than last year.

Council is aware of illegal dumping on our land, National Parks land and State Forest land. Council has undertaken a large body of work in recent years to significantly reduce the number of incidents, volume of waste and number of specific illegal waste dumping hot spots. Council has employed a number of strategies to this affect, such as beautifying areas with tree planting, clearing, reducing vegetation that acts as a screen and the installation of physical barriers.

Through investigations into illegal dumping, the cost of tip fees is generally not what influences the offender, rather it is more about behaviour and convenience. Any reduction in tip fees would impact upon Council's budget.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 14

FILE NO: 21/275226
EDRMS NO: PSC2017-00019**AIR QUALITY MONITORING AT EXTRACTIVE INDUSTRIAL OPERATIONS****COUNCILLOR:** GIACOMO ARNOTT**THAT COUNCIL:**

- 1) Notes that there are several extractive industries in West Ward and Central Ward Port Stephens.
- 2) Notes that extractive industries are likely to cause air quality issues.
- 3) Prepare a letter to the Minister for Energy and Environment to request that:
 - Independent monitoring is undertaken at the extractive industry operations in the LGA to ensure that accurate data is provided to the community; and
 - The data be made available to Port Stephens Council to publish on its website.

BACKGROUND REPORT OF: JANELLE GARDNER – STRATEGY & ENVIRONMENT SECTION MANAGER**BACKGROUND**

A large number of extractive industries are in operation within the Port Stephens Local Government Area (LGA). These include hard rock quarries in the northern and western areas of the LGA and sand quarries along the coastline.

As extractive industries are likely to generate dust emissions during operations, the majority of operators are required, by conditions of the Environmental Protection Licences, to undertake air quality monitoring and report these annually to the Environmental Protection Authority (EPA).

Although the data provided to the EPA is not publically available, the findings and any non-compliances contained in the annual report are provided on the EPA website.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 15****FILE NO: 21/275229
EDRMS NO: PSC2017-00019****PARKING ON COUNCIL LAND****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that, across the whole Council area, cars, caravans and boats are parked on road reserves or other public spaces.
 - 2) Asks the General Manager to prepare a report on what action Council is taking to ensure that footpaths and roads are accessible and free of nuisance vehicles taking up space in this manner.
-

BACKGROUND REPORT OF: KATE DRINAN – DEVELOPMENT AND COMPLIANCE SECTION MANAGER**BACKGROUND**

Parking enforcement in our LGA is guided by the NSW Road Rules and Council's Compliance Policy. Council's Compliance Policy allows for discretion.

Discretion is often required for parking on road reserves where, for example, there are narrow streets and there is not a clearly defined kerb and gutter. Parking enforcement will be undertaken where it is considered to be a road safety issue where sight lines at intersections are blocked or unreasonably impeded, where a formed footpath is blocked or pedestrians have to reasonably move out onto the road to get around a vehicle parked on the road reserve.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 16****FILE NO: 21/275234
EDRMS NO: PSC2017-0019****IRIS MOORE RESERVE****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that there is ordinarily a plaque noting and acknowledging the Moore family at Iris Moore Reserve, Anna Bay.
 - 2) Notes that the plaque has been missing for some years now.
 - 3) Asks the General Manager to write to National Parks & Wildlife Service, asking them to replace the plaque and provide information on their maintenance schedule going forward.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER**BACKGROUND**

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

Iris Moore Reserve is located at 10 Birubi Lane, Anna Bay (Lot 7316 DP 1137185). The land is owned by the NSW Department of Premier and Cabinet and is managed by the NSW National Parks & Wildlife Service. All assets located on this reserve are the responsibility of the land manager.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION**ITEM NO. 17****FILE NO: 21/275236****EDRMS NO: PSC2017-00019****TOMAREE ROAD FOOTPATH****COUNCILLOR: GIACOMO ARNOTT**

THAT COUNCIL:

- 1) Notes that wheelchair bound residents currently have to use the road to travel along parts of Tomaree Road where there is no provided footpath.
 - 2) Asks the General Manager to provide a report outlining when a footpath will be provided for the rest of Tomaree Road.
-

BACKGROUND REPORT OF: JOHN MARETICH – ASSETS SECTION MANAGER**BACKGROUND**

The purpose of this report is to provide background information to allow consideration of the Notice of Motion.

With the recent road rehabilitation, 680m of new pathway was completed on Tomaree Road, from Rigney Street to Verona Road. This leaves 2 missing links in the pathway network on Tomaree Road; 431m from Verona Road to Messines Street and 87m from Rigney Street to Marine Drive.

Completion of the footpath on Tomaree Road is identified within the 2018 Pathways Plan. The construction of the Verona Road to Messines Street pathway is scheduled to be completed with the road rehabilitation listed in the Capital Works Program for the 2029-2030 financial year. The Rigney Street to Marine Drive missing link is currently unfunded.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		

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Source of Funds	Yes/No	Funding (\$)	Comment
External Grants	No		
Other	No		

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 18

**FILE NO: 21/275713
EDRMS NO: PSC2017-00019**

NEWCASTLE AIRPORT BOARD

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Acknowledges that at the 14 May 2019 Council meeting, Councillor Ken Jordan moved a "matter arising" at the conclusion of Mayoral Minute 1, which recommended that Mayor Ryan Palmer be appointed to the vacant positions on the Newcastle Airport Pty Ltd (NAPL) and the Greater Newcastle Aerotropolis Pty Ltd (GNAPL) Boards as the Port Stephens Council shareholder representatives.
- 2) Notes that this motion was moved without notice, and without any capacity for other Councillors to nominate for the position through a merit selection process.
- 3) Notes that Cr Giacomo Arnott moved an amendment calling for the matter to be deferred by two weeks to allow Councillors to receive a report on the proposal, as there had been no consultation or merit selection process for the position. This amendment lapsed without a seconder.
- 4) Notes that Mayor Ryan Palmer has to date failed to explain the precise arrangement for the \$50,000 a year remuneration that he is provided through this role.
- 5) Demands an explanation from Mayor Ryan Palmer prior to the 26 October 2021 Council Meeting, on the following:
 - a) Did Mayor Ryan Palmer have advance notice of the motion arising that was to be proposed?
 - b) Did Mayor Ryan Palmer have a conflict of interest when he voted on a motion which would provide him personally with \$50,000 per year?
 - c) Does Mayor Ryan Palmer receive the \$50,000 personally, and then donate it to Council, thereby providing a tax benefit to him personally?
 - d) Does Port Stephens Council account for the \$50,000 in its annual financial statements as a payment or donation directly from Newcastle Airport, and if so, does that provide a tax benefit to the Airport?
- 6) Expresses its disappointment and exasperation at Councillor Ken Jordan for moving this motion without notice on 14 May 2019, then proceeding to move a notice of motion condemning a similar arrangement at Port Stephens Koalas just over two years later.

**BACKGROUND REPORT OF: TONY WICKHAM – GOVERNANCE SECTION
MANAGER****BACKGROUND**

At its meeting of 14 May 2019 (**ATTACHMENT 1**), Council resolved to appoint Mayor Ryan Palmer to the Boards of Newcastle Airport Pty Ltd and the Greater Newcastle Aerotropolis Pty Ltd as the Port Stephens Council shareholder representatives.

In accordance with the terms of the constitution of Newcastle Airport Pty Ltd and the Greater Newcastle Aerotropolis Pty Ltd and the Newcastle Airport Partnership Deed and Greater Newcastle Aerotropolis Partnership Deed, Council as shareholder is entitled to appoint directors to the Boards with appropriate expertise and experience.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

- 1) Extract of Council Minutes 14 May 2019. [↓](#)

MINUTES ORDINARY COUNCIL - 14 MAY 2019**MAYORAL MINUTE**

ITEM NO. 1

FILE NO: 19/129410
EDRMS NO: PSC2015-01024**SUPPORT FOR RUNWAY UPGRADE PROJECT AT NEWCASTLE AIRPORT****THAT COUNCIL:**

- 1) Provide its strong support to Newcastle Airport Pty Ltd and advocacy for significant investment to deliver critical runway and airport infrastructure upgrades, to enable further expansion and economic growth for the region.

**ORDINARY COUNCIL MEETING - 14 MAY 2019
MOTION**

083	Mayor Ryan Palmer Councillor John Nell It was resolved that Council provide its strong support to Newcastle Airport Pty Ltd and advocacy for significant investment to deliver critical runway and airport infrastructure upgrades, to enable further expansion and economic growth for the region.
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Councillor Giacomo Arnott left the meeting at 6:35pm, after the item was moved.
Councillor Giacomo Arnott returned to the meeting at 6:35pm, prior to voting on the matter.

Councillor Jaimie Abbott left the meeting at 6:37pm, at which time a declaration of interest was made.

Councillor Chris Doohan left the meeting at 6:37pm, at which time a declaration of interest was made.

**ORDINARY COUNCIL MEETING - 14 MAY 2019
MATTER ARISING**

084	Councillor Ken Jordan Councillor John Nell It was resolved that: <ol style="list-style-type: none">1) Mayor Ryan Palmer be appointed to the vacant positions on the Newcastle Airport Pty Ltd (NAPL) and Greater Newcastle Aerotropolis Pty Ltd (GNAPL) Boards as the shareholder representative.
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MINUTES ORDINARY COUNCIL - 14 MAY 2019

- | | |
|--|---|
| | 2) That any remuneration received as part of these roles be returned to Mayoral Funds at Port Stephens Council. |
|--|---|

Councillor Jaimie Abbott returned to the meeting at 6:51pm, prior to voting.
Councillor Chris Doohan returned to the meeting at 6:52pm, prior to voting.

Cr Arnott recorded his vote against the motion.

**ORDINARY COUNCIL MEETING - 14 MAY 2019
AMENDMENT****Councillor Giacomo Arnott**

That the item be deferred to the next Council meeting for further information.

The amendment lapsed without a seconder.

Cr Arnott called for division, which lapsed without a seconder.

BACKGROUND

Newcastle Airport is the gateway to Port Stephens, offering domestic and now international travellers easy access to the greater Newcastle and Hunter region from many destinations across Australia and beyond. Aligned with the Greater Newcastle Future Transport Plan, Port Stephens Council recognises the strategic importance of Newcastle Airport to drive growth in tourism, exports and local economies for the future of our region.

To achieve this, upgrades to both the airfield and terminal are not only necessary but critical in providing foundational opportunities to enable the airport to grow. Currently, Newcastle Airport has a once in 15-year opportunity to seek funding for the strengthening of the existing runway to enable larger capacity aircraft to utilise Newcastle Airport.

Whilst this requires significant investment from the Federal Government, proposed runway upgrades support the 2036 Hunter Regional Plan and Greater Newcastle Metropolitan Plan. Both plans point to increasing the airport's capability to service international routes, which will, in turn, drive strong economic outcomes for our area and alleviate existing pressure on Sydney International Airport.

Economic projections point to an overall economic boost of \$12.7Bn over the next 20 years, including \$6.2Bn of regional income to visitor economy and \$6.5Bn in gross regional product through freight opportunities. This translates more than 4000

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potential new jobs for the region and \$80m in savings to Hunter region residents who will no longer need to travel to Sydney Airport.

Council will continue to advocate strongly for these crucial upgrades of Newcastle Airport, expediting critical regional drainage improvements to facilitate additional defence and airport related development within the Williamstown precinct. Council is committed to driving significant and sustained long-term social outcomes and economic benefits for the people of Port Stephens.

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 19

**FILE NO: 21/274896
EDRMS NO: PSC2017-00019**

MAYORAL DIARY

COUNCILLOR: GIACOMO ARNOTT

THAT COUNCIL:

- 1) Notes public interest in knowing who the Mayor is meeting with and being potentially influenced by.
- 2) Notes that Newcastle City Council publishes their Lord Mayor's diary on a regular basis.
- 3) Agrees that this practice would improve accountability and transparency.
- 4) Agrees to publish the Mayor of Port Stephens' diary, with information to include who the meeting was with, the platform it was held (in person, video conference etc), and the nature of the meeting, on the Port Stephens Council website by the 7th of each month, for the month prior.

**BACKGROUND REPORT OF: TONY WICKHAM – GOVERNANCE SECTION
MANAGER**

BACKGROUND

There is currently no requirement under the Local Government Act 1993, the Local Government (General) Regulation 2021 or any other legislation for the Mayor's diary to be made public.

If Council were of the mind to publish the Mayor's diary, Council would need to ensure compliance with the Privacy and Personal Information Protection Act 1998 and must not disclose personal information unless:

- 1) The disclosure relates to the purpose for which the information was collected.
- 2) Council has no reason to believe the individual/s concerned would object to the disclosure.
- 3) The individual/s concerned is reasonably likely to be aware or has been made aware, that the information of this kind is usually disclosed to another person or body.
- 4) Council believes on reasonable grounds that the disclosure is necessary to prevent or lessen a serious and imminent threat to life or health of the individual concerned or another person.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

ATTACHMENTS

Nil.