



Ordinary Council

Business Paper

date of meeting: Wednesday, 16 November 2016

location: Council Chambers
17 Burrawan Street
Port Macquarie

time: 5.30pm

Note: Council is distributing this agenda on the strict understanding that the publication and/or announcement of any material from the Paper before the meeting not be such as to presume the outcome of consideration of the matters thereon.

Community Vision

A sustainable high quality of life for all

Community Mission

Building the future together
People Place Health Education Technology

Council's Corporate Values

- ★ Sustainability
- ★ Excellence in Service Delivery
- ★ Consultation and Communication
- ★ Openness and Accountability
- ★ Community Advocacy

Council's Guiding Principles

- ★ Ensuring good governance
- ★ Looking after our people
- ★ Helping our community prosper
- ★ Looking after our environment
- ★ Planning & providing our infrastructure



**PORT MACQUARIE
HASTINGS**

How Members of the Public Can Have Their Say at Council Meetings

Council has a commitment to providing members of the public with an input into Council's decision making. The Council's Code of Meeting Practice provides two (2) avenues for members of the public to address Council on issues of interest or concern at the Ordinary Council Meeting. These are:

Addressing Council on an Agenda Item:

If the matter **is** listed in the Council Business Paper, you can request to address Council by:

- Completing the *Request to Speak on an Agenda Item at a Council Meeting*, which can be obtained from Council's Offices at Laurieton, Port Macquarie and Wauchope or by downloading it from Council's website.
- On-line at <http://www.pmhc.nsw.gov.au/About-Us/How-Council-Works/Council-Committee-Meetings/Request-to-speak-on-an-Agenda-Item>

Your request to address Council must be received by Council no later than 4:30pm on the day prior to the Council Meeting.

Council's Code of Meeting Practice sets out the following guidelines for addressing Council:

- Addresses will be limited to 5 minutes.
- If you wish any written information, drawings or photos to be distributed to the Council to support the address, two (2) copies should be provided to the Group Manager Governance & Executive Services prior to the commencement of the meeting.
- Where speakers wish to make an audio visual presentation, a copy is to be provided to the Group Manager Governance & Executive Services by 4.30pm on the day prior to the Council Meeting.
- Council will permit only two (2) speakers "Supporting" and two (2) speakers "Opposing" the *Recommendation* contained in the Business Paper. If there are more than two speakers supporting and opposing, the Mayor will request the speakers to determine who will address Council.

Addressing Council in the Public Forum:

If the matter **is not** listed in the Council Business Paper, you can request to address Council by:

- Completing the *Request to Speak in the Public Forum at Ordinary Council Meeting*, which can be obtained from Council's Offices at Laurieton, Port Macquarie and Wauchope or by downloading it from Council's website.
- On-line at <http://www.pmhc.nsw.gov.au/About-Us/How-Council-Works/Council-Committee-Meetings/Request-to-speak-in-a-Public-Forum>

Your request to address Council must be received by Council no later than 4:30pm on the day prior to the Council Meeting.

A maximum of eight (8) speakers will be heard in the Public Forum. Each speaker will be limited to 5 minutes. Council may ask questions of speakers but speakers **cannot** ask questions of Council.

Council will not determine matters raised in the Public Forum session, however may resolve to call for a further report, when appropriate.

Speakers will be allowed to address Council in the Public Forum on the same issue no more than three (3) times in each calendar year. (Representatives of incorporated community groups may be exempted from this restriction).



**PORT MACQUARIE
HASTINGS**

Ordinary Council Meeting

Wednesday 16 November 2016

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**PORT MACQUARIE
HASTINGS**

Item: 01**Subject: ACKNOWLEDGEMENT OF COUNTRY**

"I acknowledge that we are gathered on Birpai Land. I pay respect to the Birpai Elders both past and present. I also extend that respect to all other Aboriginal and Torres Strait Islander people present."

Item: 02**Subject: LOCAL GOVERNMENT PRAYER**

A Minister from the Combined Churches of Port Macquarie will be invited to deliver the Local Government Prayer.

Item: 03**Subject: APOLOGIES**

RECOMMENDATION

That the apologies received be accepted.

Item: 04**Subject: CONFIRMATION OF PREVIOUS MINUTES**

RECOMMENDATION

That the Minutes of the Ordinary Council Meeting held on 19 October 2016 be confirmed.

PRESENT**Members:**

Councillor Peter Besseling (Mayor)
Councillor Rob Turner
Councillor Michael Cusato
Councillor Sharon Griffiths
Councillor Peter Alley
Councillor Justin Levido
Councillor Geoff Hawkins
Councillor Lisa Intemann
Councillor Lee Dixon

Other Attendees:

General Manager (Craig Swift-McNair)
Acting Director of Community and Economic Growth (Liam Bulley)
Director of Corporate and Organisational Services (Rebecca Olsen)
Director of Development and Environment Services (Matt Rogers)
Director of Infrastructure and Asset Management (Jeffery Sharp)
Governance Support Officer (Bronwyn Lyon)
Acting Communication Engagement and Marketing Team Leader (Leanne Jeffery)

The meeting opened at 5:30pm.

01 WELCOME TO COUNTRY

The Mayor opened the Meeting and invited Mr Guy Jones, from the Bunyah Local Aboriginal Land Council, to deliver the Welcome to Country.

Mr Jones delivered the Welcome to Country.

The Mayor delivered an Acknowledgement of Country and welcomed all in attendance in the gallery.

02 LOCAL GOVERNMENT PRAYER

Reverend Nathan Killick from the Camden Haven Anglican Church delivered the Local Government Prayer.

03 APOLOGIES

Nil.

04 CONFIRMATION OF MINUTES

RESOLVED: Levido/Alley

That the Minutes of the Ordinary Council Meeting held on 5 October 2016 be confirmed.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

05 DISCLOSURES OF INTEREST

Councillor Levido declared a Non-Pecuniary, Significant Interest in Item 11.01 - Sale of Council Land - Part 129 Nancy Bird Walton Drive, Kew (Lot 2 DP1171190), the reason being that Councillor Levido is a partner in law firm Donovan Oates Hannaford and the firm acts for the proposed purchaser of the land.

Councillor Levido declared a Non-Pecuniary, Significant Interest in Item 12.02 - Development Contributions Assessment Policy, the reason being that Councillor Levido is a partner in law firm Donovan Oates Hannaford and the firm acts for the owner of a caravan park within the Port Macquarie-Hastings LGA and that client has caused submissions to be made with respect to the proposal relating to contributions for caravan parks set out in the report.

Councillor Cusato declared a Pecuniary Interest in Item 13.02 - Draft Biodiversity Certification Assessment and Strategy - Port Macquarie Airport and Surrounding Land - Funding Options, the reason being that Councillor Cusato is the owner of a hanger at the Port Macquarie Airport.

Mayor Besseling declared a Non-Pecuniary, Significant Interest in Item 13.02 - Draft Biodiversity Certification Assessment and Strategy - Port Macquarie Airport and Surrounding Land - Funding Options, the reason being that Mayor Besseling has a family member who owns biobanking (biodiversity) credits.

RESOLVED: Turner/Dixon

That the disclosures of interest submitted be accepted.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

06.01 MAYORAL DISCRETIONARY FUND ALLOCATIONS

RESOLVED: Besseling

That the Mayoral Discretionary Fund allocations for the period 23 September to 5 October 2016 inclusive be noted.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

07 CONFIDENTIAL CORRESPONDENCE TO ORDINARY COUNCIL MEETING

RESOLVED: Levido/Griffiths

That Council determine that the attachments to Item Numbers 13.03 and 13.07 be considered as confidential, in accordance with section 11(3) of the Local Government Act.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

08 PUBLIC FORUM

The Mayor advised of applications to address Council in the Public Forum from:

1. Mr Peter Nash regarding the Queens Lake Trail.
2. Mr Barry Gates regarding the Beach Café, North Haven, Town Beach Café and condition of Ocean Drive at Lakewood.
3. Mr Steven Martin regarding the Camden Haven Schools to Schools Pathway.
4. Mr Phillip Bowman regarding the Camden Haven's Avenue of Memorial Trees.
5. Mr Peter Johnson regarding development at Scarborough Way.
6. Mr Allen Bradford regarding the condition of Ocean Drive, Lakewood and safety rail, Laurieton Cemetery.

RESOLVED: Griffiths/Turner

That the above requests to speak in the Public Forum be acceded to.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

08.01 QUEENS LAKE TRAIL

Mr Peter Nash, representing the Creek to Creek Queens Lake Trail, addressed Council in regard to the Queens Lake Trail and answered questions from Councillors. The Mayor thanked Mr Nash for the work the volunteers are doing.

**08.02 BEACH CAFE, NORTH HAVEN AND TOWN BEACH AND
CONDITION OF OCEAN DRIVE AT LAKEWOOD**

Mr Barry Gates addressed Council in regard to the Beach Café, North Haven, Town Beach Café and condition of Ocean Drive at Lakewood.

08.03 CAMDEN HAVEN SCHOOLS TO SCHOOLS

Mr Steven Martin, representing the Camden Haven Schools to Schools Shared Pathway Group, addressed Council in regard to the Camden Haven Schools to Schools Pathway.

08.04 CAMDEN HAVEN'S AVENUE OF MEMORIAL TREES

Mr Phillip Bowman, representing the Camden Haven Historical Society Inc., addressed Council in regard to the Camden Haven's Avenue of Memorial Trees.

08.05 DEVELOPMENT AT SCARBOROUGH WAY

Mr Peter Johnson addressed Council in regard to a development at Scarborough Way.

**08.06 CONDITION OF OCEAN DRIVE, LAKEWOOD AND SAFETY
RAIL, LAURIETON CEMETERY**

Mr Allen Bradford addressed Council in regard to the condition of Ocean Drive, Lakewood and safety rail, Laurieton Cemetery.

REQUESTS TO SPEAK ON AN AGENDA ITEM

The Mayor advised of requests to speak on an agenda item, as follows:

Item 12.02 - Mr David Pensini in opposition of the recommendation.
Item 13.07 - Ms Melinda Cotter in opposition of the recommendation.
Item 13.07 - Ms Kathryn Stephen in support of the recommendation.
Item 13.07 - Mr Terrance Stafford in opposition of the recommendation.

RESOLVED: Cusato/Dixon

That the requests to speak on an agenda item be acceded to.

CARRIED: 9/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner
AGAINST: Nil

SUSPENSION OF STANDING ORDERS

RESOLVED: Alley/Hawkins

That Standing Orders be suspended to allow Items 12.02 and 13.07 to be brought forward and considered next.

CARRIED: 9/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner
AGAINST: Nil

12.02 DEVELOPMENT CONTRIBUTIONS ASSESSMENT POLICY

Councillor Levido declared a Non-Pecuniary, Significant Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 6:18pm.

Mr David Pensini, representing Stoney Park, addressed Council in opposition of the recommendation.

RESOLVED: Cusato/Turner

That Council adopt the amendments to the Development Contributions Assessment Policy as detailed in the 19 October 2016 Development Contributions Assessment Policy report and include an additional amendment that clarifies that contributions relating to caravan parks and camp sites apply only to new caravan parks and/or new sites within existing caravan parks/campgrounds.

CARRIED: 8/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann and Turner
AGAINST: Nil

Councillor Levido returned to the meeting, the time being 6:28pm.

13.07 ALTERNATE OPTIONS FOR SPORTING FIELDS

Ms Melinda Cotter, representing the Port Macquarie Junior Touch Football, addressed Council in opposition of the recommendation and answered questions from Councillors.

Ms Kathryn Stephen, representing the Rotary Club of Wauchope, addressed Council in support of the recommendation.

Mr Terrance Stafford, representing the Port Macquarie Football Club, addressed Council in opposition of the recommendation.

RESOLVED: Levido/Turner

That Council:

1. Note the attached concept plans for the development of a multiple use sports and recreational precinct located on the Oxley Highway Wauchope (Lot 52 DP 1035553, Lot 2 DP 1118155 and Lots 11 & 12 DP 855941) as a proposed alternative site to the land at Tuffins Lane.
2. Request the General Manager commence rezoning of the site to an RE1 public recreation zone.
3. Request the General Manager establish an internal advisory group to progress planning for the sports and recreational precinct on the Oxley Highway, Wauchope as the preferred alternative site to Tuffins Lane.
4. Request the General Manager to bring back a report to the 14 December 2016 Council Meeting detailing options for optimising utilisation of sporting fields in Port Macquarie for local sporting groups.
5. Include consultation with sporting groups through the planning process as appropriate for the Oxley Highway, Wauchope site and Port Macquarie sporting fields.
6.
 - (a) Note Council's latest 2016 independent valuation of the Tuffins Lane property as \$810,000.
 - (b) Note the purchase price of the Tuffins Lane property by Chase Parklands Pty Limited (which settled on 2 September 2016) as \$550,000; and
 - (c) Reject the offer of 19 September 2016 (including the conditions attached to the offer) from Chase Parklands for Council to purchase the sporting fields site at Tuffins Lane.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.01 STATUS OF REPORTS FROM COUNCIL RESOLUTIONS

RESOLVED: Intemann/Hawkins

That Council note the information in the Status of Reports from Council Resolutions report.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.02 JOINT ORGANISATIONS BOUNDARIES SUBMISSION

RESOLVED: Intemann/Griffiths

That Council:

1. Note the information in this report regarding Joint Organisations.
2. In response to a request for submissions, provide the NSW Government with a copy of Council's June 2016 submission on Joint Organisations, noting in the cover letter the sections concerning boundaries.
3. Request of the NSW Government:
 - a) Advice as to when Council might expect replies to the questions contained in its June 2016 submission.
 - b) Advice as to how the problems identified in the review of the pilot Joint Organisation program will be resolved before any further roll-out of Joint Organisations.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.03 COUNCIL MEETINGS DATES FOR 2017

RESOLVED: Levido/Dixon

That Council set the Ordinary Council Meeting dates for 2017 as the third Wednesday of each month (with the exception being no meeting scheduled in January, and an earlier meeting in December due to the proximity of Christmas) being 15 February, 15 March (Taking the Council to the Community - Wauchope), 19 April, 17 May, 21 June, 19 July, 16 August, 20 September, 18 October (Taking the Council to the Community - Laurieton), 15 November, and 13 December.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.04 DISCLOSURE OF INTEREST RETURN

RESOLVED: Hawkins/Turner

That the Disclosure of Interest return for Group Manager Economic Development be noted.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

**09.05 SIX MONTHLY DELIVERY PROGRAM 2013-2017 - PROGRESS REPORT
(JANUARY TO JUNE 2016)**

RESOLVED: Cusato/Hawkins

That the information in the Six Monthly Delivery Program 2013-2017 Progress Report (January to June 2016) be noted.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.06 MONTHLY FINANCIAL REVIEW FOR SEPTEMBER 2016

RESOLVED: Hawkins/Cusato

That Council adopt the adjustments in the "Financial and Economic Implications" section of the Monthly Financial Review Report for September 2016.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

09.07 INVESTMENTS - SEPTEMBER 2016

RESOLVED: Hawkins/Griffiths

That Council note the Investment Report for the month of September 2016.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

**09.08 GLASSHOUSE QUARTERLY REPORT & UPDATE ON STRATEGIC PLAN
RECOMMENDATIONS**

MOTION

MOVED: Hawkins/Turner

That Council:

1. Note the information provided in the Glasshouse Quarterly Report.
2. Acknowledge and applaud the sustained, focussed efforts of management and staff in delivering improved outcomes with respect to the Glasshouse Strategic Plan.

AMENDMENT

MOVED: Levido/Griffiths

That Council:

1. Note the information provided in the Glasshouse Quarterly Report.
2. Acknowledge and applaud the sustained, focussed efforts of management and staff in delivering improved outcomes with respect to the Glasshouse Strategic Plan.
3. Amend the reporting regime for the Glasshouse to six monthly reports to Council in August and February to be reviewed in September 2018.

THE AMENDMENT WAS PUT

MOVED: Levido/Griffiths

That Council:

1. Note the information provided in the Glasshouse Quarterly Report.
2. Acknowledge and applaud the sustained, focussed efforts of management and staff in delivering improved outcomes with respect to the Glasshouse Strategic Plan.
3. Amend the reporting regime for the Glasshouse to six monthly reports to Council in August and February to be reviewed in September 2018.

LOST: 3/6
FOR: Cusato, Hawkins and Levido
AGAINST: Besseling, Alley, Dixon, Griffiths, Intemann and Turner

THE MOTION WAS PUT

MOVED: Hawkins/Turner

That Council:

1. Note the information provided in the Glasshouse Quarterly Report.
2. Acknowledge and applaud the sustained, focussed efforts of management and staff in delivering improved outcomes with respect to the Glasshouse Strategic Plan.

CARRIED: 9/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner
AGAINST: Nil

**10.01 DISABILITY DISCRIMINATION ACT (1992) ACTION PLAN 2009-2018
ANNUAL REPORT**

RESOLVED: Turner/Griffiths

That Council:

1. Note the Disability Discrimination Act (1992) Action Plan 2009-2018 Annual Report.
2. Note that to comply with the NSW Disability Inclusion Act (2014) each council in NSW must have a new Disability Inclusion Action Plan (DIAP) by June 2017 which will supersede the current Disability Discrimination Act Action Plan.

CARRIED: 9/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner
AGAINST: Nil

**11.01 SALE OF COUNCIL LAND - PART 129 NANCY BIRD WALTON DRIVE,
KEW (LOT 2 DP1171190)**

Councillor Levido declared a Non-Pecuniary, Significant Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 7:25pm.

Councillor Hawkins left the meeting, the time being 7:25pm.

RESOLVED: Cusato/Turner

That Council:

1. Accept the offer from Homedale-Kew Pty Ltd of \$10,500 ex GST subject to Contract, for the purchase of a 1,683 sq.m. part of Council's land at 129 Nancy Bird Walton Drive Kew as described in this report.
2. Delegate authority to the General Manager to sign and execute the necessary documents associated with the sale of this land.
3. Place the proceeds from the sale of this land into Council's Property Reserve Fund for the purposes of future property investment.

CARRIED: 7/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Intemann and Turner

AGAINST: Nil

Councillor Levido returned to the meeting, the time being 7:26pm.

11.02 2015-2016 COMMUNITY GRANTS PROJECTS FOR ENDORSEMENT

RESOLVED: Dixon/Intemann

That Council:

1. Pursuant to provisions of Section 356 of the Local Government Act 1993, grant financial assistance from the Community Grants 2016-2017 Round 1 to:

Organisation Name	Project	Funding
General:		
St. Thomas Anglican Church	Carpet in Bell Tower	\$3,800
Port Macquarie Hastings Municipal Band	Air-conditioning	\$3,883
Mid-North Coast Maritime Museum	Cottage Refurbishment	\$885
Comboyne Tennis Club	New Coaching Equipment	\$920
Laurieton Men's Shed	Log Splitter	\$2,050
Port Macquarie Art & Craft Centre	Chemical Storage	\$4,758
Wauchope Uniting Church	Youth Activities	\$900
	Sub Total	\$17,196
Non Council Owned Halls:		
Telegraph Point Community Association		\$10,000
	Sub Total	\$10,000
Place Making:		
Herons Creek Trail Committee	Interpretation signage	\$10,000
Bago Magic Performance Group	Public performances	\$4,000

	Sub Total	\$14,000
Environmental:		
Port Macquarie Landcare	Protective Gear, Chemicals	\$10,000
Friends of Kooloonbung Creek	Protective Gear	\$5,000
	Sub Total	\$15,000
Christmas & New Years Eve:		
Long Flat Public School P&C Association	Celebration Event	\$400
Beechwood Public School P&C Association	Celebration Event	\$2,473
Lake Cathie-Bonny Hills Lions Club	Celebration Event	\$2,375
Lorne Community Hall	Celebration Event	\$1,750
Port City Church	Celebration Event	\$5,000
Wauchope Chamber of Commerce	Celebration Event	\$4,500
	Sub Total	\$16,498
	Total Allocated	\$72,694

Councillor Hawkins returned to the meeting, the time being 07:27pm.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner

AGAINST: Nil

12.01 DA2016 - 600.1 - DWELLING AND SHED INCLUDING A CLAUSE 4.6 VARIATION TO CLAUSE 4.2A (MINIMUM LOT SIZE FOR RURAL DWELLING) OF PORT MACQUARIE HASTINGS LOCAL ENVIRONMENTAL PLAN 2011 AT LOT 338 DP 754434, 107 MUSCIO ROAD, SANCROX

RESOLVED: Intemann/Turner

That DA 2016 - 600.1 for a dwelling and shed with a Clause 4.6 variation to Clause 4.2A (minimum lot size for rural dwelling) of the Port Macquarie-Hastings Local Environmental Plan 2011 at Lot 338, DP 754434, No. 107 Muscio Road, Sancrox, be determined by granting consent subject to the recommended conditions.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner

AGAINST: Nil

Item - 12.02 Development Contributions Assessment Policy - has been moved to another part of the document.

13.01 NOTICE OF MOTION - STORMWATER NETWORK

RESOLVED: Levido/Griffiths

That the General Manager provide a report to the February 2017 Ordinary Council Meeting which:

1. Quantifies the risk to Council associated with Council's stormwater network; and
2. Provides a recommended approach/strategy detailing the types of work required to appropriately address the current risk to Council associated with Council's stormwater network.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner

AGAINST: Nil

13.02 DRAFT BIODIVERSITY CERTIFICATION ASSESSMENT AND STRATEGY - PORT MACQUARIE AIRPORT AND SURROUNDING LAND - FUNDING OPTIONS

Councillor Cusato declared a Pecuniary Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 7:32pm.

Mayor Besseling declared a Non-Pecuniary, Significant Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 7:32pm.

The Mayor vacated the Chair and the Deputy Mayor assumed the Chair.

RESOLVED: Levido/Hawkins

That Council adopt Option 2 as detailed in the body of this report as the preferred funding option for the Draft Biodiversity Certification Assessment and Strategy - Port Macquarie Airport and Surrounding Land.

CARRIED: 7/0

FOR: Alley, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner

AGAINST: Nil

Councillor Cusato returned to the meeting, the time being 7:38pm.

Mayor Besseling returned to the meeting, the time being 7:38pm.

The Deputy Mayor vacated the Chair and the Mayor resumed the Chair.

13.03 THREE VILLAGES SEWER SCHEME CONSTRUCTION

RESOLVED: Levido/Besseling

That Council:

1. Delegate to the General Manager to accept the funding offer and complete the necessary documentation from Infrastructure NSW for the construction of the sewerage schemes of Long Flat, Telegraph Point and Comboyne, subject to consideration of conditions associated with the funding offer.
2. Note the project cost estimates and project timetables for the completion of the Village sewerage schemes of Long Flat, Telegraph Point and Comboyne and following receipt of tender bids and consideration of the tenders by Council, formalise project budgets.
3. Proceed to tender for the Village Sewerage Schemes of Long Flat, Telegraph Point and Comboyne.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

13.04 RACEWYN CLOSE, PORT MACQUARIE STORMWATER DRAINAGE WORKS AS MATERIAL PUBLIC BENEFIT

RESOLVED: Turner/Alley

That Council:

1. Subject to the applicant entering into a Works in Kind Agreement, approve the application to undertake works involving the construction of stormwater infrastructure at Racewyn Close Port Macquarie on the basis that the work will provide material public benefit pursuant to s94(5)(b) of the Environmental Planning and Assessment Act 1979 (as amended).
2. Delegate authority to the General Manager to execute the Works in Kind Agreement in item 1.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

13.05 QUESTION FROM PREVIOUS MEETING - PORT MACQUARIE INDOOR STADIUM UPGRADE

The Acting Director of Community and Economic Group tabled attachments for this item which were inadvertently omitted.

RESOLVED: Turner/Levido

That Council note the response to the Question from the August 2016 meeting of Council regarding the Port Macquarie Indoor Stadium Upgrade.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner

AGAINST: Nil

13.06 PORT MACQUARIE BREAKWALL COMMUNITY CONSULTATION

RESOLVED: Cusato/Hawkins

That Council:

1. Note the submissions received during exhibition for Port Macquarie Breakwall Concept Plan.
2. Continue to work with Department of Primary Industries - Lands to Develop an Implementation Plan for the project.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner

AGAINST: Nil

Item - 13.07 Alternate Options for Sporting Fields - has been moved to another part of the document.

14 QUESTIONS FOR NEXT MEETING

14.01 CAMDEN HAVEN SURF CLUB LICENCE

Question from Councillor Dixon:

Can the General Manager please provide an update of progress in regard to Camden Haven Surf Club licence?

Comments by Councillor (if provided):

Nil.

14.02 WALL RESERVE, NORTH HAVEN

Question from Councillor Dixon:

Can the General Manager please confirm its current position on Wall Reserve, North Haven?

Comments by Councillor (if provided):

Nil.

14.03 STINGRAY CREEK BRIDGE

Question from Councillor Alley:

Can the General Manager please provide a progress update on the construction of the new Stingray Creek Bridge and in particular an indication of the date that it is likely to be open to traffic.

Comments by Councillor (if provided):

Nil.

CONFIDENTIAL COMMITTEE OF THE WHOLE

RESOLVED: Levido/Turner

1. That pursuant to section 10A subsections 2 & 3 and 10B of the Local Government Act 1993 (as amended), the press and public be excluded from the proceedings of the Council in Confidential Committee of the Whole (Closed Session) on the basis that items to be considered are of a confidential nature.
2. That Council move into Confidential Committee of the Whole (Closed Session) to receive and consider the following items:

Item 15.01 T-16-09 Supply of a Truck Mounted Vacuum Excavation System

This item is considered confidential under Section 10A(2)(d(ii)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council.

Item 15.02 T-16-15 Hyndman's Creek Bridge Replacement - Supply of Pre-Stressed Concrete Deck Units

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

Item 15.03 T-16-44 Area 15 Pump Station and Sewer Rising Main

This item is considered confidential under Section 10A(2)(d(ii)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council.

3. That the resolutions made by the Council in Confidential Committee of the Whole (Closed Session) be made public as soon as practicable after the conclusion of the Closed Session and such resolutions be recorded in the Minutes of the Council Meeting.

CARRIED: 9/0

*FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner*

AGAINST: Nil

ADJOURN MEETING

The Ordinary Council Meeting adjourned at 7:54pm.

RESUME MEETING

The Ordinary Council Meeting resumed at 7:59pm.

ADOPTION OF RECOMMENDATIONS FROM THE CONFIDENTIAL COMMITTEE OF THE WHOLE

RESOLVED: Hawkins/Griffiths

That the undermentioned recommendations from Confidential Committee of the Whole (Closed Session) be adopted:

Item 15.01 T-16-09 Supply of a Truck Mounted Vacuum Excavation System

This item is considered confidential under Section 10A(2)(d(ii)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council.

RECOMMENDATION

That Council:

1. Accept the tender from Vermeer Equipment Holdings Pty Ltd for \$232,355 (excl GST) for the supply of a Truck Mounted Vacuum Excavation System.
2. Accept the Schedule of Rates from Vermeer Equipment Holdings Pty Ltd.
3. Affix the seal of Council to the necessary documents.
4. Maintain the confidentiality of the documents and considerations in respect of Tender T-16-09.

Item 15.02 T-16-15 Hyndman's Creek Bridge Replacement - Supply of Pre-Stressed Concrete Deck Units

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

RECOMMENDATION

That Council:

1. Accept the quotation from Wagners Precast of \$177,204 (exclusive of GST) for the supply and delivery of pre-stressed concrete deck units and other ancillary precast items for the Hyndman's Creek Bridge Replacement project.
2. Affix the seal of Council to the necessary documents.
3. Maintain the confidentiality of the documents and considerations in respect of Tender T-16-15.

Item 15.03 T-16-44 Area 15 Pump Station and Sewer Rising Main

This item is considered confidential under Section 10A(2)(d(ii)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council.

RECOMMENDATION

That Council:

1. Accept the tender from TCM Civil Pty Ltd for \$2,599,400 (exclusive of GST) for the Area 15 Pump Station and Sewer Rising Main.
2. Affix the seal of Council to the necessary documents.
3. Maintain the confidentiality of the documents and considerations in respect of Tender T-16-44.

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner

AGAINST: Nil

The meeting closed at 8:00pm.

.....
Peter Besseling
Mayor

Item: 05
Subject: DISCLOSURES OF INTEREST

RECOMMENDATION

That Disclosures of Interest be presented

DISCLOSURE OF INTEREST DECLARATION

Name of Meeting:
Meeting Date:
Item Number:
Subject:
.....

I, declare the following interest:

☐

Pecuniary:

Take no part in the consideration and voting and be out of sight of the meeting.

☐

Non-Pecuniary - Significant Interest:

Take no part in the consideration and voting and be out of sight of the meeting.

☐

Non-Pecuniary - Less than Significant Interest:

May participate in consideration and voting.

For the reason that:
.....

Name:

Signed: Date:

(Further explanation is provided on the next page)

Further Explanation

(Local Government Act and Code of Conduct)

A conflict of interest exists where a reasonable and informed person would perceive that a Council official could be influenced by a private interest when carrying out their public duty. Interests can be of two types: pecuniary or non-pecuniary.

All interests, whether pecuniary or non-pecuniary are required to be fully disclosed and in writing.

Pecuniary Interest

A pecuniary interest is an interest that a Council official has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the Council official. (section 442)

A Council official will also be taken to have a pecuniary interest in a matter if that Council official's spouse or de facto partner or a relative of the Council official or a partner or employer of the Council official, or a company or other body of which the Council official, or a nominee, partner or employer of the Council official is a member, has a pecuniary interest in the matter. (section 443)

The Council official must not take part in the consideration or voting on the matter and leave and be out of sight of the meeting. The Council official must not be present at, or in sight of, the meeting of the Council at any time during which the matter is being considered or discussed, or at any time during which the council is voting on any question in relation to the matter. (section 451)

Non-Pecuniary

A non-pecuniary interest is an interest that is private or personal that the Council official has that does not amount to a pecuniary interest as defined in the Act.

Non-pecuniary interests 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 a financial nature.

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

The management of a non-pecuniary interest will depend on whether or not it is significant.

Non Pecuniary – Significant Interest

As a general rule, a non-pecuniary conflict of interest will be significant where a matter does not raise a pecuniary interest, but it involves:

- (a) A relationship between a Council official and another person that is particularly close, for example, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the Council official or of the Council official's spouse, current or former spouse or partner, de facto or other person living in the same household.
- (b) Other relationships that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.
- (c) An affiliation between a Council official an organisation, sporting body, club, corporation or association that is particularly strong.

If a Council official declares a non-pecuniary significant interest it must be managed in one of two ways:

1. Remove the source of the conflict, by relinquishing or divesting the interest that creates the conflict, or reallocating the conflicting duties to another Council official.
2. Have no involvement in the matter, by taking no part in the consideration or voting on the matter and leave and be out of sight of the meeting, as if the provisions in section 451(2) apply.

Non Pecuniary – Less than Significant Interest

If a Council official has declared a non-pecuniary less than significant interest and it does not require further action, they must provide an explanation of why they consider that the conflict does not require further action in the circumstances.

SPECIAL DISCLOSURE OF PECUNIARY INTEREST DECLARATION

By <i>[insert full name of councillor]</i>	
In the matter of <i>[insert name of environmental planning instrument]</i>	
Which is to be considered at a meeting of the <i>[insert name of meeting]</i>	
Held on <i>[insert date of meeting]</i>	
PECUNIARY INTEREST	
Address of land in which councillor or an associated person, company or body has a proprietary interest (<i>the identified land</i>)	
Relationship of identified land to councillor <i>[Tick or cross one box.]</i>	<input type="checkbox"/> Councillor has interest in the land (e.g. is owner or has other interest arising out of a mortgage, lease trust, option or contract, or otherwise). <input type="checkbox"/> Associated person of councillor has interest in the land. <input type="checkbox"/> Associated company or body of councillor has interest in the land.
MATTER GIVING RISE TO PECUNIARY INTEREST	
Nature of land that is subject to a change in zone/planning control by proposed LEP (<i>the subject land</i>) ⁱⁱⁱ <i>[Tick or cross one box]</i>	<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 <i>[Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]</i>	
Proposed change of zone/planning control <i>[Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]</i>	
Effect of proposed change of zone/planning control on councillor <i>[Tick or cross one box]</i>	<input type="checkbox"/> Appreciable financial gain. <input type="checkbox"/> Appreciable financial loss.

Councillor's Name:

Councillor's Signature: **Date:**

Important Information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under sections 451 (4) and (5) of the *Local Government Act 1993*. You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints made about contraventions of these requirements may be referred by the Director-General to the Local Government Pecuniary Interest and Disciplinary Tribunal.

This form must be completed by you before the commencement of the council or council committee meeting in respect of 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.

-
- i. Section **443** (1) of the *Local Government Act 1993* provides that you may have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative^{iv} or because your business partner or employer has a pecuniary interest. You may 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.
- ii. Section **442** of the *Local Government Act 1993* 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 section **448** of that Act (for example, an interest as an elector or as a ratepayer or person liable to pay a charge).
- iii. 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 section **443** (1) (b) or (c) of the *Local Government Act 1993* has a proprietary interest—see section **448** (g) (ii) of the *Local Government Act 1993*.
- iv. **Relative** is defined by the *Local Government Act 1993* 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.

Item: 06.01

**Subject: MAYORAL MINUTE - MAYORAL DISCRETIONARY FUND
ALLOCATIONS**

Mayor, Peter Besseling

RECOMMENDATION

That the Mayoral Discretionary Fund allocations for the period 6 October to 2 November 2016 inclusive be noted.

Discussion

Mayoral Discretionary Fund Allocations

The total commitment from the Mayoral Discretionary Fund from 6 October to 2 November 2016 inclusive was \$1,000.00.

This included the following:

Donation to Light It Red Dyslexia	\$300.00
Donation to Guide Dogs Australia on behalf of Centenarian Nance Burke	\$100.00
Donation to School of Hard Knocks	\$600.00
	<hr/>
	\$1,000.00

Attachments

Nil

Item: 07

Subject: **CONFIDENTIAL CORRESPONDENCE TO ORDINARY COUNCIL MEETING**

Presented by: General Manager, Craig Swift-McNair

Alignment with Delivery Program

1.4.3 Build trust and improve Council's public reputation through transparency and accountability

RECOMMENDATION

That Council determine that the attachment to Item Numbers 9.07 and 11.02 be considered as confidential, in accordance with Section 11(3) of the Local Government Act.

Discussion

The following confidential attachments have been submitted to the Ordinary Council Meeting:

Item No:	9.07
Subject:	Quarterly Budget Review Statement
Attachment Description:	Confidential 2016-2017 September Quarterly Budget Review Statement - Consultancy Engagements
Confidential Reason:	<i>Relates to information that If disclosed, would confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct business. Local Government Act 1993 - Section 10A(2)(c).</i>

Item No:	11.02
Subject:	Port Macquarie Airport Terminal Building Upgrade
Attachment Description:	Confidential Restart NSW Funding Deed - Port Macquarie Airport Terminal Building Upgrade
Confidential Reason:	<i>Relates to financial information (Project Cost Plan) that may prejudice the commercial position of Council in future tendering negotiations with potential consultants / contractors. Local Government Act 1993 - Section 10A(2)(c).</i>

Item: 08**Subject: PUBLIC FORUM**

Residents are able to address Council in the Public Forum of the Ordinary Council Meeting on any Council-related matter not listed on the agenda.

A maximum of eight speakers can address any one Council Meeting Public Forum and each speaker will be given a maximum of five minutes to address Council. Council may wish to ask questions following an address, but a speaker cannot ask questions of Council.

Once an address in the Public Forum has been completed, the speaker is free to leave the chambers quietly.

If you wish to address Council in the Public Forum, you must apply to address that meeting **no later than 4.30pm on the day prior to the meeting** by completing the 'Request to Speak in Public Forum at Ordinary Council Meeting Form'. This form is available at Council's offices or online at www.pmhc.nsw.gov.au.

Ensuring Good Governance

What are we trying to achieve?

A collaborative community that works together and recognises opportunities for community participation in decision making that is defined as ethically, socially and environmentally responsible.

What will the result be?

- A community that has the opportunity to be involved in decision making.
- Open, easy, meaningful, regular and diverse communication between the community and decision makers.
- Partnerships and collaborative projects, that meet the community's expectations needs and challenges.
- Knowledgeable, skilled and connected community leaders.
- Strong corporate management that is transparent.

How do we get there?

- 1.1 Engage the community in decision making by using varied communication channels that are relevant to residents.
- 1.2 Create professional development opportunities and networks to support future community leaders.
- 1.3 Create strong partnerships between all levels of government and their agencies so that they are effective advocates for the community.
- 1.4 Demonstrate conscientious and receptive civic leadership.
- 1.5 Implement innovative, fact based business practices.

Ensuring Good Governance

Item: 09.01

Subject: STATUS OF REPORTS FROM COUNCIL RESOLUTIONS

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.3 Build trust and improve Council's public reputation through transparency and accountability.

RECOMMENDATION

That Council note the information in the Status of Reports from Council Resolutions report.

Discussion

Report	Status	Reporting Officer	Original Anticipated Date for Report	Current Anticipated Date for Report
Payment of Expenses and Provision of Facilities to Councillors Policy (Item 09.11 - OC 10/08/16)		DCOS		Nov 2016
Committee Review - articulate recommendations to ensure ongoing effectiveness of Committees. (Item 09.05 - OC 20/04/16)		DCOS		Nov 2016
QFPM - Camden Haven Surf Club License (Item 14.01 - OC 19/10/16)		DCEG		Nov 2016
QFPM - Wall Reserve, North Haven (Item 14.02 - OC 19/10/16)		DCEG		Nov 2016
QFPM - Stingray Creek Bridge (Item 14.03 - OC 19/10/16)		INFRA		Nov 2016
Acquisition of Land - 33 Commerce Street, Wauchope. (Item 15.07 - OC 20/07/16)		DCOS		Dec 2016
2016 Tastings on Hastings Event (Item 11.01 - OC 15/06/16)		DCEG		Dec 2016

Ensuring Good Governance

Report	Status	Reporting Officer	Original Anticipated Date for Report	Current Anticipated Date for Report
Land Development Approvals Process Review (Item 09.01 - OC 15/06/16)		GM		Dec 2016
Water Fluoridation - request for detailed information on studies and programs. (Item 10.01 - OC 15/07/15)	Awaiting further information from NSW Health.	DIAM	Nov 2016	Dec 2016
Draft Yippin Creek Structure Plan - submission following exhibition. (Item 13.06 - OC 15/06/16)	Issues raised during exhibition necessitate further consideration of aspects of the draft Plan.	DDES	Oct 2016	Dec 2016
Sporting Fields - options for optimising utilisation of sporting fields in Port Macquarie for local sporting groups (Item 13.07 - OC 19/10/16)		DCEG		Dec 2016
Impact of Road Openings and Closures on Private Property (Item 12.03 - OC 18/09/13)	To be included in overall review of roads policies. Information still being sought.	DIAM	Mar 2015	Feb 2017
Performance Measurement Framework (Item 09.07 - OC 05/10/16)		DCOS		Feb 2017
Stormwater Network (Item 13.01 - OC 19/10/16)		DIAM		Feb 2017
Sancrox Employment Land Environmental Lands and Services Planning Agreement - post public exhibition. (Item 12.04 - OC 10/08/16)		DDES		Feb 2017
Draft Structure Plan for the Greater Sancrox Area - consideration/investigations of potential urban capability/serviceability / capacity of lands between Oxley Highway to north, Pacific Highway to west and Houston Mitchell Drive to south and viability of rural residential development in the Greater Sancrox area. (Item 13.07 - OC 18/02/15)	Delayed to align with UGMS report.	DDES	Dec 2016	Mar 2017

Ensuring Good Governance

Report	Status	Reporting Officer	Original Anticipated Date for Report	Current Anticipated Date for Report
Planning Controls for Short Term Rental Accommodation Report on findings and recommendations arising from the Inquiry ' <i>Adequacy of the regulation of short-term holiday letting in NSW</i> '. (Item 13.07 - OC 16/03/16)		DDES		Mar 2017
Planning Proposal for Residential Infill and Environmental Purposes - Lincoln Road, Castle Court and Marian Drive, Port Macquarie - post exhibition (Item 13.08 - OC 20/07/16)	In negotiations with proponent regarding zone and off-set outcomes	DDES	Oct 2016	Mar 2017
Cultural Plan 2016-2019 - Progress Report. (Item 10.03 - OC 10/08/16)		DCEG		April 2017
Draft Biodiversity Certification Assessment and Strategy - Port Macquarie Airport and Surrounding Land - viability and implications of the options for securing the required Blackbutt Tallowood dry grassy open forest and Koala habitat credits, prior to the clearing that creates the demand for those credits. (Item 12.01 - OC 10/08/16)		DDES		TBA

Cyclic Reports

Report	Reporting Officer	Reporting Cycle
Monthly Financial Update	DCOS	Monthly
Investments	DCOS	Monthly
Mayoral Discretionary Fund Allocations	GM	Monthly
Development Activity and Assessment System Performance	DDES	Quarterly (May, Aug, Nov, Feb)
Glasshouse Quarterly Report	DCOS	Quarterly (July, Oct, Feb, Apr)
Delivery Program - Progress Report	DCEG	Biannual (Mar, Sept)

Ensuring Good Governance

Report	Reporting Officer	Reporting Cycle
Operational Plan - Progress Report	DCEG	Biannual (May, Oct)
Economic Development Strategy - Progress Report (Item 10.03 - ORD 20/11/2013)	DCEG	Biannual (June, Dec)
Mayoral and Councillor Fees (Setting of)	GM	Annually (June)
MIDROC Strategic Plan 2013-2017 Outcomes (Item 08.03 - ORD 21/08/2013)	GM	Annually (July)
Council Policy - Status Report	DCOS	Annually (July)
Annual Report of the Activities of the Mayor's Sporting Fund	DCEG	Annually (Aug)
Compliments and Complaints Annual Report	DCEG	Annually (Sep)
Council Meeting Dates	GM	Annually (Sept)
Creation of Office - Deputy Mayor	GM	Annually (Sept)
Payment of Expenses and Provision of Facilities to Councillors Policy for Exhibition	DCOS	Annually (Sept)
Audit Committee Annual Report	DCOS	Annually (Sept)
Annual Report of Disability Discrimination Act Action Plan	DCEG	Annually (Sep)
Annual Disclosure of Interest Returns	GM	Annually (Oct)
Payment of Expenses and Provision of Facilities to Councillors Policy for Adoption	DCOS	Annually (Nov)
Council's Annual Report	DCEG	Annually (Nov)
Update Report - Impact of cost shifting for the previous financial year including any additional categories of cost-shifting that have been identified (Item 09.04 - OC 21/10/15)	DCOS	Annually (Nov)

Attachments

Nil

Ensuring Good Governance

Item: 09.02

Subject: 2016 LOCAL GOVERNMENT NSW ANNUAL CONFERENCE

Presented by: General Manager, Craig Swift-McNair

Alignment with Delivery Program

1.4.3 Build trust and improve Council's public reputation through transparency and accountability.

RECOMMENDATION

That Council note the information contained in the 2016 Local Government NSW Annual Conference report.

Executive Summary

The 2016 Local Government NSW (LGNSW) Annual Conference was held in Wollongong from 16 to 18 October 2016. Mayor Peter Besseling, Councillors Mike Cusato and Peter Alley and the General Manager attended.

The purpose of this report is to provide an overview of the conference.

Discussion

At the Ordinary Council Meeting held on 5 October 2016, Council resolved the following:

RESOLVED: Turner/Dixon

That Council:

- 1. Note that accommodation bookings and draft registrations for three Councillors and the General Manager to attend the Local Government NSW Annual Conference to be held in Wollongong from 16 to 18 October 2016 were made in late July 2016.*
- 2. Endorse attendance at the Local Government NSW Annual Conference of Mayor Peter Besseling, Councillor Peter Alley, Councillor Mike Cusato and the General Manager.*
- 3. Note that Mayor Peter Besseling, Councillor Peter Alley and Councillor Mike Cusato will be Council's voting delegates on motions at the Local Government NSW Annual Conference.*

CARRIED: 9/0
FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Turner
AGAINST: Nil

Ensuring Good Governance

In line with the above Council resolutions, Mayor Peter Besseling, Councillors Mike Cusato and Peter Alley and the General Manager attended the annual LGNSW conference on 16 to 18 October 2016 in Wollongong.

The conference is the annual policy making event for all Councils of NSW and NSW Aboriginal Land Councils. LGNSW refer to this as being the pre-eminent event of the local government year where local Councillors come together to share ideas and debate issues that shape the way we are governed. The full conference program is attached to this report for interest.

The conference was held over two and a half days, with formal conference business commencing on Monday 17 October 2016. The General Manager attended a General Managers briefing from LGNSW on the afternoon of Sunday 16 October 2016. This briefing provided an update on recent changes to the Local Government Act, as well as proposed changes to the Local Government (State) Award 2017.

Monday 17 October saw some fifty-two (52) motions debated on the floor of the conference across a range of issues. As per the Council resolution of 5 October 2016 detailed above, Mayor Peter Besseling, Councillors Mike Cusato and Peter Alley were Council's voting delegates for this part of the conference.

The Hon Mike Baird MP, Premier of New South Wales, addressed the conference on Monday 17 October and spoke about local government reform and the amalgamation process, including some of the savings that recently merged Councils were already realising. The Premier then took a range of questions from the floor.

Tuesday 18 October saw a range of key notes speakers including The Hon Paul Toole MP, Minister for Local Government; The Hon John Ajaka MLC, Minister for Ageing, Disability Services and Multiculturalism and The Hon Peter Primrose MLC, Shadow Minister for Local Government, plus a range of local government speakers.

Minister Toole spoke at length about the local government reform process and took questions from the floor and remained at the conference for the day to mingle with Mayors, Councillors and senior Council staff. Mayor Peter Besseling and Councillor Mike Cusato spent time discussing issues such as Joint Organisations with Minister Toole throughout the day.

One of the most engaging keynote speakers of the conference was Peter McKinlay, Executive Director of McKinlay Douglas Ltd. McKinlay Douglas are a consultancy firm that specialise in public policy issues as well as strategy and governance. The presentation was titled *Rethinking the role of Local Government* and it covered a range of issues including what is happening to local government in places like England, Wales and New Zealand and what some of the pressures for change have been. A copy of this presentation is attached to this report for information.

One of the key points made in the presentation was around the wide and differing views that exist around what the place of local government is and who should set its objectives, ie. higher tiers of government, local government itself or its communities. According to Mr McKinlay, if governments including local government cannot adapt to changing requirements, then societies will be unable to cope with the challenges the world is now facing; with his belief being that change will need to be led by local government.

Ensuring Good Governance

According to Mr McKinlay, higher tiers of government need a shift from a belief in their omnipotence to recognising the real limits of their capability and competence to deal with the world they are now in. Further, for local government, the role of elected members from being the governing body of the Council to the chosen leaders of the community itself is also a change that is required.

Mr McKinlay stated that the preoccupation with Council amalgamations has held back change and that the premise of amalgamating Councils to achieve efficiency has largely been discredited. This goes to the heart of one of the issues raised by Mr McKinlay around the fact that higher tiers of government are able to impose change at their will and that there is a fundamental gap between local government (its communities) and higher tiers of government. Mr McKinlay also holds the view that public services will be increasingly place-based, collaborative and drawing strongly on community support of both a tangible and an intangible nature.

The main purpose in including some of the presentation extracts as detailed above in this report is that the comments regarding local government as being the level of government best suited to drive change at a local level are particularly relevant now as regional and some rural Councils in NSW move towards the establishment of regional Joint Organisations, as determined by the NSW Government.

Port Macquarie-Hastings Council's position on Joint Organisations is well documented and was the subject of a report to the recent Council Meeting on 19 October 2016. The premise of Joint Organisations is that Councils need to think and work more regionally, however as detailed in various submissions by this Council to the NSW Government on Joint Organisations, the push and pull between regional demands and those demands from local communities have not yet been addressed in a satisfactory manner.

It is acknowledged that Mr McKinlay's view is but one view only of the role of local government, however it was considered to have particular relevance to the current local government reform program, hence its inclusion in this report,

The conference ended with the formal dinner on Tuesday 18 October. A range of presentations and awards were announced throughout the evening, including the A.R. Bluett Memorial Award. The A.R. Bluett Memorial award is contested each year by Councils in NSW who would like to be recognised as being the most progressive in the state and looks at all aspects of Councils operation. Entry is open to all NSW councils irrespective of size or resources. There are two categories of the award, being city / metropolitan / major regional Councils and rural & country Councils.

Port Macquarie-Hastings Council lodged a submission to this award for the 2015-2016 financial year in the category of city / metropolitan/ regional, having previously won the award in 1992. Pleasingly Council was shortlisted as a finalist for the award and the three judges visited Council in early October as part of their judging process.

Unfortunately Port Macquarie-Hastings Council did not win the award for 2016; however to be shortlisted as a finalist was an excellent result on our first attempt in around twenty five years to win the award. The judges were particularly impressed with our progress over the past several years, hence Council being shortlisted as a finalist. Congratulations go to the winners of the 2016 A.R. Bluett Memorial award,

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being Albury City Council and Parkes Shire Council. It is our intention to apply for the A.R. Bluett Memorial award again in 2017 as a way of acknowledging the ongoing improvements taking place across the organisation. A copy of the Port Macquarie-Hastings Council A.R. Bluett Memorial award submission is attached to this report for information.

The LGNSW annual conference for 2017 will be held in early December 2017 in Sydney and a report will be tabled at a future meeting of Council with regard to attendance at that conference.

Options

This report is for information and noting only.

Community Engagement & Internal Consultation

There has been no internal or external consultation in the development of this report.

Planning & Policy Implications

There are no planning and policy implications in relation to this report.

Financial & Economic Implications

There are no financial and economic implications in relation to this report.

Attachments

- 1 [View](#). Council Report - 2016 Local Government NSW Annual Conference - 5 October 2016
- 2 [View](#). Presentation - Peter McKinlay - Rethinking the role of local government
- 3 [View](#). LGNSW Annual Conference Program Brochure 2016.pdf
- 4 [View](#). A R Bluett Memorial Award - PMHC Submission.pdf

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Item: 09.03

Subject: COUNCIL STEERING GROUP APPOINTMENTS

Presented by: General Manager, Craig Swift-McNair

Alignment with Delivery Program

1.1.1 Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive.

RECOMMENDATION

That Council:

- 1. Appoint the Chair of the Major Projects Portfolio as the Councillor representative on the following Steering Groups:**
 - **Stingray Creek Bridge Replacement Project Steering Group;**
 - **Ocean Drive Duplication Steering Group;**
 - **Port Macquarie Indoor Stadium Expansion Steering Group;**
 - **Village Sewerage Scheme Steering Group.**
- 2. Request the General Manager table a report at the 14 December 2016 Council meeting detailing suggested amendments to the Steering Group Charters to provide greater consistency across of operation across each of the Steering Groups.**

Executive Summary

The establishment of Steering Groups for key projects was a major feature and initiative of the 2012-2016 term of Council.

With the recent September 2016 Local Government election and the requirement for Council to reappoint Councillors to Steering Groups and Committees etc, this report deals with the appointment of Councillor representatives to the various Steering Groups that have been set up around several key major projects. These Steering Groups are:

- Stingray Creek Bridge Replacement Project Steering Group;
- Ocean Drive Duplication Steering Group;
- Port Macquarie Indoor Stadium Expansion Steering Group;
- Village Sewerage Scheme Steering Group.

Discussion

As stated above, the establishment of Steering Groups for key projects was a major feature and initiative of the 2012-2016 term of Council.

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The Steering Groups have provided additional rigour around major projects of importance to Council and the community and have provided for sound interaction between Councillors and staff on these projects. The Steering Groups are held in high regard by staff and Councillors alike, noting that Steering Groups have a limited life in line with the life of the projects they have been set up for.

Following the September 2016 Local Government elections, it is appropriate for Council to now appoint a Councillor representative to each of the Steering Groups. As was the case in the previous term of Council, this report is recommending that the Councillor Chair of the Major Projects Portfolio be appointed to each of the Steering Groups as listed in this report.

It is also appropriate at this time to undertake a review of the various Steering Group Charters to:

- Ensure that each Steering Group Charter is consistent with one another;
- Amend some of the provisions of the Steering Groups for improved governance;
- Include some new clauses in the Charters around interaction with the media and direction of staff.

As per the recommendation included in this report, a further report on proposed amendments to the Steering Group Charters will be tabled at the 14 December 2016 Council meeting, if Council is of a mind to adopt that staff recommendation.

Options

Council has the option of appointing the Councillor representative to the Steering Groups as recommended in this report or not appointing same, however another Councillor representative will be required to be appointed to the Steering Groups.

Community Engagement & Internal Consultation

There has been no external engagement in relation to this report.

The following people have been engaged internally:

- General Manager;
- Directors;
- Group Manager Governance and Executive Services.

Planning & Policy Implications

There are no planning and policy implications in relation to this report.

Financial & Economic Implications

There are no financial and economic implications in relation to this report.

Attachments

Nil

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Item: 09.04

Subject: COUNCILLOR MEMBERSHIP TO COMMITTEES, GROUPS AND BOARDS

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.1.1 Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive.

RECOMMENDATION

That Council:

- 1. Appoint appropriate Councillor representation to the following currently established Committees, Groups and Boards:**

Committee / Steering Group	Councillor Representation
Airport Advisory Group	2 x Councillors
Arts Mid North Coast Board	1 x Councillor
Audit, Risk & Improvement Committee	2 x Councillors
Australia Day Sub-Committee	1 x Councillor
Coast, Estuaries & Floodplain Sub-Committee	2 x Councillors
Local Traffic Committee / Local Development Committee (Traffic)	Mayor
Mayor's Sporting Fund Sub-Committee	Mayor
Port Macquarie-Handa Sister City Sub-Committee	2 x Councillors
Port Macquarie-Hastings Access Sub-Committee	1 x Councillor
Port Macquarie-Hastings Economic Development Steering Group	2 x Councillors
Port Macquarie-Hastings Youth Advisory Committee	1 x Councillor
Town Centre Master Plan Sub-Committee	1 x Councillor

- 2. Request the General Manager table a report at the 15 February 2017 Council meeting providing a review and future options for the Heritage, Arts and Cultural Priorities Advisory Group and the Aboriginal Advisory Committee.**
- 3. Dissolve the Glasshouse Sub-Committee and request that the General Manager thank in writing, each of the independent members of the Sub-**

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Committee for their support and contributions.

4. Request the General Manager undertake a review of the Town Centre Master Plan Sub Committee Charter, with a report to be tabled at the 14 December 2016 Council Meeting.
5. Request the General Manager undertake a review of the Audit, Risk and Improvement Committee Charter to ensure alignment with recent legislation, with a report to be tabled at the 15 March 2017 Council Meeting.
6. Request the General Manager undertake a review of the Airport Advisory Group Charter, with a report to be tabled at the 14 December 2016 Council Meeting.
7. Request the General Manager undertake a review of the following Committees in an effort to achieve a more streamlined approach to such civic event committees, with a report to be tabled at the 15 February 2017 Council meeting:
 - Australia Day Sub-Committee;
 - Mayor's Sporting Fund;
 - Port Macquarie-Handa Sister City Sub-Committee.

Executive Summary

With the election of the new Council at the September 2016 Local Government elections, it is now appropriate to appoint where required, Councillor representation on established committees, groups and boards.

In line with this, a review has been undertaken of Council's current Committees, with a number of amendments proposed as outlined in this report.

Discussion

Council has a number of established Committees and special purpose Committees. It is appropriate following the recent September 2016 Local Government election to appoint Councillor representation as required.

Following is some brief information around each of the Committees, Groups, Boards that require the appointment of one or more Councillors:

Audit, Risk and Improvement Committee

Function: The objective of the Audit, Risk and Improvement Committee is to provide independent assurance and assistance to the Port Macquarie-Hastings Council on risk management, control, governance, and external accountability responsibilities.

Please note that as per the recent Local Government Amendment (Governance and Planning) Bill 2016 (NSW), there is a requirement that all Councils in NSW to appoint an Audit, Risk and Improvement Committee within 6 months of the next Council election i.e. September 2020. Whilst this requirement has not yet been proclaimed, it is anticipated that this will take place in late 2016 or early 2017.

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As Council has had an Audit, Risk and Improvement Committee for many years, it is proposed that this committee continue, however with a slightly revised name to align with the new legislation, with this name being the Audit, Risk and Improvement Committee.

A further report will be tabled at a future meeting of Council to propose changes to the Charter of the Audit, Risk and Improvement Committee to align with the new legislation

Airport Advisory Group

Function: The objective of the Airport Advisory Group is to provide independent external strategic advice to Council in relation to issues as identified in the Port Macquarie Airport Master Plan.

Arts Mid North Coast Board

Function: Arts Mid North Coast offers a diverse and extensive range of services to the Arts and Cultural Communities of the Mid North Coast.

Australia Day Sub-Committee

Function:

1. To stimulate a public awareness and recognition of Australia Day.
2. To receive and consider nominations for Australia Day Awards and determine recipients of such Awards.

Coast, Estuary and Floodplain Advisory Sub-Committee

Function:

1. Advise Council on conditions and management issues in the Hastings, Camden Haven and Lake Cathie/Lake Innes estuaries.
2. Advise Council on the implementation of the Hastings, Camden Haven and Lake Cathie/Lake Innes Estuary Management Plans.
3. Advise Council on conditions and management issues in the coastline (as described in the NSW Coastal Policy) within the LGA.
4. Act as a committee as set out in the NSW Estuary and NSW Coastline Management Manuals.

Local Traffic Committee / Local Development Committee

Function:

1. To advise Council on traffic control matters that have been referred to Council.
2. To ensure matters referred to the Committee meets current technical guidelines.
3. To ensure matters referred to the Committee for which Council has delegated authority are voted upon.

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Mayor's Sporting Fund Sub-Committee

Function:

1. To generate financial support for talented local athletes to reach Regional, State or National representative levels.
2. To raise the profile of the Fund to enable talented youth to apply for funds and be assessed and allocated support, as deemed fit, based on the criteria set.

Port Macquarie-Handa Sister City Sub-Committee

Function: To further and implement the ideals of the relationship established in the document signed 9 May 1990.

Port Macquarie-Hastings Access Sub-Committee

Function:

1. To provide advice and recommendations to Council on strengthening accessibility to all public areas and public buildings within the Hastings LGA.
2. To develop projects that will improve physical access for people with a disability living in the Port Macquarie Hastings LGA.
3. To oversee the implementation and monitoring of projects designed to meet the Disability Discrimination Act requirements in the relevant Council planning documents:
 - Delivery Program.
 - Operational Plan.
 - PMHC Disability Discrimination Act Action Plan 2008 2018.
 - Other relevant documents.
4. To determine funding for upgrades in line with the 'Guidelines for Prioritising Access Funding.

Port Macquarie- Hastings Economic Development Steering Group

Function:

1. To assist Council in the implementation and review of the Economic Development Strategy.
2. To assist Council in monitoring the success of the Economic Development Strategy against established criteria.
3. To engage with and provide input to Council on other economic development matters which are relevant to the Local Government Area.
4. To provide and receive two-way feedback from business and industry.

Port Macquarie-Hastings Youth Advisory Committee

Function: The role of the Youth Advisory Council is to represent local young people and raise issues that are important to them, both locally and State-wide. The Youth Advisory Council also works to create, promote and encourage activities for young people living in the Hastings.

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Town Centre Master Plan Sub-Committee

Function: To advise Council on projects and issues which support and affect the continued development of the Port Macquarie Town Centre using funding from the Town Centre Master Plan Reserve.

Glasshouse Sub-Committee

As per the recommendation included in this report, Council staff are recommending that the Glasshouse Sub Committee be dissolved.

The Glasshouse Sub-Committee Charter was adopted by Council on 18 December 2013. The short-term objectives of this Committee were achieved shortly within their term and the ongoing objectives of the Committee were as follows:

- Monitor and measure the implementation of the adopted Glasshouse Strategic Business Plan through performance measures agreed upon and included in the business plan.
- Make recommendations to Council that would identify new opportunities and continuously improve the ongoing operations, social and economic benefits to council and the community and overall sustainability of the Glasshouse.
- Proactively engage with other relevant Councillor Portfolios, industry and community groups and relevant specialist consultants where required.

The initial term of the Glasshouse Sub-Committee was for a period of twenty four (24) months. At a review undertaken in December 2015, the term was extended to December 2016.

The Glasshouse Sub-Committee Charter notes that *"A review will take place in conjunction with a broader review of Council Committee's following the next Local Government elections, currently scheduled for September 2016"*. The outcomes of this review are the subject (and recommendations) of this report. If the Glasshouse Sub-Committee is dissolved, it is proposed that ongoing performance of the Glasshouse will continue to be monitored by management and the relevant Councillor Portfolio as per other business units of Council.

Options

Council has the option of determining appropriate Councillor representation on the Committees, Groups and Boards as detailed in this report and to give consideration to the other recommendations as included in the report.

Community Engagement & Internal Consultation

There has been no community engagement in relation to this report. Internal consultation has taken place with the following:

- General Manager;
- Directors;
- Group Managers.

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Planning & Policy Implications

There are no planning and policy implications in relation to this report.

Financial & Economic Implications

There are no financial and economic implications in relation to this report.

Attachments

Nil

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Item: 09.05

Subject: PROJECT MANAGEMENT

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.5.3 Ensure ratepayer value for money through continuous improvement in quality, effectiveness and efficiency of delivery of Council services.

RECOMMENDATION

That Council:

1. Place on public exhibition from 25 November 2016 until 23 December 2016 (28 days), the draft Project Management Policy.
2. Place on public exhibition from 25 November 2016 until 23 December 2016 (28 days) its intention to rescind the:
 - (a) Project Management and Gateway Policy.
 - (b) Project Management Guidelines Policy.
3. Note that a further report will be tabled at the February 2017 meeting of Council, detailing the submissions received from the public during the exhibition period.

Executive Summary

Council has been undertaking a review of the Project Management framework since 2011, this initially resulted in the adoption of the Project Management and Gateway Policy (2012) and project management framework (updated 2014).

A project management steering group has been used in place of the Gateway project management process noting the expense and unavailability of resources in gateway reviews. The decision to implement the substitute project management steering group process has been made on a case by case basis.

The most recent review of the Project Management Framework has resulted in the development of a draft Project Management Policy and accompanying procedure and templates. The draft Project Management Policy has been endorsed by the Audit Committee.

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Discussion

Background

Review of Project Management Framework

Council developed a project management framework during 2004-2005. The framework since its introduction has had varying levels of use across the organisation.

During 2011, it was determined that an integrated approach to project management was lacking. Council at this point in time had the project management framework (2004-2005) and the Project Gateway Review Policy (2008). The framework and Policy did not integrate.

As a result of the review on the organisation's project management framework a revised Project Gateway Review Policy and project management framework was proposed as an interim strategy.

A working group was formed to action the interim strategy. The working group revised the project management framework to consist of three levels of project management:

- Level 1: Standard Project Checklist.
- Level 2: Project Plan.
- Level 3: Gateway Project Management.

Council adopted the Project Management and Gateway Policy at its October 2012 Ordinary Meeting of Council, which replaced the Project Gateway Review Policy (2008).

In 2014, an internal cross functional working group, the Project Management Review Group, was formed whose membership consists of representatives from across the organisation.

The Group has the following objectives:

1. Test the current Project Management Policy and project management framework for applicability to the current ways the organisation now manages and controls projects.
2. Examine and provide recommendations on:
 - a. The inclusion of project monitoring and reporting.
 - b. Alternative(s) to Gateway Project Management.
 - c. Appropriate levels of staff training and competency for the Policy and framework.
3. Review and align the Project Management Policy and project management framework to organisational objectives.

Current Progress

Council, at the March 2015 Ordinary Meeting of Council, resolved the following:

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9.04 PROJECT MANAGEMENT

RESOLVED: Hawkins/Griffiths

That Council note the report on project management and the current status of the review of the Project Management and Gateway Policy.

CARRIED: 9/0

FOR: Besseling, Cusato, Griffiths, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner

AGAINST: Nil

Since the March 2015 Council report:

- The Project Management Working Group have considered the actions of the 2014 Project Management Framework internal Audit and included these actions within the scope of the review. The Audit report identified improvement opportunities in the policy and procedure; templates; process compliance; and reporting.
- A Council wide survey was circulated to identify use and awareness of the Framework was completed in June 2015. The results of the survey indicated opportunities to improve the framework.
- A project team developed a draft policy, procedure and accompanying project management templates for a standardised and consistent whole of Council use.
- At the 12 May 2016 Audit Committee, the committee resolved; *“That it be a recommendation to Council that the Project Management Gateway Policy be rescinded.”*
- At the 14 August Audit Committee the Committee endorsed the attached policy (minor changes have been made in transferring to new policy template).

The draft Project Management policy has been developed using a number of key inputs, these include:

- ISO21500, international project management standard.
- Project Management Framework Internal Audit.
- Council wide survey.
- Feedback from the Senior Leadership team, the cross functional Project Management Working Group, the Executive team and the Audit Committee.

It is envisaged that the key benefits that will result in the implementation of the draft Project Management policy and accompanying procedure and standardised templates will be:

- clarity as to when the project management framework needs to be used.
- a consistent and aligned approach to project management within Council.
- more support and guidance relating to how to manage projects.

Options

Council may choose to continue with the current project management framework.

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Community Engagement & Internal Consultation

Community Engagement

There has been no community engagement in relation to the draft project management policy, as yet. Publically exhibiting the draft Project Management policy and intention to rescind the current documentation will initiate the community engagement process.

Internal Consultation

- Audit Committee.
- Executive Team.
- Group Manager Governance & Executive Services.

Planning & Policy Implications

The current practice of utilising a project management steering group in place of the Gateway project management process is inconsistent with current Policy.

The comprehensive review of Council's Project Management and Gateway Policy, currently underway, is directly addressing this issue.

Financial & Economic Implications

An intent of the comprehensive review of Council's Project Management and Gateway Policy is to provide further financial accountability with regard to Council's project management and delivery.

The Project Management Review Group Charter explicitly outlines that one of its responsibilities is to fulfil the relevant requirements of Outcome 4 of the Tardiis Financial Accountability Project, which seeks to address the organisations management of projects.

It is envisaged that the introduction of a comprehensive Project Management framework, supported by a policy, procedure and templates will ensure that more projects are delivered within cost and budget estimates and on time.

Attachments

1 [View](#). DRAFT Project Management Policy

Ensuring Good Governance

Item: 09.06

Subject: PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO COUNCILLORS POLICY

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.3 Build trust and improve Council's public reputation through transparency and accountability.

RECOMMENDATION

That Council:

- 1. Adopt the Payment of Expenses and Provision of Facilities to Councillors Policy, as attached to the report.**
- 2. Pursuant to Section 253 of the Local Government Act 1993, forward to the Office of Local Government:**
 - (a) A copy of the adopted Payment of Expenses and Provision of Facilities to Councillors Policy.**
 - (b) A copy of this report.**
 - (c) A copy of the notice of public exhibition.**
 - (d) Advice that no submissions directly related to this Policy were received.**

Executive Summary

The objective of the Payment of Expenses and Provision of Facilities to Councillors Policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred, or to be incurred by the Mayor and Councillors.

The Policy provides for adequate, fair and equitable payment or reimbursement of expenses and provision of facilities to the Mayor and Councillors to enable efficient discharge of the functions of civic office.

The annual review of the Payment of Expenses and Provision of Facilities to Councillors Policy has now taken place in line with statutory requirements. The draft Policy was publicly exhibited from 16 September 2016 until 13 October 2016. One submission was received.

The revised Payment of Expenses and Provision of Facilities to Councillors Policy has been updated to reflect the changes to travel allowances and incidentals in line with the relevant Australian Tax Office taxation determination.

It is a statutory requirement that Council adopt a Policy addressing the payment of expenses and provision of facilities to Councillors and submit the adopted Policy to the Office of Local Government by 30 November each year.

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Discussion

The objective of the Payment of Expenses and Provision of Facilities to Councillors Policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred, or to be incurred by the Mayor and Councillors. The Policy provides for adequate, fair and equitable payment or reimbursement of expenses and provision of facilities to the Mayor and Councillors to enable efficient discharge of the functions of civic office.

The *Local Government Act 1993* ("the Act") requires that councils develop a Policy for the payment of expenses and provision of facilities to councillors. Due to the statutory obligations no additional options are available to Council with respect to this Policy. Council must adopt a Policy in some form.

Review of the Payment of Expenses and Provision of Facilities to Councillors Policy

The current Payment of Expenses and Provision of Facilities to Councillors Policy was adopted at the November 2015 Ordinary Meeting of Council.

A review of the Payment of Expenses and Provision of Facilities to Councillors Policy has now taken place in line with statutory requirements and is now ready for formal adoption.

Community consultation was undertaken in adherence to Council's Community Engagement Policy. The Act and the Community Engagement Policy required Council to both inform and consult with the community on the draft Payment of Expenses and Provision of Facilities to Councillors Policy.

Consultation has taken place with relevant staff and the community to ensure that expenses and facilities provided for under the Policy enable Councillors to efficiently discharge the functions of civic office.

The draft Payment of Expenses and Provision of Facilities to Councillors Policy was publicly exhibited from 16 September 2016 until 13 October 2016. This period met the statutory requirement of a 28 day period. Council accepted submissions from the public on the draft Policy during that period. One submission was received.

Submission-		Issue
1.	Port Macquarie-Hastings Resident	<ul style="list-style-type: none"> <i>I have just read the draft Councillor fees policy. I have no issue with it as such so long as the Councillors remember they represent the areas of the Municipality outside the Port Macquarie area itself. The last Council had obvious issues with this. Just imagine if the Federal government spent all/most of its funds where the population base is (where most people live) Western Australia, NT and Tasmania would probably secede from the Federation. Areas like Wauchope may have smaller populations but they have many more kms of necessary roads and bridges needing repair; not to mention potholed streets and streets with no footpaths. Cycleways? What are they?</i>

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	Response/ Comment	<i>Thank you for your submission regarding the 'draft Councillor Expenses and Facilities Policy', your input will be considered as part of the review process, and the development of the draft 2017/2018 operational plan.</i>
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All feedback from the consultation undertaken has been considered and an amended Payment of Expenses and Provision of Facilities to Councillors Policy is provided as Attachment 1 to this report.

The amended Payment of Expenses and Provision of Facilities to Councillors Policy has been updated to reflect the changes to travel allowances and incidentals in line with the relevant Australian Tax Office taxation determination.

Future Review of the Payment of Expenses and Provision of Facilities to Councillors Policy

As a result of the changes to the Act (Local Government (Governance and Planning) Act 2016), the requirement to review this policy has changed from annually to "within the first 12 months of each term of Council" (Section 252(1) of the Act).

Therefore, it is planned for this policy to be reviewed and adopted by Council in four years time.

Options

There are no options in relation to this report. It is a statutory requirement that Council adopt a Policy addressing the payment of expenses and provision of facilities to Councillors.

Community Engagement & Internal Consultation

Community Engagement

Community consultation was undertaken in adherence to Council's Community Engagement Policy, the community consultation plan was based around Council informing and consulting with the community.

The draft Payment of Expenses and Provision of Facilities to Councillors Policy was publicly exhibited from 16 September 2016 until 13 October 2016.

During the Payment of Expenses and Provision of Facilities to Councillors Policy submission period one submission was received.

Internal Consultation

- Councillors;
- General Manager;
- Director, Corporate and Organisational Services; and
- Group Manager, Governance and Executive Services.

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Planning & Policy Implications

Minor amendments are proposed to the current Policy. The amended Policy is provided as an attachment to this report.

Financial & Economic Implications

Appropriate budget allocations exist in the 2016-2017 budget for the payment of expenses and provision of facilities to Councillors.

Attachments

1 [View](#). Payment of Expenses and Provision of Facilities to Councillors Policy

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Item: 09.07

Subject: QUARTERLY BUDGET REVIEW STATEMENT

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.2 Manage Council's financial assets, and provide accurate, timely and reliable financial information for management purposes and provide plain English community reporting.

RECOMMENDATION

That Council note the Quarterly Budget Review Statement for the September 2016 quarter.

Executive Summary

This report will detail the Quarterly Budget Review Statement (QBRs) for the period to the end of the first quarter of the 2016-2017 financial year (July 2016 to September 2016).

Discussion

The Quarterly Budget Review Statement (QBRs) is a statutory report prepared in accordance with the Local Government (General) Regulations, Sections 202 & 203.

The QBRs presents a summary of Council's financial position at the end of each quarter. It is a mechanism whereby the Councillors and the community are informed of Council's progress against the Operational Plan (original budget) and the last revised budget. It also outlines recommended changes and reasons for major variances.

Whilst the Local Government (General) Regulations requires the annual budget to be reviewed on a quarterly basis through this QBRs, Councillors are provided with details of the financial position and associated variances on a monthly exception basis.

Attached is the Quarterly Budget Review Statement for the September 2016 quarter for Council's information, which includes the following components:

1. Statement by the Responsible Accounting Officer on Council's financial position at the end of the year based on the information in the QBRs.
2. Budget review of Income and Expenditure in a consolidated format (including performance indicators).
3. Budget review of the Capital budget.
4. Budget review of the cash and investments position.

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5. Budget review of contracts and other expenses.
6. TCorp Ratios in line with the Local Government Code of Accounting Practice.

Also attached is a confidential attachment on Consultancy engagements as resolved by Council under Item 09.09 Supply of Services to Council on 21 October 2015. This resolution resolved:

1. *To Adopt Option 2 to expand the existing reporting format of the Quarterly Budget Review Statement to include additional categories of consultancy engagements including accounting, audit, legal, planning, architectural, surveying, environmental, IT and HR with individual consultant data to be provided in a confidential attachment.*
2. *Commence the reporting regime from the next Quarterly Budget Review Statement.*

CARRIED: 8/0

FOR: Besseling, Cusato, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner

AGAINST: Nil

This attachment titled "2016-2017 September Quarterly Budget Review Statement - Consultancy Engagements" provides information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct business. Local Government Act 1993 - Section 10A(2)(c).

With the introduction of phased budgeting to capital works in 2015-2016, this QBRs further improves the reporting with comparisons to Council's yearly and quarterly budgets.

The following key variances within the Income and Expense statement are noted:

Income YTD Actual \$103.8m; YTD Budget \$98.0m

Income of \$103.8m for the year to date (YTD) to the end of the first quarter is 105.9% of the YTD budget of \$98.0m, representing 58.7% of the \$176.7m annual income budget.

Key points to note are as follows:

1. Rates & Annual Charges - YTD Actual \$83.6m; YTD Budget \$81.4m

Rates & annual charges of \$83.6m are slightly ahead of the expected budget of \$81.4m, being 102.8% of the YTD budget of \$81.4m and 96.7% of the \$86.5m annual budget. It should be noted that the majority of rates are levied in July, with the exception of annual charges for water which are levied quarterly on the Water Notice.

The total YTD variance of \$2.27m (favourable) mainly comprises of:

- \$0.7m (favourable) for annual general fund rates;
- \$0.6m (favourable) for annual domestic waste charges;
- \$0.6m (favourable) for annual water charges;
- \$0.4m (favourable) for annual sewer charges; and

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The favourable variances largely relate to population growth in the area.

2. User Fees & Charges - YTD Actual \$6.38m; YTD Budget \$7.56m

User fees & charges of \$6.38m represent 84.4% of the YTD budget of \$7.56m, being 21.4% of the \$29.82m annual budget.

The total YTD variance of \$1.18m (adverse) is mainly made up of:

- \$1.23m (adverse) user charges for water consumption, attributable to the timing of water billing invoices, which are issued quarterly;
- \$0.222m (favourable) fees for Planning & Building Certification; \$0.136m and \$0.086m respectively due to the continued increase in building and subdivision activity in the area;
- \$0.057m (adverse) Animal Registration charges due to timing of receipts as the process involves a third party;
- \$0.244m (adverse) Aerodrome user fees mainly due to the timing of receipt of the fees; and
- \$0.127m (favourable) various other minor user charges in waste & sewerage services.

3. Interest & Investment Revenue - YTD Actual \$1.92m; YTD Budget \$1.08m

Interest & investment revenue of \$1.923m against the YTD budget of \$1.08m is 177.4%, and at 40.8% of the annual budget of \$4.716m. This comprises the Interest on Investments of \$1.866m, with an annual budget of \$4.358m and Interest on Overdue Rates \$0.057m with an annual budget of \$0.358m. Further information on Investments can be found in the Investment report.

4. Other Revenues - YTD Actual \$1.42m; YTD Budget \$1.01m

Other revenues of \$1.42m are 140.5% of the \$1.01m YTD budget, and 32.4% of the \$4.38m annual budget. The total YTD variance of \$0.409m (favourable) is primarily made up of:

- \$0.101m (favourable) Ordinance Services fines income, subject to timing as it is handled by a third party, the Office of State Revenue *;
- \$0.109m (favourable) Waste Management Recycling Income *;
- \$0.05m (favourable) fees for Private Water Testing; and
- \$0.05m (favourable) fees for Rental of Reserves *;

** Note that some of this revenue represents monies from the previous financial year.*

5. Operating Grants & Contributions - YTD Actual \$2.81m; YTD Budget \$2.85m

Operating grants & contributions of \$2.81m are 98.6% of the YTD budget of \$2.85m, and 15.2% of the annual budget of \$18.5m. There is a minor YTD variance of \$0.04m (adverse), otherwise income is as expected.

6. Capital Grants & Contributions – YTD Actual \$7.61m; YTD Budget \$4.12m

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YTD income from these items is \$7.61m against the YTD budget of \$4.12m, and represents 24.0% of the \$31.73m annual budget. The YTD variance of \$3.49m (favourable) is further dissected into grants and contributions and is discussed below:

- a. \$1.74m (favourable) Capital Grants YTD grant income of \$3.85m is 182.4% of the \$2.11m YTD budget, against the annual budget of \$17.95m. The main variances are:
 - \$2.52m (favourable) Stingray Creek Bridge funding received earlier than expected;
 - \$0.19m (adverse) Lake/Blackbutt road intersection, timing issue;
 - \$0.10m (adverse) Pappinbarra Road – Frazers Creek Road Safety Treatment commencing in the second quarter; and
 - \$0.43m (adverse) various other grant funded roads projects, timing issue.
- b. \$1.75m (favourable) Capital Contributions comprise two elements, cash and non-cash. The cash element is Section 64 & 94 developer contributions. The second element is non-cash contributions, being developer provided assets.
 - Cash income for the YTD is \$3.76m, against the YTD budget of \$2.01m. This equates to 25.8% of the annual budget of \$14.56m. This is due to the increased subdivision and building activity in the area.
 - Non-cash contributions will not be known until towards the end of the financial year.

Expenses

1. Employee costs - YTD Actual \$9.73m; YTD Budget \$10.75m

YTD employee costs are \$9.73m versus a YTD budget of \$10.75m, creating a favourable variance of \$1.02m. As at the end of this quarter, this equates to 90.5% of the YTD budget, and 20.3% of the annual budget.

Variances are largely due to unfilled positions and timing differences that are contingent upon when employees take their leave and the duration of that leave.

Other variances include:

- \$0.469m (favourable) Workers Compensation, this varies depending on the number of injury claims. The workers' compensation premium remains below the budget. It is deemed prudent to keep the budget at this level, as injury claims determine the actual premium. PMHC actively works to keep claims as low as possible and this is represented by a low claims history; and
- \$0.315m (favourable) Superannuation subject to timing;

2. Borrowing costs - YTD Actual \$0.64m; YTD Budget \$0.64m

Borrowing costs of \$0.64m are in line with estimated expectations, being 100% of the YTD budget and 14.4% of the \$4.47m annual budget. Note that these

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costs are subject to the timing of payments, receipts of interest payment information and accrual entries.

3. Materials & Contracts - YTD Actual \$6.39m; YTD Budget \$9.38m

Expenditure for the first quarter is \$6.39m, which is 68.2% of the YTD budget of \$9.52m, and 16.1% of the annual budget of \$39.73m. The YTD variance of \$3.13m (favourable) is mainly due to:

- \$0.527m (favourable) in Transport & Traffic: across various maintenance projects;
- \$0.572m (favourable) Water section: across various maintenance projects;
- \$0.750m (favourable) Sewer section: across various maintenance projects; and
- \$0.467m (favourable) Waste section: \$0.142m (favourable) PMHC Organics Collection Service timing; and \$0.325m (favourable) across various other maintenance projects.

4. Other Expenses - YTD Actual \$3.43m; YTD Budget \$3.70m

The amount expended of \$3.43m for Other Expenses totals 92.9% of the YTD budget of \$3.70m, representing 28.3% of the annual budget of \$12.13m. The YTD variance of \$0.27m (favourable) is predominately made up of:

- \$0.19m (favourable) Electricity & Street Lighting expenses, noting that the payment for these services is made a month in arrears; and
- \$.056m (favourable) Other Donations & Contributions due to timing.

5. Net loss from disposal of assets

This section relates to the net profit or loss, which occurs from either the sale of assets, such as plant or land, or following capitalisation when an asset is renewed and the old asset disposed. There are no losses to report for the quarter as asset processing cannot recommence until the previous year's annual financial statements are signed off.

- \$68k (favourable) represents the full sale proceeds of the sale of council plant not yet processed in the Asset Register. Processing of assets will recommence in November following the Audit sign-off of the annual statements. Any gains or losses will be identified at that time.

Note that a budget review occurs each month with any required adjustments to estimates made at the time. It is therefore not appropriate to make any adjustments at this time. These variances can be largely attributed to timing of events.

Capital Expenditure

This section includes a comparison of the actual result against the phased capital expenditure budget. Note that the total carry-over budget from 2015-2016 is \$32,334m, of which \$30,371m is of a capital nature, and the remaining balance of \$1,963m is operating expenditure.

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To the end of the first quarter, \$11.57m was expended being 51.9% of the YTD budget of \$22.3m, and 10.0% of the annual budget of \$115.64m. The figures exclude commitments.

As a comparison, September 2016 is ahead of the same time last year. For the first quarter in 2015-2016, a total of \$8.8m was expended, being 40% of the YTD budget and 7.6% of the annual budget of \$115.7m.

The key variances are detailed below. Of these, Council expects most to be underway or complete at 30 June 2016.

General Fund – YTD Actuals \$8.15m; YTD Budget \$15.28m

General Fund has expended \$8.15m of the \$15.28m YTD budget, being 53.4%, and is 11.2% of the annual budget of \$72.6m. The YTD 'under-spend' is \$7.13m with main 'under-spends' noted below:

- \$1.06m Wauchope Pool Upgrade – completion date revised to December 2016 due to a change in the water testing methodology for leak-points;
- \$0.156m Houston Mitchell Drive Stage 2 & 3 – project is on-track, variance due to timing;
- \$0.208m Stingray Creek Bridge – on-track, variance due to timing
- \$0.595m Port Macquarie Indoor Stadium – on-track, variance due to timing;
- \$0.525m Port Macquarie new Works Depot – required funding being considered prior to the physical works commencing;
- \$0.747m Computer Hardware Renewals – on-track, procurement of File Servers, Storage, Network Switches & Firewalls due for delivery November 2016;
- \$0.116m Wayne Richards Park Development Stage 3 – on-track, variance due to timing;
- \$0.3m Beechwood Road Reconstruction, Riverbreeze to Waugh Street – behind schedule, concept design underway;
- \$0.3m Wayne Richards Stage 3b Design & Approvals – on-track, variance due to timing;
- \$0.927m Plant Purchases - plant items are acquired subject to business needs;
- \$0.329m Gordon Street Upgrade Lake to Horton Streets – on-track, variance due to timing; and
- \$0.392m Blackbutt Roundabout at Lake Road – some wet weather delays, otherwise on-track.

Waste - YTD Actuals \$0.12m; YTD Budget \$0.49m

The YTD 'under-spend' of \$0.374m mainly relates to the Kew Transfer Station with under-spend of \$0.337m. The tender has been awarded and construction commenced in August, with scheduled completion around March 2017.

Water - YTD Actuals \$0.87m; YTD Budget \$2.0m

The YTD 'under-spend' against the YTD budget totals \$1.13m, being 43.3% of the YTD budget, with key 'under-spends' noted here:

- \$0.576m Southern Arm Trunk Main – project commenced;

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- \$0.147m Sancrox Reservoir Trunkmain – construction about to start;
- \$0.125m Thrumster Reclaimed Water Rising Main – project commenced;
- \$0.090m Thrumster Water Storage Oxley Hwy – project not proceeding; and
- \$0.055m Thrumster Water Trunk main- project not proceeding.

Sewer - YTD Actuals \$1.10m; YTD Budget \$3.20m

The Sewer section has a YTD budget 'under-spend' of \$2.10m being 34.6% of the YTD budget. The main 'under-spends' are:

- \$0.792m Port Macquarie Water Treatment Plant Upgrade - project is currently on-track;
- \$0.250m Developer Provided assets – these assets are usually processed at the end of financial year;
- \$0.198m Sewer Rehabilitation - works ongoing on an 'as needs basis';
- \$0.130m Port Macquarie Sewerage Treatment Plant Aerators - works commenced and on-track; and
- \$0.100m Camden Haven Reticulation Augmentation – behind schedule, design complete, further investigations being undertaken.

TCorp Ratios

Last year the presentation methodology of all ratios was reviewed to ensure that the reported ratio is a projected year end result. This projection is based on approved full year budget wherever possible, or where this is not possible, it is based on an estimated year end position. The methodology is indicated in the table attached.

Operating Performance Ratio

The Operating Performance ratio is often considered the most important ratio for Council to meet. The result projection as at September 2016 includes all approved adjustments to budgets up to and including the September Council meeting.

There has been a slight decrease since the original approved budget and Council is closely monitoring budgets to include any savings in future monthly budget reviews.

This ratio may be impacted by year end accruals.

Rates and Annual Charges Outstanding Ratio

Considerable work has been, and continues to be undertaken to enhance this ratio and the ratio achieved for the 2015-2016 financial year (5.34%) was the best Council has produced since 2006. The current forecast is an estimated 5.30%. It should be noted that with reduced outstanding rates comes reduced income from interest charged on outstanding rates and annual charges which then negatively affects other ratios such as Operating performance and Own source revenue. Previously the benchmark for this ratio (provided by the Local Government Management Association) was 6%. The current Code of Accounting Practice has a benchmark for Metro councils of 5% which the auditors have applied to Port Macquarie-Hastings Council.

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Building and Infrastructure Renewals Ratio

The building and infrastructure renewals ratio is a difficult ratio for Council to meet as the definition of a renewal is “Works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability”.

Council often increases the capacity of an asset whilst undergoing a renewal but this portion of the cost is not considered a renewal.

The ratio does not consider the need for Council to spend on new infrastructure, and is also adversely impacted by gifted assets due to the increase in depreciation as a consequence of these assets.

For a Council to increase its renewal spend to improve this ratio performance may have an impact on the funds available for new assets.

The Office of Local Government has released a draft “Special Schedule 7 Appendix B - Examples of Renewal and Rehabilitation Costs and Activities” which specifies that costs previously regarded as new assets can be classified as renewals where they relate to the modern engineering equivalent.

Infrastructure Backlog

This ratio has been estimated based on historical percentages applied to budget spend. Significant reseals are expected to be undertaken in this financial year and it is anticipated that this expenditure will address a portion of Council’s infrastructure backlog.

Assets Maintenance Ratio

This ratio is difficult for Council to meet. It is adversely impacted by gifted assets due to maintenance required on gifted assets. Significant work was done in the 2014-2015 financial year to calculate the actual amount of “required” maintenance for purposes of calculating this ratio. This figure is currently forecast at 0.86 for this financial year.

The Office of Local Government has released a draft “Special Schedule 7 Appendix A - Examples of Maintenance and Operating Activities” which will assist Council in ensuring the correct types of expenditure are included in this ratio.

Options

Council may adopt the recommendation as proposed or amend as required.

Community Engagement & Internal Consultation

Not applicable.

Planning & Policy Implications

Nil.

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Financial & Economic Implications

There are no financial and economic implications in this report. The variances between budget and actual results continue to be monitored.

Attachments

- 1 [View](#). 2016-2017 September Quarterly Budget Review Statement
- 2 [View](#). Confidential 2016-2017 September Quarterly Budget Review Statement - Consultancy Engagements (Confidential)

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Item: 09.08

Subject: FINANCIAL IMPACT OF COST SHIFTING FROM OTHER LEVELS OF GOVERNMENT

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.5.5 Ensure there is appropriate management of risk for Council and the community.

RECOMMENDATION

That Council note the information on the financial impact of cost shifting from other levels of Government.

Executive Summary

At the Ordinary Council meeting held on 21 October 2015, Council resolved:

RESOLVED: *Hawkins/Sargeant*

That Council:

1. *Request the General Manager provide a report to the November 2015 Ordinary Meeting of Council on the impact of cost shifting on Council in the 2014-2015 financial year, updating the draft figures provided to Council in May 2015.*
2. *Request the General Manager provide an updated report to the November 2016 Ordinary Meeting of Council on the impact of cost shifting for the financial year 2015-2016 and annually, including any additional categories of cost-shifting that have been identified.*
3. *Request that the General Manager give consideration to collecting additional cost shifting information as part of the service review process.*

CARRIED: 8/0

FOR: *Besseling, Cusato, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner*

AGAINST: Nil

Resolution 1 was addressed in November 2015. This report provides information in relation to resolution 2. It provides information with respect to the estimated financial impact of cost shifting on Port Macquarie-Hastings Council for the 2015-2016 financial year.

Discussion

Cost shifting is defined by Local Government NSW as follows:

"Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function are

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'shifted' from a higher level of government on to a lower level of government without providing corresponding funding or the conferral of corresponding and adequate revenue raising capacity."

Local Government NSW coordinates a cost shifting survey of all NSW Councils in order to establish the impact of cost-shifting by the Australian and NSW Governments to NSW Local Government. The last report was 2013-2014. In that survey, Council noted the dollar impact of cost shifting for Port Macquarie-Hastings Council was \$6.87m.

The most recent published Council Survey report:

"LGNSW, The Impact of Cost Shifting on Local Government in NSW - A Survey of Councils 2013-2014" (released 2015)

highlighted that cost shifting has increased significantly from the first survey. Despite the recognition of cost-shifting and its adverse impacts on NSW Local Government, cost-shifting has increased from 6.26% of total income before capital in 2012 for all councils who responded to 6.96% for 2013-2014.

Port Macquarie-Hastings Council

This report utilises the cost shifting report as the basis for compiling figures with the following exceptions:

1. The cost survey report records a zero for any net positive amounts. This report records these as a reduction in the impact. That is, all things being equal, this report would show a lower figure.
2. This report also includes Fluoridation, Maintaining Crown Reserves and Cost of RMS transferred assets which are not collected by the Local Government Survey.

As the table overleaf illustrates, the net impact of cost shifting using equivalent items to the cost shifting survey was:

- \$6.1m in 2014-2015
- \$7.3m in 2015-2016 and is budgeted to be
- \$7.2m in 2016-2017.

In addition to the items reported on in the survey a number of other categories have been identified that could also be deemed to be costs levied on Local Government by other levels of government.

This brings the impact to:

- \$7.8m in 2014-2015
- \$9.2m in 2015-2016
- \$9.2m in 2016-2017.

This is a significant impost on Council.

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	2014/2015	2015/2016	2016/2017
	Actuals	Actuals	(Based upon budget)
Items as per LGSA Return	\$	\$	\$
Contribution to NSW Fire Brigade	314,202	326,125	330,000
Contribution to NSW State Emergency Services	111,214	130,609	140,000
Contribution to Rural Fire Service	296,705	310,296	375,499
Pensioner Rates Rebates	1,541,201	1,534,104	1,545,000
Public Library Operations	707,105	714,641	792,740
Onsite Sewerage Facilities	(65,765)	34,376	(2,239)
Administration of the Companion Animals Act	198,869	114,528	178,251
Functions as Local Control Authority for Noxious Weeds	243,857	272,601	306,949
Functions under the Rural Fires Act	79,877	67,397	84,500
Immigration Services & Citizenship Ceremonies	4,052	2,394	4,000
Administering Food Safety Regulations	13,152	11,676	27,663
Community Safety	4,092	5,397	17,800
Flood Mitigation Programme	22,856	28,698	60,856
Road Safety	38,771	31,405	56,232
Community & Human Services	465,059	581,977	724,198
Waste Levy	2,288,103	3,399,834	2,520,194
Sewerage Treatment System Licence Fee	94,455	85,758	123,000
Waste Management Site License Fee	9,401	9,638	9,800
Processing of DA Fees	(396,876)	(456,739)	(178,654)
Voluntary Conservation Agreements	5,572	6,526	6,656
Administration of Contaminated Land Management	4,439	4,981	5,080
Functions under the Protection of the Environment Operations Act	84,809	114,062	116,343
Subtotal	94,820	125,569	128,080
Equivalent of Survey with Negatives Netted	6,065,151	7,330,284	7,243,868
Additional Cost Shifting Items Reported to Council	\$	\$	\$
Cost of Fluoridation	126,280	103,395	106,900
Cost of Maintaining Crown Reserves	1,645,958	1,742,192	1,777,036
Cost of RMS Transferred Assets - John Oxley Drive	6,843	26,016	26,537
Cost of RMS Transferred Assets - John Oxley Drive (Vegetation Mar	4,495	2,383	2,430
Cost of RMS Transferred Assets - Kew (Nancy Bird Walton Drive)	-	-	-
Subtotal	1,783,576	1,873,985	1,912,903
Grand Totals	7,848,727	9,204,269	9,156,771

Emergency Services Levy

In addition to the above, from 1 July 2017 Council will become responsible for collecting the State Government Emergency Services Levy. Council will act as a collection agent.

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At this stage, the final reimbursement mechanism for this levy is not yet finalised and costs are not fully known. However it is estimated that Council's costs will include:

- Direct Resourcing
- Management Time
- Administrative Costs.

Financial Assistance Grant

In addition to cost-shifting, another factor noted as having a financial impact to Council is the impact of the Federal Government's decision to pause indexation to the Local Government Financial Assistance Grants (FAG) Program for three years commencing 1 July 2014. The amount of the grant has been reducing since that time. The table below illustrates the FAG received since 2012-2013:

Year	Total Received
2013/14	\$8,843,746
2014/15	\$8,841,937
2015/16	\$8,763,851
2016/17	\$8,575,426
Total	\$43,746,145

Since 2013-2014, the grant has reduced by \$268,320 despite inflationary pressures.

Financial Impact of cost-shifting on Council's Operational Plan and Long Term Financial Plan

Cost-shifting impacts Council's available funds to deliver quality services and infrastructure, and its operating performance.

The impact of this \$9.2m cost-shifting could improve Council's operating position and/or otherwise be spent on some of the following:

- Additional services to the Community.
- Increasing current service levels to the Community.
- New infrastructure works.
- Increased maintenance expenditure.
- Increased spend on renewal of assets.

Some of these items would lead to a better overall performance against TCorp ratios and Council's sustainability.

Options

This report is for information purposes.

Community Engagement & Internal Consultation

There has been no community engagement.

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Planning & Policy Implications

There are no planning & policy implications.

Financial & Economic Implications

This report discusses the impact of cost-shifting imposed on Council from both the Federal and NSW Governments.

This cost-shifting has an effect on Council's financial position and ability to deliver to the community.

Attachments

Nil

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Item: 09.09

**Subject: 2016-2017 OPERATIONAL PLAN QUARTERLY PROGRESS REPORT
AS AT 30 SEPTEMBER 2016**

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.1 Engage with the community on impacts and changes of operations.

RECOMMENDATION

That Council note the 2016-2017 Operational Plan Quarterly Progress Report as at 30 September 2016.

Executive Summary

This quarterly progress report covers the period between 1 July 2016 to 30 September 2016. The report assesses Council's delivery against the actions and performance measures adopted in the 2016-2017 Operational Plan. It seeks to provide concise and accurate information about what Council has delivered in the first quarter of the financial year.

Meeting the targets and performance measures in the annual Operational Plan contributes to the achievement of the overall objectives outlined in the 2013-2017 four year Delivery Program. The Delivery Program is reviewed on a six-monthly basis and is next scheduled to be reported to Council in March 2017.

The overview section of the report provides a statistical snapshot of Operational Plan performance measurement data across the organisation. Analysis of performance achievements and actions that are behind target is then listed according to each Focus Area.

The attachment provides the full 2016-2017 Operational Performance Report, which includes a comprehensive listing of each individual Operational Plan action, performance measure, target and commentary on progress.

Major capital projects are incorporated into the body of the Operational Plan and as such are reported on as individual actions with performance measured against the adopted project plan.

Discussion

Overview: 2016-2017 Operational Plan - Quarterly Progress Report

The 2016-2017 Operational Plan contains 228 actions with the total number of performance measures being 315. The attachment provides details of the Operational Plan action and commentary against progress.

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As at 30 September 2016, 85% of Operational Plan actions are on target, including those not scheduled to commence, with the remaining portion recorded as behind target or behind schedule.

Operational Plan Summary of Performance Measures by Focus Area						
Focus Area	Total Performance Measures	Measures Behind Target	Measures On Target	Measures Achieved/ Completed	Measures Yet to Commence or Not Available	Overall Delivery
Governance	67	5	54	5	3	90%
People	63	1	49	11	2	95%
Prosper	24	2	21	1	-	92%
Environment	23	3	20	-	-	87%
Infrastructure	138	28	100	6	4	77%
Total:	315	39	244	23	9	85%

Detailed Analysis by Focus Area

Achievement highlights and details of those actions behind target are summarised below according to each Focus Area within the Operational Plan.

Focus Area	Performance Measures	Behind Target	On Target
Ensuring good governance	67	5	54

Highlights

- The Legislative Compliance review for 2015-2016 was presented to the Audit Committee and the Ordinary Council Meeting in August 2016.
- The Investment Report was tabled in accordance with required timelines.
- Investment return to exceed Office of Local Government (OLG) benchmark - target return was met and exceeded
- Financial Reports tabled in accordance with required timelines.
- Disclosures were gathered from designated persons and register updated accordingly.

Operational Plan Actions Behind Target

- Annual performance reporting for the Water and Sewer business to NSW Office of Water for benchmarking comparisons. Three performance measures behind schedule due to late publishing of 2014-2015 NSW water supply and sewerage performance monitoring report, information tabled at August Council meeting as a result. 2015-2016 performance data due to be compiled and forwarded to DPI Water by end October 2016.
- Construction of new works depot in Port Macquarie behind schedule awaiting finalisation of planning documentation and Council approval
- Development trends report statistics not available until end of November.

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Focus Area	Performance Measures	Behind Target	On Target
Looking after our people	63	1	49

Highlights

- 186 risk-based audit inspections completed on onsite sewerage management systems
- 49 risk-based audit inspections conducted
- 176 pool inspections complete

Operational Plan Actions Behind Target

- The Disability Discrimination Act action plan annual report was due to be presented to council in the first quarter, however, was delayed and presented to the October 2016 Ordinary Council Meeting due to Council being in caretaker mode.
- Annual DDA Report is being submitted to the Council Meeting scheduled for end of October 2016. Delay due to Council being in caretaker mode.

Focus Area	Performance Measures	Behind Target	On Target
Helping our community prosper	24	2	21

Highlights

- Operating revenue from Glasshouse Commercial operations, Port Macquarie Airport and Innes Gardens Crematorium is 10% higher than the YTD data from the prior year.

Operational Plan Actions Behind Target

- Internal recommendation on traffic infrastructure issues received Sept 2016. Awaiting economic impact assessment for Airport Business Park investigation area to assist in determining zone footprint.
- Behind target for the month, predominately due to Port Macquarie / Brisbane flight being reduced temporarily to 4 days per week from 12-30 September 2016.

Focus Area	Performance Measures	Behind Target	On Target
Looking after our environment	23	3	20

Operational Plan Actions Behind Target

- Behind target. Effluent quality 98% compliant with EPA licence discharge limits for September 2016.
- Task deadline in relation to the draft Biodiversity Strategy were rescheduled to December to coincide with the new Council.
- Advice on Council's Tree Management requirements - Behind target at 87%. Total CRMs 138. 106 (Public), 26 (Private) and 6 (Reported illegal actions). Three CRMs remain un-actioned.

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Focus Area	Performance Measures	Behind Target	On Target
Planning and providing our infrastructure	138	28	100

Highlights

- Hastings River Drive - project completed mid 2016. Project administrative finalisation ongoing. Project continued from 2015-2016FY.
- Water supply operations - all complaints recorded as customer requests and responded to in accordance with service standards.
- Water supply operations - all main breaks attended within service standard. Customers and customer service centre notified as required.
- Sewerage network operations - all complaints recorded as customer requests and responded to in accordance with service standards.
- Short Street drainage - undertake condition rating and investigations - project completed during 2015-2016 financial year.
- Open Drain re profiling - Oleander Ave to Koala Street - project completed.

Operational Plan Actions Behind Target

- Beechwood Road - undertake preconstruction for upgrades of segments 20, 40 and 50. Behind schedule. Project continuing from 2015-2016 FY Concept design underway including consideration of flood levels, pedestrian traffic and pedestrian bridge(s).
- Works Depot relocation - preconstruction/design. Behind schedule. Planning documentation has been finalised for submission for Council approval, based on completion of the following scopes of work - updated noise impact assessment; geotechnical testing; detailed site survey and design of civil infrastructure; structural and architectural design of office building; and updated cost estimate.
- Lake Road, continuation of detailed design of dual lanes. Project behind schedule. Project continues from 2015-2016 financial year. Scope of works provided and confirmed, intersection treatments at Jindalee Rd and Fernhill Rd subject to traffic modelling confirmation Survey engagement Complete Initial concepts for Stage 1 (Ocean Dr to Chestnut) near completion.
- Town Centre Master Plan - construct Town Square. Project behind target Carry Over project from 2014-2015 FY Detailed design not complete.
- Albert Street bridge - replace single lane timber bridge with concrete culvert. Behind schedule. Project planning underway however works commencement delayed from Sept 2016 due to design finalisation.
- Beechwood Road - deliver Stage 2 reconstruction from Riverbreeze Drive to Rosewood Road (south of intersection). Behind schedule, project planning underway, Design works commenced Sept 2016.
- Design mid-block signal pedestrian crossing on Gordon Street, Port Macquarie. Current project on hold until outcomes of investigations report has been agreed with RMS and location of crossing agreed. Not expected to occur until after first quarter of financial year.
- Implement the 2014-2017 Road Safety Action Plan and undertake road safety education and awareness programs identified in the plan. Behind Schedule. Will continue once new road safety officer is appointed.

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- Flynn's Beach - upgrade sea wall. Project behind schedule. Carry over project from 2015-2016 FY. Construction planning underway for commencement following summer period 2016-2017.
- Wauchope Swimming Pool - upgrade of 50m pool. Behind schedule. Project continues from 2015-2016FY. Design works commenced 30 March 2016. Progressing and targeting opening late summer 2016-2017.
- Bonny Hills - construct new toilet block at the Community Hall Reserve. Behind target. Options being considered in regards to funding with possible grant funding being sought by Bonny Hills Progress Association to allow for full renewal of amenities. A carryover of funds has been requested for this project.
- Town Beach (north) - construct public toilets. Project continued from 2015-2016FY. Construction underway, to be complete by Dec 2016.
- Review neighbourhood planning for Thrumster (Area 13) and amend the Local Environmental Plan and Development Control Plan accordingly. Behind target. Detailed project plan prepared. Start of work delayed. Comprehensive KPoM project has taken priority given the need for consistency in koala policy at Thrumster and elsewhere.
- Water Treatment Plant - Wauchope augmentation. Behind schedule. This project will not continue in 2016-2017.
- Kew/Kendall - feasibility study gas chlorine system. Behind schedule. This project will not continue in 2016-2017.
- Southern Arm trunk main - program to construct main along Houston Mitchell Drive. Behind Target. Progress made with construction approvals received from NPWS & Forestry Corporation NSW this month. PMHC are now progressing the finalisation of the design based on these requirements. Next phase is clearing of easement to enable geotech and design finalisation. Clearing contract expected to be let at Feb 2017 Council Meeting as per approved project plan.
- Small towns sewerage program - provision of centralised sewerage systems for Comboyne, Long Flat and Telegraph Point. Behind schedule. Further investigation completed by New England University to examine river impact study of proposed effluent discharge on the three river systems. Results of this currently being considered as part of REF finalisation which will influence final decision on treatment systems to be adopted. Other aspects of design currently being finalised. Application for Funding under the Small Towns Sewerage program has been successful and notification received from NSW Water. Recommendation has been made for submission to the October Council meeting to proceed to tender with the three schemes.
- Camden Haven upgrade and upsize of mains and pump stations. Behind schedule. Sewer pump station upgrade complete. Mains upgrade ongoing and in accordance with approved budget. Design modification underway for rising main route to Reid Bridge. Additional survey and design required to accommodate design route change. Minor design modifications to be completed.
- Reportable incidents - one reported sewerage surcharge as a result of a broken main during stormwater channel cleaning.
- Lake and Jindalee Roads - investigate and design stormwater drainage. Delayed. This project has been delayed due to other higher priority design projects and insufficient resources.

Ensuring Good Governance

- East Port, Gordon/Owen Streets - investigate and design stormwater drainage. This project has been delayed due to other higher priority design projects and insufficient resources.
- Continue stormwater remediation - Batar Creek Road System, Kendall Stage 2. Project behind target. Detailed design finalised. Construction targeting commencement Nov 2016. Project continues from 2016-2017.
- Continue stormwater remediation - continuation of remediation at Skyline Terrace/Ocean Drive Bonny Hills. Project behind schedule and continued from 2015-2016 FY. Detailed design completed. Property matters are delaying commencement and negotiations are underway with owner regarding acquisition.
- Continue stormwater remediation - flood remediation Blackbutt Creek, Wauchope. Project behind schedule and continued from 2014-2015 FY. Detailed design completed. Property matters are delaying commencement and negotiations are ongoing regarding acquisition. Project to continue into 2016-2017 FY.
- Calwalla Crescent - stormwater remediation. Project behind schedule and continued from 2015-2016 FY. Detailed design finalised. Construction planning underway.
- Broadwater Canal - Structural condition assessments. Delayed. Project schedule is behind initial plan. Project investigations / assessments have commenced with the project due for completion by early December 2016.

Options

Seek further information on performance measures reflected in this report.

Community Engagement & Internal Consultation

The information contained in this report has been subject to consultation with the Executive, Senior Leadership Team, Integrated Planning and Reporting Development Officer and Staff.

Planning & Policy Implications

This report is consistent and aligned with the Integrated Planning and Reporting Framework provisions contained in the Local Government Act (1993).

Financial & Economic Implications

The Quarterly Budget Review Statement is tabled under separate cover and reflects the financial implications of these actions.

Attachments

1 [View](#). Operational Plan Quarterly Progress Report as at 30 September 2016

Ensuring Good Governance

Item: 09.10

Subject: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.2 Manage Council's financial assets, and provide accurate, timely and reliable financial information for management purposes and provide plain English community reporting.

RECOMMENDATION

That Council adopt the Annual Financial Statements for the year ended 30 June 2016, as submitted, together with the Auditor's Report.

Executive Summary

The Local Government Act, 1993 requires that Council hold a public meeting for the purpose of considering the Annual Financial Statements, together with the Auditor's Report. These are now presented for Council's consideration.

A range of financial ratios measure Council's financial position and allows for comparisons between financial years. These are explained in greater detail in the body of the report.

The Operating Performance ratio is arguably the most important ratio as it indicates whether revenue is covering expenses and whether the Council is funding depreciation. In the 2014/2015 year, Council met this ratio for the first time in a decade. Council has improved on this ratio again in 2015/16.

Council is continuing to meet benchmark across other key ratios which indicate that Council has good cash liquidity and is able to pay debts as they fall due.

Longer term ratios that relate to Council's infrastructure reflect the vast infrastructure network that Council maintains. There has been an improvement in 2015/2016 across these ratios. It should be noted however, that these ratios are affected by the types and quantum of works programs undertaken during the year.

There has been a lot of work undertaken over the past several years that have contributed to these results including but not limited to improved asset management, procurement strategy implementation, service reviews and improved budget processes.

Ensuring Good Governance

A continued focus will need to be applied to ensure that Council can maintain the benchmarks that it currently meets, and improve against longer term asset related benchmarks into the future.

Discussion

Background

At a meeting of Council on 10 August 2016 it was resolved:

RESOLVED: Hawkins/Levido

1. *That Council refer to audit the draft Financial Statements as at 30 June 2016.*
2. *That the Statement by Councillors and Management be signed by the Responsible Accounting Officer, the General Manager, the Mayor and one Councillor as required by the Local Government Act 1993.*

CARRIED: 9/0

FOR: Besseling, Cusato, Griffiths, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner

AGAINST: Nil

Council resolutions 1 and 2 have now been implemented.

Section 418 to 420 of the Local Government Act, 1993 provides that Council must give public notice of its intention to consider the Annual Financial Statements and the Auditor's Report. This notification has been given by way of advertisements placed in local newspapers including Camden Haven Courier, Hastings Gazette and Port Macquarie News.

Section 420 of the Act allows any person to make a written submission on the content of the Annual Financial Statements or the Auditor's report. At the time of writing this report, no submissions had been received. If any submissions are received, they will be distributed prior to the meeting.

The purpose of this report is to present to Council the 2015-2016 audited Annual Financial Statements, together with the auditor's report. A copy of the 2015-2016 Annual Financial Statements are attached to this report for information.

Results for the year

The Income Statement discloses that Council's activities for the 2015-2016 financial year resulted in a net operating surplus of \$75.255 million. This is an increase of \$45.539 million from the previous 2014-2015 result and is due to a number of variations including the following:

1. An increase in capital grants and contributions of \$41.483m due to large developer provided assets and increased S94 and S64 contributions as a result of the buoyant property market. In addition, grants have been received for Dunbogan Flood Access (\$1.8m) and Stingray Creek Bridge (\$7.7m) that have contributed to the increase in capital grants. Grant funding is often one of the main causes of year-on-year variations as it is recognised when it is received and will often not match the timing of the expenditure of those funds.

Ensuring Good Governance

2. An increase in other revenues of \$13.229m which is primarily due to receipt of investment recoveries. Council has been involved in a class action to recover investment losses incurred when investing in collateralised debt obligations some years ago and has received \$12.325m in 2015-2016 under this action.
3. An increase in borrowing costs of \$3.235m which is due to the break costs on loans that have been re-negotiated under a loan refinancing exercise. The overall saving to Council (after the break costs) of the refinancing over the remaining life of the refinanced loans is in the order of \$2.9m.
4. Other Expenses has increased by \$5.632m. Included in this figure is legal expenses incurred on the investment class action mentioned above.

Statement of Financial Position

Council's Statement of Financial Position is disclosed in accordance with current accounting standards and reporting requirements of the Local Government Act and its Regulations.



Council's net asset position has increased by \$153.499 million from the 2014-2015 financial year, primarily due to the increase in infrastructure, property, plant and equipment assets following revaluations. Full asset class revaluations were completed in 2015-2016 for Community Land, Land under Roads and Parks & Reserves assets. Indexations were applied to other assets classes including water, sewerage, buildings, roads and stormwater assets.

TCORP Ratios

Since 2013-2014 Council has been required to include the TCORP ratios in its Annual Financial Statements.

Below are Council's TCORP ratio results for the last three years for the consolidated Council position.

1. *Operating Performance - Consolidated*

	2015-2016	2014-2015	2013-2014
Benchmark	7.44%	3.71%	-6.88%
Greater than 0%			




Commentary:

This ratio measures a Council's achievement of containing operating expenditure within operating revenue. As it focuses on operating performance, capital grants and contributions, the net investment recoveries and the loan review break costs have been excluded.

Ensuring Good Governance

This ratio has again improved this year, which is due to increased revenue for rates, annual charges, user charges and fees and effective control over operational expenditures.

2. Unrestricted Current Ratio




Benchmark	2015-2016	2014-2015	2013-2014
	2.27:1	2.96:1	3.28:1
Greater than 1.5			

Commentary:

This ratio is designed to represent a Council's ability to meet short term obligations as they fall due. If below benchmark it may indicate that Council needs to raise additional funds or liquidate assets to have cash available to meet debts as they fall due.

Council's Unrestricted Current Ratio has reduced from 2014-2015 but is above the benchmark of 1.5:1. It should be noted that as with all performance ratios, this figure represents a snapshot in time, which is not necessarily representative of the full position.

3. Own Source Operating Revenue

Benchmark	2015-2016	2014-2015	2013-2014
	63.50%	74.82%	68.66%
Greater than 60%			




Commentary:

This ratio measures fiscal flexibility which is the degree of reliance on external funding sources such as grants and contributions. A council's fiscal flexibility improves the higher the level of its own source revenue.

Council's own source revenue ratio has reduced since 2014-2015 but is still above the benchmark of 60%. It should be noted that additional grant and contribution funding has a negative effect on this ratio. As we are in a period of high growth this ratio is negatively affected by additional S94 and S64 contributions collected.

Ensuring Good Governance



4. Debt Service Cover

Benchmark	2015-2016	2014-2015	2013-2014
	3.27	3.69	2.92
Greater than 2			

Commentary:

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Council's result has reduced slightly from last year, however is still well above the benchmark of greater than 2.

5. Rates and Annual Charges Outstanding percentage

Benchmark	2015-2016	2014-2015	2013-2014
	5.34%	6.42%	7.25%
Less than 5% for Metro and Coastal Councils. Less than 10% for rural councils			

Commentary:

The purpose of this ratio is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of debt recovery efforts.




Council's general fund ratio (including waste management) for 2015-2016 was 5.08%, Sewer Fund was 4.29% with the Water fund recording the highest ratio at 10.39%. This is due to the fact that water accounts are generated constantly and may not be due for payment until the new financial year. Consistent with prescribed methodology, these outstanding amounts must be included in the ratio as they are outstanding at year end. Council will therefore compare unfavourably to councils with no water authority function.

The overall ratio has improved significantly from last year. This is considered a very positive result especially considering Council's rates and annual charges revenue has risen by \$3.717m over the previous year.

Recovery action is constantly underway to ensure that Council's collection rates are as high as possible.

Ensuring Good Governance




6. Cash Expense Cover Ratio

Benchmark	2015-2016	2014-2015	2013-2014
	21.49	20.63	15.38
Greater than 3 months			

Commentary:

This liquidity ratio indicates the number of months that Council can continue paying for its immediate expenses without additional cash inflow. This ratio includes all term deposits and with the majority of Council's investments being in term deposits along with high reserve levels this ratio should be well above benchmark at all times. It should be noted however, that even though term deposits are included in this ratio, a minimum of 31 days notice has to be given to the banks before these deposits can be redeemed.

7. Building and Infrastructure Renewal Ratio

Benchmark	2015-2016	2014-2015	2013-2014
	79.41%	36.09%	31.63%
Greater than 100%			

Commentary:




This is a longer term indicator of the condition and cost to maintain public infrastructure assets. This ratio is measured by the cost of assets renewals for buildings and infrastructure over the depreciation expense of those assets. The definition of renewals used for the ratio is "replacement of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets". Council often upgrades the capacity of an asset as part of the renewal process. Capacity includes widening a road or bridge, or increasing a load capacity on a bridge. As this capacity work is regarded as an improvement and not renewable these costs are not included within this ratio calculation. Due to the definition of a renewal this ratio may vary significantly up and down over the years. This year's ratio has been positively impacted by works undertaken on Stingray Creek Bridge, Hastings River Drive, Cameron Street and Lord Street amongst others.

Council has embarked on a process of improving its Asset Management Planning processes in line with the State Government's Integrated Planning & Reporting Framework. These plans provide a strategic framework for assessing and addressing asset management issues (including appropriate Renewals and Maintenance) in future years. Council has placed a priority on the development and upgrade of all Asset Management Plans. Like all Councils, the ability to meet acceptable levels under this benchmark will be limited to the available funding.

Ensuring Good Governance

This result indicates that in order to improve this ratio, additional funding for the renewal of assets would be required over the construction of new assets.

8. Infrastructure Backlog Ratio




Benchmark	2015-2016	2014-2015	2013-2014
	6.89%	7.31%	13.06%
Less than 2%			

Commentary:

This ratio shows the proportion of infrastructure backlog against the total value of Council's infrastructure. It is calculated by taking the estimated cost to bring the assets to satisfactory standard over the total value of Infrastructure, building, other structures and depreciable land improvements assets. The estimated cost to bring assets to satisfactory standard (backlog) is the amount of money required to be spent on an asset to ensure it is at a satisfactory standard. This does not include any planned enhancements.

There has been a significant improvement in this ratio for 2015-2016. To ensure further improvement to this ratio council is aligning future works programs to the infrastructure backlog data to ensure that priority is given to projects that are included in the infrastructure backlog figures.

9. Asset Maintenance Ratio

Benchmark	2015-2016	2014-2015	2013-2014
	0.87	0.86	0.45
Greater than 1			

Commentary:

This ratio compares the actual versus required annual asset maintenance. A ratio of above 1.0 indicates that the Council is investing enough funds within the year to stop the Infrastructure Backlog from increasing.

Whilst Council's position is improving it is still below benchmark levels. Additional funding will need to be applied to this area for this ratio to improve further.

Options

Not applicable.

Ensuring Good Governance

Community Engagement & Internal Consultation

Extensive consultation has taken place with Council's Finance Section and with Council's Auditors. The public have also been notified by way of advertisement.

Planning & Policy Implications

These Annual Financial Statements are Part C of the Council's Annual Report, legislated under the Integrated Planning and Reporting Framework.

Financial & Economic Implications

As outlined in the body of this report.

Attachments

1 [View](#). 2015-2016 Annual Financial Statements

Ensuring Good Governance

Item: 09.11

Subject: 2015-2016 ANNUAL REPORT

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.1 Engage with the community on impacts and changes of operations.

RECOMMENDATION

That Council:

1. **Adopt the 2015-2016 Annual Report, comprising Parts A, B, C and D.**
2. **Submit the adopted 2015-2016 Annual Report to the Minister for Local Government by the 30 November 2016.**
3. **Publish the adopted 2015-2016 Annual Report on Council's website and make copies of the report available at all Council Offices and Libraries.**
4. **Note the distribution proposal for Part A Community Report Card 2015-2016.**

Executive Summary

The Annual Report is the key reporting document for Council to keep the community informed as to what was achieved in the financial year. By reporting on the actions undertaken against the 2015-2016 Operational Plan the community and Council can assess the progress of Council's broader objectives as stated in the 2013-2017 Delivery Program.

Under Section 428 of the Local Government Act (1993) Council is required to submit its Annual Report to the Office of Local Government no later than 30 November each year.

Part A of the Annual Report is a summary of the key achievements against the Operational Plan actions and Delivery Program objectives. This Community Report Card also contains a snapshot of community statistics and the financial position. The document has been expanded to include case studies of major initiatives and aims to give the community an overview that is both interesting and informative.

Part B contains the statutory detail that Council is required to provide under the *Local Government Act (1993)* and *Local Government (General) Regulation (2005)* and the requirements of the New South Wales Integrated Planning and Reporting Framework. This information gives a technical insight into the legislated obligations that Council must meet each year.

Part C consists of the audited financial statements which give the public a very detailed insight into the financial management of the organisation.

Ensuring Good Governance

Part D is the End of Term Report which reports on Council's achievements in implementing the Community Strategic Plan over the previous four years.

Discussion

In accordance with Section 428 of the Local Government Act (1993) and Local Government (General) Regulation (2005), Council must, within five months of the end of each financial year, prepare an Annual Report which must include its audited financial statements, a range of statutory requirements and outline achievements in implementing the Delivery Program. This includes the achievements in undertaking the Operational Plan actions which contribute to the overall Delivery Program objectives.

This report is separated into three parts:

Part A - Community Report Card is a reader friendly summary that provides an overview of the key achievements against the Operational Plan actions and Delivery Program objectives. Council has produced the Community Report Card for the previous three years to coincide with the Annual Report. The document includes financial detail and case studies on major initiatives conducted throughout 2015-2016.

The distribution proposal for the Community Report Card will see it made available on Council's website, with reference hard copies available from Council offices and libraries. Printed copies will also be made available to Councillors for their distribution to community groups and networks, with additional copies used in coming months as a reference tool for community engagement activities.

Part B - Statutory Detail is a compilation of reporting details to meet statutory requirements including:

- Achievements in implementing the 2013-2017 Delivery Program and 2015-2016 Operational Plan;
- Amount of rates and charges written off during the year;
- Total cost during the year of the payment of expenses and the provision of facilities to Councillors, in relation to their civic functions;
- Details of overseas visits by Councillors, Council staff or other persons representing Council;
- Details of contracts awarded for amounts greater than \$150,000
- Summary of the amounts incurred by the Council in relation to legal proceedings;
- Summary of resolutions made under Section 67 of the Local Government Act concerning work carried out on private land;
- Statement of all external bodies that exercised functions delegated by Council
- Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council held a controlling interest;
- Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which the Council participated;
- Total amount of grants, financial assistance and contributions made by Council;

Ensuring Good Governance

- Statement of activities to implement Council's Equal Employment Opportunity management plan;
- Statement of the total remuneration package of the General Manager;
- Statement of the total remuneration packages of all senior staff members;
- A statement detailing the stormwater management services provided;
- A statement detailing the coastal protection services provided;
- Particulars of any environmental upgrade agreement entered into;
- Report on special rate variation expenditure;
- State of the Environment Report - 2016 as required in the year of the ordinary election of Council;
- Statement on activities relating to enforcing and ensuring compliance with the Companion Animals Act;
- Statement on Public Interest Disclosures;
- Information included on Government Information Public Access (GIPA) activity; and
- Particulars of compliance with, and effect of, planning agreements in force during the year under the Environmental Planning and Assessment Act.

Part C - Financial Statements is made up of Council's audited financial statements. These statements are being presented to Council under separate cover at the November Ordinary Council meeting.

Part D - End of Term Report is required in the year of the Council election as part of the Annual Report suite of documents. It outlines Council's achievements in implementing the Community Strategic Plan over the previous four years.

The development of the Annual Report 2015-2016 completes the suite of reporting documents Council is required to deliver for the 2015-2016 financial year under the Integrated Planning and Reporting framework of the Local Government Act (1993).

Options

Council could seek additional information on the Annual Report.

Community Engagement & Internal Consultation

- General Manager
- Directors
- Group Managers and relevant staff

Planning & Policy Implications

The submission of the Annual Report meets Council's legislative requirements under the Local Government Act (1993) and Local Government (General) Regulation (2005).

Financial & Economic Implications

Nil directly to this report, noting Financial Statements under separate cover.

Ensuring Good Governance

Attachments

- 1 [View](#). 2015-2016 Annual Report - PART A - Community Report Card
- 2 [View](#). 2015-2016 Annual Report - PART B - Statutory Information
- 3 [View](#). 2015-2016 Annual Report - PART D - End of Term Report

Ensuring Good Governance

Item: 09.12

Subject: MONTHLY FINANCIAL REVIEW FOR OCTOBER 2016

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.2 Manage Council's financial assets, and provide accurate, timely and reliable financial information for management purposes and provide plain English community reporting.

RECOMMENDATION

That Council adopt the adjustments in the "Financial and Economic Implications" section of the Monthly Financial Review Report for October 2016.

Executive Summary

This report will detail the monthly budget adjustments to 31 October 2016.

The Council adopted budget position as at 1 July 2016 was a shortfall of \$840,219. Adjustments made up to 30 September 2016 have increased the shortfall position to a shortfall of \$988,762. The budget adjustments for October 2016 contained within this report will improve this shortfall position to a shortfall of \$894,044.

Discussion

Monthly Budget Adjustments for October 2016

Each month, Council's budgets are reviewed by Managers and Directors with any required adjustments reported. The purpose of this report is to provide Council with an up to date view of the current actual financial position in comparison to the original adopted 2016-2017 budget along with the proposed movement of funds to accommodate any changes.

Ensuring Good Governance

Monthly Budget Review Summary

Original Budget as at 1 July 2016	Shortfall	(\$840,219)
Plus adjustments:		
July Review	Shortfall	(\$156,268)
August Review	Balanced	0
September Review	Surplus	7,725
October Review	Surplus	94,718
Forecast budget position for 30 June 2017	Shortfall	(\$894,044)

October 2016 Adjustments

The following adjustments reflect the budget adjustments included in this report that impact Council's budget position:

Item	Surplus/ Deficit	Amount \$	Comment
Grants Operating - Community Place	Surplus	\$91,556	At the time of budget preparation it was uncertain whether these grants would be continued (Aged & Disability Worker and Youth Worker). Council has now been notified that funding will be available until June 2017.
Grants Operating - Parks & Gardens	Surplus	\$6,364	Council has received an employment training grant in the parks area.
Vince Inmon Sport Complex - Floodlighting & Infrastructure	Deficit	(\$3,202)	The majority of this project was completed in 2015/16. This adjustment covers minor costs that were incurred this financial year.
Total	Surplus	\$94,718	

The following adjustments reflect budget movements as a result of over-expenditure reviews, transfers between accounts, grant funding, transfer from reserves and additional receipts etc that have no impact on the budget position (for example additional income has an associated expenditure budget):

Description	Notes	Funding Source	Amount
Grant Projects	1	Grant	\$160,364
Contribution Funding	2	Contribution	\$2,424
Transfer between projects	3	Grant/Revenue/Reserve	\$1,164,612
Reserve Funding	4	Reserve	\$1,200
Total			\$1,328,600

The following are included in the October 2016 adjustments:

Ensuring Good Governance

1. Council has been notified of a new grant of \$160,364 from the Rural Fire Service for the fire control communications tower and communications upgrade within the Wauchope Fire Control Centre.
2. Council has received a contribution towards Compensatory Koala Food Tree Planting \$2,424.
3. A number of budgets have been transferred between projects this month totalling \$1,164,612.
 - Funding in the amount of \$900,000 received from the Roads and Maritime services that had been applied to regional roads maintenance has been transferred to regional road capital projects. The regional road funding will be targeting projects rather than regular maintenance in 2016/17.
 - Council currently has a project in the amount of \$20,000 for lifeguard tower upgrades. This is insufficient to upgrade all five of the towers so \$50,000 has been transferred from the building rectification works allocation.
 - Funds in the amount of \$50,000 have been transferred from the additional design works funding to allow completion of the design of Black Swan Terrace drainage upgrade.
 - Four pedestrian/transport projects undertaken in the lead up to and following the end of 15/16 financial year have un-funded expenditure (\$57,612) in this financial year. The financial treatment of these expenses was foreshadowed in the respective project plans with the funding being allocated from road maintenance.
 - Pedestrian Refuge in Tunis Street, Laurieton \$492
 - Pedestrian Refuge at Ocean Drive, Lake Cathie \$43,115
 - Pedestrian Refuges at Ocean Drive, Bonny Hills \$10,244
 - Wrights Creek Road, Off Road Cycleway-Lord/Flynn \$3,761
 - The design of the TCMP Town Square is expected to cost \$107,000 and this funding has been transferred from the construction budget of the project.
4. The land improvement revaluation was undertaken in 2015/16. The final report and invoice of \$1,200 was not received until this financial year.

It should also be noted that:

- Any overspends greater than \$50,000 and 2% of the project budget are reviewed and approved by the Executive Group, being their function to oversee operational activities and approve operational actions.
- Any potential gains in interest income have not been taken into consideration into these calculations.

Options

Council may adopt the recommendation as proposed or amend as required.

Planning & Policy Implications

There are no planning and policy implications.

Ensuring Good Governance

Financial & Economic Implications

Attached to the report for information is each individual budget adjustment by Division and Section. The budget movements within this report reduce the budget shortfall to \$894,044.

Responsible Accounting Officer Statement

The approved budget shortfall for 2016-2017 after the October 2016 Council meeting was a shortfall of \$988,762. The adjustments in this report has reduced this position to a shortfall of \$894,044. The shortfall position is considered an unsatisfactory result for the year and as such budgets will need to be closely monitored during the remainder of the year with a view to reducing this shortfall.

Attachments

1 [View](#). October 2016 Budget Review

Ensuring Good Governance

Item: 09.13

Subject: INVESTMENTS - OCTOBER 2016

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.2 Manage Council's financial assets, and provide accurate, timely and reliable financial information for management purposes and provide plain English community reporting.

RECOMMENDATION

That Council note the Investment Report for the month of October 2016.

Executive Summary

- Total funds invested as at 31 October 2016 equals \$224,830,203.
- Year-to-date investment income of \$2,495,882 is 57.26% of the total annual investment income budget of \$4,358,600.
- In line with Council's Investment Policy, the total portfolio has performed above benchmark levels.

Discussion

Overview

Councils (including Port Macquarie-Hastings Council) provide a broad range of services and associated infrastructure to their communities.

These services include (but are not limited to) the following:

- Water and Sewer services;
- Waste services;
- Port Macquarie Regional Airport;
- Cemeteries;
- Roads and Bridges;
- Various Recreation and Cultural facilities.

The Port Macquarie-Hastings area is a high growth centre of the North Coast region and is expected to accommodate a significant proportion of regional growth over the next two decades. The population will grow from 79,114 in 2016 to 102,926 in 2036. As a consequence of this growth, Council must not only provide services to the existing community and maintain existing assets, but Council must also plan for future maintenance and capital expenditure on the infrastructure that will be needed to support the community, business and visitors to the area into the future.

Ensuring Good Governance

Council holds cash reserves as an alternative to (or to supplement) borrowing. As at June 2016, Council held \$214 million in cash and reserves. Predominantly, these reserves are all allocated for specific purposes, with 70% of these reserves legally only being able to be used for the purpose for which they were collected (for example for water and sewer). The remaining reserves are also predominantly held for specific purposes (for example, for the development of the Airport, or to fund projects which have already commenced). The balances of these reserves are audited annually and published in Council's financial statements.

The level of reserves held by Port Macquarie-Hastings Council is not disproportionate to other similar Councils, noting that different Council's provide different services. Not all Councils provide Water and Sewer services for example which require significant capital investment.

The balances of these reserves are invested until such time as they are required. This report details how Council invests these reserves to ensure the appropriate balance between risk and financial return (through interest).

Current Investments

This report provides details of and certifies that all funds that Council has invested as at 31 October 2016, comply with Section 625 of the Local Government Act 1993. All investments have been made in accordance with the Act and Regulations, and Council's Investment Policy.

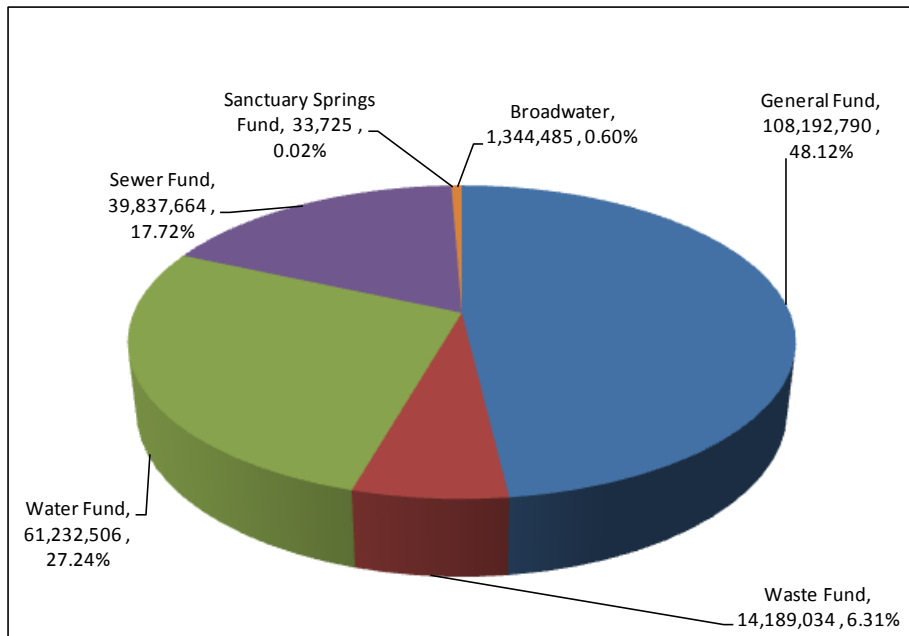
As at 31 October 2016, the investments held by Council totalled \$224,830,203 and were attributed to the following funds:

General Fund	108,192,790
Waste Fund	14,189,034
Water Fund	61,232,506
Sewer Fund	39,837,664
Sanctuary Springs Fund	33,725
Broadwater	1,344,485
	<hr/>
	224,830,203

Whilst current levels remain high, these monies are predominantly restricted funds, s94 contributions and other avenues which are committed for future works. These funds may be spent in the shorter or longer term depending on whether they are allocated to specific projects or held to accumulate to allow for larger works. The totals will fluctuate dependent on the status of individual projects.

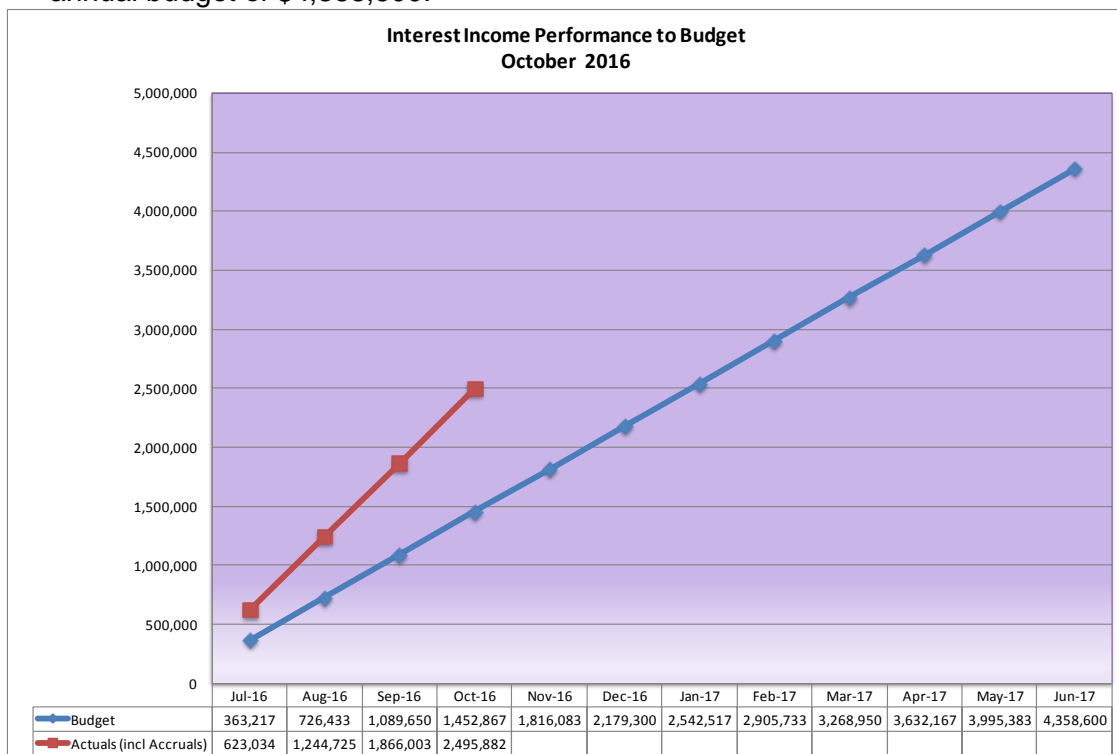
Ensuring Good Governance

Investments by Fund - as at 31 October 2016



Portfolio Performance

- Council's total investment portfolio performance for October 2016 was 1.60% above the benchmark (3.28% against 1.68%). Benchmark being the Bank Bill reference rate as at 28 October 2016 in the Australian Financial Review published 1 November 2016.
- The total year-to-date investment income of \$2,495,882 is 57.26% of the total annual budget of \$4,358,600.

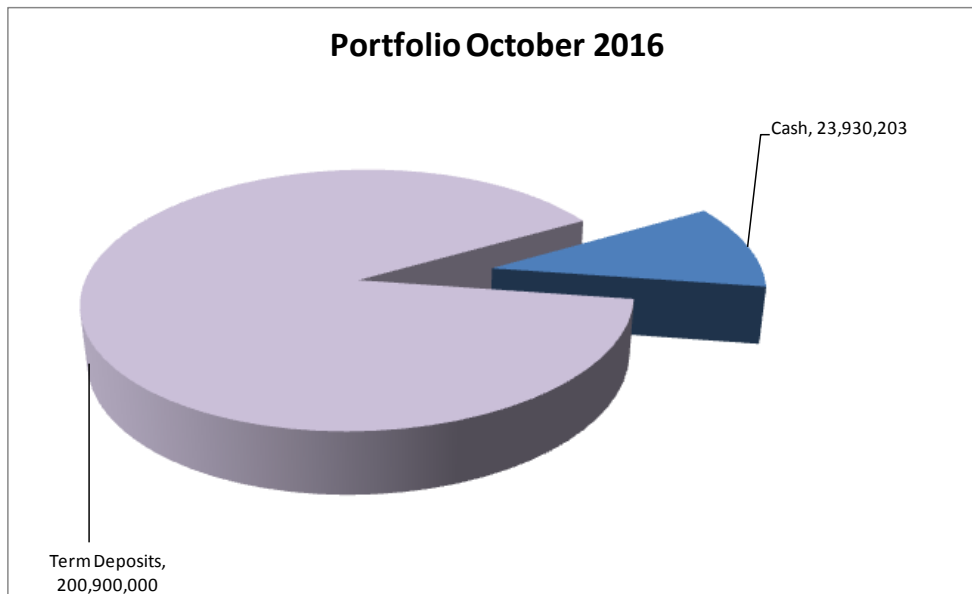


Ensuring Good Governance

The year-to-date actual reflects total earning including both cash and accruals.

Investment Portfolio Mix

Council's current portfolio is represented by cash and term deposits. The total term deposits represent 89.36% of the total investment portfolio. As at 31 October 2016, the total investment portfolio was \$224,830,203 down from \$226,595,920 as at the end of September 2016. This consists of term deposits of \$200,900,000 and cash \$23,930,203.



Term Deposits - Current month \$200,900,000 - Prior month \$213,900,000

Council's Investment Policy identifies the maximum amounts that can be invested in term deposits within the various maturity constraints and the amounts which can be held with various institutions based on their respective credit ratings.

Council's current term deposit portfolio mix as at 31 October 2016 is as follows:

Table 1 - Term to Maturity

This table shows the amounts invested within the following maturity terms in accordance with limits as established by Council's Policy:

Term to Maturity	Balance \$	% Held	Policy Min	Policy Max
0 - 12 months	\$109,900,000	54.70%	40.00%	100.00%
1 - 3 years	\$86,000,000	42.81%	0.00%	60.00%
3 - 5 years	\$5,000,000	2.49%	0.00%	30.00%
Grand Total	\$200,900,000	100.00%		

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Table 2 - Overall Portfolio Credit Framework

This table shows the amounts held with various institutions based on their respective credit ratings against the maximum limits set for each credit rating category. Setting limits precludes over exposure in any category held in comparison to the maximum allowed and are shown in the table below:

Rating Framework	Total	% Held	Maximum % Policy	Variance
A	64,000,000	31.86%	60.00%	28.14%
AA	106,900,000	53.21%	100.00%	46.79%
BBB	24,000,000	11.95%	15.00%	3.05%
ADI/Unrated	6,000,000	2.99%	10.00%	7.01%
Grand Total	200,900,000	100%		

These tables show the total amount held for Council's term deposits as at 31 October 2016.

Credit Unions are regarded as ADI's (Authorised Deposit Taking Institutions) and generally do not have ratings. Under the regulation of Australian Prudential Regulation Authority (APRA), all ADI's have to meet the same requirements in terms of capital adequacy (how much capital they are required to hold), ensuring they don't take on too much leverage and become insolvent. In addition, ADI's are an eligible investment under the Minister's Order.

Cash - Westpac Business Cash Reserve Account

Current month \$23,930,203 - Prior month \$12,696,920

This is not available unrestricted cash.

This is a maxi account which the Council uses as a cash management tool only. Funds are transferred in and out of this account daily prior to investment, given its higher rate of interest than the general payment account. Levels in this account vary dependent on the time of month and rate payer/creditor cycle.

Throughout the month of October, \$13 million in funds matured with no further funds invested into term deposits throughout the month.

It should be noted that funds currently within the Westpac Business Cash Reserve Account are attracting an interest rate of 2.2% being the current cash rate plus 0.7% (based on the cash rate drop on 3 August 2016), which performs better than the benchmark (1.60% October).

The largest sector of the portfolio is the term deposit allocation of \$200,900,000 (last month \$213,900,000) or 89.36% of the total.

Ensuring Good Governance

Investment Portfolio by Maturity Date - as at 31 October 2016

Inv Name	Type	Rating	Purchase Date	Maturity Date	Yield	Face Value
Rabobank	TD	Aa2	11-Nov-11	11-Nov-16	6.30%	2,000,000
Westpac Banking Corporation	TD	AA-	11-Nov-11	11-Nov-16	6.22%	3,000,000
Bendigo Bank	TD	A-	13-Nov-15	13-Nov-16	2.85%	2,000,000
National Australia Bank	TD	AA-	26-Nov-14	28-Nov-16	3.65%	2,000,000
Bendigo Bank	TD	A-	14-Dec-15	14-Dec-16	3.05%	2,000,000
National Australia Bank	TD	AA-	17-Dec-14	19-Dec-16	3.65%	2,000,000
National Australia Bank	TD	AA-	17-Dec-14	19-Dec-16	3.65%	3,000,000
ING Bank (Australia) Limited	TD	A-	20-Dec-11	20-Dec-16	6.16%	3,000,000
National Australia Bank	TD	AA-	14-Jan-16	16-Jan-17	3.05%	5,000,000
National Australia Bank	TD	AA-	22-Mar-16	23-Jan-17	3.14%	4,000,000
ME Bank	TD	BBB+	12-Feb-16	13-Feb-17	3.05%	2,000,000
ME Bank	TD	BBB+	23-Feb-16	23-Feb-17	3.12%	2,000,000
National Australia Bank	TD	AA-	23-Feb-15	23-Feb-17	3.18%	4,000,000
ING Bank (Australia) Limited	TD	A-	8-Mar-16	8-Mar-17	3.05%	4,000,000
Bank of Queensland	TD	A-	9-Mar-15	9-Mar-17	3.15%	6,000,000
Westpac Banking Corporation	TD	AA-	12-Mar-14	12-Mar-17	4.38%	3,000,000
National Australia Bank	TD	AA-	14-Jan-16	13-Apr-17	3.04%	2,000,000
Bank of Queensland	TD	A-	17-Apr-15	17-Apr-17	3.10%	2,000,000
Westpac Banking Corporation	TD	AA-	27-Apr-16	27-Apr-17	3.23%	4,000,000
National Australia Bank	TD	AA-	12-May-15	12-May-17	3.08%	4,000,000
Newcastle Permanent	TD	BBB+	13-May-15	12-May-17	3.10%	4,000,000
Bendigo Bank	TD	A-	16-May-16	16-May-17	3.00%	1,000,000
National Australia Bank	TD	AA	7-Jul-16	1-Jun-17	2.97%	3,000,000
Bank of Queensland	TD	A-	18-Jun-15	18-Jun-17	3.05%	2,000,000
National Australia Bank	TD	AA-	18-Jun-15	19-Jun-17	2.99%	1,900,000
Holiday Coast Credit Union	TD	ADI/Unrated	7-Jul-16	7-Jul-17	3.00%	2,000,000
Westpac Banking Corporation	TD	AA	7-Jul-16	7-Jul-17	2.91%	3,000,000
Bendigo Bank	TD	A-	22-Jul-15	24-Jul-17	3.10%	4,000,000
Bendigo Bank	TD	A-	8-Mar-16	8-Aug-17	3.15%	3,000,000
Police Credit Union SA	TD	ADI/Unrated	12-Feb-16	14-Aug-17	3.10%	2,000,000
National Australia Bank	TD	AA-	15-Aug-16	14-Aug-17	2.81%	2,000,000
AMP Bank	TD	AA-	4-Sep-15	4-Sep-17	2.90%	5,000,000
Westpac Banking Corporation	TD	AA-	4-Sep-14	4-Sep-17	4.07%	2,000,000
St George	TD	AA-	8-Sep-16	8-Sep-17	3.00%	5,000,000
St George	TD	AA-	27-Sep-16	27-Sep-17	3.00%	4,000,000
Bendigo Bank	TD	A-	8-Oct-15	8-Oct-17	2.98%	5,000,000
ANZ Bank	TD	AA-	13-Nov-12	13-Nov-17	4.87%	2,000,000
Bank of Queensland	TD	A-	13-Nov-15	13-Nov-17	3.00%	2,000,000
Westpac Banking Corporation	TD	AA-	23-May-16	23-Nov-17	2.95%	3,000,000
Westpac Banking Corporation	TD	AA-	8-Sep-16	8-Dec-17	3.00%	3,000,000
Newcastle Permanent	TD	BBB+	14-Dec-15	14-Dec-17	3.20%	2,000,000
Bendigo Bank	TD	A-	14-Jan-16	15-Jan-18	3.10%	2,000,000
Police Credit Union SA	TD	ADI/Unrated	12-Feb-16	12-Feb-18	3.15%	2,000,000
Bendigo Bank	TD	A-	8-Mar-16	8-Mar-18	3.20%	3,000,000

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Inv Name	Type	Rating	Purchase Date	Maturity Date	Yield	Face Value
Defence Bank	TD	BBB+	22-Mar-16	22-Mar-18	3.25%	4,000,000
Westpac Banking Corporation	TD	AA-	27-Apr-16	27-Apr-18	3.29%	4,000,000
Bendigo Bank	TD	A-	16-May-16	16-May-18	3.05%	2,000,000
Newcastle Permanent	TD	BBB+	16-May-16	16-May-18	3.10%	2,000,000
Bank of Queensland	TD	A-	20-Jun-13	20-Jun-18	5.00%	4,000,000
Bendigo Bank	TD	A	7-Jul-16	6-Jul-18	3.05%	2,000,000
Westpac Banking Corporation	TD	AA-	15-Aug-16	15-Aug-18	2.96%	3,000,000
Westpac Banking Corporation	TD	AA-	4-Sep-14	4-Sep-18	4.22%	4,000,000
Bendigo Bank	TD	A-	7-Sep-15	7-Sep-18	3.00%	5,000,000
St George	TD	AA-	8-Sep-16	8-Sep-18	3.10%	5,000,000
St George	TD	AA-	27-Sep-16	27-Sep-18	3.10%	4,000,000
ME Bank	TD	BBB+	14-Dec-15	14-Dec-18	3.33%	2,000,000
Rabobank	TD	Aa2	20-Jan-15	20-Jan-19	3.90%	2,000,000
Newcastle Permanent	TD	BBB+	8-Mar-16	8-Mar-19	3.60%	2,000,000
Rabobank	TD	Aa2	23-May-16	23-May-19	3.15%	6,000,000
Bendigo Bank	TD	A	7-Jul-16	8-Jul-19	3.15%	2,000,000
Westpac Banking Corporation	TD	AA-	15-Aug-16	15-Aug-19	3.10%	3,000,000
Newcastle Permanent	TD	BBB+	15-Aug-16	15-Aug-19	3.00%	2,000,000
St George	TD	AA-	8-Sep-16	8-Sep-19	3.20%	5,000,000
St George	TD	AA-	27-Sep-16	27-Sep-19	3.20%	4,000,000
Newcastle Permanent	TD	BBB+	10-Mar-16	10-Mar-20	3.70%	2,000,000
Bank of Queensland	TD	A-	10-Mar-16	10-Mar-21	3.80%	3,000,000
Total TD's						200,900,000
Westpac Business Cash Reserve Account						CASH
					2.20%	23,930,203
Total Portfolio						\$224,830,203

Options

This is an information report.

Community Engagement & Internal Consultation

Council uses the services of an independent financial advisor, on an as needs basis with investments. The investments placed this month were term deposits. At least three quotes were obtained from financial institutions in line with Council's Investment Policy. The services of an independent financial advisor were not required. Council obtains regular updates regarding market activities positions from various institutions.

Planning & Policy Implications

There are no planning and policy implications.

Financial & Economic Implications

Benchmark and budget levels have been met on a year to date basis. On an annual basis, if benchmark levels are not reached, then this may result in budget cuts in other areas to fund the shortfall.

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Council's total investment portfolio performance for 31 October 2016 is 1.60% above the benchmark (3.28% against 1.68%) and year to-date income is 57.26% of the total annual budget.

It should be noted that investment income is noted as a gross amount. Section 97(5) of the Local Government Act 1993 indicates that any security deposit held with Council must be repaid with interest accrued. These security deposits will only relate to bonds held for security to make good damage done to works.

The overall investment income will be adjusted at financial year end by the total interest refunded on repayment of bonds. As Council constantly receives and refunds bonds, it is difficult to accurately determine the quantum of these refunds. This financial year to date Council has refunded bonds with an associated interest component of \$15,014.48 which will be monitored and advised monthly.

Certification

I hereby certify that the investments listed within this report 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 Investment Policy.

Robyn Wilson
Responsible Accounting Officer

Attachments

Nil

Ensuring Good Governance

Item: 09.14

Subject: MAKING A DECISION ABOUT FUTURE RATES

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

1.4.3 Build trust and improve Council's public reputation through transparency and accountability.

RECOMMENDATION

That Council:

1. Place the following draft documents on public exhibition for a period of 28 days from 21 November to 18 December 2016:
 - Amended 2013-2017 Delivery Program.
 - Amended Long Term Financial Plan.
2. Lodge an IPART expression of interest for a Special Rate Variation in December 2016 in relation to embedding the existing Special Rate Variation into the future noting that the submission of an expression of interest will not bind Council in applying for a Special Rate Variation.
3. Note that a further report will be tabled at the February 2017 meeting of Council, detailing the submissions received from the public during the exhibition period that will provide Council with information that can be taken into account in considering whether to formally apply for a Special Rate Variation to maintain the current funding levels.

Executive Summary

Over the past five years, Council has placed a high focus on improving and maintaining our regions key transport assets, including the significant sealed and unsealed road network. In 2012 a Special Rate Variation (SRV) of 4.43% above the rate peg was approved by the Independent Pricing and Regulatory Tribunal (IPART), under guidelines set by the NSW Office of Local Government. The value of the expiring SRV is \$1.7m in 2016-2017.

This current SRV expires on 30 June 2017. Should there be a desire to maintain this funding and hence the resultant delivery outcomes, an application must be made to IPART via a specific process which is determined by IPART.

This report will cover details of the existing SRV and the delivery outcomes of that funding, the IPART process and the community engagement that has been undertaken and will continue to be undertaken.

More specifically as part of the IPART requirements, the existing Council adopted 2013-2017 Delivery Program and the Long Term Financial Plan need to be amended and exhibited. If there is a desire to maintain the level of funding of the existing SRV, an Expression of Interest (EOI) will need to be lodged at some point in December 2016, noting that the timing of this has not yet been released by IPART.

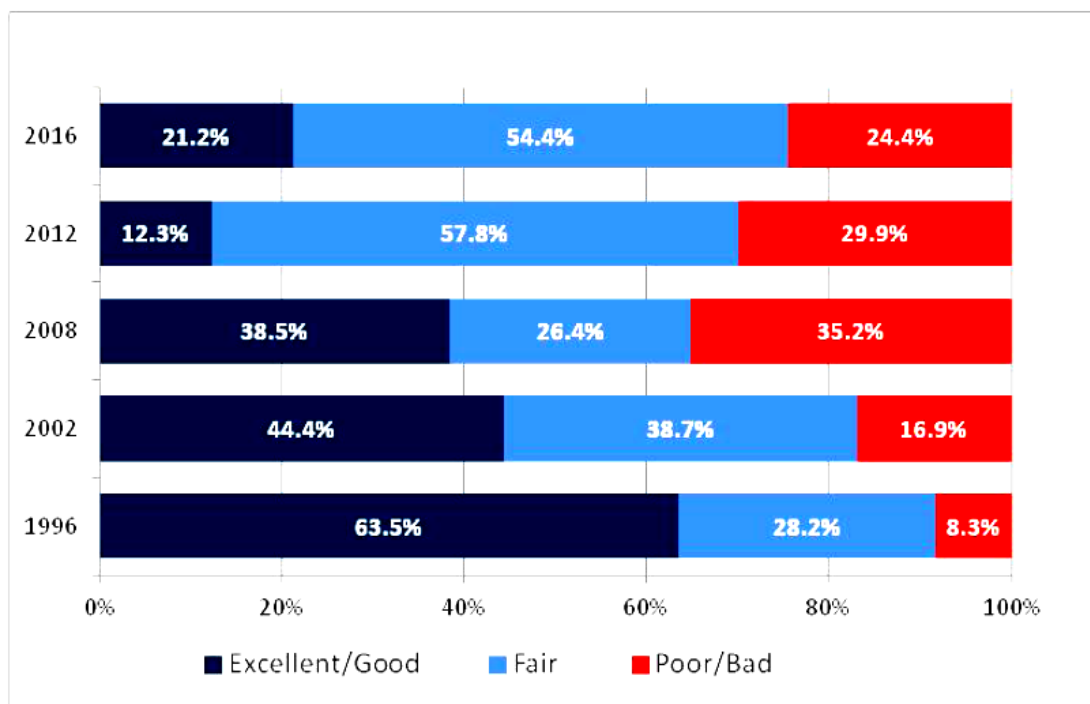
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It is proposed to provide another report to Council in February 2017 for Council to consider the community engagement undertaken and any submissions received on the amended Delivery Program and Long Term Financial Plan.

Discussion

Council's Road Network

The sealed road network condition in 2012 was the result of a progressive and significant decline in condition since 1996. This was due to insufficient annual budget and resource allocations toward sealed road maintenance. The graph below shows what percentage of our road network was in which condition from 1996 to 2016:



The service level experienced by residents up to 2012 was reactionary maintenance only, and was characterised by significant complaints back to Council during wet weather events, when the condition of the sealed road network would rapidly deteriorate and cause issues for residents. As the graph demonstrates, this resulted in a significant decline in the condition of our road network over time.

Available resources up to 2012 were only able to be applied to short-term reactive maintenance activities, such as jet patching. Jet patching is viewed as a reactionary holding treatment only, temporary in nature, effectively only postponing the requirement for a more expensive and higher level of maintenance intervention in the future.

Due to budget constraints, up to 2012 only minimal road resealing activities were able to be undertaken. In comparison to jet patching, resealing of bitumen and asphaltic surfaces is considered a preventative maintenance activity. Resealing activities extend the service life of the road and reduces the instance of pavement failures and the subsequent requirement for reactive maintenance. Further, resealing

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is around one tenth the cost of full reconstruction or asphalt overlays, and when done at the right time can extend the life of a road by 10 to 15 years.

While the 2012 position indicates a conscious application of scarce funding aimed at containing the backlog of 'poor' roads and retaining as many roads as possible in at least 'fair' condition, it can be seen that this was at the cost of less roads remaining in the 'good' category. As a result, in 2012, while the rapid increase in the proportion of 'poor' roads in prior years had been arrested, it was still very high, at about one-third of the network, and represented a stubborn and large backlog of work. In comparison, the improvement in the condition of the sealed road network in 2016 is the result of combining existing scarce maintenance funding with the first four years of clearly identified special rate funding, and applying these funds to specifically targeted long-term road maintenance activities.

The service level currently experienced by residents is a combination of proactive and reactive roads maintenance, with Council steadily addressing the previous decline in condition of the sealed road network, through targeted and specific programs of work. In addition, more efficient work practices and ongoing resealing programmes have led to an overall decrease of complaints from the public.

In 2012, in recognition that the general condition of the sealed road network across the local government area was deteriorating faster than current resources could address, Council resolved to take a proactive approach to manage this network. In line with this and following an application by Council, Council received approval from IPART to apply a Special Rate Variation from the commencement of the 2012/13 financial year. A key component of this SRV allowed for a 4.43% increase for five years.

The SRV meant that Council could transition from utilising a short-term reactive approach to its road maintenance activities, into the development and implementation of a roads maintenance and resealing program in excess of \$1 million per annum, plus invest an additional \$850,000 per annum into heavy patching and unsealed road maintenance.

These were the priorities that were identified by the community in the extensive engagement that supported the 2012 rate rise application process, and these were the areas that Council needed to focus on to halt the consistent annual decline in the condition of the road network.

Following are details of what has been achieved utilising the funding generated from each year of the existing SRV and what the impact would be should we lose the funding going into 2017-2018:

Yr 1 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2012-2013, specifically utilising the **\$1,577,600** allocated in the first year of SRV funding:

- Completion of **\$800,000** of high traffic road resurfacing work, including resealing works on Randall and Cameron Street in Wauchope, on Pacific Drive and Gordon Street in Port Macquarie, on Ocean Drive in Lake Cathie and on Panorama Drive and Beech Street in Bonny Hills;

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- Completion of **\$398,000** of high priority unsealed road grading, under which all high priority unsealed roads were graded twice within the financial year, due to the addition of a fourth fulltime maintenance grading crew; and
- Completion of **\$200,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$180,000** to support design requirements for new road construction.

This was in addition to the ongoing reactive maintenance activities required to be undertaken in 2012/-2013 to maintain the overall road network.

Yr 2 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2013-2014, utilising the second year of SRV funding:

- Completion of **\$827,000** of high traffic road resurfacing work, including rehabilitation works on Bago Rd South of King Creek near Wauchope, Koala St (Kennedy to Shearer St), Lake Rd (Lake Road and Jindalee Rd), and Pacific Dr (Pacific Dr and Flynn St, and Waterview to Bangalay) in Port Macquarie, and resealing works on Livingstone Rd (entire length) and Pacific Dr (Livingstone Rd to bus bay) in Port Macquarie;
- Completion of **\$411,000** of unsealed road grading work, including allocation of two additional grading crews to continue the grading program; and
- Completion of **\$207,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$186,000** to support design requirements for new road construction.

This was in addition to the ongoing reactive maintenance activities required to be undertaken in 2013-2014 to maintain the overall road network.

Yr 3 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2014-2015, utilising the third year of SRV funding:

- Completion of **\$846,000** of high traffic road resurfacing work, including foam bitumen and asphalt rehabilitation works on Cameron St (High St to Bridge St) in Wauchope, Hastings River Drive (Tuffins Ln to Boundary St) and William St (Munster St to Grant St) in Port Macquarie;

Ensuring Good Governance



New Asphalt, Cameron Street, Wauchope

- Completion of **\$421,000** of unsealed road grading work, including allocation of two additional grading crews to continue the rural grading program; and
- Completion of **\$212,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$190,000** to support design requirements for new road construction.

During the same year, Council allocated approximately \$1m of additional funding to the existing road maintenance budget for road resealing, specifically to address lower priority local roads. This was in response to an independent assessment that Council commissioned in late 2013, that identified that Council possessed a high level of in-house technical skills, and that the road work prioritisation program was having a positive impact, there was still a need to invest in more proactive maintenance of the network to ensure that roads currently not in disrepair remained that way.

The program of work aimed to achieve the best economies of scale and positive impact on residential communities, and was implemented to support the positive impacts made to the condition of the road network from the first two years of SRV funding.

The works saw almost all streets in Lake Cathie and Bonny Hills resealed, and all the roads surrounding Sirius Drive in Lakewood. In addition, the entire length of Granite St in Port Macquarie was also resealed. Council's sealed road and drainage maintenance crews spent many weeks in these areas preparing the roads for reseat by fixing kerb and gutter, repairing sections of failed pavement and repairing damaged stormwater drainage.

In total, the resealing during 2014-2015 covered approximately 63km of local roads. These works were in addition to the rehabilitation and major resurfacing works on higher trafficked roads. To put this into context, Council maintains 875km of sealed roads and in the 2014-2015 financial year resealing and other pavement works were undertaken on 70.7km of road - equating to 8% of the sealed road network.

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Addressing 8% of the network a year is a significant target and means that all the sealed roads in the local government area would be resealed or rehabilitated every 12 - 14 years. Some years this result will fluctuate as some parts of the Local Government Area have roads in poorer condition that require more substantial and costly rehabilitation, as opposed to lower cost resealing. But this is a key target number in terms of managing the road asset and increasing the lifespan of this very significant infrastructure.

Yr 4 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2015-2016, utilising the fourth year of SRV funding:

- Completion of **\$867,000** of high traffic road resurfacing work, including foam bitumen and asphalt rehabilitation works on Lord St (Gordon St to Yaranbee Rd) and Kennedy Drive (Yaranbee Rd to Coral St) in Port Macquarie, and Ocean Drive (near Waterview Cr) in West Haven;



Pavement Rehabilitation, Lord St, Port Macquarie

- Completion of **\$431,000** of unsealed road grading work, through allocation of two additional grading crews to continue the rural grading program, including 1km of works at each of Ballengarra Bransdon Rd in Telegraph Point and Pappinbarra Rd in Pappinbarra; and

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Gravel Resheet, Ballengarra Bransdon Road, Telegraph Point

- Completion of **\$217,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$195,000** to support design requirements for new road construction.

During the same year, Council again allocated approximately \$1m of additional funding for road resealing, specifically to address lower priority local roads. The program of work continued to build on the positive impacts made to the condition of the road network from the previous three years of SRV funding.

The works saw Council's sealed road operational crews primarily stationed in the Camden Haven area. 63km of local streets within the Laurieton, North Haven, Dunbogan, and Lakewood areas were resealed during 2015-2016. Based on Council maintaining 875km of sealed roads, this equates to approximately 7% of the sealed road network. Council's ability to reseal or rehabilitate all sealed roads in the local government area every 12 -14 years remains a key target number in terms of managing the road asset and increasing the lifespan of this very significant infrastructure.

Yr 5 (current financial year) of 4.43% SRV Funding:

In 2016-2017, in accordance with the Council adopted Operational Plan, Council will undertake the following proactive works, utilising the fifth year of SRV funding:

- Completion of **\$882,000** of high traffic road resurfacing work;
- Completion of **\$438,000** of unsealed road grading work, through allocation of two additional grading crews to continue the rural grading program; and

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- Completion of **\$221,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$198,000** to support design requirements for new road construction.

During the same year, Council will again continue to focus on addressing lower priority local roads, to continue to build on the positive impacts made to the condition of the road network from the previous four years of SRV funding.

2017-2018 and Beyond:

A loss of the existing SRV in 2017-2018 would halt and then reverse the critical progress made in the preceding years. Council would no longer be in a financial position to strategically manage its road assets, and the condition of the network would deteriorate year on year.

Council would be forced to revert to a reactive approach to roads maintenance. Resealing and rejuvenation works would once again be predominantly replaced by reactive jet patching works. Sealed roads in the local government area would only be able to be resealed or rehabilitated every 25 years. There would be a significant decrease in the level of service provided to residents by these assets.

IPART requirements

Council's rating revenue is regulated under "rate pegging". Independent Pricing and Regulatory Tribunal NSW (IPART) sets a rate peg which limits the amount by which councils can increase their rate revenue from one year to the next. For many years, the rate peg limit has not kept pace with the spiralling increases to costs for councils in NSW to deliver vital community services.

IPART provide Councils with a guide to the expected rate peg. It is then up to each Council to assess whether there will be sufficient funds to deliver its services. Councils have conversations with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there are sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variation (SRV).

A NSW Council can apply to IPART for a special variation above the rate peg provided Council has engaged its residents in the discussion and Council has shown a sustainable financing strategy and productivity improvements.

As detailed earlier in the report, Council applied for a SRV to fund asset improvements in 2012. The current SRV funding will expire as of 30 June 2017.

In early December 2016 (date TBC), Council will be required to submit an Expression of Interest (EOI) to IPART, informing that they are planning to submit an application for a SRV in February 2017. It is important to note that whilst it is a requirement to submit an EOI in December, the submission of the final application in February still requires a resolution by Council prior to proceed.

Council's decision making in applying for the proposed SRV will be assisted by the community consultation program Council is conducting, specifically related to the SRV, of which includes consultation regarding Council's planning documents.

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As part of the IPART assessment criterion 4, Council is required to exhibit the relevant Integrated Planning and Reporting (IP&R) documents (where required), approved and adopted by the Council before the Council applies to IPART for a special rate variation.

IPART assessment criteria 1 states “the need, and purpose of, a different revenue path for Council’s General Fund (as requested through the special variation) is clearly articulated and identified in the council’s IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate.”

The current Council adopted Delivery Program and Long Term Financial plan do not adequately address this requirement because at the time of adoption of these documents by Council in mid 2013, no consideration was given to the future of the SRV at that time. As detailed earlier in this report, the purpose of this report is to approve the following draft documents to be placed on public exhibition for a period of 28 days from 21 November to 18 December to comply with IPART guidelines and to demonstrate to the community via our planning documents the proposed SRV. The documents for exhibition are:

- Amended Delivery Program 2013-2017 (Attachment 1)
- Amended Long Term Financial Plan 2016-2026 (Attachment 2)

It should be noted that the presentation and format of these documents will continue to be reviewed and refined during the exhibition period.

Community Engagement

A requirement of IPART is to conduct sufficient community awareness and engagement for Special Rate Variations. The purpose is to ensure councils fully consult with their communities, demonstrate the financial impact the proposed SRV would have and allow the community with opportunity to provide feedback to Council.

To meet the criteria set by IPART, Council has developed a community engagement program related to the proposed SRV. This includes consulting with the community through a variety of methods and will build upon the community engagement Council has conducted to-date.

Council undertakes regular community engagement on how the community feels about our region, current Council services and community expectations on levels of service. Recent engagement activity includes the February 2015 phone survey (sample over 600 people) conducted by Micromex, the October 2015 to December 2015 Your Voice Our Community face-to-face and online engagement process (sample 274 people), and the July 2016 region-wide telephone survey conducted by University of Technology Sydney (sample 800 people). These interactions have highlighted the community’s continuing desire to do more when it comes to our roads. Council has listened to the priority the community place on continuing to build on the progress made over the last five years in prioritising funding to maintain and renew Council’s road network.

During November and December 2016, Council will continue this engagement by talking with the community about the proposed SRV impact, affordability and determining the community’s willingness to pay. Engagement will take place via the

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public exhibition of the amended Delivery Program 2013-2017 and Long Term Financial Plan 2016-2026, face to face (events, pop up stands, community forum), online survey (PMHC Listening) and information factsheets (Attachment 3).

Financial Implications

As mentioned earlier in this report, the current SRV funding will expire as of 30 June 2017. It is important to consider the impact the loss of this funding would have on the progress made to-date:

- Council would no longer be in a financial position to strategically manage its road assets, and the condition of the network would deteriorate year on year;
- Council would be forced to revert to a reactive approach to roads maintenance;
- Resealing and rejuvenation works would once again be predominantly replaced by reactive jet patching works;
- Sealed roads in the local government area would only be able to be resealed or rehabilitated every 25 years; and
- There would be a significant decrease in the level of service provided to residents by these assets.

To continually support Council's maintenance and renewal of its infrastructure projects, Council proposes a SRV application to permanently embed the current SRV funding. IPART have indicated a rate peg of 2.5% for 2017-2018. Port Macquarie-Hastings rate base growth over the last five years means to continue the current level of funding provided by the expiring SRV the percentage required has changed from the original 2012 SRV of 4.43% plus rate peg to 3.96% (6.46% including rate peg).

To ensure there is no increase to rates created by the SRV other than the predicted rate peg increase, Council is proposing to apply to continue the current funding at 6.46% including the rate peg. It is important to note there will be other increases to rates relating to other components of the rate bill, the financial impact discussed here relates only to the rating part.

The two scenarios to consider when looking at Council's financial position following the expiry of the current SRV:

- Scenario 1: Reduce (rate peg only, 2.5%)
In 2017-2018 the current SRV expires which means rates would reduce. Each year after that they would increase by the rate peg only.
- Scenario 2: Maintain (rate peg + SRV, 6.46% including rate peg)
Council would continue receiving the funds from the current SRV and receive the predicted rate peg of 2.5%. This means in 2017-2018 the community would only see the impact of the rate peg increase.

The average impact to rates is shown in the table below:

Ensuring Good Governance

Rate Category	6.46% increase including rate peg Average annual increase 2017/18
Residential	\$28.70
Business (defined urban)	\$70.20
Business CBD	\$280.40
Business (other Hastings)	\$37.80
Farmland	\$47.40

IPART require Councils to display the financial impact of the Expiring SRV (ESV) and the proposed SRV in a specific way. The table below meets these criteria and describes the impact the two scenarios would have in both dollar and percentage terms to average residential rates:

Residential

\$ Impact on Average Residential Rates Rounded		Current	2017/18	2018/19	2019/20	2020/21
Scenario 1: Reduce. (ESV + Rate Peg)	Average Rates under 2.5% Rate Peg with ESV	\$1,147.50	\$1,132.30	\$1,160.70	\$1,189.70	\$1,219.40
	Average Annual Increase / (Decrease) \$		(\$15.20)	\$28.40	\$29.00	\$29.70
	Annual increase/ (decrease)%		(1.32%)	2.50%	2.50%	2.50%
Scenario 2: Maintain (ESV, SV + Rate Peg)	Average Rate with a 6.46% SV (including 2.5% rate peg)	\$1,147.5	\$1,176.2	\$1,205.6	\$1,235.7	\$1,266.6
	Average Annual Increase / (Decrease) on Prior Year \$		\$28.70	\$29.40	\$30.10	\$30.90
	Annual increase/ (decrease)%		2.50%	2.50%	2.50%	2.50%
Difference between Scenario 1 and Scenario 2			\$43.90	\$44.90	\$46.00	\$47.20

Under Scenario 2, average residential rates will go up by approximately \$29 in 2017-2018 compared to what they are now.

The community engagement fact sheets (Attachment 3) include the above modelling for each of the rating categories.

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To ensure SRV increase to rates is only seen by the community as per the rate peg increase (2.5%), Council is proposing to apply to continue the current funding and permanently embed it at 6.46% including the rate peg - as outlined in Scenario 2 above.

The community engagement fact sheets and amended Delivery Program 2013-2017 and Long Term Financial Plan 2016-2026 demonstrate the financial scenarios that support this proposed application.

Options

Council could decide not to place the amended Delivery Program 2013-2017 and Long Term Financial Plan 2016-2026 on public exhibition and not to progress with the Expression of Interest (EOI) to IPART in December 2016 (noting Council will make a formal decision about the SRV application in February 2017).

Community Engagement & Internal Consultation

Community Engagement Program (external):

Council has to-date conducted regular engagement with the community relating to the services the community receives.

During November and December 2016, Council will continue this engagement by talking with the community about the proposed SRV impact, affordability and determining the community's willingness to pay. Engagement will take place via the public exhibition of the amended Delivery Program 2013-2017 and Long Term Financial Plan 2016-2026, face to face (events, pop up stands, community forum), online survey (PMHC Listening) and information factsheets (Attachment 3).

Internal engagement has taken place with:

Councillors;
General Manager;
Directors;
Chief Financial Officer; and
Group Managers.

Planning & Policy Implications

As previously discussed in the report the current Council adopted Delivery Program and Long Term Financial plan do not adequately address this requirement because at the time of adoption of these documents by Council in mid 2013, no consideration was given to the future of the SRV at that time. The purpose of this report is to approve the following draft documents to be placed on public exhibition for a period of 28 days from 21 November to 18 December to comply with IPART guidelines and to demonstrate to the community via our planning documents the proposed SRV. The documents for exhibition are:

- Amended Delivery Program 2013-2017 (Attachment 1)
- Amended Long Term Financial Plan 2016-2026 (Attachment 2)

It should be noted that the presentation and format of these documents will continue to be reviewed and refined during the exhibition period.

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Financial & Economic Implications

The current SRV funding will expire as of 30 June 2017. It is important to consider the impact the loss of this funding would have on the progress made to date:

- Council would no longer be in a financial position to strategically manage its road assets, and the condition of the network would deteriorate year on year;
- Council would be forced to revert to a reactive approach to roads maintenance;
- Resealing and rejuvenation works would once again be predominantly replaced by reactive jet patching works;
- Sealed roads in the local government area would only be able to be resealed or rehabilitated every 25 years; and
- There would be a significant decrease in the level of service provided to residents by these assets.

There are two scenarios to consider when looking at Council's financial position following the expiry of the current SRV:

- Scenario 1: Reduce (rate peg only, 2.5%)
In 2017-2018 the current SRV expires which means rates would reduce. Each year after that they would increase by the rate peg only.
- Scenario 2: Maintain (rate peg + SRV, 6.46% including rate peg)
Council would continue receiving the funds from the current SRV and receive the predicted rate peg of 2.5%. This means in 2017-2018 the community would only see the impact of the rate peg increase.

To continually support Council's maintenance and renewal of its infrastructure projects, it is the staff's recommendation that an SRV application to permanently embed the current SRV funding is made. To ensure SRV increase to rates is only seen by the community as per the rate peg increase (2.5%), Council is proposing to apply to continue the current funding at 6.46% including the rate peg (Scenario 2).

The amended Delivery Program 2013-2017 and Long Term Financial Plan 2016-2026 support this proposed application.

Attachments

- 1 [View](#). Amended Delivery Program 2013-2017
- 2 [View](#). Amended Long Term Financial Plan 2016-2026
- 3 [View](#). SRV Fact Sheets

Ensuring Good Governance

Item: 09.15

Subject: 2016 COMMUNITY NEEDS SURVEY

Presented by: Community and Economic Growth, Liesa Davies

Alignment with Delivery Program

1.1.1 Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive.

RECOMMENDATION

That Council note the information included within the 2016 Community Needs Survey report.

Executive Summary

As part of Council's ongoing engagement with the community, Council recently commissioned an independent random telephone community needs survey that was undertaken by the University of Technology Sydney Institute of Public Policy and Governance (UTS:IPPG).

Discussion

In May 2016, as part of the ongoing community engagement process regarding Council's service levels and funding options, Council engaged UTS:IPPG to conduct a random telephone survey of a minimum of 800 residents of the Port Macquarie - Hastings Local Government Area (LGA).

The survey investigated community attitudes, values and perceptions of services, facilities, and infrastructure provided by Council. The research focused on both the present and future community needs and aspirations. Attachment 2 provides the UTS:IPPG PMHC 2016 Survey Questionnaire.

The objectives of this research were to:

- Understand which Council activities, services, and facilities are priority focus areas for the local community;
- Identify community attitudes to Council expenditure and priority areas for future investment;
- Assess community members' willingness to pay for services, preferred levels of services, and perceptions of the quality of Council services provided;
- Identify community members' perceptions of the role of local government and
- Understand community members' attachment to the local area.

The methodology used by the UTS:IPPG this survey included:

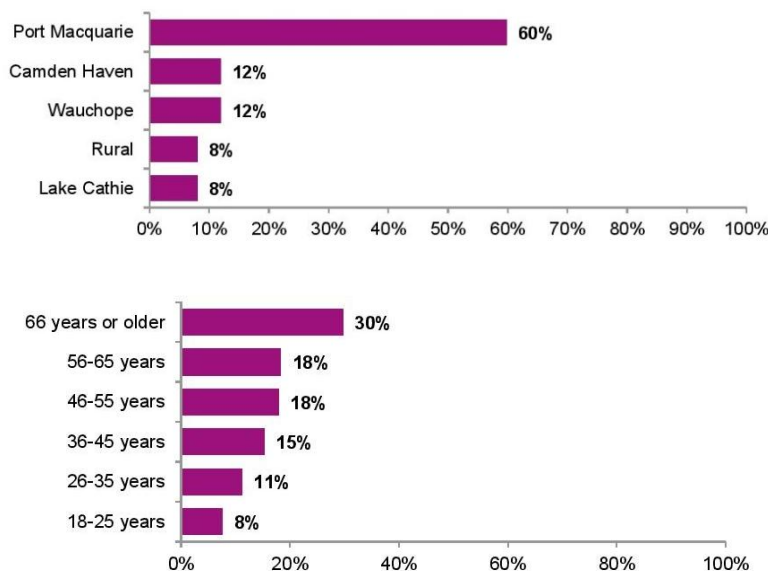
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- *Document and previous survey review* – a review of key Council policies and documents, including previous community surveys and results.
- *Survey development and testing* – the development, piloting and testing of the draft 2016 Community Needs Survey, in consultation with Council, including the design of a sampling framework to ensure representative demographic and locational representation. The survey was informed by previous community needs surveys undertaken on behalf of Council by Micromex in 2013 and 2015.
- *Survey delivery* – an external market research organisation undertook 800 Telephone Interviews of residents over a two week period during July 2016.
- *Survey data review and analysis* – at the completion of the survey, UTS:IPPG undertook a top line report of high level key findings, and further demographic analysis. The results of the survey were also compared to previous Micromex community surveys as well as the University of Technology Sydney Centre for Local Government's (UTS:CLG) Why Local Government Matters, national survey, undertaken in 2015.

The information gathered will complement the community engagement that has been undertaken over the past 12 months as part of Council's overall service review and service level discussion. This information will assist in developing current and future programs, initiatives and investment decisions to meet the needs and expectations of the community.

Demographics

As illustrated below, the survey participants are broadly representative of our LGA community demographics and are in line with quotas set for age, gender and locality:



Key findings and considerations for Council

The high level results from this research are as follows:

Ensuring Good Governance

Council performance

- Over the past two years, residents perceive a positive change in Council's performance (43% believed Council's performance has improved and 43% believe it has stayed the same).

Access to essential infrastructure and services

- A high percentage of residents agreed that they have the type of housing they need (96%), access to the necessary services they need (94%) and are able to live close to their place of work (91%).
- A high percentage of residents agreed that they like the look and feel of the area (97%), feel safe (95%), and feel that it has the qualities they value (92%).

Importance of the provision and maintenance of local government functions and activities

The top five local government functions and activities of the greatest importance to residents are:

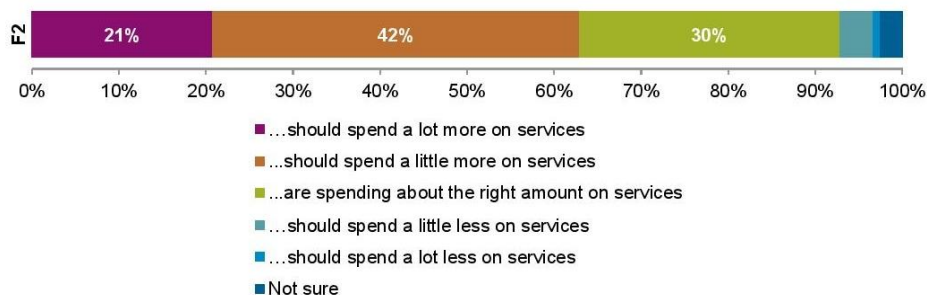
- Creating and maintaining sealed roads (93%);
- Providing value for ratepayers' dollars (87%);
- Long-term planning and vision for the future (82%);
- Encouraging education and training opportunities (82%); and
- Encouraging industry and business growth (81%).

Residents placed greatest importance on:

- Local government advocating for the needs of their local community (98%);
- Local government delivering services that contributes to a healthier and fairer society (97%) ; and
- Local government playing a role in providing any of the services the community needs (90%).

Views on local government expenditure in the local area and priority areas for investment

The majority of residents (63%) believed that local government should spend 'a little more' or 'a lot more' on services in the local area, with 30% of residents feeling that the level of spending was 'about the right amount':



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The majority of residents believed that Council should invest more in:

- Roads (79%);
- Footpaths and cycle ways (61%); and
- The airport (54%).

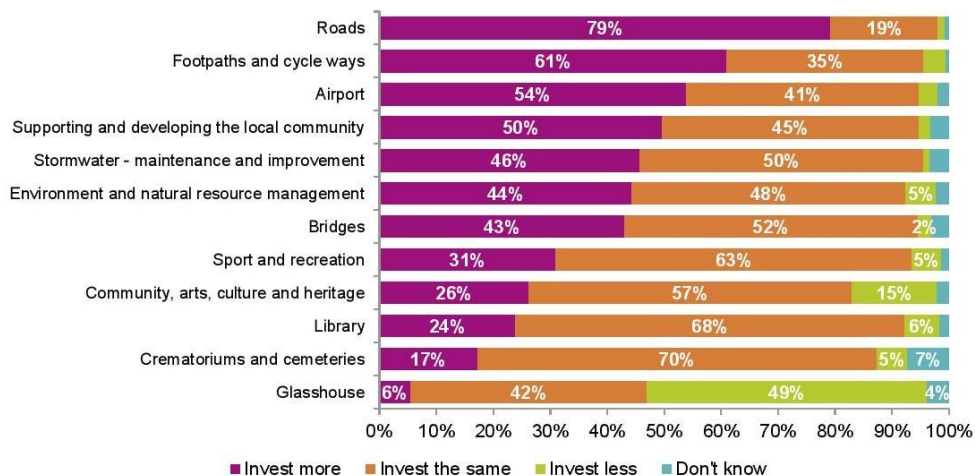
Invest the same in:

- Crematoriums and cemeteries (70%);
- The library (68%); and
- Sport and recreation (63%).

Invest less in:

- The Glasshouse (49%).

The graph below indicates the level of investment the community believes should be:



Local government spending, quality and value-for-money of Council services

- Older residents are more likely to not support increased local government expenditure in their local area, compared to younger residents. They are also more inclined to rate value-for-money of Council services as being of a high standard;
- Residents with incomes of \$80,000-\$100,000 are less likely to hold the value-for-money and quality of Council services in high regard. In addition, the majority of residents of this income bracket do not wish for increased expenditure in their local area; and
- Residents of the Wauchope locality rate value-for-money and quality of services to be of a lower standard, and identify a need for increased Council spending in the local area.

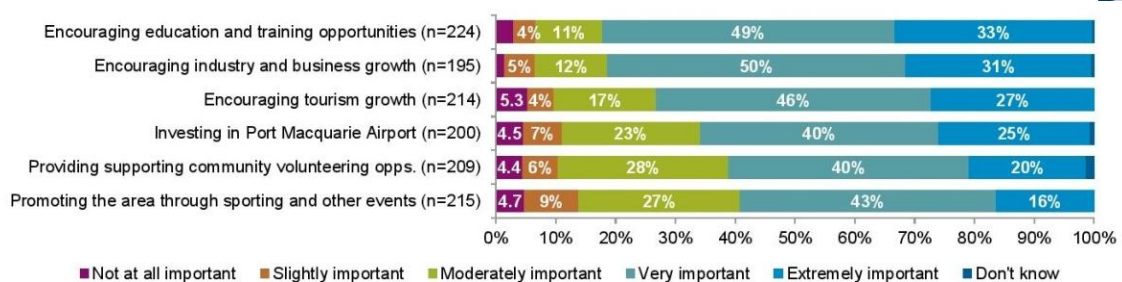
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Willingness to pay more: More rates for more services, or less rates for fewer services?

- Younger residents (18-35 years of age), are prepared to pay either; more rates in return for a greater range of services, or lower rates in exchange for fewer services;
- Residents new to the area (less than 5-year residency) are prepared to pay lower rates in exchange for fewer services. However, they do not want to pay more rates to receive a broader range of services; and
- Residents earning in excess of \$100,000 are prepared to pay more rates to receive a greater range of services, but not to pay less in exchange for fewer services.

Community Prosperity

The community were also asked about a number of services that Council provide to ensure community prosperity and whether they were important for local government to provide and /or maintain. As illustrated below, the community ranked each service on a level of importance ranging from 'not at all important' to 'extremely important':



The role of local government in the community

Residents agree that the role of Local government is to advocate for and provide and deliver the services that reflect the needs of the community.

- Residents with a strong sense of community:
 - Value opportunities for involvement in Council decision making for the local area;
 - Value the delivery of council-organised community programs and events;
 - Place high importance on lobbying activities conducted by local government on behalf of the community; and
 - Place high importance on efforts undertaken by local government to create a 'sense of place' and foster community involvement.
- Residents who identify a need for greater levels of investment into the community, arts, culture, and heritage believe that it is important for local governments to:
 - Provide arts and cultural activities;

Ensuring Good Governance

- Deliver community programs and events; and
- Provide and maintain activities aimed at creating a sense of place and fostering community involvement.

Economic prosperity of the local area

- Residents who feel positive about the local area's economic future:
 - Believe levels of expenditure on services to be 'about right';
 - Are less likely to desire expenditure increases; and
 - Believe the usefulness, ease of access, and quality of services provided by Council to be of a high standard.
- Residents who feel positive about the local area's economic future:
 - Believe it is highly important that Council maintain or provide investment into Port Macquarie Airport; and
 - Place importance on Council encouraging tourism growth and business and industry growth.
- Residents who believe Council should invest more into the development of the local economy place high importance on:
 - Increasing commercial development;
 - Fostering business and industry growth;
 - Investing in Port Macquarie Airport;
 - Increasing education and training opportunities; and
 - Growth in tourism.
- Residents who believe Council should invest more into the development of the local economy:
 - Are more prepared to pay higher rates to receive a broader range of services;
 - Place higher importance on local governments' provision of value for ratepayers' dollars; and
 - Believe that Council should spend a lot more on services in the local area.

The survey was also compared to the findings of a recent survey undertaken by UTS:CLG, titled *Why Local Government Matters* (WLGM). This is a major piece of social research on community attitudes to local government and was conducted nationally. Select questions were incorporated in the Port Macquarie Hastings Council survey in order to test the differences in attitude towards local government.

Compared to respondents nationally, PMHC respondents are **more likely** to feel that:

- The private sector delivers the best value services (35% WLGM vs. 50% PMHC);
- Government should only provide services where the private sector doesn't (26% WLGM vs. 42% PMHC); and

Ensuring Good Governance

- Government should be advocating for the needs of the local community (93% WLGM vs. 98% PMHC).

PMHC respondents are **less likely** than respondents nationwide to feel that:

- They want government to involve them in making decisions about what services are delivered in the local area (92% WLGM vs. 88% PMHC); and
- They are prepared to pay more taxes to get a broader range of public services (57% WLGM vs. 41% PMHC).

There were similar high levels of agreement for the statements:

- “There is a role for government in providing any of the services the community needs” (90% WLGM vs. 90% PMHC); and
- “I want governments to deliver services that contribute to a healthier and fairer society” (98% WLGM vs. 97% PMHC).

In preparing their survey report for Council, UTS also compared key questions across the Micromex in 2013 and 2015. The figures below highlights where the importance of specific local government services and facilities increased between 2013 and 2015 and where it has stayed the same.

The top three local government services and activities for which importance **increased** (over the 2013-2015 period) most were:

- Lobbying for services for specific groups (+14%): 89% vs. 75%;
- Environmental monitoring and biodiversity protection (+14%): 85% vs. 71%; and
- Informing residents about Council activities (+11%): 82% vs. 71%.

The council services and activities for which importance **remained mostly unchanged** (over the 2013-2015 period) were:

- Maintenance of sealed roads: 95% vs. 96%;
- Creating and monitoring parking: 87% vs. 87%;
- Providing value for ratepayers’ dollars: 86% vs. 85%;
- Residents’ involvement in Council’s decision-making: 70% vs. 70%; and
- Maintenance of unsealed roads: 79% vs. 78%.

Complete analysis and associated key findings of the 2016 PMHC Community Survey is located in the attachments.

Options

That Council seek additional information and analysis of the information provided in this report

Ensuring Good Governance

Community Engagement & Internal Consultation

The Survey analysed the attitudes and perception of over 800 residents of the Port Macquarie-Hastings area towards service, facility and infrastructure provision.

The information gathered will complement the community engagement that has been undertaken over the past 12 months as part of Council's overall service review and service level discussion. This information will assist in developing current and future programs, initiatives and investment decisions to meet the needs and expectations of the community.

Planning & Policy Implications

There are no planning and policy implications in relation to this report.

Financial & Economic Implications

There are no financial and economic implications in relation to this report.

The information will assist in the preparation of any future Special Rate Variation applications and assist Council in determining future levels of service.

Attachments

- 1[View](#). UTS:IPPG 2016 Community Survey Results for PMHC
- 2[View](#). UTS:IPPG PMHC 2016 Survey Questionnaire
- 3[View](#). UTS:IPPG Bivariate Analysis PMHC
- 4[View](#). UTS:IPPG Overall Council Performance PMHC 2016

Looking After Our People

What are we trying to achieve?

Our social infrastructure and community programs create a healthy, inclusive and vibrant community.

What will the result be?

- Community hubs which provide access to services and social connections.
- Services that support an ageing community to live in a way that they desire.
- Available and accessible preventative health and medical services.
- A safe, caring and connected community.
- A healthy and active community that is supported by recreational infrastructure
- A strong community that is able to identify and address social issues.
- Community participation in events, programs, festivals and activities.

How do we get there?

- 2.1 Create an environment and culture that allows the Port Macquarie-Hastings community to feel safe.
- 2.2 Provide young people with a range of leisure activities and opportunities for personal development.
- 2.3 Provide medical and social services for all members of the community.
- 2.4 Develop partnerships within the community to build on existing strengths and improve areas of social disadvantage.
- 2.5 Create events and activities that promote interaction and education.
- 2.6 Provide social and community infrastructure and services.
- 2.7 Empower the community to be active and involved in community life.
- 2.8 Promote cultural and artistic expression.
- 2.9 Promote a healthy lifestyle through education, support networks and facilities.

Looking After Our People

Item: 10.01

Subject: RECOMMENDED ITEM FROM THE MAYOR'S SPORTING FUND SUB-COMMITTEE - OCTOBER 2016 MEETING

Presented by: Community and Economic Growth, Liesa Davies

Alignment with Delivery Program

2.9.1 Provide a range of sporting and recreational opportunities.

RECOMMENDATION

That Council, pursuant to the provisions of Section 356 of the Local Government Act 1993, grant financial assistance from the Mayor's Sporting Fund as follows:

1. That Benjamin Oakley be granted the amount of \$250.00 to assist with expenses he would have incurred travelling and competing at the 2016 National Youth Football Championships held in Coffs Harbour from 3 October to 7 October 2016 inclusive.
2. That Kyle De Domizio be granted \$350.00 to assist with the expenses he would have incurred travelling to and competing at the NSW all Schools Track and Field Championships held in Sydney Olympic Stadium from 13 October to 15 October 2016 inclusive.

Executive Summary

The Mayor's Sporting Fund Sub-Committee met on 27 October 2016, reached consensus on Item 8 and submits the above recommendation for Council's consideration.

Attachments

1 [View](#). Extract from MSF Meeting Minutes 27 October 2016

Helping Our Community Prosper

What are we trying to achieve?

The Port Macquarie-Hastings region is able to thrive through access to a range of educational, employment and business opportunities.

What will the result be?

- Greater availability of educational opportunities.
- Key business sectors are able to benefit from our natural and existing attributes.
- Business and industry, training and education facilities sustain our population growth.
- Increased employment opportunities.
- An environmentally harmonious and prosperous tourism industry.
- Widely available communications technology.

How do we get there?

- 3.1 Create opportunities for lifelong learning and skill enhancement with the availability of a broad range of education and training facilities.
- 3.2 Promote and support an increase in business capacity in order to generate ongoing economic growth.
- 3.3 Expand tourism business opportunities and benefits through collaborative planning and promotion.
- 3.4 Maximise innovation and economic competitiveness by providing high quality communication technology throughout the Port Macquarie-Hastings region.
- 3.5 Target and encourage business enterprise by providing favourable business conditions including infrastructure and transport options.

Helping Our Community Prosper

Item: 11.01

Subject: NOTICE OF MOTION - OPPORTUNITIES FOR LOCAL FIRMS TO DO BUSINESS WITH COUNCIL

Councillor Rob Turner has given notice of his intention to move the following motion:

RECOMMENDATION

That Council:

1. Request the General Manager provide a briefing to Councillors in early 2017 outlining options and strategies to increase the opportunities for local firms to do business with Council.
2. Request the General Manager provide a report Ordinary Council Meeting on 15 March 2017 outlining options and strategies to increase the opportunities for local firms to do business with Council that complement the current Council adopted integrated strategy for local supply.

Comments by Councillor Turner (if provided)

Nil.

Attachments

Nil

Helping Our Community Prosper

Item: 11.02

Subject: PORT MACQUARIE AIRPORT TERMINAL BUILDING UPGRADE PROJECT

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

3.5.1 Develop, manage and maintain Port Macquarie Airport as a key component of the regional transport network and continue to grow the airport's contribution to the regional economy.

RECOMMENDATION

That Council:

1. Include the Port Macquarie Airport Terminal Building Upgrade project in the 2016-2017 Operational Plan, with a current year budget of \$250,000 for the commencement of detailed design.
2. Note the overall \$7.5 million budget for the Port Macquarie Airport Terminal Building Upgrade project, with funding sources and future year budget allocations as detailed in the Financial and Economic Implications section of this report to be considered in draft future Operational Plans.
3. Delegate authority to the General Manager to sign and enter into the \$5 million Restart NSW (RNSW768) Funding Deed and the \$1.25 million Funding Agreement with the Australian Government for the Port Macquarie Airport Terminal Building Upgrade project.

Executive Summary

Council has been planning for an upgrade of the terminal building (to cater for up to Code 4C (B737-800 / A320) aircraft operations) since the Airport Master Plan was adopted by Council in June 2010.

At the Ordinary Council meeting held on 25 July 2012, Council resolved to proceed with the \$20.5 million Stage 1A airside upgrade of the runway, taxiway and RPT apron infrastructure (which now provides infrastructure capable of handling 180-seat Code 4C (B737 / A320) aircraft), with the landside improvements (terminal building and car park) being deferred pending further consultation with the Civil Aviation Safety Authority (CASA) and a review of the Airport Master Plan.

At the Ordinary Council meeting held on 18 December 2013, Council adopted the Airport Master Plan 2010 Addendum Report with Option 1 as the preferred short term / interim development option. Option 1 of the Airport Master Plan Addendum Report includes the staged redevelopment of the existing terminal building to cater for forecast growth in airline services and passenger numbers.

The Terminal Building currently operates at capacity during "busy hour" peak periods. Any further increase in airline services and/or passenger numbers will lead to

Helping Our Community Prosper

significant congestion and a poor level of service during peak periods. The existing check-in and departure lounge facilities do not allow for a possible new entrant airline operating 180-seat aircraft.

As such, the current terminal building represents a constraint to the attraction of new airline services and routes, and in particular the future introduction of 180-seat B737/A320 aircraft. This constraint is subsequently impeding the region's growth and economic development potential.

In March 2015, Council received confirmation from CASA that the redevelopment of the existing terminal building would be permitted subject to a number of recommendations. On the basis of the CASA approval and consistent with Option 1 for the redevelopment of the Port Macquarie Airport Terminal Building, in March 2015 Council submitted an Expression of Interest (EOI) to the NSW Government for grant funding under the Restart NSW Regional Tourism Infrastructure Fund: Airports Program (RTIF).

In June 2016:

- the NSW State Government announced \$5 million in grant funding for the project via the Restart NSW program. (Refer to Confidential Attachment - Restart NSW Funding Deed - Port Macquarie Airport Terminal Building Upgrade project. The reason the attachment is confidential is it relates to *Financial information (Project Cost Plan) that may prejudice the commercial position of Council in future tendering negotiations with potential consultants / contractors. Local Government Act 1993 - Section 10A(2)(c)*).
1.
- the Coalition Government announced a \$1.25 million election commitment towards the project (Reference: Federal Member for Cowper Media Release dated 14 June 2016).

Council is currently liaising with the Australian Government to secure the election commitment funding for the project.

2.

The proposed \$7.5 million upgrade will cater for current demand and forecast growth in airline services and passenger numbers and subject to detailed design, will include:

- an expanded passenger check-in area;
- expanded departures and arrivals areas;
- expanded passenger, carry-on and checked baggage security screening areas;
- expanded and improved baggage claim area and facilities; and
- an upgrade of the associated utilities / services.

Discussion

Council has been planning for an upgrade of the terminal building (to cater for up to Code 4C (B737-800 / A320) aircraft operations) since the Airport Master Plan was adopted by Council in June 2010.

Helping Our Community Prosper

At the Ordinary Council meeting held on 25 July 2012, Council resolved to proceed with the \$20.5 million Stage 1A airside upgrade of the runway, taxiway and RPT apron infrastructure (which now provides infrastructure capable of handling 180-seat Code 4C (B737 / A320) aircraft), with the landside improvements (terminal building and car park) being deferred pending further consultation with CASA and a review of the Master Plan:

10.02 PORT MACQUARIE AIRPORT - PROPOSED STAGE 1 UPGRADE

The Administrator advised of a request to address Council from Leigh Fitz-Alan (opposing the recommendation).

Mr Fitz-Alan addressed Council in opposition to the recommendation.

RESOLVED: Administrator/Porter

That Council:

- 1. Adopt the airside components (runway, taxiways, and RPT apron) as currently designed as the scope of works for the proposed Stage 1A upgrade of Port Macquarie Airport.*
- 2. Proceed to obtain tenders from suitably experienced contractors for the proposed Stage 1A upgrade, being works required to the runway, taxiways and RPT apron to cater for initial operations of Code 4C (B737 / A320) aircraft, via an open tendering process.*
- 3. Defer the proposed landside components (terminal building and car park improvements) to Stage 1B pending further consultation with the Civil Aviation Safety Authority (CASA) and a review of the Airport Master Plan 2010.*
- 4. Proceed with further detailed planning and design for a new rental car and staff car park as identified in the Airport Master Plan 2010, with this work being planned as part of a standalone business case.*

At the Ordinary Council meeting held on 18 December 2013, Council adopted the Master Plan Addendum Report with Option 1 as the preferred short term / interim development option:

10.01 PORT MACQUARIE AIRPORT MASTER PLAN 2010 ADDENDUM REPORT - CONSULTATION REPORT

Councillor Cusato declared a Pecuniary Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 08:25pm.

The Mayor tabled the replacement report for this item.

RESOLVED: Levido/Roberts

That Council:

- 1. Note the submissions and feedback received during the exhibition of the draft Port Macquarie Airport Master Plan 2010 Addendum Report;*
- 2. Adopt the Port Macquarie Airport Master Plan 2010 Addendum Report with Option 1 as the preferred short-term / interim development option and Option 2 as the preferred long-term development option, subject to the availability of funding;*
- 3. Continue to liaise with key stakeholders regarding the future development of Port Macquarie Airport as outlined in the Addendum Report; and*
- 4. Proceed with further detailed planning, feasibility and environmental investigations in relation to:*
 - widening the runway strip and associated obstacle limitation surfaces in accordance with CASA Code 4C aerodrome standards;*
 - development of the proposed Airport Precinct business park; and*
 - the provision of flood-free road access via a future North-South (Outer) Link Road.*

CARRIED: 8/0

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FOR: Besseling, Griffiths, Hawkins, Intemann, Levido, Roberts, Sargeant and Turner
AGAINST: Nil

Option 1 of the Airport Master Plan Addendum Report includes the staged redevelopment of the existing terminal building to cater for forecast growth in airline services and passenger numbers.

The Terminal Building currently operates at capacity during “busy hour” peak periods. Any further increase in airline services and/or passenger numbers will lead to significant congestion and a poor level of service during peak periods. The existing check-in and departure lounge facilities do not allow for a possible new entrant airline operating 180-seat aircraft.

As such, the current terminal building represents a constraint to the attraction of new airline services and routes, and in particular the future introduction of 180-seat B737/A320 aircraft. This constraint is subsequently impeding the region’s growth and economic development potential.

In March 2015, Council received confirmation from CASA that the redevelopment of the existing terminal building would be permitted subject to a number of recommendations. On the basis of CASA approval and consistent with the Master Plan Option 1 for the redevelopment of the Port Macquarie Airport Terminal Building, in March 2015 Council submitted an Expression of Interest (EOI) to the NSW Government for grant funding under the Restart NSW Regional Tourism Infrastructure Fund: Airports Program (RTIF).

The EOI included:

- an independent cost benefit analysis of the project by consultants AECGroup. This assessment indicates that the project is highly economically viable with a positive Net Present Value (NPV) and benefit cost ratio (BCR) greater than 1.0. The economic impact assessment undertaken by AECGroup indicates construction phase benefits in the order of \$5.6 million and ongoing operational phase benefits in the order of \$14.8 million per annum; and
- the written support of local Business Chambers (Port Macquarie, Wauchope and Camden Haven), the Greater Port Macquarie Tourism Association, and Council’s Economic Development Steering Group.

In June 2016, the NSW State Government announced \$5 million in grant funding for the project via the Restart NSW program (see Confidential Attachment - Restart NSW Funding Deed - Port Macquarie Airport Terminal Building Upgrade project). Shortly thereafter, the Coalition Government announced a \$1.25 million election commitment towards the project (Reference: Federal Member for Cowper Media Release dated 14 June 2016).

Council is currently liaising with the Australian Government to secure the election commitment funding for the project.

The proposed \$7.5 million upgrade will cater for current demand and forecast growth in passenger numbers and subject to detailed design, will include:

- an expanded passenger check-in area;

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- expanded departures and arrivals areas;
- expanded passenger, carry-on and checked baggage security screening areas;
- expanded and improved baggage claim area and facilities; and
- an upgrade of the associated utilities / services.

Regular updates will be provided to Council during the project which is expected to be completed in the latter part of the 2018 calendar year.

Options

Council has the option to either adopt the recommendations of this report, to amend, or not to adopt.

The Port Macquarie Airport Terminal Building Upgrade project is not able to be delivered by Council without the grant funding assistance from the NSW State Government (\$5 million) and the Australian Government (\$1.25 million).

Community Engagement & Internal Consultation

External consultation has been undertaken with, and letters of support provided by, the following organisations:

- Combined Chambers (Port Macquarie, Wauchope and Camden Haven).
- Greater Port Macquarie Tourism Association.
- Council's Economic Development Steering Group.

Internal consultation has occurred with:

- Airport Advisory Group (consisting of internal and external representatives).
- General Manager.
- Director, Corporate & Organisational Services.
- Group Manager, Commercial & Business Services.
- Business Enterprise Manager - Airport.
- Council's Infrastructure Delivery section.

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Planning & Policy Implications

There are no planning and policy implications in relation to this report.

Financial & Economic Implications

It is proposed that the \$7.5 million upgrade of the Port Macquarie Airport Terminal Building will be funded via the following contributions:

- \$5 million - Restart NSW (NSW State Government Funding)
- \$1.25 million - Australian Government Funding
- \$1.25 million - Port Macquarie Airport Reserve

Annual projected budgets for the Port Macquarie Airport Terminal Building Upgrade project are as follows:

- 2016-2017 \$ 250,000
- 2017-2018 \$3,750,000
- 2018-2019 \$3,500,000

The proposed \$7.5 million budget includes a 20% contingency allowance.

It should be noted that Airport projects and the benefits that the Airport provides for our community are delivered by the Airport business unit (Airport Reserve) with no impact on Council's general rate fund or at the expense of other Council projects or services.

Attachments

- 1 [View](#). Confidential Restart NSW Funding Deed - Port Macquarie Airport Terminal Building Upgrade project (Confidential)

Helping Our Community Prosper

Item: 11.03

Subject: PORT MACQUARIE COACH TERMINAL LED BILLBOARD

Presented by: Community and Economic Growth, Liesa Davies

Alignment with Delivery Program

3.2.1 Identify, support and advocate for effective programs that assist the growth of appropriate business and industry.

RECOMMENDATION

That Council request the General Manager undertake an expression of interest process for the installation and management of a new LED billboard on the Gordon Street Coach Terminal Building.

Executive Summary

For the past five years, Council has delivered a range of tourism, events, Council, community and commercial messaging via the LED billboard on the Gordon Street Coach Terminal. The asset is now deemed to have reached the end of its life, and it is proposed that Council invite interested parties to express interest the installation and management of a new board on the Gordon Street Coach Terminal Building. This is viewed as a potentially cost neutral approach to maintain this highly visible communication channel, promoting both commercial and Council messaging to our community and visitors.

Discussion

In 2011, Council purchased and installed an LED billboard on the western wall of the Gordon Street Coach Terminal. The idea was borne out of event organisers' seeking ways to promote to their events to the local community and visitors to our region. The board was funded from the Tourism and Events budget and DA approved with specific timing for image changes and illumination of the board.

To-date, income associated with Board advertising (by higher education institutions and local business) has covered board operating costs but not the staff time associated with management of content. With the management approach taken to date (i.e. no dedicated resource for the promotion/sale of the billboard space), this is estimated at around two hours per week to liaise with advertisers, ensure content is appropriately formatted, uploaded and monitored.

Feedback from the Glasshouse staff, community and other users indicate the board is valued as a means of communicating with visitors and our community. Traffic analysis indicates some 11,000 vehicles travel east bound on Gordon Street past the site every day. The estimated annual advertising value gained from the board to date per annum is as follows:

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User	Proportion of use	Estimated market value
Community group/not for profit	13%	\$7,020
Council messaging (water, waste, community events etc)	8%	\$4,320
Glasshouse/Regional Gallery promotions	10%	\$5,400
Council - tourism/major events	46%	\$24,840
Commercial (paid advertising)	23%	\$12,420
	100%	\$54,000

Demand for promotion on the Board has grown with typical messaging including:

- Major events and welcome to event participants.
- Community events such as the Comboyne Fair, Countdown to Christmas and King of the Mountain.
- Tourism marketing - the visitor information centre, Eat See Do Guide and our visitor website.
- Council messages such as bin use, water restrictions, Moonlight movies, Youth week, Heritage Festival, Australia Day Nominations, Osmosis.
- Community messages - Red Cross, Headspace, The Cancer Council, Rotary events, Hastings Bonsai.
- Glasshouse and Regional Gallery Shows and Exhibitions.
- Commercial advertisers (predominantly the universities).

The outsourcing of the board management was considered during Town, Village and Community Signage planning in 2014 and reported to Council in November 2014. At that time, staff considered that Council should retain management of the billboard, until such a time that a new community signage solution could be implemented. The proposed solution for community signage (to promote Council and community events and activities) was to provide for the approval and installation of community event banners on fixed poles in certain Port Macquarie, Wauchope and Camden Haven locations. This project has not yet been funded and is complicated by the need to amend our LEP to permit this type of signage in nominated locations. A strategic planning proposal is required to the Department of Planning as a first step and this has not yet occurred.

A recent assessment of the Coach Terminal LED billboard, indicates repair costs are likely to exceed \$20,000 and there is no guarantee that further board failures will not occur. Hence a repair to the existing board is not deemed a good option.

With a very competitive outdoor advertising market, staff assess that there will be reasonable interest in the outsourcing of a new board in this prominent location. An outsourced operating model would likely mean Council would have access to a certain percent of messaging time on the board, with the remainder to be sold to commercial advertisers. This would mean less control over board content, however, there is scope to negotiate suitability of advertisers (industries/products) with the approved management company.

By way of example, Council's recently draft expression of interest documentation for bus shelter advertising deemed the following as not permitted:

Helping Our Community Prosper

- Advertisements for tobacco, alcohol.
- Advertisements of any illegal goods or services.
- Advertisements, which in the opinion of Council, in its absolute discretion, are offensive, obscene, false or misleading.
- Advertisements which in the reasonable opinion of Council seek to disparage or criticise Council.
- Advertisements which promote or oppose, indirectly or directly, a political party, candidate or sitting member for election to Council or State or Federal Parliament.

Options

Council may choose to undertake an expression of interest process for the installation and management of a new board as recommended.

Alternatively, it may choose to:

- Cease operation of and remove the billboard.
- Cease operation of and remove the billboard with a view to place priority on the processes and budget required for community signage structures across the LGA.
- Consider purchase of a new board (owned and managed by Council, at a likely supply and install cost of some \$55,000-\$90,000 depending on the level of technology acquired, plus ongoing operational and staff management costs). Should Council wish to pursue this option and a more active cost recovery/revenue stream from the board, additional staff resources would be needed in a sales/marketing capacity.
- Purchase a new Board and then outsource the management as an ongoing revenue stream.

Community Engagement & Internal Consultation

No formal community engagement has been undertaken however, we note the Greater Port Macquarie Tourism Association values this asset and continues to lobby for the ongoing presence of an LED signboard on this site.

Internal consultation has included:

- Asset Management;
- Recreation and Building;
- Communications;
- Glasshouse;
- Transport and Stormwater Network;
- Customer Service;
- Community Place Staff.

Planning & Policy Implications

Should a new Billboard be installed, there will be a requirement to extend the existing DA.

Financial & Economic Implications

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An expression of interest process will provide definitive information on financial arrangements associated with an outsourced management model.

The LED billboard is assessed as delivering economic value in the promotion of our destination, events and commercial offerings to the community and visitors. It is anticipated that any future management arrangement (following and EOI) would allow continued value via Council access to the board for its promotional/communication purposes.

Attachments

Nil

Looking After Our Environment

What are we trying to achieve?

We understand and manage the impact that the community has on the natural environment. We protect the environment now and in the future.

What will the result be?

- Accessible and protected waterways, foreshores, beaches and bushlands.
- Renewable energy options.
- Clean waterways.
- An environment that is protected and conserved for future generations.
- Development outcomes that are ecologically sustainable and complement our natural environment.
- Residents that are environmentally aware.
- A community that is prepared for natural events and climate change.

How do we get there?

- 4.1 Protect and restore natural areas.
- 4.2 Ensure service infrastructure maximises efficiency and limits environmental impact.
- 4.3 Implement total water cycle management practices.
- 4.4 Continue to improve waste collection and recycling practices.
- 4.5 Provide community access and opportunities to enjoy our natural environment.
- 4.6 Create a culture that supports and invests in renewable energy.
- 4.7 Increase awareness of and plan for the preservation of local flora and fauna.
- 4.8 Plan and take action to minimise impact of natural events and climate change.
- 4.9 Manage development outcomes to minimise the impact on the natural environment.

Looking After Our Environment

Item: 12.01

Subject: LAND ACQUISITION - STINGRAY CREEK BRIDGE ENVIRONMENTAL OFFSET

Presented by: Corporate and Organisational Services, Rebecca Olsen

Alignment with Delivery Program

4.1.1 Implement and advocate a range of proactive programs for the environmental management of lands within the local government area .

RECOMMENDATION

That Council:

1. Pay compensation in the amount of \$78,800 (excl. GST) to D R & M D Green for the acquisition of 3.08ha of land from Lot 5 Deposited Plan 774400.
2. Delegate to the General Manager, pursuant to the provisions of Section 377 of the Local Government Act 1993, authority to sign:
 - (a) Deed of Acquisition/Contract For Sale;
 - (b) Land and Property Information Transfer Form.
3. Consider a further report on the classification of the land once the land acquisition has been finalised.

Executive Summary

With the construction of the new bridge spanning Stingray Creek at Laurieton, and the impact of the construction on the immediate foreshore/mangroves, a condition of development consent requires the identification and rehabilitation of a suitable area of nearby foreshore.

An area of approximately 3.08 hectares of nearby land has been identified and it is proposed that the land be acquired, the foreshore rehabilitated and thereafter maintained by Council as an environmental offset arising from the construction of the Stingray Creek Bridge.

Negotiations with the landowners regarding the land acquisition and payment of monetary compensation have reached a stage where the formal consideration of the acquisition is now required by Council for the acquisition to progress.

Discussion

The construction of the new bridge spanning the Stingray Creek at Laurieton has impacted on the immediate foreshore and mangroves. A condition of consent for the bridge construction requires the identification of nearby foreshore land that would be suitable for rehabilitation and ongoing environmental management by Council.

Looking After Our Environment

Such an area of land has been identified at the northern end of Royan-Stingray Creek Road as suitable for acquisition as an environmental offset. The area of land, comprising approximately 3.08 hectares (subject to final survey) is identified in the aerial photograph attached to this report. The land is affected by the wash of passing maritime traffic causing bank erosion and is open to grazing livestock causing trampling. Indeed, since the aerial photograph was taken some years ago, bank erosion has led to the loss of land many metres in width in several locations.

The owners of the land are supportive of the proposal to acquire the 3.08 hectares for environmental purposes. It is proposed to place rock gabions along the waterfront so as to minimise the effect of maritime wash and to fence the acquired land to exclude livestock.

As this stage, the land to be acquired has not been surveyed. A plan of acquisition has not been prepared and registered by the Land Titles Office. The consideration of the acquisition by Council is sought prior to incurring survey preparation and plan lodgement fees which are estimated at \$8,000 to \$10,000.

If Council resolves to acquire the identified land, survey and plan registration will proceed. At this stage it is therefore not possible to resolve to classify the land as it has not been identified by means of a Lot in a Deposited Plan. The Local Government Act 1993 provides a period of three months after acquisition for Council to resolve a land classification. A further report will be presented to Council on the land classification once the land acquisition has been finalised.

Options

Council has the option to:

1. Proceed with the acquisition of the land identified in this report on the terms recommended; or
2. Source alternate land that may be suitable for environmental offset purposes.

Community Engagement & Internal Consultation

There has been consultation with the owners of the land proposed to be acquired.

There has been internal consultation between the Infrastructure Services Division and the Corporate and Organisation Services Division.

Planning & Policy Implications

The land proposed to be acquired is zoned E2 Environmental Protection. The proposed remediation and ongoing works are compatible with the land zoning.

Financial & Economic Implications

If the land acquisition is supported by Council, the owners are entitled to compensation for the acquisition of their land having regard to the heads of compensation set out in the Land Acquisition (Just Terms Compensation) Act 1991.

Council is advised that this is a voluntary land acquisition as distinct from a compulsory land acquisition.

Looking After Our Environment

Council's consulting valuer has assessed the value of the 3.08 hectares of land at \$60,000. The heads of compensation set out in the Land Acquisition (Just Terms Compensation) Act 1991 also entitle the landowner to be compensated for items of 'disturbance'. Items of 'disturbance' include, financial costs such legal and valuation fees, mortgage discharge costs and capital gains tax impost incurred by a landowner. An allowance for 'disturbance' has been agreed at \$18,800 (excl. GST).

Grant funding has been secured for the project with the funds presently available.

Attachments

1 [View](#). Plan Depicting General Area of Environmental Offset

Looking After Our Environment

Item: 12.02

Subject: DA2016 - 298 - RESIDENTIAL FLAT BUILDING INCLUDING CLAUSE 4.6 OBJECTION TO CLAUSE 4.3 (HEIGHT OF BUILDINGS) UNDER THE PORT MACQUARIE-HASTINGS LOCAL ENVIRONMENTAL PLAN 2011 AND STRATA SUBDIVISION - LOT 3 DP 366050, NO 68 CHURCH STREET, PORT MACQUARIE

Report Author: Matt Rogers

Applicant: Felbale Pty Ltd CARE King and Campbell Pty Ltd
Owner: SA, MG & S Adams
Estimated Cost: \$6M
Parcel no: 4440

Alignment with Delivery Program

4.9.2 Undertake transparent and efficient development assessment in accordance with relevant legislation.

RECOMMENDATION

That the determination of DA 2016 - 298 for a residential flat building including clause 4.6 objection to clause 4.3(height of buildings) under the Port Macquarie-Hastings Local Environmental Plan 2011 and strata subdivision at Lot 3, DP 366050, No. 68 Church Street, Port Macquarie, be noted.

Executive Summary

This report is for Council's information and relates to the approval of the subject Development Application under delegation. Granting consent involved use of Clause 4.6 of Port Macquarie-Hastings Local Environmental Plan 2011 (LEP) to vary Clause 4.3 (height of buildings) by not more than 10%.

The proposal was approved by Council's Acting Manager Development Assessment on 28 September 2016. The proposed development resulted in a 4.7% variation to the maximum 19m building height limit adopted for the site. The variation was considered to be acceptable and not result in any significant planning impacts on the following grounds:

- *The proposed height exceedance is considered minimal, 4.7 per cent;*
- *The 19m height of building limit equates to 6 storeys. The proposed building contains 6 storeys (including basement);*
- *The shadow diagrams included in Appendix B, sheet 26, detail the limited overshadowing impact presented by the proposed residential flat building. In this regard, it is noted that none of the adjoining properties will be detrimentally affected by overshadowing as a result of the proposal (a*

Looking After Our Environment

minimum of 3 hours of sunlight shall be maintained by all adjoining properties during the winter solstice);

- *The roof pitch has been minimised, 3 degree skillion, to ensure that the proposed overall height has been reduced;*
- *The proposed height encroachment is not considered to have a detrimental impact on views or vistas towards the coastline (north-east of the site) or to Church Hill (west of the site).*
- *Existing Residential Flat Buildings north and west of the site are elevated above the site and are considered to obscure any views potentially obtained across or from the site;*
- *The proposed height encroachment is considered consistent with the objectives of Clause 4.3 for the following reasons;*
 - *The surrounding land contains a mixture of single storey and multi-storey residential flat buildings of varying heights;*
 - *The proposed building is not considered likely to impact or disrupt any view sharing or solar access;*
 - *The subject site is not located within a heritage conservation area and is not located in close proximity to an identified heritage item.*
 - *Will provide a height that meets the existing and proposed future character of the area.*
 - *Compliance with the standard would be unreasonable in this case given the minor nature of the variations proposed and compliance with the FSR.*
 - *The development is consistent with the zoning and height objectives of the LEP 2011 and is unlikely to have any implications on State related issues or the broader public interest.*
 - *The floor to ceiling heights are not excessive.*
 - *A 7 storey residential flat building exists to the west of the site on the corner of Church and Murray Streets. The subject building proposed is 6 storeys.*
 - *There is public interest in the efficient use of land within proximity to existing services and infrastructure. Such development encourages walking, cycling and use of public transport and decreases ongoing maintenance costs for public infrastructure compared to lower density residential development. The height of the building has helped maximise the FSR and true development potential of the property.*

The Department of Planning and Infrastructure circular PS 08-003 provides for the Director General's assumed concurrence in this case. The Department's circular PS08-014 further reminds councils of their assumed concurrence role in relation to SEPP 1 and Clause 4.6 LEP variations. The circular advises that where Clause 4.6 variations are approved under delegated authority that Council be advised of the decision made and it be appropriately recorded. This report is to ensure compliance with the subject circular.

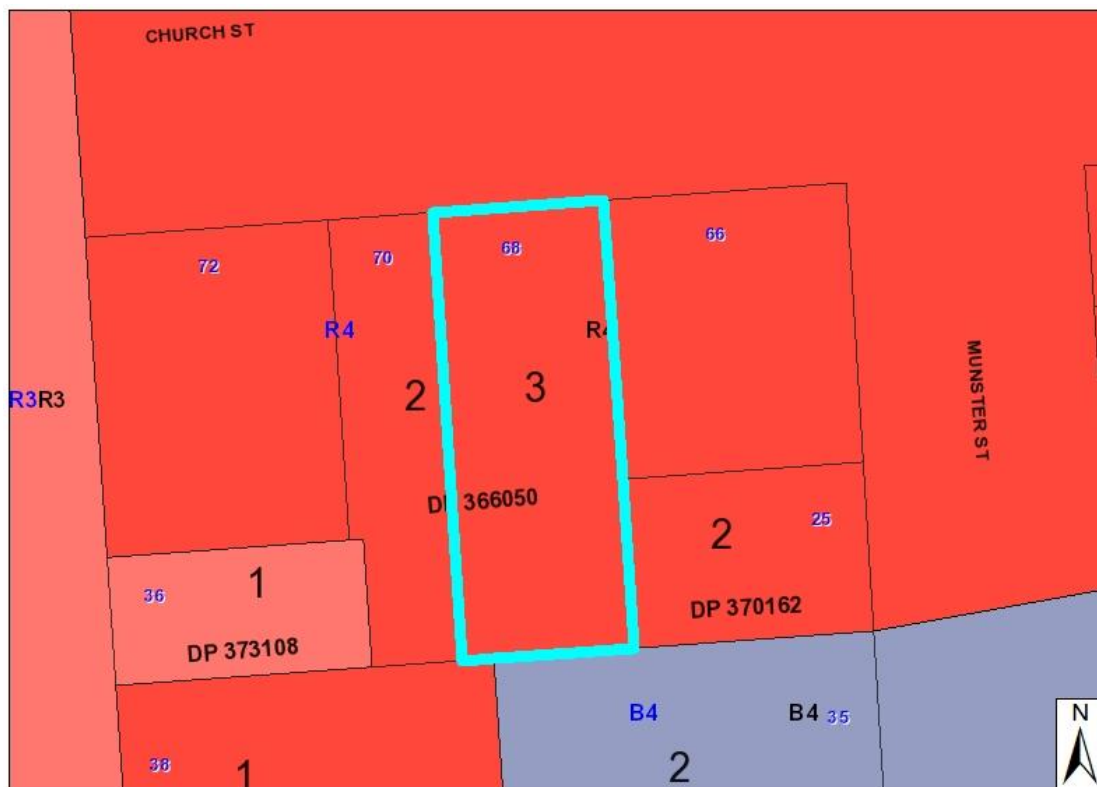
1. BACKGROUND

Existing sites features and surrounding development

The site has an area of 1100m².

Looking After Our Environment

The site is zoned R4 High Density Residential in accordance with the Port Macquarie-Hastings Local Environmental Plan 2011, as shown in the following zoning plan:



The location of the site and surrounding development (2012 aerial) is as follows:

Looking After Our Environment



2. DESCRIPTION OF DEVELOPMENT

- Demolition of existing dwelling;
- Construction of a residential flat building and strata subdivision;
- Variation of building height standard in Clause 4.3 of the Port Macquarie-Hastings Local Environmental Plan 2011.

Attachments

1 [View](#). DA2016 - 298.1 Plans

2 [View](#). DA2016 - 298.1 DA Consent

Looking After Our Environment

Item: 12.03

Subject: QUESTION FROM PREVIOUS MEETING - WALL RESERVE, NORTH HAVEN

Presented by: Community and Economic Growth, Liesa Davies

RECOMMENDATION

That Council note the information contained within the Wall Reserve Update report.

Question from Councillor Dixon

Can the General Manager please confirm its current position on Wall Reserve, North Haven?

Comments by Councillor Dixon (if provided)
Nil.

Current Management

Since 2007, management practices have been modified in a 1.2 hectare area of Wall Reserve, North Haven allowing it to return back to a natural bushland setting (revegetation site). Council staff have been restricted from mowing activities within the revegetation site. Mowing only occurs around the buffer edges of the Reserve and within two designated walking tracks.

This practice and the installation of bollards has removed public access from 'target' tree limb fall zones, reducing Council's public liability risk considerably. Council Arborists annually assess and reduce branch hazards along identified 'target zones', which includes the walkways and mown buffer areas, and will assess appropriate action in response to any public safety concerns.

Barbecue and picnic facilities have also been removed from this area in recent years with new facilities installed in other parts of Wall Reserve, primarily near the playground facility.

Council's bush regeneration team visually inspects the revegetation site on a monthly basis and undertake weed control as required in accordance with the adopted bushland safe work method statement.

This management regime provides continued access to habitat for a range of species of fauna, some of which are considered to be threatened as per the Threatened Species Conservation Act 1995 (TSCA).

Looking After Our Environment

Background

In April 2013, Council adopted the current revegetation management approach to this area which was previously maintained as a mown open space parkland. Numerous picnic shelters and barbecue assets had been installed over the years to embellish the entire 3.9 hectare open space parkland site.

In 2005, Council staff raised safety concerns about working in the area and the potential hazards to members of the public utilising the site for recreational purposes because of the increasing prevalence of significant limb failure. Investigations commenced on the risks associated with large mature trees shedding substantial sized limbs which fell within occupied 'target' fall zones. Consideration was also given to environmental implications of making the area 'safe', as a significant number of trees would require removal or extensive pruning. This would however see the loss of numerous fauna habitat hollows.

In October 2005, Council commissioned a Threatened Fauna Survey by Darkheart Eco-Consultancy. The report identified and confirmed five (5) threatened species occurred within the reserve, and seven (7) species listed with potential occurrence. Several recommendations were made to ensure the observed fauna assemblage, including the threatened species, were not impacted by potential whole tree/limb removals and subsequent habitat disruption. The recommendations made by the consultants were to assist the threatened species in continuing to utilise the site and support the overall environmental biodiversity benefits.

For several years the management of Wall Reserve was the subject of numerous Council reports without formal resolution regarding the most appropriate management regime for the space.

In April 2013, Council adopted this management plan however some members of the community have continued to lobby for the reserve to be restored back to open managed parkland.

On 2 March 2014, during Clean Up Australia Day, some community members entered the site and removed large quantities of fallen tree debris and leaf litter. This vegetation was then stock piled into rows within the adjoining road reserve. These actions, a Key Threatening Process, breached Schedule 3 of the TSCA. Council relocated all of the branches/hollow logs back into the understorey, mulching the smaller leaf litter and distributing it back within the reserve.

On 18 June 2014, Council resolved, in part to:

Review currently available contemporary reports and/or seek advice from an Arborist or other suitably qualified person to identify those trees/tree limbs which are considered to be unhealthy and likely to cause injury to users throughout the regeneration section of Wall Reserve, so as to determine if it is possible or desirable to remove the unsafe trees/tree limbs.

Review currently available contemporary reports and/or seek advice from an Ecologist or other suitably qualified person as to the impact that removing the unsafe trees/limbs will have on Council's legislative obligations concerning Wall Reserve.

Council then commissioned an Ecological Assessment Report by Naturecall Environmental. The report confirmed that this area has key habitat values for several known and potentially occurring threatened species, the most significant being the

Looking After Our Environment

abundance of hollow-bearing trees. The survey detected fewer fauna than Darkheart (2005), which was attributed to prevailing seasonal conditions (winter), wind and a smaller survey area.

The report indicated that the alteration of this vegetation to be returned back to a 'safe' public recreation area would have significant ecological statutory obligations, including a Species Impact Statement, and financial impost. In considering the above, it was recommended that the management practices as adopted by Council during 2013 remain in place.

In September 2014 Council commissioned an Arborist Report from Treescience. The consultant was provided with all previous reports and documents regarding the site and assessed 121 trees. The report states, '*generally tree health appears fair...*' and '*have been assessed as a low residual risk based on the predictable low occupancy*', resultant from current management practices (restricting access). Further comments surrounding the reinstatement back to a managed open recreation space for public use, '*will significantly change the subject trees or Council's risk exposure to a medium to high risk.*'

Cost estimations for these works were greater than \$300,000 with projected annual maintenance exceeding \$100,000. Recommendations made were that '*the trees within the natural areas should be preserved in their current context*' and some remedial pruning for deadwood and other hazards along the natural edges where targets are identified.

A further report was considered at the Ordinary Council Meeting held in December 2014 where the current management regime was endorsed, with a further recommendation requesting installation of bollards to better define the revegetation area. Bollard installation to define the two walkways through the revegetation area has been undertaken.

Staff have noted that continued removal of small tree species and poisoning of native grasses has occurred within the revegetation area in recent times by persons unknown.

The current management regime is considered by staff to be the most appropriate management regime for this site.

Attachments

Nil

Planning and Providing Our Infrastructure

What are we trying to achieve?

Our population growth is supported through public infrastructure, land use and development strategies that create a connected, sustainable and accessible community.

What will the result be?

- Supported and integrated communities.
- Infrastructure provision and maintenance that respects community expectations and needs.
- A natural environment that can be accessed by a network of footpaths, cycleways, coastal and hinterland walkways.
- Accessible, convenient and affordable public transport.
- Employment and population growth that is clustered within urban centres.

How do we get there?

- 5.1 Create and maintain integrated transport system that eases access between population centres and services.
- 5.2 Ensure transport options are safe, functional and meet access needs across the Local Government Area.
- 5.3 Develop and enhance quality open space and recreational facilities.
- 5.4 Plan settlements to accommodate a range of compatible land uses and projected population growth.

Planning and Providing Our Infrastructure

Item: 13.01

Subject: NOTICE OF MOTION - OPTIONS TO ACQUIRE TUFFINS LANE
SPORTING FIELDS

Councillor Sharon Griffiths has given notice of her intention to move the following motion:

RECOMMENDATION

That the General Manager provide a report to the December 2016 Council Meeting on the options to acquire Tuffins Lane sporting fields - lease; purchase; partnership arrangement; offset agreement or other feasible method.

Comments by Councillor Griffiths (if provided)

Nil.

Attachments

Nil

Planning and Providing Our Infrastructure

Item: 13.02

Subject: QUESTION ON NOTICE - STINGRAY CREEK BRIDGE

Presented by: Infrastructure and Asset Management, Jeffery Sharp

RECOMMENDATION

That the progress update on the Stingray Creek Bridge replacement be noted.

Question from Councillor Alley

Can the General Manager please provide a progress update on the construction of the new Stingray Creek Bridge and in particular an indication of the date that it is likely to be open to traffic.

Comments by Councillor Alley (if provided)

Nil.

Response

Construction works on the Stingray Creek Bridge continue to progress well.

At the time of writing this report, works on both the North Haven and Laurieton side bridge road approaches are underway, and the installation of services (water, sewer, reclaimed water, lighting and communications) are concurrently also progressing across the new bridge structure.

Based on current progress, and subject to continuing favourable weather, the new bridge is expected to open to through traffic in the northbound direction only, during December 2016. Southbound traffic on Ocean Drive will continue to use the existing bridge and the whole construction site will remain under a 40kmph construction speed zone. This traffic switch will allow the finalisation of bridge approach works in order for the southbound traffic to be also switched onto the new bridge.

Based on current progress, the new bridge is expected to be open to all traffic and pedestrians in both directions in early 2017.

It is important to note that following the transition of traffic onto the new bridge, there remains several months of additional works as the redundant road approaches and services and old bridge are removed/demolished. The final stage of the project will involve the incremental disassembly and removal of the temporary construction bridge and wetland rehabilitation surrounding the works currently scheduled for mid 2017.

Planning and Providing Our Infrastructure

Attachments

Nil

Planning and Providing Our Infrastructure

Item: 13.03

Subject: RECOMMENDED ITEM FROM LOCAL TRAFFIC COMMITTEE - PORT
MACQUARIE SCHOOL ZONE TIMES

Presented by: Infrastructure and Asset Management, Jeffery Sharp

Alignment with Delivery Program

5.2.1 Plan and implement traffic and road safety programs and activities addressing pedestrian, cyclist and vehicular needs.

RECOMMENDATION

That the existing afternoon school zone flashing light times should be altered by The Centre for Road Safety to reflect the new school operating times at:

1. Westport campus in Findlay Avenue, 2.00pm to 4.00pm as agreed to by Centre for Road Safety.
2. Port Macquarie campus in Burrawan Street, 2.00pm to 4.00pm noting that the Centre for Road Safety does not concur with the alterations to the times and that Council should liaise with the Centre for Road Safety, School representatives and the community in relation to the implementation of these school zone times.

Executive Summary

The Local Traffic Committee met on 27 July 2016, reached unanimous support on Item 07 (attached) and now submits the above recommendation for Council consideration.

UNANIMOUS SUPPORT:

Council – Y

RMS – Y

Police – Y

Member for Port Macquarie (Rep) – Y

Attachments

1 [View](#). Item 07 Local Traffic Committee 2016 07 27

Planning and Providing Our Infrastructure

Item: 13.04

**Subject: RECOMMENDED ITEM FROM LOCAL TRAFFIC COMMITTEE -
COUNTDOWN TO CHRISTMAS 2016**

Presented by: Infrastructure and Asset Management, Jeffery Sharp

Alignment with Delivery Program

5.1.1 Plan, investigate, design and construct road and transport assets which include pedestrian, cyclist and vehicular needs.

RECOMMENDATION

That Council approve the temporary road closure of Horton Street, Port Macquarie (between Town Green and Hayward Street) to conduct the annual Countdown to Christmas event on Thursday, 24 November 2016 from 5:30pm to 9:00pm, subject to the following conditions:

1. That the Countdown to Christmas event be categorised as a Class 2 special event.
2. That the event organiser advertise, at their cost, the following details of all temporary road closures and temporary parking restrictions associated with this event in the local print media on separate days, at least twice (2) within 14 days prior to the event:
 - temporary road closure dates
 - times and duration of the temporary road closures
 - alternative routes and access arrangements.
3. That the event organiser, at their cost, advertise the event by undertaking a letter box drop to all residents and businesses directly affected by the temporary road closures and temporary parking restrictions at least 14 days prior to the event, advising the following:
 - event name
 - event times
 - contact details of at least two (2) people involved in the organisation of the Event, in case of an emergency
 - proposed actions to be undertaken to mitigate the impact of the temporary road closures.
4. That the Traffic Guidance Scheme dated 17 June 2016 be implemented. Any modifications to the plans must be agreed with Council's Transport Section prior to the running of the event.
5. That the event organisers obtain, and abide by, written approval from NSW Police.
6. That the event organiser notify the NSW Ambulance, NSW Fire & Rescue and the State Emergency Service of the proposed road closures at least 14 days in advance of the event.
7. That the event organiser abides by any other condition that Council and

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- the Police may impose at any time.
8. That the event organiser notifies local Transport Services (Bus Companies, Taxis) of the proposed road closures at least 14 days in advance of the event and assists in developing alternatives for affected users.
 9. That RMS accredited persons are to be used to implement the Traffic Guidance Scheme (formerly known as the Yellow Card).
 10. That RMS accredited traffic controllers are to be used to control traffic (formerly known as the Blue Card).
 11. That the event organiser submit to Council not less than fourteen (14) days prior to the commencement of the event evidence of Public Liability Insurance for the amount of \$20 million which is valid for the duration of the event including the running and pull down of the event and .
 12. The event organiser must have this approval, the Traffic Guidance Scheme described above and NSW Police approval on site at all times for the duration of the event.

Executive Summary

The Local Traffic Committee met on 27 July 2017, reached unanimous support on Item 08 (attached) and now submits the above recommendation for Council consideration.

UNANIMOUS SUPPORT:

Council – Y

RMS – Y

Police – Y

Member for Port Macquarie (Rep) – Y

Attachments

1 [View](#). Item 08 Local Traffic Committee 2016 07 27

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Item: 13.05

Subject: PLANNING PROPOSAL FOR COUNCIL LAND - GREENMEADOWS DRIVE, PORT MACQUARIE

Presented by: Development and Environment Services, Matt Rogers

Alignment with Delivery Program

5.4.3 Review the planning framework for decisions regarding land use and development.

RECOMMENDATION

That Council:

1. Pursuant to Section 59(2) of the *Environmental Planning and Assessment Act 1979*, make the Local Environmental Plan to rezone and reclassify Lot 139, DP 815514, Greenmeadows Drive, Port Macquarie.
2. Fund the establishment and maintenance of the proposed environmental lands from the Property Reserve over a five year timeline.

Executive Summary

The purpose of this report is to consider the public submissions made in response to the exhibition of a planning proposal to rezone Council owned land, Lot 139 DP 815514, Greenmeadows Drive, Port Macquarie, for residential and environmental conservation purposes and to reclassify part of the land from operational to community.

Three (3) submissions were received as a result of the exhibition. Issues varied and included the potential for increased bushfire risk to adjoining rural and residential land to the south, flooding, stormwater management and impacts to biodiversity. These issues have been addressed, as discussed in this report.

Following assessment of the submissions, it is recommended that Council approve the proposal, as exhibited.

Background

On 18 February 2015, Council considered a report on a planning proposal to rezone Council land in Greenmeadows Drive, Port Macquarie (Lot 139 DP 815514) for partly residential and partly environmental conservation purposes and to reclassify part of the land from 'operational' to 'community'. Council resolved as follows:

RESOLVED: Intemann/Turner

That Council:

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1. Prepare a planning proposal pursuant to section 55 of the Environmental Planning and Assessment Act 1979 for a proposed rezoning of Council land, Lot 139 DP 815514, Greenmeadows Drive, Port Macquarie for partly residential and partly environmental protection purposes including reclassification of the proposed environmental lands from 'operational' to 'community' land as described in this report.
2. Request the General Manager finalise proposed zone boundaries following consultation with the adjoining land owners to the south and then forward the planning proposal to the NSW Department of Planning and Environment requesting a gateway determination pursuant to section 56 of the Environmental Planning and Assessment Act 1979.
3. Undertake community consultation in accordance with the gateway determination.

CARRIED: 9/0

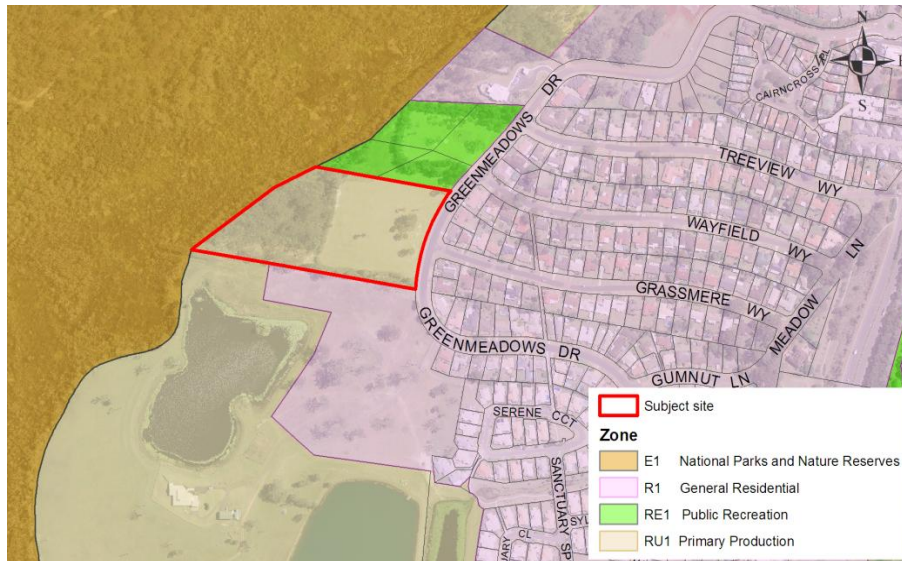
FOR: Besseling, Cusato, Griffiths, Hawkins, Intemann, Levido, Roberts,
Sargeant and Turner

AGAINST: Nil

The 2.8 ha site is vacant Council owned land with frontage to Greenmeadows Drive. Vacant zoned residential and rural land adjoins to the south, Greenmeadows Park to the north, Lake Innes Nature Reserve to the west and existing residential housing to the east. Plans showing the site context and current zoning are below:



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The intent of the planning proposal is to permit future residential development on the relatively cleared eastern part of the site and permanent conservation of bushland in the west. Reclassification of the western area from 'operational' to 'community' land will ensure that this area remains in Council ownership into the future.

In accordance with the 2015 resolution, a meeting was held on 9 March 2015 between staff of Council's Development and Environment Division, the proponent (Council's Property Section), the adjoining owner to the south and the owner's consultants, King and Campbell. Issues discussed related to flood planning levels, stormwater drainage, the location of sewer rising mains and bushfire hazard. Following investigation of the issues raised, Council's Development & Environment Division determined that it was not necessary to amend the proposed zone boundaries.

After receiving a Gateway Determination from the Department of Planning and Environment (dated 18/12/15), consultation was undertaken with State agencies including the NSW Office of Environment and Heritage, NSW Rural Fire Service, NSW Aboriginal Land Council, Birpai Local Aboriginal Land Council, Transgrid and Essential Energy.

As a result of this consultation, additional investigations were required to address Aboriginal heritage and biodiversity issues. Following completion of this work, the planning proposal was updated and placed on public exhibition for 28 days from 24 August to 21 September 2016. A copy of the exhibited proposal is at **Attachment 1**.

Three submissions were received as a result of the exhibition. A copy of the submissions is at **Attachment 2**. Key issues raised relate to bushfire hazard flooding, stormwater management and impacts to biodiversity.

Discussion

A summary of the submissions and a planning response to the issues raised is provided in the *Community Engagement & Internal Consultation* section of this report. The key concerns are discussed below.

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- Impact on adjoining rural property and Sanctuary Springs Residential Estate

On behalf of adjoining rural land owners to the south, King and Campbell consultants raise objections to the proposed E2 zoning extending to the common boundary of the adjoining rural property, on the basis of increased risk of physical damage to stock fencing and in particular, bushfire risk to pastured, grazed land.

King and Campbell also raise concerns about the likely impact of the proposed E2 zoning on the delivery and viability of the subdivision layout approved for the Sanctuary Springs Residential Estate under development application No 2002/169.

The submission notes that recent bushfire impact advice has confirmed that the proposed E2 zoning immediately adjacent to approved Lots 84 and 85 will result in these lots being severely impacted by bushfire risk. The developer has offered to work with Council, as a landowner, to establish a maintenance regime along the common boundary that will be mutually beneficial to the future residential development of both properties.

The submission also notes that the landowners have, with Council's prior agreement, maintained the existing open area on Council's land adjoining the common boundary by slashing and removal of dead branches overhanging the fence, as required.

It is also noted that the planning proposal confirms the intent to ultimately construct stormwater pipes and a road over the existing open swale adjacent to the common boundary with Sanctuary Springs Estate and the need to create a 15m wide (max) drainage easement.

King & Campbell suggest that a Management Plan for the proposed E2 'community' land would need to recognise the dual purpose of the land immediately adjacent to the common boundary being infrastructure based (i.e. stormwater drainage & sewer rising mains) and ecological. On this basis, it is suggested that reclassification of the 'operational' land to 'community' should only extend to within 15m of the common boundary.

It is requested that Council permit the ongoing maintenance of this area within the proposed E2 zone but subject to a different management regime to the remainder of the proposed E2 lands.

- Comments from Council's Development & Environment Division

The Sanctuary Springs subdivision was approved on 8 March 2002 for 105 residential lots and residue rural land. A plan extract showing the approved subdivision layout where it adjoins Council's property is provided below:

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A search of Council's records failed to locate any information about a prior agreement between Council and the adjoining owners to maintain a cleared area on Lot 139. To assist in this matter, additional information was requested from King and Campbell to confirm when the agreement was made, with whom it was made and what form it took.

In an email dated 26/10/16, the following advice was received:

Our client has reviewed his records and we provide the following additional information with respect to the agreement between Jim & Gail Newton and PMHC:

- *The agricultural fence was broken by a branch falling from a tree on the PMHC property. One of the Newtons' cattle was able to get out and walked up the large stormwater culvert under Greenmeadows Drive.*
- *Once the cow was retrieved Jim Newton organised a meeting with Geoff Freeman who at the time was the director of Infrastructure Services at PMHC. I have discussed this meeting with Geoff and given the unusual circumstances associated with the cow, Geoff remembers meeting with Jim Newton on site.*
- *Jim Newton sought Council's agreement to maintain the vegetation at the western edge of the PMHC land to reduce the potential for further damage to the fence from falling branches, dead trees and bushfire.*
- *Geoff Freeman has advised he does not recall any specific details of an agreement reached with Jim Newton at the meeting but believes he would have agreed to Jim Newton doing the work to ensure the integrity of the fence between the properties.*
- *I have attached a photo from Jim's files of one of Jim Newton's machines working on the Council land (at **Attachment 3** to this report). The photo is dated January 2004 so we believe the meeting between Jim Newton & Geoff Freeman took place in either late 2003 or early 2004.*
- *The attachment also includes a Post-it note that was in Jim Newton's file that Jim believes confirms that the work was in accordance with the agreement with Geoff Freeman at their on-site meeting.*

Based on this e-mail from King & Campbell, it seems that an informal verbal agreement may have been reached approximately 12 years ago for under-scrubbing/

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clearing to maintain the integrity of the fence line. However, this does not commit Council to ongoing vegetation removal within the proposed E2 lands.

In practice, two sewer rising mains run parallel with the southern site boundary. Council will need to maintain vegetation in this area to minimise any impacts on the sewerage infrastructure and no new vegetation is proposed to be planted within 10m of the common boundary.

Council's Corporate and Organisational Services Division has advised that it does not intend to permanently maintain this area as an asset protection zone (APZ) to future development on the adjoining land. This is consistent with Council policy which aims to avoid any responsibility to manage APZs for private development on Council land.

This area is not intended to be regularly maintained to prevent bushfire risk, however management of vegetation to limit impacts on the sewerage infrastructure can be undertaken in accordance with State Environmental Planning Policy (SEPP) Infrastructure. This does not require an alternative zone to the E2 zone that is proposed for the balance of the vegetated area on Council's land.

The adjoining owners may request that Council remove any dead, dying or dangerous tree(s) adjoining the common boundary. In addition, any overhanging branches can be lopped, provided this work is carried out in accordance with the relevant Australian Standard.

In conclusion, following consideration of the concerns raised by King & Campbell, it is not considered necessary or reasonable to require that part of the Council land be permanently maintained as an APZ for future development on the adjoining land.

The Management Plan for the proposed E2 'community' land is able to recognise the infrastructure based (ie. stormwater drainage & sewer rising mains) and ecological uses and no amendment is proposed to the planning proposal.

Options

Council's options are:

1. To accept the planning proposal as exhibited and resolve to make the Local Environmental Plan to rezone and reclassify the land.
2. Make amendments to the planning proposal. Note: The proposal will need to be re-exhibited if any substantive changes are made. For example, a change to the proposed zone boundaries.
3. Not support the planning proposal.

Option 1 is recommended.

Community Engagement & Internal Consultation

The planning proposal was exhibited for 28 days (from 24 August to 21 September 2016) in accordance with the requirements of the Department of Planning and Environment's Gateway determination.

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To assist the community in understanding Council's interest in the land and the reasons for the proposal, statements to address the requirements of the Department of Planning and Environment's *LEPs and Council Land Best Practice Guideline 1997* and *LEP practice note PN 09-003 Classification and reclassification of public land through a local environmental plan*, formed part of the exhibition material. During the exhibition, the Best Practice Guideline and Practice Note were also on display.

The proposal and accompanying information was made available on Council's website and at Council's Port Macquarie, Wauchope and Laurieton offices for the duration. In addition, all adjoining landowners were notified of the public exhibition in writing and invited to make submissions.

As previously noted, three submissions were received. The key matters identified in these submissions have been considered in the *Discussion* section of this report. A summary of the submissions and a planning response to the matters raised is provided below:

Submission		Issue
1.	Mr Alan Forrester	<p>a) Concerned about ongoing loss of potential areas of wetland or intermediate zone suitable for regeneration with very low cost associated. Suggests that a bushland/wildlife reserve may be better use of the land instead of residential use.</p> <p>b) Buffers between residential and environmental land often have more impact on the land set aside for environmental. Therefore supportive of residential only where fronting Greenmeadows Drive and no new roads within the site.</p> <p>c) If there were to be increased sea levels in the next 25 to 50 years, indicative mapping demonstrates the adjoining wetlands will have higher water levels. This highlights the importance of maintaining or enhancing current native vegetation to mitigate erosion and damage.</p>
	Response/ Comment:	<p>a) The site does not include any areas of wetland and future development of the proposed Zone R1 area is not expected to create any adverse impacts to the wetlands adjoining to the west. Retention and ongoing maintenance of the remnant bushland in the west of the site will act to buffer the adjoining wetlands from future residential development.</p> <p>b) Setbacks for future residential will be required to achieve appropriate bushfire hazard separation from the proposed environmental lands. In addition, the proposed community land reclassification for the western part of the site will ensure that the bushland vegetation is maintained and managed in the future.</p>

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		c) The <i>Hastings River Floodplain Risk Management Study</i> (2012) classifies the site as Flood Fringe with a Low hazard category. The flood planning level for floor levels of future residential includes an allowance for sea level rise as a result of climate change.
2.	<p>King & Campbell Pty Ltd for:</p> <ul style="list-style-type: none"> - Mr JR & Mrs G Newton (owners of adjoining rural land to the south), and - J Newton Construction Pty Ltd (developer of the adjoining Sanctuary Springs residential Estate) 	<p>a) Concerned that the planning proposal will create an increased risk of damage to stock fencing and risk of bushfire hazard to the adjoining rural property.</p> <p>b) Concerned that the planning proposal will prevent completion of the adjoining Sanctuary Springs Estate as a result of increased bushfire risk. In particular, the submission notes that recent bushfire impact advice has confirmed that the proposed E2 zoning immediately adjacent to approved Lots 84 and 85 will result in those lots being severely impacted by either a Bushfire Attack Level (BAL) 40 or Flame Zone classification.</p> <p>c) A Management Plan for the proposed E2 land would need to recognise the dual purpose of the land immediately adjacent to the common boundary being infrastructure based (i.e. stormwater drainage & sewer rising mains) and ecological and on this basis, reclassification of the 'operational' land to 'community' should only extend to within 15m of the common boundary.</p> <p>d) Not clear whether the Rural Fire Service's pre-exhibition advice that any proposed revegetation management strategies for the residue bushland should be determined prior to finalising the planning proposed for certainty regarding future APZ requirements, has been applied to the planning proposal.</p> <p>e) Noting that the adopted flood level is consistent with Council's latest information, the reduction of the flood planning level by approximately 800mm (i.e. compared to the level estimated in the Sanctuary Springs Flood Study) will result in future residential development on the site being noticeably lower than all of the surrounding residential development and road infrastructure.</p> <p>f) The potential impacts of the planning proposal on the adjoining approved Sanctuary Springs subdivision are considered to be inconsistent with <i>Section 117 Direction No 3.1</i>, which provides for existing/future housing needs while making efficient use of infrastructure.</p>

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<p>Response/ Comment:</p>	<p>a) This issue is addressed in the <i>Discussion</i> section of this report.</p> <p>b) This issue is addressed in the <i>Discussion</i> section of this report. Additionally, whilst the developer's concerns are understandable, under current legislation the remnant bushland on Council's site is identified and mapped as high bushfire hazard. A proposed rezoning from RU1 to E2 does not alter the existing bushfire risk, or the requirements that would apply at the time of developing the adjoining land. To avoid a BAL 40 or Flame Zone classification, it may be necessary for the approved layout for Lots 84 and 85 to be amended. Alternatively, Council would need to accept an APZ for development on the adjoining property. As noted in the <i>Discussion</i> section of this report, this option is not supported.</p> <p>c) This issue is addressed in the <i>Discussion</i> section of this report.</p> <p>d) During the pre-exhibition consultation with State agencies, the Rural Fire Service (RFS) provided comments to reinforce the need for development to comply with RFS's <i>Planning for Bush Fire Protection 2006</i> and for APZs to be contained within the proposed residential area.</p> <p>The RFS also suggested that any proposed revegetation management strategies for the residue bushland area to the north of the subject site, be determined prior to finalising the planning proposal for certainty regarding future APZ requirements. A copy of RFS's correspondence is provided in Annexure 'F' to the planning proposal.</p> <p>As part of the development consent for the Hastings Aged Care Centre, a small area of koala offset planning will occur immediately north of the subject site and is expected to eventually become forest. The proposed R1 residential footprint will incorporate appropriate APZ and perimeter roads to protect future residential development from bushfire hazard as a result of this offset planting.</p> <p>e) Noted. Under the <i>Hastings River Flood Study 2007</i>, the 1:100 year flood level for the site is estimated to be 2.43m AHD. Under the Sanctuary Springs Flood Study, which predates the <i>Hastings River Flood Study 2007</i>, the 1:100 year flood level was estimated to be 3.2m AHD.</p> <p>The <i>Port Macquarie-Hastings Flood Policy 2015</i> specifies the relevant flood study data to use to determine the correct flood levels for development and the applicable Climate Change and freeboard allowances. In this case, all ground levels and road infrastructure for future residential development would need to be constructed at a minimum of 2.83m AHD and finished floor levels for dwellings at a minimum of 3.33m AHD.</p>
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		<p>This information is taken from the <i>Hastings River Flood Study 2007</i> and the <i>Hastings River Floodplain Risk Management Study 2012</i> and is consistently applied to new development and is considered appropriate to use in this instance.</p> <p>It is possible to increase fill levels to above 3.33m AHD at the time of developing the site, however, this would not be required from a flooding perspective.</p> <p>f) The objectives of <i>Section 117(2) Direction No 3.1 Residential Zones</i> are to encourage housing choice, make efficient use of infrastructure, and minimise the impact of residential development on the environment and resource lands.</p> <p>The proposed rezoning of the eastern area of the site for residential land uses will allow for additional residential land adjacent to existing zoned residential land and facilitate increased choice in potential housing supply.</p> <p>As agreed to by the Department of Planning and Environment at the time of issuing the Gateway Determination, the proposal is considered to be consistent with this Direction.</p>
3.	NSW Office of Environment and Heritage (OEH)	<p>Prior to finalising the planning proposal OEH has suggested that Council:</p> <ul style="list-style-type: none"> a) Consider internal fences designed to be impermeable to both koalas and dogs (i.e. to prevent interaction between koalas & dogs) for future residential development. b) Consider controls on cat ownership for future residential development. c) Ensure that all future proposed residential subdivision designs include a perimeter road to separate bushland from urban areas. d) Ensure any street lighting in close proximity to the E2 zone is screened and directed away from the E2 zone in order to reduce impacts of artificial lighting on native wildlife. e) Ensure that all bushfire asset protection measures required for future residential development are excluded from the E2 zone. f) Ensure that any future proposed development includes a detailed site-specific stormwater management plan containing solutions that result in no net change in either water quality or hydrological characteristics downstream of proposed residential area.

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	<p>g) Provide information to demonstrate that stormwater runoff discharging into the existing drainage system from future development can be adequately accommodated.</p> <p>h) Update the cumulative flood impact assessment in the 2013 Hastings River Floodplain Risk Management Plan to include assessment of the future development to be enabled by the proposal and demonstrate that it accords with that plan.</p> <p>i) Contact NPWS Area Manager to discuss dedication of the identified high conservation land (proposed to be zoned E2) to NPWS.</p>
Response/ Comment:	<p>a) The site is not Core Koala Habitat and a Koala Plan of management is therefore not required in accordance with State Environmental Planning Policy No 44. The need for fencing and a Section 88B restriction on the use of the land can be considered at subdivision stage.</p> <p>b) Having regard to the extent of existing and future residential development in the locality without restrictions on cat ownership and size of the proposed infill residential footprint, controls for future residential development are not considered practical or reasonable.</p> <p>c) Noted. This is a requirement of Council's Port Macquarie-Hastings Development Control Plan (PMHDCP) 2013 and will be addressed at the detailed development assessment stage.</p> <p>d) Noted. This can be considered at subdivision stage.</p> <p>e) Noted. As stated in the planning proposal and as required under PMHDCP 2013, all bushfire asset protection measures for future residential development will be excluded from the proposed E2 Zone area.</p> <p>f) Noted. This is a requirement of PMHDCP 2013 and will be addressed at the detailed development assessment stage.</p> <p>g) The planning proposal does not include a concept proposal for future development of the proposed R1 land. Water quality controls will be required to be designed and implemented at the detailed development stage.</p> <p>h) The flood constraints of the site have been considered in the assessment of the proposal. The land is considered suitable for future development as it will meet the requirements of the <i>Port Macquarie-Hastings Flood Policy 2015</i> being located above the 1:100 year flood plus relevant climate change allowances and freeboard.</p>

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		<p>In addition, emergency response management issues have been considered and safe evacuation routes to land above the PMF are available immediately adjacent to the site.</p> <p>The subject site is identified as being located in a 'flood fringe' area, which is considered capable of being filled, as the loss of some of these areas can be justified both hydraulically and from the perspective of not sterilizing development from all of the floodplain.</p> <p>The <i>Port Macquarie-Hastings Flood Policy 2015</i> contains the following commentary on the development of land identified as being flood fringe:</p> <p><i>Flood Fringe Areas are generally locations which will have little effect on the downstream conveyance of floodwaters and in which filling will result in no measurable impact on peak flood levels.</i></p> <p>For these reasons, future development of the site is not expected to have any adverse cumulative flood impact on the Hastings River floodplain and is considered capable of meeting the requirements of all flood related development controls.</p> <p>i) Noted. Maintenance would need to be discussed, however, dedication of the proposed Zoned E2 lands to NPWS may be an option.</p>
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All persons and State agencies that made a submission have been notified of this matter being reported to Council.

Planning & Policy Implications

The preparation of a planning proposal for the site was considered and prioritised together with other site specific proposals in a report to Council dated 20 August 2014.

The proposal is considered to be consistent with the *Port Macquarie-Hastings Urban Growth Management Strategy 2011-2031* as an infill residential proposal representing a minor amendment to the R1 General Residential zone in this location.

The proposed environmental conservation zoning and community land reclassification of the residue bushland area is considered to represent a public benefit and is not expected to unreasonably impact on adjoining rural and residential land uses. A Plan of Management will be prepared for the proposed Zone E2 area upon reclassification.

Financial & Economic Implications

Preparation of the planning proposal has been funded by the proponent, i.e. Council's Property Section, in accordance with Council's Schedule of Fees and Charges for amendments to the *Port Macquarie-Hastings Local Environmental Plan 2011*.

Council's Corporate and Organisational Services Division has agreed to pay for the establishment and maintenance of the proposed environmental lands from the

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Property Reserve over a five year timeline. It is expected that the maintenance costs will total \$23,500 over this period. A resolution of Council is proposed to formalise this commitment. After the five year establishment period, the lands will be maintained as part of Council's overall Bushland Management Program.

Attachments

- 1[View](#). Exhibited Planning Proposal - Greenmeadows Drive
- 2[View](#). Public submissions
- 3[View](#). Photo JNC machinery working on PMHC land

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Item: 13.06

**Subject: DEVELOPMENT ACTIVITY AND ASSESSMENT SYSTEM
PERFORMANCE**

Presented by: Development and Environment Services, Matt Rogers

Alignment with Delivery Program

1.5.3 Ensure ratepayer value for money through continuous improvement in quality, effectiveness and efficiency of delivery of Council services.

RECOMMENDATION

That Council note the Development Activity and Assessment System Performance report for the first quarter of 2016-2017.

Executive Summary

This report provides a summary of development assessment, building certification and subdivision certification activities for the July to September 2016 quarter. Data on the number of applications and processing times, together with a commentary on development trends is provided for the information of Council.

Discussion

The following table provides data on the volume of applications received and determined over the quarter relative to the year-to-date average and monthly average of the preceding four years.

The quarter sees the continuation of the increase in applications that were received in the 2015-2016 period compared to previous years. The average number of development applications (DAs) received per month is up from 76 in the 2014-2015 period to 85. It is noted that this represents a significant increase in itself but is further magnified when taking into account the monthly average in 2012-2013 of 52 applications per month.

Plumbing and drainage applications determined are up from 72 in 2015-2015 to 112 in the quarter. Both an increase in building activity generally and the commissioning of the small village sewerage scheme on the North Shore has contributed to this sharp spike.

The monthly average of building and plumbing inspections undertaken is also a reflection of the increase in building activity and the plumbing and drainage activity on the North Shore, with a monthly average of 528 inspections being undertaken during the quarter compared to the 407 monthly average in the 2015-2016 year.

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Building certification applications processed by Council (construction certificates and complying development certificates) have remained steady over the past few years despite the increased building activity in the area. Privately certified applications have increased during this period and these account for the overall increase in application numbers.

The average number of development engineering construction certificates and subdivision certificates has increased slightly from previous years although this is not necessarily reflective of the complexity of work, given recent applications have generally involved larger lot releases than previous years:

Applications Received and Determined									
Application Type									
Applications Type	2012-13 Monthly Average	2013-14 Monthly Average	2014-15 Monthly Average	2015-16 Monthly Average	2016-17 Monthly Average	2016-17 TOTAL	Jul-16	Aug-16	Sep-16
DAs Received	52	70	76	85	85	256	96	84	76
DAs Determined	53	65	74	79	88	263	77	107	79
DA Modifications Received	11	11	14	17	15	44	13	17	14
DA Modifications Determined	11	11	14	15	16	47	20	15	12
Complying Development Certificates Received by Council	11	13	10	7	9	27	6	13	8
Complying Development Certificates Determined	9	12	10	7	9	28	6	13	9
Complying Development Certificates Determined (Private Certifier)	11	14	15	21	19	58	11	31	16
Construction Certificates (Building Work) Received by Council	35	42	46	41	42	126	48	38	40
Construction Certificates (Building Work) Determined by Council	33	38	45	38	41	124	30	53	41
Construction Certificates Building Work Determined (Private Certifier)	12	17	20	29	30	90	25	42	23
Building Inspections Undertaken	286	371	393	407	528	1585	454	580	551
Plumbing & Drainage Applications Determined	42	52	64	72	112	337	129	117	91
Infrastructure Construction Certificates Received	2	5	8	9	12	37	9	17	11
Infrastructure Construction Certificates Determined	2	4	6	9	10	31	5	14	12
Subdivision Certificates Received	3	8	10	11	12	36	7	15	14
Subdivision Certificates Determined	7	7	9	10	12	35	11	13	11
Roads Act Applications Determined	30	30	38	49	48	145	51	47	47

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The following table outlines the estimated value of works per development type approved for the quarter. Residential development continues to be the dominate sector:

Development Type	Value Jul-16	Value Aug-15	Value Sep-15	Total Value to Date 2015 - 2016	Total Value 2015 -2016
Ancillary - Development Applications	\$433,213	\$662,997	\$237,423	\$1,333,633	\$7,423,973
Ancillary - Complying Developments	\$47,689	\$218,257	\$19,500	\$285,446	\$943,054
Commercial - Development Applications	\$3,729,900	\$267,384	\$87,860	\$4,085,144	\$18,824,700
Commercial - Complying Developments	\$321,000	\$1,321,950	\$100,000	\$1,742,950	\$3,910,036
Community - Development Applications	\$0	\$0	\$0	\$0	\$35,342,500
Community - Complying Developments	\$0	\$0	\$0	\$0	\$0
Industrial - Development Applications	\$1,450,000	\$17,300	\$640,000	\$2,107,300	\$26,315,171
Industrial - Complying Developments	\$0	\$55,000	\$98,000	\$153,000	\$229,172
Residential - Development Applications	\$10,058,750	\$17,586,828	\$16,461,821	\$44,107,399	\$188,223,692
Residential - Complying Developments	\$2,194,136	\$5,244,922	\$2,535,173	\$9,974,231	\$37,925,676
Rural - Development Applications	\$15,000	\$449,000	\$927,400	\$1,391,400	\$8,095,352
Rural - Complying Developments	\$590,792	\$0	\$18,000	\$608,792	\$1,556,255
Subdivision - Development Applications	\$1,700,000	\$3,700,000	\$96,000	\$5,496,000	\$17,173,100
Tourist - Development Applications	\$0	\$0	\$2,860	\$2,860	\$14,923,909
Tourist - Complying Developments	\$0	\$0	\$690,000	\$690,000	\$90,000
Total	\$20,540,480	\$29,523,638	\$21,914,037	\$71,978,155	\$360,976,590

Applications of note during the quarter include:

- DA2016 /131 - Multi dwelling housing, Bundarra way, Bonny Hills
- DA2006 / 593.3 - Modification to residential flat building, Lord, Church and William St, Port Macquarie.
- DA2016 / 284 - 16 lot residential subdivision, Lake Cathie.

Quarterly application processing data and longer term trends for the various application types is provided in the table below. It is noted that gross monthly average DA processing time of 51 days for the quarter is an improvement on the 58 days monthly average for the 2015-2016 year. Additional casual planning resources employed to assist with the high volumes of applications and has positively impacted on processing times. Management will continue to monitor application volumes and processing times and evaluate resourcing options.

Gross processing times for engineering related applications have improved over the quarter compared to the 2015-2016 year. Gross monthly average processing times for construction certificates during the quarter was 74 days, this is down on the 2015-2016 monthly average of 94 days. The gross monthly average processing days for subdivision certificates for the quarter was 75 days, this is down from 97 days in the 2015-2016 year.

These improvements can be attributed to additional resources provided in the development engineering team and to the implementation of recommendations from the independent review of land development approval process undertaken in 2015-2016. A report will be presented to the December 2016 Council Meeting providing more detail on the progress of the implementation of recommendations from the review.

Planning and Providing Our Infrastructure

PMHC Application Processing Performance										
	NSW 2012-13 Monthly Average	2012-13 Monthly Average	NSW 2013-14 Monthly Average	2013-14 Monthly Average	2014-15 Average	2015-16 Average	2016-17 Average	Jul-16	Aug-16	Sep-16
DAs Processing - Net Median Days	31	32	30	26	30	30	24	22	29	22
DA Processing - Net Average Days	46	35	39	31	36	34	32	30	33	33
DA Processing - Gross Average Days	71	67	61	55	56	58	51	57	51	44
Complying Development Processing - Net Average Days	18	5		7	13	6	6	7	6	5
Complying Development Processing - Gross Average Days		5	19	8	14	7	11	8	6	18
Building Construction Certificate Processing - Net Average Days	16	11		7	12	9	7	7	6	7
Building Construction Certificate Processing - Gross Average Days		60		41	49	51	45	47	40	47
Plumbing & Drainage Applications Processing Net Average Days		30		19	17	16	13	12	16	12
Plumbing & Drainage Applications Gross Average Days		45		57	61	51	29	26	35	27
Infrastructure Construction Certificate Processing - Net Average Days	33	35		41	41	54	57	87	36	49
Infrastructure Construction Certificate Processing - Gross Average Days	39	48		52	114	94	74	92	50	80
Subdivision Certificates Processing - Net Average Days		78		32	33	42	57	54	38	80
Subdivision Certificates Processing - Gross Average Days		78		39	72	97	75	79	62	83
Roads Act Applications Processing - Net Average Days		36		26	16	17	12	13	9	14
Roads Act Applications Processing - Gross Average Days		36		36	41	43	38	56	22	35

Options

This is an information report.

Community Engagement & Internal Consultation

Development assessment statistics are discussed internally as the key indicator of system performance.

Feedback on the customer experience has continued to be sought, through monthly meetings with specific applicants, to build upon the information obtained from the recent customer survey as previously reported to Council.

The independent review into Council's land development approval processes includes a strong external engagement element and will continue to be a focus for staff in the short to medium term.

Planning & Policy Implications

There are no planning and policy impacts.

Planning and Providing Our Infrastructure

Financial & Economic Implications

This report does not have direct financial or economic implications. However, monitoring the performance of the development assessment system is an important undertaking given the role of development regulation in the broader economy and the need to minimise costs to business and the community in managing development.

Attachments

Nil

Planning and Providing Our Infrastructure

Item: 13.07

Subject: PLANNING PROPOSAL - REZONING AND RECLASSIFICATION OF LAND AT WAUCHOPE FOR REGIONAL SPORTS FACILITY

Presented by: Development and Environment Services, Matt Rogers

Alignment with Delivery Program

5.3.1 Plan, investigate, design and construct open spaces and recreational facilities.

RECOMMENDATION

That Council:

1. Prepare a draft planning proposal in relation Council owned land adjacent the Oxley Highway at Wauchope to amend the provisions of Port Macquarie-Hastings Local Environmental Plan 2011, to permit the land to be used as a multi use regional sports and recreation precinct, as described in this report, pursuant to Section 55 of the Environmental Planning and Assessment Act 1979.
2. Forward the draft planning proposal to the Department of Planning and Environment for a Gateway Determination, and exhibit the proposal in accordance with that determination, pursuant to Sections 56 - 58 of the Act.
3. Request that the Director General of the Department of Planning & Environment issue a Written Authorisation to Council to Exercise Delegation of the plan making functions under Section 59 of the Act in respect of the planning proposal.

Executive Summary

This report considers a proposed amendment to Port Macquarie-Hastings Local Environmental Plan 2011 to rezone Council owned land (Lot 52 DP 1035553, Lot 2 DP 1118155 and Lots 11 & 12 DP 855941) at Wauchope to facilitate development of a multi-use regional sporting precinct.

The report arises from consideration of a report presented to the Ordinary Meeting of Council held on 19 October 2016 dealing with alternate long-term options to meet the future community and sporting needs in the Port Macquarie-Hastings Local Government Area (LGA).

This report addresses the second item of Council's six (6) part resolution; that Council proceed to commence rezoning the land.

Planning and Providing Our Infrastructure

Discussion

At the Ordinary Council Meeting held on 19 October 2016, Council considered a detailed report reviewing options for alternate sport and recreation facilities arising from a notice to vacate land used for outdoor sporting activities and major regional and state sporting events at Tuffins Lane, Port Macquarie. Council resolved:

That Council:

- 1) *Note the attached concept plans for the development of a multiple use sports and recreational precinct located on the Oxley Highway Wauchope (Lot 52 DP 1035553, Lot 2 DP 1118155 and Lots 11 & 12 DP 855941) as a proposed alternative site to the land at Tuffins Lane.*
- 2) *Request the General Manager commence rezoning of the site to an RE1 public recreation zone.*
- 3) *Request the General Manager establish an internal advisory group to progress planning for the sports and recreational precinct on the Oxley Highway, Wauchope as the preferred alternative site to Tuffins Lane.*
- 4) *Request the General Manager to bring back a report to the 14 December 2016 Council Meeting detailing options for optimising utilisation of sporting fields in Port Macquarie for local sporting groups.*
- 5) *Include consultation with sporting groups through the planning process as appropriate for the Oxley Highway, Wauchope site and Port Macquarie sporting fields.*
- 6)
 - a) *Note Council's latest 2016 independent valuation of the Tuffins Lane property as \$810,000.*
 - b) *Note the purchase price of the Tuffins Lane property by Chase Parklands Pty Limited (which settled on 2 September 2016) as \$550,000; and*
 - c) *Reject the offer of 19 September 2016 (including the conditions attached to the offer) from Chase Parklands for Council to purchase the sporting fields site at Tuffins Lane.*

CARRIED: 9/0

FOR: Besseling, Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and
Turner

AGAINST: Nil

Preparation of a Planning Proposal to rezone and reclassify the subject site is the first step in progressing Part 2 of Council's resolution.

The subject site (Lot 52 DP 1035553, Lot 2 DP 1118155 and Lots 11 & 12 DP 855941) is located on the corner of the Oxley Highway and Stoney Creek Road, Wauchope. It is currently zoned RU1 Primary Production.

It is proposed to amend the zone of the land to RE1 Public Recreation to permit the development of a multi-use sport and recreation precinct on the land consistent with the above resolution of Council and long term planning for sporting fields as identified in Port Macquarie-Hastings Recreation Action Plan.

The Recreation Action Plan identifies the subject land as satisfying the criteria for the long-term sporting needs of the community.

Planning and Providing Our Infrastructure



The attached draft planning proposal seeks to amend Port Macquarie-Hastings Local Environmental Plan 2011 to change the current zoning - RU1 Primary Production - to RE1 Public Recreation to provide for the future community needs of the LGA. No change to minimum lot size, height of building or floor space ratio controls is proposed, consistent with Council's application of planning controls over similar sport and recreational land.

The proposed RE1 zone will enable the land to be developed for public open space and recreational land uses and will permit a range of sport and recreation based land uses with consent, including community facilities, kiosks, recreation areas, recreation facilities (indoor), recreation facilities (major), recreation facilities (outdoor), as well as other specified compatible uses.

The draft planning proposal has been prepared in accordance with Section 55 of the Environmental Planning and Assessment Act 1979 and the Department of Planning and Environment's "A Guide to Preparing Planning Proposal 2016" and "A Guide to Preparing LEPs 2016".

In addition to rezoning the subject land from rural to recreational, it is proposed to reclassify the subject land from 'Operational land' to 'Community land' under the relevant provisions of the Local Government Act, to provide for its retention as public land under the care and control of Council.

Planning and Providing Our Infrastructure

As the matter is of local significance and proposes reclassification of the land as 'Community land', it is proposed to seek written authorisation to exercise delegation of local plan making functions from the Gateway under Section 23 of the Act. It is recommended that Council accept the delegation.

The draft Planning Proposal will be assessed by the NSW Department of Planning and Environment Gateway panel and is proposed to be used for public notification and community engagement in relation to the proposed LEP amendment.

Options

Council could choose to defer or modify the proposal. Council could also choose not to proceed with the preparation of a planning proposal at this time.

It is recommended that Council proceed with the preparation of a planning proposal to amend LEP 2011, as described in this report.

Community Engagement & Internal Consultation

There has been internal consultation with Council staff during preparation of the planning proposal.

The regulated process for amending the LEP will involve consultation with the community and state agencies. A public exhibition period of 28 days is proposed.

A further report will be presented to Council following community engagement and review of submissions received.

Planning & Policy Implications

The planning proposal is consistent with relevant State, Regional and local plans and strategies, including Port Macquarie-Hastings Community Strategic Plan, Port Macquarie-Hastings Urban Growth Management Strategy and Recreation Action Plan.

The proposed amendment will facilitate implementation of Council's long term planning for multi use regional sporting facilities through amended LEP provisions. Council has the option of preparing a Plan of Management as necessary for the land upon reclassification. A public hearing is not required to reclassify land as 'Community land' under the relevant provisions of the Local Government Act, 1993.

Financial & Economic Implications

The preparation of the proposed amendments to LEP 2011 will be undertaken by staff within current operational budgets and is not expected to have a significant financial impact.

The rezoning will facilitate the ultimate development of the site for sport, recreation and events which can be expected to have a positive economic impact both for Wauchope and the broader region.

Planning and Providing Our Infrastructure

Attachments

1 [View](#). Planning Proposal 2016 - 9.2 - Regional Sports Field Wauchope

Planning and Providing Our Infrastructure

Item: 13.08

Subject: TOWN AND VILLAGE SIGNAGE

Presented by: Community and Economic Growth, Liesa Davies

Alignment with Delivery Program

2.6.2 Create access to community facilities that allow a range of social, health and wellbeing activities.

RECOMMENDATION

That Council:

- 1. Endorse the Town and village signage concept designs.**
- 2. Note that a further report will be tabled at the March 2017 meeting of Council, detailing the structural designs, cost estimates and community engagement for the signage development and implementation.**

Executive Summary

Town and village signage provides opportunity for communities to promote the location and character of their place in a simple and attractive form that is sensitive to environment in its location, size and design. With an interest in seeing improvements in our place entranceways, an Economic Development Steering Group (EDSG) working group was formed to develop concept designs. These were endorsed at the EDSG Meeting held on 4 May 2016 and are presented for Council endorsement.

Discussion

In November 2014 Council resolved that:

- 1. Note the process for engaging with our communities to develop town and village signage.*
- 2. Give consideration to an allowance of \$78,000 for the implementation of community signage and town and village signage in the 2015-2016 operational budget.*

In June 2016, Council adopted the 2016-2017 operational plan which included funding for the first stage of Councils proposed new approach to town and village signage.

The EDSG working group, which oversaw the concept development, aimed to develop unique and identifiable town and village entrance signs that promote the place, represent the character of the area, and are developed in conjunction with the local communities. The proposed signage provides a visual link between all towns and villages in the local government area, and will be quickly recognizable as a part of the Port Macquarie-Hastings region. Community feedback on signage matters received in recent years was taken into account in the concept development.

Planning and Providing Our Infrastructure

The intention is to promote the LGA via an original and informed aesthetic and through the use of signature materials, local timber and a themed colour palette to create a unique signage system for the region.

The design concept has been developed as a hierarchy. Tier one being for our major population centres, tier two for medium centres and tier three for our smaller towns and villages.

The concept design (refer to attachment) will be developed further through a stage of detailed design. This will include further consideration of visual impact, readability and ease of production, erection and durability. The next stage will also include community engagement to determine the motives or themes that are meaningful to each community and may be reflected in individual signs. The development of the motives into symbols will be managed by Council to ensure the integrity of style for the signs.

The specific signage locations, placement and landscaping are also part of the detailed design process. New signage locations will likely require a site specific Local Environment Plan (LEP) amendment to allow placement.

Options

Council may choose to endorse the concept as presented, or request additional design work be undertaken.

Community Engagement & Internal Consultation

Council has engaged with key stakeholders regarding town and village signage potential designs including:

- Economic Development Steering Group;
- Camden Haven Chamber of Commerce;
- Comboyne Community;
- Camden Haven;
- Wauchope Chamber of Commerce;
- Port Macquarie Chamber of Commerce;
- Schools to Schools Committee;
- Creek to Creek Committee;
- Beach to Beach Committee;
- I-Kew;
- Pappinbarra Progress Association;
- Lake Cathie Progress Association;
- Greater Port Macquarie Tourism;
- Wauchope Community Arts.
- Beechwood P&C,
- Long Flat P&C,
- Telegraph Point Community Association,
- Rollands Plains Community Association.
- Lorne Community Association.

Planning and Providing Our Infrastructure

Council has also developed an internal steering group to look at signage from a holistic organisational perspective.

Planning & Policy Implications.

Tourism, Community and Service Signage Policy - February 2007

The basic principle of this policy is to:

Meet the signage needs of tourism and service businesses while still upholding the basic principles of traffic management and road safety, as well as protecting the visual amenity of our roadsides and the scenic beauty of the Hastings Local Government Area (LGA)

Guidelines for Community and Service Signage - February 2007

The Guidelines support the signage policy by providing detailed information on policy complaint signs, application and approval procedures. Specifically Section 13 of the guidelines makes reference to "Information Interpretation Signs and Services"

It is to be noted the Council Policy and Guidelines do not apply to signs placed on private land. Where signage is proposed on private land these are controlled by State Environmental Planning Policy 64 Advertising and Signage and the Council Development Control Plan.

As mentioned above Council is currently preparing an amendment to the LEP to provide specific location for community or event signage.

Financial & Economic Implications

\$78,000 was approved in the 2016-2017 budget for the implementation of Town and Village Signage.

The development of town and village signage has been identified in the recently adopted Economic Development Strategy 2013-2016 as part of action 15:

In collaboration with relevant stakeholders, define the character of townships and villages across the local government area.

Whilst signage does not have a direct economic impact, it is viewed as an important contributor to broader place appeal which has the ability to impact on investment and other economic decisions.

Attachments

1 [View](#). Town and Village Signage Concepts 2016

Planning and Providing Our Infrastructure

Item: 13.09

Subject: QUESTION FROM PREVIOUS MEETING - CAMDEN HAVEN SURF CLUB LICENCE

Presented by: Community and Economic Growth, Liesa Davies

RECOMMENDATION

That Council note the information contained within the Camden Haven Surf Club Licence Report.

Question from Councillor Dixon

Can the General Manager please provide an update of progress in regard to Camden Haven Surf Club licence?

Comments by Councillor Dixon (if provided)

Nil.

Response

Council and the Camden Haven Surf Club have been in discussion about licensing of the surf club building for a couple of years to-date. The two key issues for the Club relating to the licence have been electricity supply and associated billing, and responsibilities for surf club building maintenance.

Council staff and Councillor Dixon met with Camden Haven Surf Club Committee representatives on Thursday, 4 November 2016 to further discuss the draft licence agreement. The meeting was positive and both parties seem committed to resolving this matter in the short term.

The Club's concern with electricity supply had been in relation to how Council proposed to bill the Club and kiosk operator for their respective consumption. This issue has now been resolved with installation of an additional electrical meter at the surf club facility. This will allow for direct billing to the Surf Club and kiosk operator by the electricity service provider.

The building maintenance issue was the subject of more detailed conversation at the abovementioned meeting. Council staff informed Surf Club representatives that the maintenance obligations, as outlined in the draft licence agreement, are consistent with the leasing requirements associated with the Port Macquarie based surf clubs, as well as numerous leases established with community groups for tenancy of Council owned buildings. On this basis, Council is not prepared to relax the maintenance responsibilities as outlined in the draft licence agreement. Staff did discuss grant funding opportunities that may be available to the club that could offset costs associated with building maintenance.

Planning and Providing Our Infrastructure

Staff also clarified Council's maintenance responsibilities under the draft licence agreement. These responsibilities include:

- structural building maintenance;
- maintenance of essential fire safety services; and
- maintenance of systems shared by the surf club building and the public amenities or kiosk, eg. septic tank.

Tenancy of the kiosk was also discussed, with consensus that this should proceed as soon as is appropriate. All present at this meeting are eager to see increased activation of the crown reserve surrounding the Surf Club building through re-establishment of kiosk operations. There are a number of processes to be navigated before the kiosk can be tenanted. The opportunity to establish a short term service (for example, mobile food vendor) to service the community until the kiosk is operational was discussed and supported by both parties. The Surf Club agreed to discuss this opportunity with potential local service providers, with both parties hoping that something could be achieved to provide a service across the busy Christmas holiday period.

The Club Committee representatives are required to report back to a full Committee meeting for consideration. Should the committee agree to the terms of the licence, Council staff will then seek in-principle approval from Crown Lands prior to signing of the licence.

Attachments

Nil

Subject: CONFIDENTIAL COMMITTEE OF THE WHOLE

RECOMMENDATION

- 1. That Council move into Confidential Committee of the Whole to receive and consider the following items:**

Item 15.01 T-16-38 Road Stabilisation Services

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

Item 15.02 T-16-52 Synthetic Turf System for Second Hockey Field at Wayne Richards Park

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

Item 15.03 EOI-16-05 Community Members of the Broadwater Canal Maintenance Plan Reference Group

This item is considered confidential under Section 10A(2)(a) of the Local Government Act 1993, as it contains personnel matters concerning particular individuals (other than Councillors).

Item 15.04 EOI-16-10 Lease of North Town Beach Kiosk

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

Item 15.05 T-16-58 Microsoft Enterprise Agreement

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

- 2. That pursuant to Section 10A subsections 2 & 3 and 10B of the Local Government Act 1993 (as amended), the press and public be excluded from the proceedings of the Council in Confidential Committee of the Whole on the basis that the items to be considered are of a confidential nature.**
- 3. That the recommendations made in Confidential Committee of the Whole be made public as soon as practicable.**

**Subject: ADOPTION OF RECOMMENDATIONS FROM THE CONFIDENTIAL
COMMITTEE OF THE WHOLE**

RECOMMENDATION

That the undermentioned recommendations from Confidential Committee of the Whole be adopted:

Item 15.01 T-16-38 Road Stabilisation Services

This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

RECOMMENDATION

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RECOMMENDATION

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RECOMMENDATION

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This item is considered confidential under Section 10A(2)(d(i)) of the Local Government Act 1993, as it contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.

RECOMMENDATION