

# **ORDINARY COUNCIL**

**Wednesday 17 October 2018**

# Ordinary Council Meeting

Wednesday, 17 October 2018

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# 1 Leadership and Governance

17/10/2018

## What we are trying to achieve

A community that works together in decision making that is defined as ethically, socially and environmentally responsible.

## What the result will be

We will have:

- 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 we will get there

- 1.1 Inform and engage with the community about what Council does using varied communication channels
- 1.2 Maintain strong partnerships between all stakeholders - local, state and federal — so that they are effective advocates for the community
- 1.3 Demonstrate leadership
- 1.4 Use innovative, efficient and sustainable practices
- 1.5 Ensure strong corporate and financial management that is transparent and accountable





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## Public Interest Disclosure Internal Reporting Policy

### 1 INTRODUCTION

The purpose of this policy is to establish an internal reporting system for staff and Councillors to report wrongdoing without fear of reprisal. The policy sets out who to report wrongdoing to in Port Macquarie-Hastings Council, what can be reported and how reports of wrongdoing will be dealt with by Port Macquarie-Hastings Council.

This policy is designed to complement normal communication channels between supervisors and staff. Staff are encouraged to raise matters of concern at any time with their supervisors, but also have the option of making a report about a public interest issue in accordance with this policy and the *Public Interest Disclosures Act 1994* (PID Act).

This policy is just one in the suite of Port Macquarie-Hastings Council's complaint handling policies (refer section 5).

The internal reporting system established under this policy is not intended to be used for staff grievances, which should be raised through the grievance procedure. If a staff member makes a report under this policy which is substantially a grievance, the matter will be referred to Human Resources to be dealt with in accordance with the Grievance Procedure.

### 2 POLICY STATEMENT AND SCOPE

#### 2.1 Organisational commitment

Port Macquarie Hastings Council will not tolerate corrupt conduct, maladministration, the serious and substantial waste of public money or contravention of the *Government Information (Public Access) Act 2009* ("GIPA Act") and is committed to the aims and objectives of the *Public Interest Disclosures Act 1994* ("PID Act").

The PID Act has the purpose of ensuring that public officials who wish to make disclosures under the legislation receive protection from reprisals, and that the matters raised in the disclosures are properly investigated.

The PID Act aims to encourage and facilitate the disclosure of serious wrongdoing.

Council wishes to foster an ethical and accountable culture that encourages the disclosure of serious wrongdoing.

Council recognises the value and importance of contributions of staff, Councillors and other Council engaged persons to enhance administrative and management practices and strongly supports disclosures being made by those individuals.

The Policy establishes an internal reporting system for the reporting of disclosures of serious wrongdoing by Council, its staff and Councillors.

The Council will take all reasonable steps to provide protection to staff, Councillors and Council engaged persons who make such disclosures from any detrimental action in reprisal for the making of a disclosure.

## 2.2 Who does this policy apply to?

This policy will apply to:

- Councillors
- council staff, whether permanent, temporary or casual employees
- consultants
- individual contractors working for Port Macquarie-Hastings Council
- employees of contractors providing services to Port Macquarie-Hastings Council
- other people who perform council official functions whose conduct and activities could be investigated by an investigating authority, including volunteers.

The policy also applies to public officials of another council or public authority who report wrongdoing relating to Port Macquarie-Hastings Council.

## 2.3 What should be reported?

Any suspected wrongdoing within Port Macquarie-Hastings Council, or any activities or incidents you see within Port Macquarie-Hastings Council that you believe are wrong.

Reports about five categories of serious misconduct – corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPA Act, and local government pecuniary interest contravention – which otherwise meet the criteria of a public interest disclosure, will be dealt with under the PID Act and according to this policy. See below for details about these types of conduct. More information about what can be reported under the PID Act can be found in the NSW Ombudsman's *Guideline B2: What should be reported?*

All other wrongdoing or suspected wrongdoing should be reported to a supervisor, to be dealt with in line with the relevant Council policies. This might include:

- harassment or unlawful discrimination
- practices that endanger the health or safety of staff or the public.

Even if these reports are not dealt with as public interest disclosures, Port Macquarie-Hastings Council recognises such reports may raise important issues. We will respond to all reports and make every attempt to protect the staff member making the report from reprisal.

### a. Corrupt conduct

Corrupt conduct is defined in sections 8 and 9 of the ICAC Act. The definition provided in these sections is intentionally broad. Corrupt conduct includes the dishonest or partial exercise of official functions by a public official.

For example, this could include:

- the improper use of knowledge, power or position for personal gain or the advantage of others
- acting dishonestly or unfairly, or breaching public trust
- a council official being influenced by a member of the public to use their position in a way that is dishonest, biased or breaches public trust.

### b. Maladministration

Maladministration is conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives.

For example, this could include:

- awarding contracts and tenders to private parties that are related by family, friendship or association.
- failing to make a decision in accordance with official Policy for no appropriate reason.

- refusing to grant a person a licence for reasons that do not relate to the merits of their application.
- issuing an order against a person without giving them procedural fairness.
- making a decision and/or taking action that is unlawful
- refusing to grant an approval for reasons that are not related to the merits of their application.

**c. Serious and substantial waste of public money**

Serious and substantial waste is the uneconomical, inefficient or ineffective use of resources that could result in losing or wasting public money or resources.

For example, this could include:

- not following a competitive tendering process for a large scale contract
- having bad or no processes in place for a system involving large amounts of public funds.
- the purchase of unnecessary or inadequate goods and services.
- overstaffing in particular areas.
- staff being remunerated for skills that they do not have, but are required to have under the terms or conditions of their employment.

**d. Breach of the GIPA Act**

A breach of the *Government Information (Public Access) Act 2009* (GIPA Act) is a failure to properly fulfil functions under that Act.

For example, this could include:

- destroying, concealing or altering records to prevent them from being released
- knowingly making decisions that are contrary to the legislation
- directing another person to make a decision that is contrary to the legislation.
- intentionally overlooking documents that are clearly covered by an access application.

**e. Local government pecuniary interest contravention**

A local government pecuniary interest contravention is a failure to comply with requirements under the *Local Government Act 1993* relating to the management of pecuniary interests. These include obligations to lodge disclosure of interests' returns, disclose pecuniary interests at council and council committee meetings and leave the meeting while the matter is being discussed. 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.

For example, this could include:

- a senior council staff member recommending a family member for a council contract and not declaring the relationship
- a councillor participating in consideration of a DA for a property they or their family have an interest in.

## **2.4 Assessment of reports**

All reports will be promptly and thoroughly assessed to determine what action will be taken to deal with the report and whether or not the report will be treated as a public interest disclosure.

The Disclosures Coordinator is responsible for assessing reports, in consultation with the General Manager where appropriate. All reports will be assessed on the information available to the Disclosures Coordinator at the time. It is up to the Disclosures Coordinator to decide whether an investigation should be carried out and how that investigation should be carried out. In assessing a report the Disclosures Coordinator may decide that the report should be referred elsewhere or that no action should be taken on the report.

## 2.5 When will a report be treated as a public interest disclosure?

Port Macquarie-Hastings Council will treat a report as a public interest disclosure if it meets the criteria of a public interest disclosure under the PID Act. These requirements are:

- the report must be about one of the following five categories of serious wrongdoing – corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPA Act, or local government pecuniary interest contravention
- the person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing
- the report has to be made to either the General Manager or, for reports about the General Manager the Mayor, a position nominated in this policy (see section 2.6), an investigating authority or in limited circumstances to an MP or journalist (see section 2.7).

Reports by staff are not public interest disclosures if they:

- mostly question the merits of government policy (see section 2.15)
- are made with the sole or substantial motive of avoiding dismissal or other disciplinary action (see section 2.16).

## 2.6 Who can receive a report within Port Macquarie-Hastings Council?

Staff are encouraged to report general wrongdoing to their supervisor. However the PID Act requires that, for a report to be a public interest disclosure, it must be made to certain public officials identified in this policy or any supporting procedures.

The following positions are the only people within Port Macquarie-Hastings Council who are authorised to receive a public interest disclosure.

- General Manager
- Mayor (for reports about the General Manager only)
- Disclosures Coordinator – Group Manager Governance and Procurement
- Disclosures Officers
  - Group Manager Assets and Property Investment
  - Group Manager Commercial Business Units
  - Group Manager Economic Development and Communications
  - Group Manager Financial Services
  - Group Manager Infrastructure Delivery

Any supervisor who receives a report that they believe may be a public interest disclosure is obliged to assist the staff member to make the report to one of the positions listed below. The broader responsibilities of these positions are outlined under Responsibilities and Authorities (section 3).

If your report involves a councillor, you should make it to the General Manager. If your report relates to the General Manager, you should make it to the Mayor.

## 2.7 Who can receive a report outside of Port Macquarie-Hastings Council?

Staff and Councillors are encouraged to report wrongdoing within Port Macquarie-Hastings Council, but internal reporting is not your only option. You can also make a public interest disclosure to:

- An investigating authority.
- A Member of Parliament or a journalist, but only in the limited circumstances outlined below.

### a. Investigating authorities

The PID Act lists a number of investigating authorities in NSW that staff and Councillors can report wrongdoing to and the type of wrongdoing each authority can deal with. In certain circumstances it may be preferable to make a report of wrongdoing to an investigating authority, for example a report about either the General Manager or the Mayor.

The relevant investigating authorities for the Port Macquarie-Hastings Council are:

- the Independent Commission Against Corruption (ICAC) – for reports about corrupt conduct
- the Ombudsman – for reports about maladministration
- the Auditor-General – for reports about serious and substantial waste of public funds
- the Information Commissioner – for disclosures about a breach of the GIPA Act
- the Office of Local Government – for disclosures about local councils.

You should contact the relevant investigating authority for advice about how to make a disclosure to them. Contact details for each investigating authority are provided in section 4

You should be aware that the investigating authority may well discuss any such reports with the Port Macquarie-Hastings Council. We will make every effort to assist and cooperate with the investigating authority to ensure the matter is dealt with appropriately and there is a satisfactory outcome. We will also provide appropriate support and assistance to staff or Councillors who report wrongdoing to an investigating authority, if we are made aware that this has occurred.

#### **b. Members of Parliament or journalists**

To have the protections of the PID Act, staff reporting wrongdoing to a Member of Parliament (MP) or a journalist must have already made substantially the same report to one of the following:

- the General Manager
- a person nominated in this policy, including the Mayor for reports about the General Manager
- an investigating authority.

Also, Port Macquarie-Hastings Council or the investigating authority that received your initial report must have either:

- decided not to investigate the matter
- decided to investigate the matter, but not completed the investigation within six months of the original report
- investigated the matter but not recommended any action as a result
- not told the person who made the report, within six months of the report being made, whether the matter will be investigated.

Most importantly – to be protected under the PID Act – if you report wrongdoing to an MP or a journalist you will need to be able to prove that you have reasonable grounds for believing that the disclosure is substantially true and that it is in fact substantially true.

#### **c. Other external reporting**

If you report wrongdoing to a person or authority that is not listed above, or make a report to an MP or journalist without following the steps outlined above, you will not be protected under the PID Act. This may mean you will be in breach of legal obligations or Port Macquarie-Hastings Council code of conduct – by, for example, disclosing confidential information.

For more information about reporting wrongdoing outside Port Macquarie-Hastings Council, contact the Disclosures Coordinator or the NSW Ombudsman's Public Interest Disclosures Unit. Their contact details are provided in section 4.

### **2.8 How to make a report**

You can report wrongdoing in writing or verbally. Council encouraged reports in writing as this can help to avoid any confusion or misinterpretation.

If a report is made verbally, the person receiving the report will make a comprehensive record of the report and ask the person making the report to sign this record. The reporter should keep a copy of this record.

### **2.9 Can a report be anonymous?**

Yes, there will be some situations where you may not want to identify yourself when you make a report. Although these reports will still be dealt with by Port Macquarie-Hastings Council, it is best if you identify yourself. This allows us to provide you with any necessary protection and support, as well as feedback about what action is to be taken or has been taken to deal with the issues raised in the report, or the outcome of any investigation.

It is important to realise that an anonymous disclosure may not prevent you from being identified by the subjects of the report or your colleagues. If we do not know who made the report, it is very difficult for us to prevent any reprisal should others identify you.

## **2.10 Feedback to staff who report wrongdoing**

Staff and Councillors who report wrongdoing will be told what is happening in response to their report.

### **a. Acknowledgement**

When you make a report, Council will contact you to confirm that your report has been received and to advise:

- the timeframe within which you will receive further updates
- the name and contact details of the people who can tell you what is happening or handle any concerns you may have.

After a decision is made about how your report will be dealt with, Council will send you an acknowledgment letter, providing:

- information about the action that will be taken in response to your report
- the likely timeframes for any investigation or other action
- information about the internal and external resources or services available that you can access for support.

We will provide this information to you within ten (10) working days from the date you make your report. We will also advise you if we decide to treat your report as a public interest disclosure and provide you with a copy of this policy at that time, as required by the PID Act.

Please note, if you make a report which meets the requirements of the PID Act but the report was made under a statutory or legal obligation or incidental to the performance of your day to day functions, you will not receive an acknowledgement letter or a copy of this policy.

### **b. Progress updates**

While your report is being dealt with, such as by investigation or making other enquiries, you will be given:

- information about the progress of the investigation or other enquiries and reasons for any delay
- advice of any decision by Council not to proceed with the matter
- advice if your identity needs to be disclosed for the purposes of investigating the matter or making enquiries, and an opportunity to talk about this beforehand.

### **c. Feedback**

Once the matter has been finalised you will be given:

- enough information to show that adequate and appropriate action was taken and/or is proposed to be taken in response to your disclosure and any problem that was identified
- advice about whether you are likely to be called as a witness in any further matters, such as disciplinary or criminal proceedings.

## **2.11 Maintaining confidentiality**

Port Macquarie-Hastings Council realises reporters may want their identity and the fact they have made a report to remain confidential. This can help to prevent any action being taken against them for reporting wrongdoing.

Where possible and appropriate we will take steps to keep your identity, and the fact you have reported wrongdoing, confidential. We will discuss with you whether it is possible to keep your identity confidential.

If confidentiality cannot be maintained, we will develop a plan to support and protect you from reprisal in consultation with you.

If you report wrongdoing, it is important that you only discuss your report with those responsible for dealing with it. This will include the Disclosures Coordinator and the General Manager, or in the case of a report about the General Manager, the Disclosures Coordinator and the Mayor. The fewer people who know about your report, before and after you make it, the more likely it will be that we can protect you from any reprisal.

Any staff or Councillors involved in the investigation or handling of a report, including witnesses, are also required to maintain confidentiality and not disclose information about the process or allegations to any person except for those people responsible for handling the report.

## **2.12 Managing the risk of reprisal and workplace conflict**

When a staff member or councillor reports wrongdoing, Council will undertake a thorough risk assessment to identify the risk to you of detrimental action in reprisal for reporting, as well as indirect but related risks of workplace conflict or difficulties. The risk assessment will also identify strategies to deal with those risks and determine the level of protection and support that is appropriate.

Depending on the circumstances, Council may:

- relocate the reporter or the staff member who is the subject of the allegation within the current workplace
- transfer the reporter or the staff member who is the subject of the allegation to another position for which they are qualified
- grant the reporter or the staff member who is the subject of the allegation leave of absence during the investigation of the disclosure.

These courses of action are not punishment and will only be taken in consultation with the reporter.

## **2.13 Protection against reprisals**

Council will not tolerate any reprisal against staff or Councillors who report wrongdoing or are believed to have reported wrongdoing.

The PID Act provides protection for staff and Councillors who have made a public interest disclosure by imposing penalties on anyone who takes detrimental action against another person substantially in reprisal for that person making a public interest disclosure. These penalties also apply to cases where a person takes detrimental action against another because they believe or suspect the other person has made or may have made a public interest disclosure, even if they did not.

Detrimental action means action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

A person who is found to have committed a reprisal offence may face criminal penalties such as imprisonment and/or fines, and may be required to pay the victim damages for any loss suffered as a result of the detrimental action. Taking detrimental action in reprisal is also a breach of the council's code of conduct which may result in disciplinary action. In the case of Councillors, such disciplinary action may be taken under the misconduct provisions of the *Local Government Act 1993* and may include suspension or disqualification from civic office.

It is important for staff and Councillors to understand the nature and limitations of the protection provided by the PID Act. The PID Act protects reporters from detrimental action being taken against them because they have made, or are believed to have made, a public interest disclosure. It does not protect reporters from disciplinary or other management action where Council has reasonable grounds to take such action.

**a. Responding to allegations of reprisal**

If you believe that detrimental action has been or is being taken against you or someone else in reprisal for reporting wrongdoing, you should tell your supervisor, the Disclosures Coordinator or the General Manager immediately. In the case of an allegation of reprisal by the General Manager, you can alternatively report this to the Mayor.

All supervisors must notify the Disclosures Coordinator or the General Manager if they suspect that reprisal against a staff member is occurring or has occurred, or if any such allegations are made to them. In the case of an allegation of reprisal by the General Manager, the Mayor can alternatively be notified.

If Council becomes aware of or suspects that reprisal is being or has been taken against a person who has made a disclosure, Council will:

- assess the allegation of reprisal to decide whether the report should be treated as a public interest disclosure and whether the matter warrants investigation or if other action should be taken to resolve the issue
- if the reprisal allegation warrants investigation, ensure this is conducted by a senior and experienced member of staff
- if it is established that reprisal is occurring against someone who has made a report, take all steps possible to stop that activity and protect the reporter
- take appropriate disciplinary action against anyone proven to have taken or threatened any action in reprisal for making a disclosure
- refer any breach of Part 8 of the council's code of conduct (reprisal action) by a councillor or the General Manager to the Office of Local Government.
- refer any evidence of an offence under section 20 of the PID Act to the ICAC or NSW Police Force.

If you allege reprisal, you will be kept informed of the progress and outcome of any investigation or other action taken in response to your allegation.

If you have reported wrongdoing and are experiencing reprisal which you believe is not being dealt with effectively, contact the Office of Local Government, the Ombudsman or the ICAC (depending on the type of wrongdoing you reported). Contact details for these investigating authorities are included at the end of this policy.

**b. Protection against legal action**

If you make a public interest disclosure in accordance with the PID Act, you will not be subject to any liability, and no action, claim or demand can be taken against you for having made the public interest disclosure. You will not have breached any confidentiality or secrecy obligations and you will have the defence of absolute privilege in defamation.

**2.14 Support for those reporting wrongdoing**

Council will ensure that staff who have reported wrongdoing, regardless of whether their report is treated as a public interest disclosure, are provided with access to any professional support they may need as a result of the reporting process – such as stress management or counselling services.

Access to support may also be available for other staff involved in the internal reporting process where appropriate. Reporters and other staff involved in the process can discuss their support options with the Disclosures Coordinator.

The Employee Assistance Program (EAP) is available to all employees and their immediate family. It is a free service offered by Council through Council's service provider Optum. Contact details can be found on Council intranet site at <https://intranet.PortMacquarie-HastingsCouncil.nsw.gov.au/Working-at-PortMacquarie-HastingsCouncil/Employee-specific-information/EAP-counselling-services>.



**2.15 Sanctions for making false or misleading statements**

It is important all staff and Councillors are aware that it is a criminal offence under the PID Act to wilfully make a false or misleading statement when reporting wrongdoing. Council will not support staff or Councillors who wilfully make false or misleading reports. Such conduct may also be a breach of the code of conduct resulting in disciplinary action. In the case of Councillors, disciplinary action may be taken under the misconduct provisions of the *Local Government Act 1993* and may include suspension or disqualification from civic office.

**2.16 The rights of persons the subject of a report**

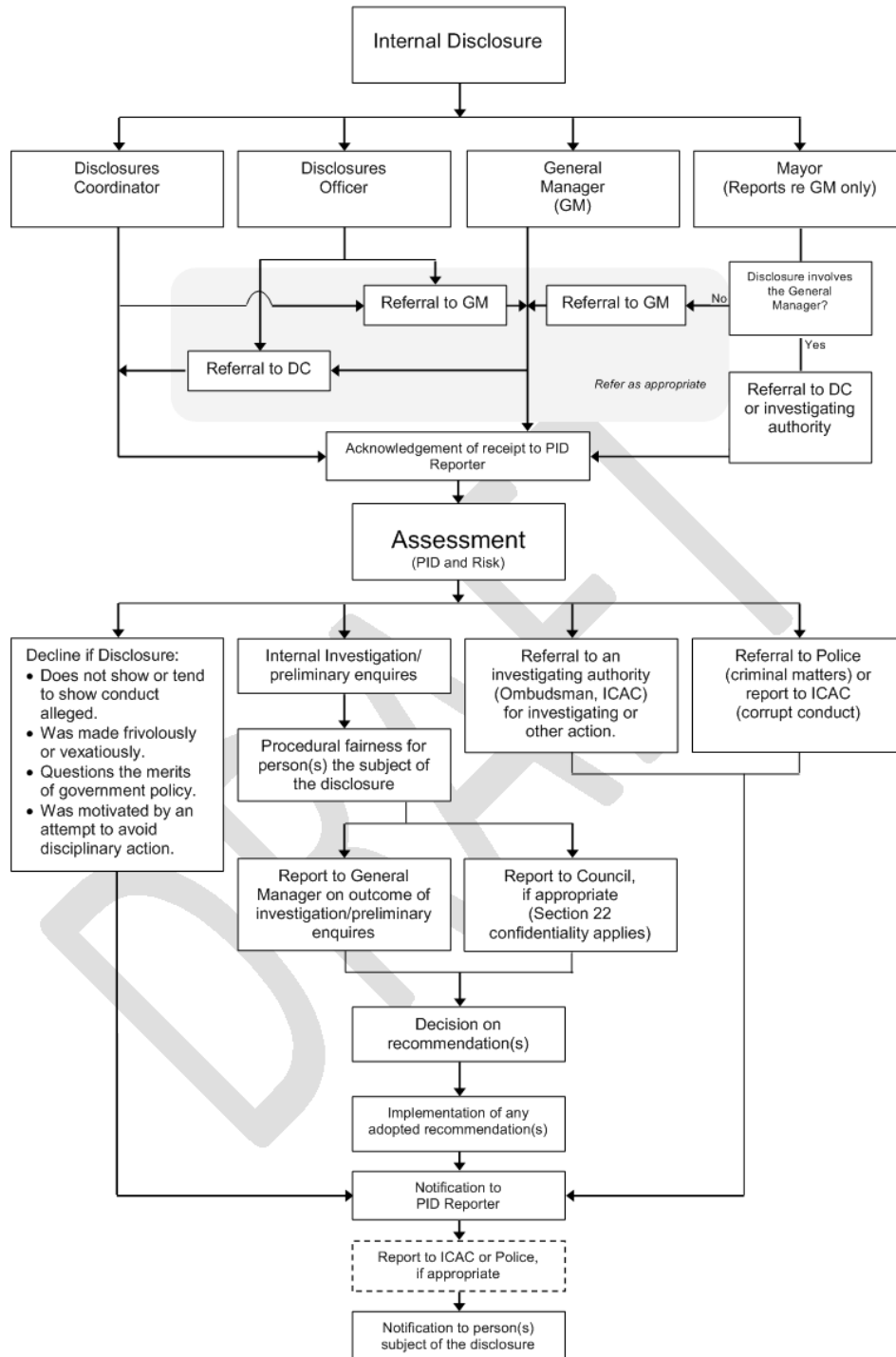
Council is committed to ensuring staff or Councillors who are the subject of a report of wrongdoing are treated fairly and reasonably. This includes keeping the identity of any person the subject of a report confidential, where this is practical and appropriate.

If you are the subject of the report, you will be advised of the allegations made against you at an appropriate time and before any adverse findings. At this time you will be:

- advised of the details of the allegation
- advised of your rights and obligations under the relevant related policies and procedures
- kept informed about the progress of any investigation
- given a reasonable opportunity to respond to any allegation made against you
- told the outcome of any investigation, including any decision made about whether or not further action will be taken against you.

Where the reported allegations against the subject officer are clearly wrong, or have been investigated and unsubstantiated, the subject officer will be supported by Council. The fact of the allegations and any investigation will be kept confidential unless otherwise agreed to by the subject officer.

## 2.17 Internal Reporting Process Flowchart



### 3 RESPONSIBILITIES AND AUTHORITIES

#### 3.1 The role of council staff and Councillors

Staff and Councillors play an important role in contributing to a workplace where known or suspected wrongdoing is reported and dealt with appropriately. All council staff and Councillors are obliged to:

- report all known or suspected wrongdoing and support those who have made reports of wrongdoing
- if requested, assist those dealing with the report, including supplying information on request, cooperating with any investigation and maintaining confidentiality
- treat any staff member or person dealing with a report of wrongdoing with courtesy and respect
- respect the rights of any person the subject of reports.

Staff and Councillors must not:

- make false or misleading reports of wrongdoing
- victimise or harass anyone who has made a report

Additionally, the behaviour of all council staff and Councillors involved in the internal reporting process must adhere to Council's code of conduct. A breach of the code could result in disciplinary action.

#### 3.2 The role of the Port Macquarie-Hastings Council

Council has a responsibility to establish and maintain a working environment that encourages staff and Councillors to report wrongdoing and supports them when they do. This includes keeping the identity of reporters confidential where practical and appropriate, and taking steps to protect reporters from reprisal and manage workplace conflict.

Council will assess all reports of wrongdoing it receives from staff and Councillors and deal with them appropriately. Once wrongdoing has been reported, Council takes 'ownership' of the matter. This means it is up to us to decide whether a report should be investigated, and if so, how it should be investigated and by whom. Council will deal with all reports of wrongdoing fairly and reasonably, and respect the rights of any person the subject of a report.

Council must report on our obligations under the PID Act and statistical information about public interest disclosures in our annual report and to the NSW Ombudsman every six months.

To ensure Council complies with the PID Act and deals with all reports of wrongdoing properly, all staff and Councillors with roles outlined below and elsewhere in this policy will receive training on their responsibilities.

#### 3.3 Roles of key positions

##### a. General Manager

The General Manager has ultimate responsibility for maintaining the internal reporting system and workplace reporting culture, and ensuring Council complies with the PID Act. The General Manager can receive reports from staff and Councillors and has a responsibility to:

- assess reports received by or referred to them, to determine whether or not the report should be treated as a public interest disclosure, and to decide how the report will be dealt with
- deal with reports made under the council's code of conduct in accordance with the council's adopted code of conduct procedures
- ensure there are strategies in place to support reporters, protect reporters from reprisal and manage workplace conflict that may arise in relation to a report
- make decisions following any investigation or appoint an appropriate decision-maker
- take appropriate remedial action where wrongdoing is substantiated or systemic problems are identified

- refer actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC)
- refer any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC.
- ensuring all staff are aware of this Policy and the protections under the PID Act. This Policy will be communicated utilising The Making of Council Policy Policy, during staff induction sessions and biennial Code of Conduct training.

**b. Disclosures Coordinator**

The Disclosures Coordinator has a central role in Council's internal reporting system. The Disclosures Coordinator can receive and assess reports, and is the primary point of contact in Council for the reporter. The Disclosures Coordinator has a responsibility to:

- assess reports to determine whether or not a report should be treated as a public interest disclosure, and to decide how each report will be dealt with (either under delegation or in consultation with the General Manager)
- deal with reports made under the council's code of conduct in accordance with the council's adopted code of conduct procedures
- coordinate the Council's response to a report
- acknowledge reports and provide updates and feedback to the reporter
- assess whether it is possible and appropriate to keep the reporter's identity confidential
- assess the risk of reprisal and workplace conflict related to or likely to arise out of a report, and develop strategies to manage any risk identified
- where required, provide or coordinate support to staff involved in the reporting or investigation process, including protecting the interests of any officer the subject of a report
- ensure Council complies with the PID Act
- provide six-monthly reports to the NSW Ombudsman in accordance with section 6CA of the PID Act.

**c. Disclosures Officers**

Disclosures Officers are additional points of contact within the internal reporting system. They can provide advice about the system and the internal reporting policy, receive reports of wrongdoing and assist staff and Councillors to make reports.

Disclosures Officers have a responsibility to:

- document in writing any reports received verbally, and have the document signed and dated by the reporter
- make arrangements to ensure reporters can make reports privately and discreetly when requested, if necessary away from the workplace
- discuss with the reporter any concerns they may have about reprisal or workplace conflict
- carry out preliminary assessment and forward reports to the Disclosures Coordinator or General Manager for full assessment.

**d. Mayor**

The Mayor can receive reports from staff and Councillors about the General Manager. Where the Mayor receives such reports, the Mayor has a responsibility to:

- assess the reports to determine whether or not they should be treated as a public interest disclosure, and to decide how they will be dealt with
- deal with reports made under the council's code of conduct in accordance with the council's adopted code of conduct procedures
- refer reports to an investigating authority, where appropriate
- liaise with the Disclosures Coordinator to ensure there are strategies in place to support reporters, protect reporters from reprisal and manage workplace conflict that may arise in relation to a report
- refer actual or suspected corrupt conduct to the ICAC

- refer any evidence of a reprisal offence under section 20 of the PID Act to the Commissioner of Police or the ICAC.

#### e. Supervisors and line managers

Supervisors and line managers play an important role in managing the immediate workplace of those involved in or affected by the internal reporting process. Supervisors and line managers should be aware of the internal reporting policy and are responsible for creating a local work environment where staff are comfortable and confident about reporting wrongdoing. They have a responsibility to:

- encourage staff to report known or suspected wrongdoing within the organisation and support staff when they do
- identify reports made to them in the course of their work which could be public interest disclosures, and assist the staff member to make the report to an officer authorised to receive public interest disclosures under this policy
- implement local management strategies, in consultation with the Disclosures Coordinator, to minimise the risk of reprisal or workplace conflict in relation to a report
- notify the Disclosures Coordinator or General Manager immediately if they believe a staff member is being subjected to reprisal as a result of reporting wrongdoing, or in the case of suspected reprisal by the General Manager, notify the Mayor.

## 4 FURTHER INFORMATION AND RESOURCES

The following Council officers may provide support and advice on this Policy:

- General Manager
- Group Manager Governance and Procurement [Council's Disclosures Coordinator]

More information around public interest disclosures is available on our intranet. Staff can also seek advice and guidance from the Disclosures Coordinator and the NSW Ombudsman's website at [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au).

For disclosures about corrupt conduct:

Independent Commission Against Corruption (ICAC)  
02 8281 5999 or toll free 1800 463 909  
[icac@icac.nsw.gov.au](mailto:icac@icac.nsw.gov.au)  
[www.icac.nsw.gov.au](http://www.icac.nsw.gov.au)  
Level 7, 255 Elizabeth Street or GPO Box 500  
Sydney NSW 2000 Sydney NSW 2001

For disclosures about maladministration:

NSW Ombudsman  
02 9286 1000 or toll free 1800 451 524  
[nswombo@ombo.nsw.gov.au](mailto:nswombo@ombo.nsw.gov.au)  
[www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au)  
Level 24, 580 George Street, Sydney NSW 2000

For disclosures about serious and substantial waste:

Auditor-General, NSW Audit Office  
02 9275 7100  
[governance@audit.nsw.gov.au](mailto:governance@audit.nsw.gov.au)  
[www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)  
Level 15, 1 Margaret Street or GPO Box 12  
Sydney, NSW 2001 Sydney, NSW 2001

For disclosures about serious and substantial waste:

Office of Local Government - Department of Premier and Cabinet  
02 4428 4100  
[olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au)  
[www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)  
5 O'Keefe Avenue or Locked Bag 3015

Nowra, NSW 2541

Nowra, NSW 2541

For disclosures about breaches of the GIPA Act:

Information Commissioner

1800 472 679

askic@ipc.nsw.gov.au

www.ipc.nsw.gov.au

Level 17, 201 Elizabeth Street or

GPO Box 7011

Sydney NSW 2000

Sydney NSW 2001

**5 REFERENCES***Government Information (Public Access) Act 2009**Local Government Act 1993**Public Interest Disclosures Act 1994*

Code of Conduct

Complaints Against &amp; Compliments in Favour of Staff Policy

Complaints Handling Procedure

Grievance Procedure

Making Council Policy

NSW Ombudsman's *Guideline B2: What should be reported?*NSW Ombudsman's *Model internal reporting policy* - June 2014**6 DEFINITIONS**

Corrupt conduct:	Corrupt conduct is defined in sections 8 and 9 of the ICAC Act 1988. The definition provided in these sections is intentionally broad. Corrupt conduct includes the dishonest or partial exercise of official functions by a public official.  The conduct of a person, who is not a public official, when it adversely affects the impartial or honest exercise of official functions by a public official, also comes within the definition.
Councillors:	Elected Council representatives, including the Mayor.
Disclosure:	Informing, exposing, revealing known or suspected acts of corrupt conduct, maladministration, serious and substantial waste or contravention of the GIPA Act.
Disclosures Coordinator	The primary point of contact in Council for the reporter. The Disclosures Coordinator can receive and assess reports.
Disclosures Officer	Additional points of contact within the internal reporting system. They can provide advice about the system and the internal reporting policy, receive reports of wrongdoing and assist staff and Councillors to make reports.
General Manager	1st tier management position and titled as such
Investigating Authority	An external authority that staff and Councillors can report wrongdoing to. The relevant investigating authorities for the Port Macquarie-Hastings Council L are: <ul style="list-style-type: none"> <li>the Independent Commission Against Corruption (ICAC) – for reports about corrupt conduct</li> <li>the Ombudsman – for reports about maladministration</li> <li>the Information Commissioner – for disclosures about a breach of the GIPA Act</li> <li>the Office of Local Government – for disclosures about local councils</li> </ul>
Maladministration:	Maladministration is defined in Section 11 of the PID Act as conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory, based wholly or partly on improper motives.
Mayor	The elected Mayor or the Deputy Mayor acting in the position of Mayor in the Mayor's absence.
Persons engaged by Council:	Include consultants, individual contractors working for Council and volunteers.

Pecuniary interest	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.
Public Official:	Refers to all employees (whether permanent, part-time, temporary and casual) work experience persons, volunteers, elected Councillors and other persons engaged by Council (including consultants and individual contractors).
Serious and Substantial Waste:	A serious and substantial waste of public money is any uneconomical, inefficient or ineffective use of resources, authorised or unauthorised, which results in a loss of public funds or resources.
Serious wrongdoing	corrupt conduct, maladministration, serious and substantial waste of public money, breach of the GIPA Act, or local government pecuniary interest contravention

## 7 PROCESS OWNER

The Group Manager Governance and Procurement is the nominated process owner for this Policy and is responsible for: the review of this Policy. A review of this Policy incorporating relevant legislation changes, documentation released from relevant agencies and best practice guidelines.

## 8 AMENDMENTS

Name of Document	Record Number	Amendments
Policy – Public Interest Disclosure - Internal Reporting	D2014/056130	<ul style="list-style-type: none"> <li>Staff position title updated for Group Manager Governance and Procurement (previously Group Manager Governance and Executive Services);</li> <li>Aligned to the Ombudsman NSW “<i>Model internal reporting policy – June 2014</i>”</li> <li>Inclusion of additional definitions and references; and</li> <li>New Policy template.</li> </ul>
Policy – Public Interest Disclosure - Internal Reporting - Flowchart	D2012/225363	<ul style="list-style-type: none"> <li>Incorporated into the Policy</li> </ul>
Policy – Public Interest Disclosure - Internal Reporting - Disclosure Officers	D2015/036844	<ul style="list-style-type: none"> <li>Incorporated into the Policy</li> <li>Staff position titles updated for Disclosure Officers;</li> </ul>
Policy – Public Interest Disclosure - Internal Reporting - External Authorities	D2014/113006	<ul style="list-style-type: none"> <li>Incorporated into the Policy</li> <li>Contact details of external authorities updated</li> </ul>

FINANCE & ECONOMIC IMPLICATIONS - SEPTEMBER 2018													
Section	Project	Project Description	Capital/ Operating	Item	Report Note No	Full Year Original Budget	Full Year Current Budget	Actuals to 31 September 2018	New Yearly Proposed Budget - September 2018	Movement	Funding Source	EFFECT ON FUNDING POSITION	Comment
Corporate Performance													
Nil													
Corporate Performance Total										0		0	
Strategy and Growth													
Nil													
Strategy and Growth Total													
Development & Environment													
Natural Resource Management	41720	Glenview Park (Maxwell's) VMP	Capital	a	4	0	0	0	33,450	-33,450	187.11	0	Works related to the Red Ochre VMP.
Natural Resource Management	19236	Section 7.11 Funding - Natural Resources	Operating	a	4	0	-20,445	0	-50,895	33,450	187.11	0	This is to recognise the \$7.11 funding for project 41720 Glenview Estate Maintenance Works
Natural Resource Management	41483	Red Ochre VMP	Operating	b	4	0	0	0	840	-840	187.11	0	Bushfire fuel management activity.
Natural Resource Management	19326	Section 7.11 Funding - Natural Resources	Operating	b	4	0	-20,445	0	-21,285	840	187.11	0	This is to recognise the \$7.11 funding for project 41483 Red Ochre VPA
Natural Resource Management	41807	Lakeside Woods VPA	Operating	c	4	0	8,526	0	10,506	-1,980	187.11	0	Fire trail maintenance work.
Natural Resource Management	19236	Section 7.11 Funding - Natural Resources	Operating	c	4	0	-20,445	0	-22,425	1,980	187.11	0	This is to recognise the \$7.11 funding for project 41807 Lakeside Woods Environmental Management
Natural Resource Management	19231	Grants WIP Operating - Natural Resources	Operating	d	1	-100,000	-100,000	0	0	-100,000	Grants	0	The grant funding for this projects will no longer eventuate.
Natural Resource Management	41638	Floodplain Management Plan Implementation	Operating	d	1	100,000	100,000	0	0	100,000	Grants	0	Reducing expenditure relating to grant funding no longer eventuating.
Natural Resource Management	41638	Floodplain Management Plan Implementation	Operating	d	6	0	25,000	0	14,800	10,200	Env Levy	0	Transferring Env Levy funds associated with grant funding share.
Natural Resource Management	41737	Durbogan Flood Access EIS	Operating	d	6	0	0	0	10,200	-10,200	Env Levy	0	Funds transferred from Floodplain Management Plan Implementation project.
Parks & Recreation	19282	Grants WIP Capital - Parks & Gardens	Capital	e	1	0	0	0	-570,000	570,000	Grants	0	NSW Boating Now Program - RMS Grant Funding
Parks & Recreation	41750	Camden Haven River Recreational Boating Improvements	Capital	e	6	0	445,725	14,758	0	445,725	Revenue	445,725	Transfer funding to Durbogan Reserve and Bruce Port Reserve Boat Ramp Upgrade Projects
Parks & Recreation	41750	Durbogan Reserve Boat Ramp Upgrade	Capital	e	18.6	0	0	0	445,725	-445,725	Grant/Revenue	-195,725	NSW Boating Now Program - RMS Grant Funding
Parks & Recreation	41750	Bruce Porter Reserve Boat Ramp Upgrade	Capital	e	18.6	0	0	0	570,000	-570,000	Grant/Revenue	-250,000	NSW Boating Now Program - RMS Grant Funding
Parks & Recreation	41750	Bruce Porter Reserve Boat Ramp Upgrade	Capital	e	6	0	0	0	20,000	-20,000	Revenue	-20,000	Funds transferred from Bruce Porter Reserve - Riverbank Erosion Management Project
Parks & Recreation	41648	Bruce Porter Reserve - Riverbank Erosion Management	Capital	e	6	0	20,000	0	0	20,000	Revenue	20,000	Transfer funds to Bruce Porter Boat Ramp Upgrade
Development & Environment Total													
										0		0	



FINANCE & ECONOMIC IMPLICATIONS - SEPTEMBER 2018												
Section	Project	Project Description	Capital/ Operating	Item	Report Note No	Full Year Original Budget	Full Year Current Budget	Actuals to 31 September 2018	New Yearly Proposed Budget - September 2018	Movement Funding Source	EFFECT ON FUNDING POSITION	EFFECT Comment
Infrastructure												
Water Supply	20150	Reclaimed Water - Area 14 Trunk Main (Outlet)	Capital	f	2	0	100,000	0	1,200,000	-1,100,000 Reserve	0	Project previously in planning phase which has now come on line and requires the planned funding.
	20152	Beechwood Rosewood Reservoir - Beechwood Connection	Capital	f	2	0	240,812	63,372	2,340,812	-2,100,000 Reserve	0	Project previously in planning phase which has now come on line and requires the planned funding.
	20148	Karee Island HV Incoming Electrical Upgrade 33kv	Capital	f	2	0	10,793	927	110,793	-100,000 Reserve	0	Project previously in planning phase which has now come on line and requires the planned funding.
Water Supply	19927	s64 Funding - Water Supply	Capital	f	2	0	-351,606		-3,651,605	3,300,000 Reserve	0	S64 funding required for projects that have now come online.
Sewerage Services	30118	Camden Haven Reticulation Augmentation	Capital	g	2	511,000	992,806	2,663	1,607,806	-615,000 Reserve	0	Project previously in planning phase which has now come on line and requires the planned funding.
Sewerage Services	30146	PMO Sewer Pump Station No71 & Rising Main	Capital	g	2	0	1,017,173	5,419	1,287,173	-270,000 Reserve	0	Project previously in planning phase which has now come on line and requires the planned funding.
Sewerage Services	19217	s64 Funding - Sewerage Services	Capital	g	2	0	-2,009,979	0	-2,894,979	885,000 Reserve	0	S64 funding required for projects that have now come online.
Asset Design	41631	Beechwood Road - Preconstruction	Capital	h	2&6	0	108,134	0	0	Revenue/ Reserves	70,614	Transfer funds fro Beechwood Road project to the Gordon/Horton Street Project.
Transport & Traffic	New	Gordon/Horton Street	Capital	h	2&6	0	0	0	95,000	-95,000 Revenue/ Reserves	-70,614	Funds transferred from Beechwood Project
Transport & Traffic	41700	Beechwood Road Design - Riverbreeze to Waugh	Capital	h	2&6	0	164,913	30,133	175,047	-13,134 Reserve	0	Funds transferred from Beechwood Project
Network & Project Planning	19332	Grants W/P Capital - Traffic & Road Safety	Capital	i	1	0	0	0	-125,500	125,500 Grant	0	Bus shelter upgrades through the Country Passenger Transport Infrastructure Scheme (CPTIGS)
Network & Project Planning	41864	Country Passenger Transport Infrastructure Scheme	Capital	i	1	0	0	0	125,500	-125,500 Grant	0	36 Upgrades and 6 new shelters through the CPTIGS.
Infrastructure Total										0	0	

FINANCE & ECONOMIC IMPLICATIONS - SEPTEMBER 2018																																																																												
Section	Project	Project Description	Capital/ Operating	Item	Report Note No	Full Year Original Budget	Full Year Current Budget	Actuals to 31 September 2018	New Yearly Proposed Budget - September 2018	Movement Funding Source	EFFECT ON FUNDING POSITION	Comment																																																																
<div>ORGANISATIONAL TOTAL - THIS REVIEW</div> <div>FORECAST FOR FINANCIAL YEAR ENDED 30 JUNE 2019</div> <div>Original Budget as at 1 July 2018</div> <div>Plus: Adjustments</div> <div>July Review</div> <div>August Review</div> <div>September Review</div> <div>FORECAST FOR 30 JUNE 2019</div> <table><tr><td></td><td></td><td></td><td></td><td></td><td>Shortfall</td><td></td><td>-511,873</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Balanced</td><td></td><td>0</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Balanced</td><td></td><td>0</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Balanced</td><td></td><td>0</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Shortfall</td><td></td><td>-511,873</td><td></td><td></td><td></td><td></td><td></td></tr></table>																	Shortfall		-511,873											Balanced		0											Balanced		0											Balanced		0											Shortfall		-511,873					
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					Shortfall		-511,873																																																																					
Notes:	1	The result shown above is the general fund result. All surpluses/deficits in the water, sewerage and waste funds are transferred to/from reserves.																																																																										
	2	Reserve are internal restrictions that hold funds for a specific purpose, e.g. The airport has its own reserve and all income and expenditure relating to the airport is credited/debited to that reserve.																																																																										
	3	Council projects are funded from a variety of funding sources. Below is a definition of the various types of funding that are used to fund projects.  <i>Revenue - All funds that are generated through rates, annual charges, fees and charges, interest etc. These funds are untied and can be expended on any project that Council considers appropriate.</i> <i>Grants - Government grants can either be monetary or otherwise and may be tied or untied. Tied grants are required to be used for a specific purpose such as the construction of a road. Untied grants may be applied for any purpose council considers appropriate.</i> <i>Contributions - Contributions are non-reciprocal transfers to Council in the sense that Council is not required to give value in exchange for the contributions directly to the contributor. Examples are contributions given by ratepayers towards capital works in their vicinity.</i> <i>Reserves - Reserves are internal restrictions held for a specific purpose, e.g. The airport has its own reserve and all income and expenditure relating to the airport is credited/debited to that reserve.</i> <i>S7.11 and S64 Contributions - Section 7.11 of the NSW Environmental and Planning Act (1979) and section 64 of the Local Government Act (1993) provides NSW local government with a formal legal framework for levying developers for the provision of infrastructure, services and amenities - known as developer contributions.</i>																																																																										
	4	Some projects are funded by multiple funding sources, e.g. a capital project may be funded by S64 funds, grants and revenue. The effect on capital column will only show the revenue funding adjustment as the other types of funding will have an income line budget adjustment shown in the report.																																																																										

## Portfolio as at : 30/09/2018

Type	Rating	Issuer	Allocation	Frequency	Principal	Purchase	Maturity	Rate	Accrued	Accr MTD	Reference
TD	A-1+	NAB	GENERAL	At Maturity	4,000,000	28/02/2018	16/10/2018	2.4800	58,432.88	8,153.42	GMI-DEAL-10513679
TD	A-1	AMP Bank	GENERAL	At Maturity	5,000,000	23/01/2018	23/10/2018	2.6500	91,116.44	10,890.41	030355/TD952197810-462213
TD	A-1+	NAB	GENERAL	At Maturity	10,000,000	24/10/2017	23/10/2018	2.6000	243,616.44	21,369.86	10481477
TD	A-2	Bendigo and Adelaide	GENERAL	Annual	4,000,000	10/11/2016	09/11/2018	3.0000	106,849.32	9,863.01	2101540
TD	A-1+	Westpac	GENERAL	Annual	4,000,000	10/11/2016	10/11/2018	3.0000	106,849.32	9,863.01	032-586 515-314
TD	A-1+	NAB	GENERAL	Annual	2,000,000	19/05/2017	19/11/2018	2.6600	19,385.21	4,372.60	10442999
TD	A-1+	NAB	GENERAL	At Maturity	4,000,000	28/02/2018	27/11/2018	2.5000	58,904.11	8,219.18	781323717
TD	A-1+	Westpac	GENERAL	At Maturity	6,000,000	12/12/2017	11/12/2018	2.6800	129,080.55	13,216.44	035-697 118805
TD	A-1	ING Direct	GENERAL	At Maturity	5,000,000	13/09/2017	13/12/2018	2.7000	141,657.53	11,095.89	27387
TD	A-2	Members Equity Bank	GENERAL	Annual	2,000,000	14/12/2015	14/12/2018	3.3300	53,097.53	5,473.97	16612
TD	A-1	Rabobank Australia Branch	GENERAL	Annual	2,000,000	20/01/2015	20/01/2019	3.9000	53,852.05	6,410.96	12744
TD	A-1+	Westpac	GENERAL	Annual	5,000,000	19/01/2017	21/01/2019	3.1700	110,732.88	13,027.40	032-586 518451
TD	A-1+	Westpac	GENERAL	Annual	2,000,000	24/01/2017	24/01/2019	3.1500	43,150.68	5,178.08	032-586 518670
TD	A-2	Newcastle Permanent	GENERAL	Annual	2,000,000	08/03/2016	08/03/2019	3.6000	40,832.88	5,917.81	29806
TD	A-2	Bendigo and Adelaide	GENERAL	Annual	4,000,000	15/03/2017	15/03/2019	3.1000	67,945.21	10,191.78	2214551
TD	A-2	Bendigo and Adelaide	GENERAL	Annual	2,000,000	27/03/2017	27/03/2019	2.9500	30,389.04	4,849.32	2224894
TD	A-1+	Westpac	GENERAL	Annual	2,000,000	27/03/2017	27/03/2019	3.0100	31,007.12	4,947.95	032-586 521159
TD	A-2	Bendigo and Adelaide	GENERAL	Annual	3,000,000	11/04/2017	11/04/2019	3.0000	42,657.53	7,397.26	2240503
TD	A-2	Members Equity Bank	GENERAL	Annual	4,000,000	27/04/2017	27/04/2019	2.9300	50,412.05	9,632.88	24460
TD	A-1	AMP Bank	GENERAL	At Maturity	5,000,000	17/05/2018	07/05/2019	2.7500	51,609.59	11,301.37	TD364564047-478891
TD	A-2	Members Equity Bank	GENERAL	Annual	3,000,000	19/05/2017	20/05/2019	2.8700	31,373.42	7,076.71	24821
TD	A-1	Rabobank Australia Branch	GENERAL	Annual	6,000,000	23/05/2016	23/05/2019	3.1500	67,832.88	15,534.25	18843
TD	A-1+	Westpac	GENERAL	Quarterly	3,000,000	29/05/2018	11/06/2019	2.7100	7,350.41	6,682.19	6775257
TD	A-2	Bendigo and Adelaide	GENERAL	Annual	2,000,000	07/07/2016	08/07/2019	3.1500	14,498.63	5,178.08	1986640
TD	A-1+	NAB	GENERAL	At Maturity	2,000,000	17/07/2018	16/07/2019	2.7800	11,576.99	4,569.86	GMI-DEAL-10549241
TD	A-1+	Westpac	GENERAL	Annual	4,000,000	24/07/2017	24/07/2019	2.9400	22,231.23	9,665.75	032-697 114230
TD	A-2	Newcastle Permanent	GENERAL	Annual	2,000,000	15/08/2016	15/08/2019	3.0000	7,726.03	4,931.51	31125
TD	A-1+	Westpac	GENERAL	Annual	3,000,000	15/08/2016	15/08/2019	3.1000	11,975.34	7,643.84	032-586 511-284
TD	A-1	ING Direct	GENERAL	Annual	5,000,000	22/08/2017	22/08/2019	2.7500	15,068.49	11,301.37	26932
TD	A-1+	Westpac	GENERAL	Annual	3,000,000	22/08/2017	22/08/2019	2.9000	9,534.25	7,150.68	032-697 115436
TD	A-1+	Commonwealth Bank	GENERAL	Annual	3,000,000	04/09/2017	29/08/2019	2.7300	6,058.36	6,058.36	B37942904.6
TD	A-1+	Westpac	GENERAL	Annual	3,000,000	04/09/2017	04/09/2019	2.9600	6,568.77	6,568.77	032-697 115 794
TD	A-1+	St George Bank	GENERAL	Annual	5,000,000	08/09/2016	08/09/2019	3.2000	9,205.48	9,205.48	355290684

Type	Rating	Issuer	Allocation	Frequency	Principal	Purchase	Maturity	Rate	Accrued	Accr MTD	Reference
TD	A-1+	St George Bank	GENERAL	Annual	4,000,000	27/09/2016	27/09/2019	3.2000	1,402.74	1,402.74	355333138
TD	AA-	NAB	GENERAL	Annual	3,000,000	11/07/2018	15/10/2019	2.8500	19,208.22	7,027.40	GMI-DEAL-10547992
TD	BBB	Members Equity Bank	GENERAL	Annual	2,000,000	24/01/2017	24/01/2020	3.2600	44,657.53	5,358.90	22835
TD	A	ING Direct	GENERAL	Annual	4,000,000	15/02/2018	17/02/2020	2.8700	71,710.68	9,435.62	30810
TD	A	ING Direct	GENERAL	Annual	4,000,000	28/02/2018	03/03/2020	2.8900	68,093.15	9,501.37	378133
TD	BBB	Newcastle Permanent	GENERAL	Annual	2,000,000	10/03/2016	10/03/2020	3.7000	41,156.16	6,082.19	29843
TD	A	ING Direct	GENERAL	Annual	4,000,000	02/03/2018	17/03/2020	2.8800	67,226.30	9,468.49	378677
TD	BBB+	BOQ	GENERAL	Annual	3,000,000	19/05/2017	19/05/2020	3.0000	32,794.52	7,397.26	453470
TD	A	ING Direct	GENERAL	Annual	4,000,000	22/05/2018	26/05/2020	2.9400	42,529.32	9,665.75	403498
TD	A	ING Direct	GENERAL	Annual	3,000,000	29/05/2018	09/06/2020	2.8800	29,589.04	7,101.37	6775257
TD	AA-	Westpac	GENERAL	Quarterly	5,000,000	06/06/2018	16/06/2020	2.9100	9,965.75	9,965.75	6795148
TD	AA-	NAB	GENERAL	Annual	5,000,000	03/07/2018	07/07/2020	2.9000	35,753.42	11,917.81	10545823
TD	AA-	NAB	GENERAL	Annual	3,000,000	11/07/2018	14/07/2020	2.9200	19,680.00	7,200.00	GMI-DEAL-10547993
TD	A	ING Direct	GENERAL	Annual	4,000,000	21/08/2018	25/08/2020	2.8500	12,805.48	9,369.86	424329
TD	A	ING Direct	GENERAL	Annual	4,000,000	13/09/2018	08/09/2020	2.8700	5,661.37	5,661.37	429068
TD	AA-	Westpac	GENERAL	Annual	3,000,000	13/09/2017	14/09/2020	3.1700	4,689.86	4,689.86	032-697 116017
TD	A	ING Direct	GENERAL	Annual	4,000,000	13/09/2018	22/09/2020	2.8700	5,661.37	5,661.37	429067
TD	BBB+	BOQ	GENERAL	Annual	2,000,000	24/01/2017	25/01/2021	3.6500	50,000.00	6,000.00	438425
TD	AA-	Westpac	GENERAL	Annual	2,000,000	21/02/2017	22/02/2021	3.3900	41,237.26	5,572.60	032-586 519825
TD	BBB+	BOQ	GENERAL	Annual	3,000,000	10/03/2016	10/03/2021	3.8000	63,402.74	9,369.86	391843
TD	AA-	Westpac	GENERAL	Quarterly	4,000,000	22/03/2018	23/03/2021	3.0200	2,316.71	2,316.71	6791206
TD	AA-	Westpac	GENERAL	Quarterly	4,000,000	22/05/2018	25/05/2021	3.1000	13,589.04	10,191.78	6927394
TD	A+	Rabobank Australia Branch	GENERAL	Annual	5,000,000	08/06/2017	07/06/2021	3.0200	47,575.34	12,410.96	25359
TD	AA-	Westpac	GENERAL	Quarterly	3,000,000	06/06/2018	15/06/2021	3.1000	6,369.86	6,369.86	6795153
TD	AA-	NAB	GENERAL	Annual	4,000,000	03/07/2018	22/06/2021	3.0000	29,589.04	9,863.01	10545826
TD	AA-	NAB	GENERAL	Annual	3,000,000	03/07/2018	06/07/2021	3.0000	22,191.78	7,397.26	083-375 99-999-9947
TD	AA-	Westpac	GENERAL	Quarterly	5,000,000	17/07/2018	13/07/2021	3.0400	31,649.32	12,493.15	7052868
TD	AA-	NAB	GENERAL	Annual	4,000,000	26/07/2018	20/07/2021	3.0400	22,321.10	9,994.52	GMI-DEAL-10552065
TD	AA-	NAB	GENERAL	Annual	5,000,000	02/08/2018	03/08/2021	3.0700	25,232.88	12,616.44	GMI-DEAL-10554251
TD	AA-	Westpac	GENERAL	Quarterly	5,000,000	13/09/2018	14/09/2021	2.8800	7,101.37	7,101.37	7180013
TD	AA-	NAB	GENERAL	Annual	5,000,000	27/09/2018	28/09/2021	3.0500	1,671.23	1,671.23	GMI-DEAL-10568550
TD	AA-	Westpac	GENERAL	Quarterly	5,000,000	13/09/2018	12/10/2021	2.8900	7,126.03	7,126.03	7179943
TD	AA-	Westpac	GENERAL	Annual	2,000,000	21/02/2017	21/02/2022	3.6100	49,913.42	5,934.25	23294
TD	AA-	NAB	GENERAL	Annual	5,000,000	21/02/2017	21/02/2022	3.4600	105,221.92	14,219.18	10420935
TD	BBB+	BOQ	GENERAL	Annual	2,000,000	15/03/2017	15/03/2022	3.8000	41,643.84	6,246.58	445483
TD	A+	Rabobank Australia Branch	GENERAL	Annual	5,000,000	08/06/2017	07/06/2022	3.2200	50,726.03	13,232.88	25360

Type	Rating	Issuer	Allocation	Frequency	Principal	Purchase	Maturity	Rate	Accrued	Accr MTD	Reference
TD	AA-	NAB	GENERAL	Annual	4,000,000	02/08/2018	02/08/2022	3.2200	21,172.60	10,586.30	GMI-DEAL-10554252
TD	AA-	NAB	GENERAL	Annual	4,000,000	16/08/2018	16/08/2022	3.0500	15,375.34	10,027.40	GMI-DEAL-10557367
TD	AA-	Westpac	GENERAL	Annual	3,000,000	13/09/2017	13/09/2022	3.4100	5,044.93	5,044.93	032-697 116 009
TD	A+	Rabobank Australia Branch	GENERAL	Annual	3,000,000	13/09/2017	13/09/2022	3.3800	5,000.55	5,000.55	27388
CASH	A-1+	Westpac	GENERAL	Monthly	20,500,920.64	31/05/2017	01/10/2018	2.2000	37,070.16	37,070.16	WESTPAC COMMERCIAL BANK 31 DAY NOTICE SAVER ACCOUNT
TOTALS					\$289,500,920.64				\$2,925,871.56	\$637,703.57	



## Monthly Investment Report

### September 2018

IMPERIUM MARKETS

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## Executive Summary

### Compliance

Compliance Measure	Within Policy Limits (Y/N)	Reason if Not Compliant
Term to Maturity	Yes – Compliant	n/a
Counterparty	Yes – Compliant	n/a
Credit Quality	Yes – Compliant	n/a

### Performance

As at 30/09/2018	1m (actual)	1m (% p.a.)	FYTD (actual)	FYTD (% p.a.)
AusBond Bank Bill Index	0.16%	1.94%	0.52%	2.06%
<b>Council's Portfolio<sup>^</sup></b>	<b>0.25%</b>	<b>3.11%</b>	<b>0.73%</b>	<b>2.95%</b>
Outperformance	0.09%	1.17%	0.21%	0.89%

<sup>^</sup>Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

## Council's Portfolio

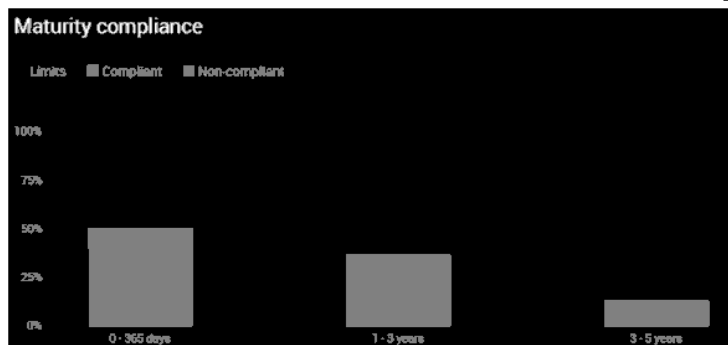
### Asset Allocation

The entire portfolio is directed to fixed term deposits (92.93%) and the 31 day Notice Saver Account with Westpac (7.07%). With credit securities widening, we suggest Council consider introducing liquid senior floating rate notes (FRNs) into the portfolio. This will not only offer additional upside with regards to the portfolio's investment returns, but also provide additional liquidity (FRNs are saleable – generally accessible within 2 business days).



### Term to Maturity

All maturity limits (minimum and maximum) comply with the Investment Policy. Medium-Term (3-5 years) assets account for around 13% of the total investment portfolio, with capacity of around \$49m at month-end.



Where there is (counterparty) capacity to invest in attractive 3-5 year investments, we recommend this be allocated to new senior FRN issues and fixed or floating rate term deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 – 365 days	\$145,500,921	50.26%	40%	100%	\$144,000,000
✓	1 – 3 years	\$111,000,000	38.34%	0%	60%	\$62,700,552
✓	3 – 5 years	\$33,000,000	11.40%	0%	30%	\$53,850,276
✓	5 – 10 years	\$0	0.00%	0%	15%	\$43,425,138
		<b>\$288,500,921</b>	<b>100.00%</b>			

#### Counterparty

As at the end of September, Council did not have an overweight position to any single ADI. Overall, the portfolio is diversified across the investment grade credit spectrum (rated BBB- or higher), with no exposure to unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	CBA	AA-	\$3,000,000	1.04%	40.00%	\$112,800,368
✓	NAB	AA-	\$67,000,000	23.14%	40.00%	\$48,800,368
✓	WBC (St George)	AA-	\$105,500,921	36.44%	40.00%	\$10,299,448
✓	Rabobank	A+	\$21,000,000	7.25%	20.00%	\$36,900,184
✓	AMP	A	\$10,000,000	3.45%	20.00%	\$47,900,184
✓	ING Bank	A	\$41,000,000	14.16%	20.00%	\$16,900,184
✓	BOQ	BBB+	\$10,000,000	3.45%	10.00%	\$18,950,092
✓	Bendigo	BBB+	\$15,000,000	5.18%	10.00%	\$13,950,092
✓	ME Bank	BBB	\$11,000,000	3.80%	10.00%	\$17,950,092
✓	Newcastle PBS	BBB	\$6,000,000	2.07%	10.00%	\$22,950,092
			<b>\$289,500,921</b>	<b>100.00%</b>		



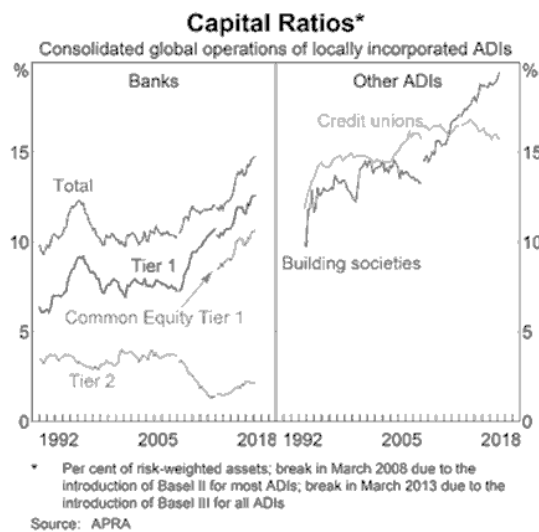


We remain supportive of the regional and unrated ADI sector (and have been even throughout the GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.

APRA's Chairman affirmed that the banks had satisfactorily moved towards an 'unquestionably strong' capital position and that bank's stress testing contingency plans were now far better positioned than was previously the case years ago. APRA's latest stress test which hypothetically increased the unemployment rate to 11% (around double the current rate) and for house prices to fall 35% showed the banks remained above the minimum capital levels.

Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer 'above market' specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio's overall returns.

In the current environment of high regulation and scrutiny, all domestic ADIs continue to carry high levels of capital, particularly amongst the lower ("BBB") and unrated ADIs. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC.





### Credit Quality

The portfolio remains well diversified from a credit ratings perspective. The portfolio is entirely directed to the investment grade ADIs (BBB- or higher), with zero allocation to unrated ADIs. There is high capacity to invest in the higher rated ADIs (A or higher), particularly after the downgrades of BoQ and Bendigo-Adelaide Bank in May 2017, which now fall back into the "BBB" rated category.

The "BBB" rated category is now marginally below maximum limits (capacity of around ~\$1.4m), following the redemption of the \$5m deposit with Bendigo-Adelaide Bank in early September. The capacity within this category is also dependent on the overall portfolio's balances i.e. cash position.

We note that in the previous revision of the Investment Policy on 15 November 2017, Council decided to keep the maximum aggregate limit for "BBB" rated ADIs at 15% of the total investment portfolio. We believe Council's maximum limit of 15% in aggregate with the "BBB" rated ADIs is very low compared to some other NSW local government clients who have a maximum limit of up to 50%.

Given the large number of "BBB" rated ADIs currently in the market (and conversely, the low number of "A" or higher rated ADIs), we suggest Council increase this particular limit at its next Policy review. We note that it is within this category where the most value is currently experienced. Above market 'specials' are frequently offered in this sector.

In mid-April 2018, we provided Council a draft Investment Policy to address the current situation. Council is currently in the process of reviewing and adopting a new Policy following our presentation to Council in mid-September.

All other ratings categories are within the Policy limits:

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AA Category	\$175,500,921	60.62%	100%	\$114,000,000
✓	A Category	\$72,000,000	24.87%	60%	\$101,700,552
✓	BBB Category	\$42,000,000	14.51%	15%	\$1,425,138
✓	Unrated ADIs	\$0	0.00%	10%	\$28,950,092
		<b>\$289,500,921</b>	<b>100.00%</b>		



### Performance

Council's performance for the month ending 30 September 2018 is summarised as follows:

Performance	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.12%	0.38%	0.75%	0.38%	1.50%
AusBond Bank Bill Index	0.16%	0.52%	1.01%	0.52%	1.87%
Council's Portfolio <sup>^</sup>	0.25%	0.73%	1.51%	0.73%	3.04%
<b>Outperformance</b>	<b>0.09%</b>	<b>0.22%</b>	<b>0.50%</b>	<b>0.22%</b>	<b>1.17%</b>

<sup>^</sup>Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

For the month of September, the deposit portfolio provided a solid return of +0.25% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.09% (actual). The strong performance continues to be driven by the handful of deposits still yielding above 3½% p.a. However, most of these individual deposits have now matured and will be reinvested at lower prevailing rates.

**Over the year to September, the deposit portfolio returned +3.04% p.a., outperforming bank bills by 1.17% p.a.** This has been relatively strong given deposit rates reached their all-time lows and margins have generally contracted over the past 2 years.

Investors using the Imperium Markets platform have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible. Council has experienced this over the past 6 months, receiving on average, 2-4bp higher for every deposit dealt on the platform.



### *Council's Term Deposit Portfolio & Recommendation*

As at the end of September 2018, Council's deposit portfolio was yielding 3.00% p.a. (down 2bp from the previous month), with an average duration of ~1.6 years. Where possible, we recommend Council extends or at least maintains this average duration. In the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the current historical low levels of 1¼%.

As the past decade has highlighted (post-GFC era), we have seen too many portfolios' roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have generally not insured themselves against the low interest rate environment by diversify their funding across various tenors (out to 5 years) but rather placed all their 'eggs in one basket' and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors' interest income over the post-GFC period.**

At the time of writing (early October), we see value in:

- P&N Bank (BBB) 5 year fixed deposit at ~3.50% p.a. (annual interest);
- P&N Bank (BBB) 4 year fixed deposit at ~3.30% p.a. (annual interest);
- BoQ (BBB+) 3 year fixed deposit at 3.00% p.a. (annual interest);
- BoQ (BBB+) 2 year fixed deposit at 2.90% p.a. (annual interest);
- Police CU SA (unrated ADI) 12 month fixed deposit at 2.85% p.a.

Following their one notch downgrade in May 2017, for those investors that have capacity issues with BoQ or the aggregate credit quality limits with the "BBB" rated sector, we see value in:

- AMP (A) 3 year fixed deposit at 2.85% p.a. (annual interest) – plus 0.20% p.a. rebated commission from Imperium Markets only;
- AMP (A) 2 year fixed deposit at 2.85% p.a. (annual interest) – plus 0.20% p.a. rebated commission from Imperium Markets only;
- ING (A) 2 year fixed deposit at ~2.89% p.a. (annual interest);

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment.



### Senior FRNs & Recommendations

Over September, amongst the senior major bank FRNs, physical credit securities marginally widened at the longer end of the curve, following the broad movement in the domestic credit markets. During the month, NAB (AA-) launched a new 5 year benchmark senior FRN at +93bp, consistent with the margin set by CBA (AA-) the previous month. There remains value for a new 5 year major bank FRN issue (at around +93bp), given the slight premium offered in the primary market, and particularly once factoring in the potential capital gains which could be realised from as early as two years after being launched. The grossed up returns would be closer to +120bp over a 2 year holding period in a relatively stable credit environment, over and above where the highest margins are paying compared to the medium to longer-dated deposits.

We continue to see better value in longer tenors (i.e. favour 5 year terms over 3 year terms) amongst the "AA" rated ADIs due to their high liquidity and ability to 'roll down the curve' over a 2-3 year holding period. Overall, for the month of September, amongst the "AA" rated sector, the 5 year part of the curve widened around +1bp while the 3 year part of the curve widened around +2bp.

Amongst the "A" rated sector, 3 and 5 year senior paper remained widened +4bp and +5bp respectively. During the month, AMP (A) issued a 3 year senior FRN at +108bpm which we saw as good value. Meanwhile, amongst the "BBB" rated cohort, margins tightened around -5bp over 3 year terms with no new major issuances launched.

Overall, the recent divergence in spread movements between the major banks and the lower regional ADIs results in the latter being more attractive.

We generally recommend switches ('benchmark' issues only) into new primary issues, out of the following senior FRNs that are maturing:

- On or before mid-2021 for the "AA" rated ADIs (domestic major banks);
- On or before 2019 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so. *We recommend Council start considering investing a small proportion of surplus funds into new (primary) issues when they are offered. We will broadcast to our clients if we see value in any new offer.*



## Economic Commentary Review

### International Market

Global share markets were mixed over September, despite the broader US equity markets posting new highs. In the US, the S&P 500 Index gained another +0.43% while the Dow Jones rose +1.90%. European shares were mixed, with France's CAC gaining +1.60%, UK's FTSE Index +1.05% while Germany's DAX fell -0.95%. Italy's political concerns appeared to be contained with their broader share market rising another +2.18% over the month.

The US Federal Reserve (Fed) raised the Funds rate by 25bp in late September to a range of 2.00%-2.25% as expected and removed the word "*accommodative*" in their statement, with the market interpreting this as the Fed getting close to being neutral.

The US unemployment rate for August was unchanged at 3.9% (market expecting 3.8%), with the participation rate falling by -0.2% to 62.7%. August headline US CPI came in at +0.2% against +0.3% expectations, while the more important core (ex-food and energy) reading printed at +0.1% (versus the +0.2% expected).

President Trump announced the US would impose a 10% tariff on additional \$US200bn of goods and imports from China. The new tariffs took effect from 24<sup>th</sup> September, with the option to increase the rate to 25% should an agreement not be reached between the two nations. China responded by announcing additional tariffs at mixed rates of 5% and 10% on additional \$60bn of US imports.

The ECB confirmed it will push on with its Quantitative Easing (QE) taper from €30bn per month to €15bn as of October. The Eurozone's Q2 final GDP came in at +0.4% (unchanged as expected) but the year-on-year was revised to +2.1% from +2.2%. Eurozone CPI data for August missed by 0.1% with headline at +2.0% y/y and core at +1.0% y/y.

The Norwegian central bank raised rates for the first time in seven years, lifting its deposit rate from 0.50% to 0.75% (market expecting another hike in early 2019).

Italian fiscal developments continued to cause volatility after the populist coalition government announced they would be targeting a fiscal deficit of 2.4% of GDP, above the originally targeted 1.6%, but still below the 3% deficit cap of the EU.

The Turkish central bank delivered a larger than expected 625bp rate hike in an effort to get ahead of rampant inflation.

The MSCI World ex-AUS rose +0.45% for the month of September.

Index	1m	3m	1yr	3yr	5yr	10yr
<b>S&amp;P 500 Index</b>	+0.43%	+7.20%	+15.66%	+14.92%	+11.62%	+9.60%
<b>MSCI World ex-AUS</b>	+0.45%	+4.71%	+9.41%	+11.43%	+7.46%	+6.45%
<b>S&amp;P ASX 200 Accum. Index</b>	-1.26%	+1.53%	+13.97%	+12.11%	+8.19%	+7.75%

Source: S&P, MSCI



### Domestic Market

The RBA kept interest rates unchanged at 1.50% in its September meeting, as widely anticipated. There were no significant changes to the statement or the Bank's view of the economy.

None of the domestic issues that seem to be in the headlines of market commentators (e.g. out of cycle mortgage rate hikes, tighter credit standards, lower house prices) have been significant enough to impact the RBA's view that the Australian economy will grow a little above 3% this year and next.

The Board did note a slight pick-up in wages. Overall, the RBA sees itself making slow progress towards a rate rise, unless something more significant happens which alters its forecasts.

While Governor Lowe commented that the RBA's next move remains more likely *"up, not down"*, he also indicated that *"any move still seems some way off, given the gradual nature of the progress expected on unemployment and inflation"*.

Retail sales were flat in July (market expecting +0.4% m/m) following two months of reasonable growth, supported then by unusual strength in clothing and department store sales (boosted by cold weather).

Q2 GDP came in solidly at +0.9% q/q and +3.4% y/y. Growth was again supported by domestic demand, both from the household and government sectors. The outcome for non-mining business investment was surprisingly weak, while mining was strong.

The trade surplus pulled back a little to \$1.551bn from \$1.937bn in June. Exports were down 1% while imports were flat.

The unemployment rate was unchanged in August at 5.3%. The decent employment growth (+44k) was offset by a 0.2% rise in the participation rate of 65.7%. While employment has been fairly volatile over recent months, trend growth continues at just under 30k a month which has been enough to see a small but sustained reduction in the unemployment rate.

With Australia's debt-to-income ratio increasing to 190%, the RBA has reiterated its ongoing concern over current household indebtedness which it continues to closely monitor for fear that debt levels could deepen the next economic downturn.

The Australian dollar fell another ½% over the month, finishing at US72.22 cents (from US72.60 cents the previous month).



### Credit Market

The main global credit indices were flat over September, with spreads marginally widening in Australia. Overall, the global credit indices remain tight in the post-GFC era and are roughly trading at the same levels over 12-18 months ago:

Index	September 2018	August 2018
CDX North American 5yr CDS	60bp	60bp
iTraxx Europe 5yr CDS	68bp	68bp
iTraxx Australia 5yr CDS	75bp	73bp

Source: Markit

## Fixed Interest Review

### Benchmark Index Returns

Index	September 2018	August 2018
Bloomberg AusBond Bank Bill Index (0+YR)	+0.16%	+0.17%
Bloomberg AusBond Composite Bond Index (0+YR)	-0.42%	+0.81%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.22%	+0.28%
Bloomberg AusBond Credit Index (0+YR)	-0.14%	+0.76%
Bloomberg AusBond Treasury Index (0+YR)	-0.58%	+0.94%
Bloomberg AusBond Inflation Gov't Index (0+YR)	-0.70%	+0.29%

Source: Bloomberg

### Other Key Rates

Index	September 2018	August 2018
RBA Official Cash Rate	1.50%	1.50%
90 Day BBSW Rate	1.94%	1.95%
3yr Australian Government Bonds	2.08%	2.00%
10yr Australian Government Bonds	2.67%	2.52%
US Fed Funds Rate	2.00%-2.25%	1.75%-2.00%
10yr US Treasury Bonds	3.05%	2.86%

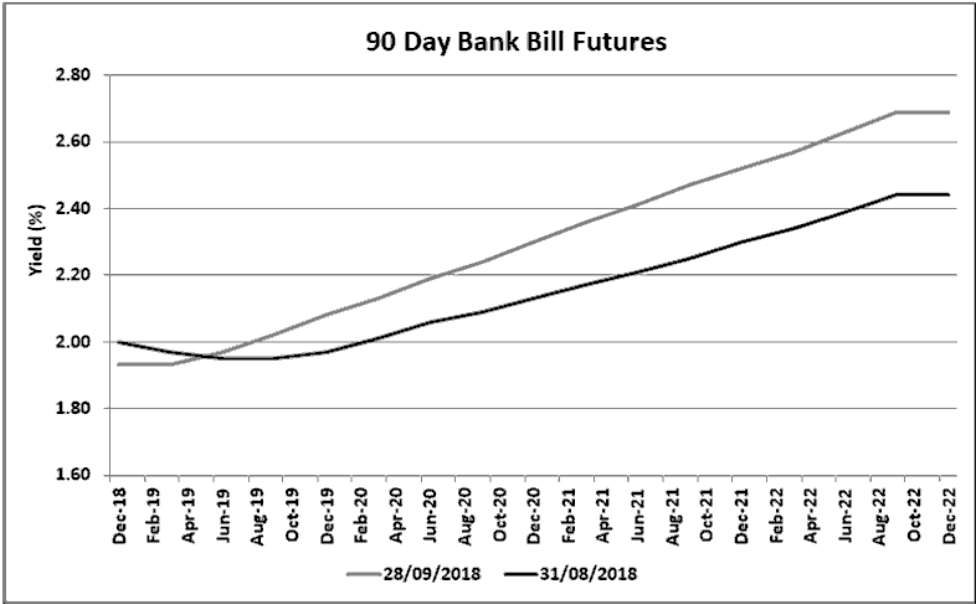
Source: RBA, AFMA, US Department of Treasury





90 Day Bill Futures

Over September, bill futures rose significantly at the long-end of the curve, following the movement in the domestic bond market. The futures market however continues to factor in the RBA’s first interest rate rise in early 2020:



Source: ASX



### Term Deposit Market

Over the month, across the short-end of the deposit market (12 months or less), the highest headline rates fell for terms under 4 months after BankWest (AA-) reduced their headline rates. At month-end, the highest rate over a **12 month** term was being offered by a few unrated ADIs at 2.85% p.a. (Australian Military Bank and Police CU SA). Amongst the investment grade ADIs, **AMP (A) and BoQ (BBB+)** both remain competitive, as they offered **12 month rates of 2.75% p.a.** as the month ended.

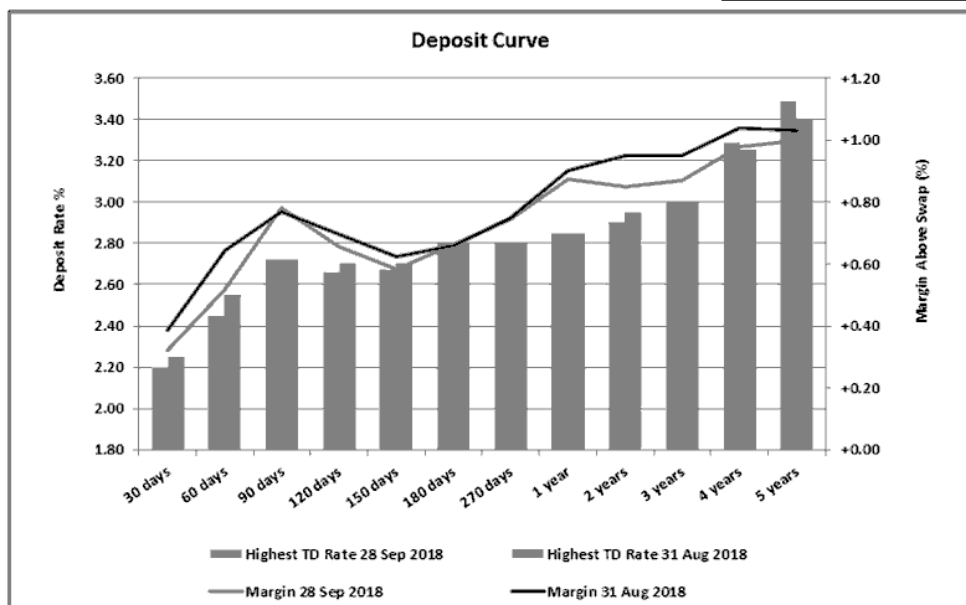
**AMP Bank's (A) 6-12 month deposit rate of 2.75% p.a. remains attractive (effective 1<sup>st</sup> October 2018).** It becomes highly attractive once factoring in the 20bp commission which is fully rebated from an (independent) AFSL holder i.e. **effective grossed up rate of 2.95% p.a. for 6-12 months inclusive.** All investors with capacity (**limits of \$5m apply again**) should contact Imperium Markets to either roll their existing AMP deposits or to invest surplus funds. (The brokers have kept the full 20bp brokerage far too long over the past decade). The standard \$5m limit is available to all clients and non-clients of Imperium Markets, including institutional investors.

Across the short-end of the curve, the highest margin for terms up to 6 months is now largely under +65bp. Given the flat interest rate outlook over the immediate term, we continue to favour 6-12 month terms, offered up to +90bp over bank bills from the highest paying ADIs. This would address reinvestment risk particularly for those investors who overpay for liquidity and generally roll their deposits less than 6 months.

As the past decade has highlighted (post-GFC), we have seen too many portfolios' roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have generally not insured themselves against the low interest rate environment by diversifying their funding across various tenors (out to 5 years) but rather placed all their 'eggs in one basket' and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors' interest income over the post-GFC period.**

With the credit downgrades of a large number of ADIs in May 2017, the regional bank ("BBB" space) and unrated ADIs may periodically offer above-market specials. We encourage any investors with capacity to take up these specials immediately, particularly if they are paying over and above the market by a considerable margin.

In the current environment of high regulation and scrutiny, all domestic ADIs continue to carry high levels of capital, particularly amongst the lower ("BBB") and unrated ADIs. There is minimal (if any) probability of any ADI defaulting on their senior ranking deposits going forward – this was stress tested during the GFC.



Source: Various banks and brokers (middle market deposit rates only)

At the longer-end of the deposit curve, BoQ (BBB+) continues to dominate and lead the pack over 2-3 year terms, but after dropping their longer-term rates, they are now offering rates below P&N Bank (BBB) over 4-5 year terms. Longer-term swap rates rose up to 12bp but the highest headline rates only rose between 5-10bp over the month. As such, margins tightened at the longer end of the curve, with the highest margin now around +100bp for a 4 or 5 year term.

Overall, we see value in:

- P&N Bank (BBB) 5 year fixed deposit at ~3.50% p.a. (annual interest);
- P&N Bank (BBB) 4 year fixed deposit at ~3.30% p.a. (annual interest);
- BoQ (BBB+) 3 year fixed deposit at 3.00% p.a. (annual interest);
- BoQ (BBB+) 2 year fixed deposit at 2.90% p.a. (annual interest);
- Police CU SA (unrated ADI) 12 month fixed deposit at 2.85% p.a.

Following their one notch downgrade in May 2017, for those investors that have capacity issues with BoQ or the aggregate credit quality limits with the "BBB" rated sector, we see value in:

- AMP (A) 3 year fixed deposit at 2.85% p.a. (annual interest) – plus 0.20% p.a. rebated commission from Imperium Markets only;
- AMP (A) 2 year fixed deposit at 2.85% p.a. (annual interest) – plus 0.20% p.a. rebated commission from Imperium Markets only;
- ING (A) 2 year fixed deposit at ~2.89% p.a. (annual interest);

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment.



### Senior FRNs Review

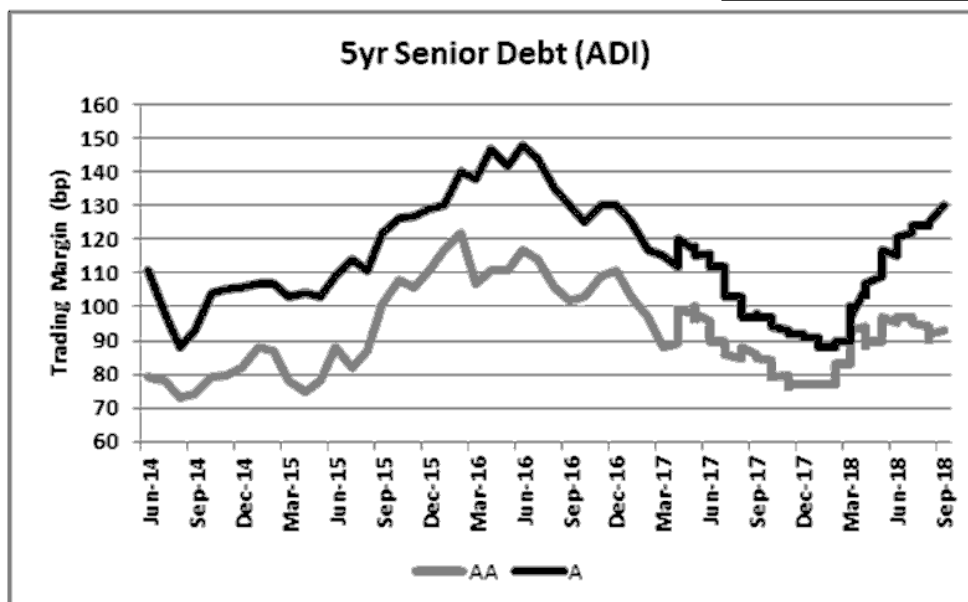
Over September, amongst the senior major bank FRNs, physical credit securities marginally widened at the longer end of the curve, following the broad movement in the domestic credit markets. During the month, NAB (AA-) launched a new 5 year benchmark senior FRN at +93b, consistent with the margin set by CBA (AA-) the previous month. There remains value for a new 5 year major bank FRN issue (at around +93bp), given the slight premium offered in the primary market, and particularly once factoring in the potential capital gains which could be realised from as early as two years after being launched. The grossed up returns would be closer to +120bp over a 2 year holding period in a relatively stable credit environment, over and above where the highest margins are paying compared to the medium to longer-dated deposits.

We continue to see better value in longer tenors (i.e. favour 5 year terms over 3 year terms) amongst the "AA" rated ADIs due to their high liquidity and ability to 'roll down the curve' over a 2-3 year holding period. Overall, for the month of September, amongst the "AA" rated sector, the 5 year part of the curve widened around +1bp while the 3 year part of the curve widened around +2bp.

Amongst the "A" rated sector, 3 and 5 year senior paper remained widened +4bp and +5bp respectively. During the month, AMP (A) issued a 3 year senior FRN at +108bpm which we saw as good value. Meanwhile, amongst the "BBB" rated cohort, margins tightened around -5bp over 3 year terms with no new major issuances launched.

Senior FRNs (ADIs)	28/09/2018	31/08/2018
"AA" rated – 5yrs	+93bp	+92bp
"AA" rated – 3yrs	+73bp	+71bp
"A" rated – 5yrs	+130bp	+125bp
"A" rated – 3yrs	+105bp	+101bp
"BBB" rated – 3yrs	+125bp	+130bp

Source: IBS Capital



Source: IBS Capital

We generally recommend switches ('benchmark' issues only) into new primary issues, out of the following senior FRNs that are maturing:

- On or before mid-2021 for the "AA" rated ADIs (domestic major banks);
- On or before 2019 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.



## Fixed Interest Outlook

The US Fed's median forecast is now for one final rate hike in 2018, with the December 19<sup>th</sup> rate hike currently priced in around 75% (12 of 16 members now favouring a move). The median dot plots for 2019 (3.125%) and 2020 (to 3.375%) remain unchanged and still suggests three hikes should be expected next year and two more in 2020. The trade policies enacted by President Trump have not yet affected the Fed's intentions for further gradual hikes. While trade, tariff and emerging market risks remains on the downside, the US economy continues to run strongly.

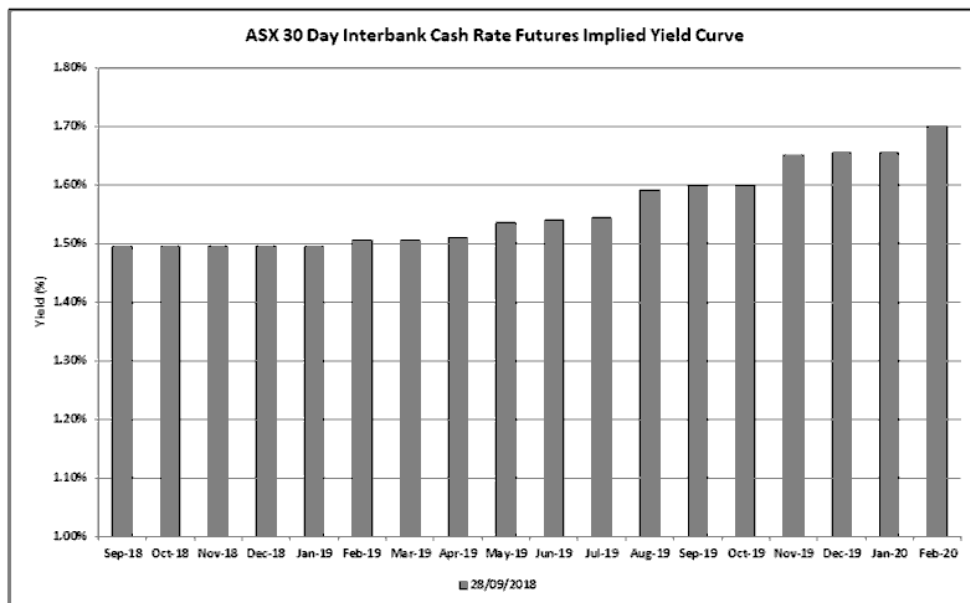
The ECB confirmed it will be reducing its current €30bn per month QE program to €15bn per month in October through December, before phasing the program out. ECB President Draghi reassured the market of its forward guidance commenting that *"we will remain patient in determining the timing of the first interest rate rise and will take a gradual approach to adjusting policy thereafter"*.

Domestically, the RBA reaffirmed that the next move in interest rates was more likely to be up than down. Governor Lowe hinted the Board will not wait for inflation to hit the mid-point of its target range of 2½% before moving. Inflation is expected to get there in 2020, so there is some possibility that 2019 may be their first rate movement if the economy strengthens quicker than anticipated.

Housing concerns appears to be contained as house prices in the main capital cities are trending downwards following the tightening lending standards ('macro-prudential' policies) introduced by APRA although the level of household debt continues to be monitored closely. The major banks have also carried their 'out of cycle' rate hikes which has assisted in cooling the domestic property market.

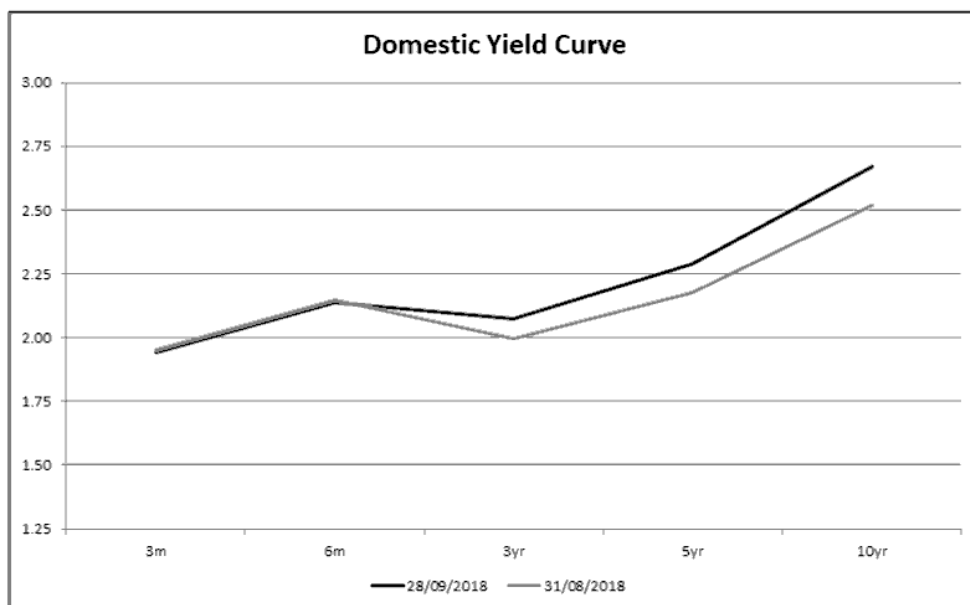
The RBA remains clear that there are no plans to lift rates any time soon. While the economy is improving gradually, the Bank is unwilling to move rates higher until there is meaningful progress where employment, inflation and wage growth is concerned.

The broader market also currently does not support any near-term monetary policy action by the RBA. **In fact, the futures market currently prices in a flat interest rate outlook over the coming 12-18 months, with the first rate rise pushed back until early 2020:**



Source: ASX

Longer-term, the bond market continues to suggest a 'lower-for-longer' period of interest rates. The domestic yield curve was relatively flat at the long-end of the curve, with yields rising between 8-15bp over September:



Source: AFMA, RBA



### Disclaimer

The information provided in this document is intended for investors of Imperium Markets only and does not constitute a recommendation or an offer to invest. Market sections of this document are descriptive and do not take into account the investment objectives, financial situation or particular needs of any particular investor. Before making an investment decision or acting on any of the information or recommendations contained in this report, the investor should consider whether such recommendation is appropriate given the investor's particular investment needs, objectives and financial circumstances. We recommend you consult your investment adviser for updated advice that addresses your specific needs and situation before making investment decisions. All information and recommendations expressed herein constitute judgements as of the date of this report and may change without notice.



## AGENDA

ORDINARY COUNCIL  
21/02/2018

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Item: 09.16

Subject: DIGITAL TECHNOLOGY PROJECT STATUS

Presented by: Corporate Performance, Rebecca Olsen

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**Alignment with Delivery Program**

1.4.1 Provide efficient technology and inclusive digital systems that are easy to use and easy to access.

**RECOMMENDATION**

**That Council note the information contained in the Digital Technology Project Status report.**

**Executive Summary**

At the Ordinary Council Meeting held 16<sup>th</sup> August 2017, Council resolved:

*09.18 NOTICE OF MOTION – ICT STRATEGY*

*RESOLVED: Hawkins/Alley*

*That Council:*

- 1. Request the General Manager provide a further update to the October 2017 meeting on the ongoing implementation of Council's ICT Strategy, with a particular emphasis on the expected flow of efficiency benefits to Council's operations in the remainder of the current term of this Council.*
- 2. Noting that other new significant Council Strategies, such as the EDSG are updated six monthly, request the General Manager provide further updates on progress made and efficiencies gained at regular 6 monthly intervals in February and August of each calendar year until (and including) August 2020.*

*CARRIED: 9/0*

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

*AGAINST: Nil*

In line with Resolution 2 above, this report presents a progress report detailing the overview of the current draft roadmap (in development) for Council's Digital Technology, over the period of 2018 to 2020, with a view to setting out the strategic direction and provide insights into delivery of operational projects from this roadmap.

This report also provides an update on existing projects based on Councils funded ICT Renewal program, which is nearing completion in April 2018.

## AGENDA

ORDINARY COUNCIL  
21/02/2018

## Discussion

ICT Renewal

In preparation of the foundations required to deliver new ways of working to Council, our current ICT renewal program has been supported by a \$4.3 million capital works investment over the past 18 months. This renewal has been focussed on improving the effectiveness of Councils technology in support of our operations, as well as delivering on our ability to provide resilience and day-to-day support/functional improvements for our organisation.

This renewal program now approaches completion, with current completed projects including:

- The delivery new service desk tools to improve IT support to the organisation
- Upgrades to Councils IT security and network firewalls
- Complete redesign of backup and restoration services for Council systems and data
- Upgrades to all servers, data storage and network devices across Council
- Introduction of disaster recovery solutions in order to meet Councils expectations of business continuity
- Internal support back to Councils core operating platforms, following the cancellation of a prior managed services agreement with Civica
- Delivered all new hardware, windows 10 and Microsoft productivity software upgrades to 420 staff.
- Introduced automated platforms for delivery of software upgrades, antivirus/security patching and future operating systems updates.
- Increased access to the internet for staff and service efficiency
- Commenced migration to the Cloud for commodity IT services
- Upgraded Councils core Financial, Assets and Property application to the latest version
- Commenced replacement of Councils 15 year old telephone system

The above renewal program is currently scheduled to be completed by late April 2018.

Overview – Draft Future Roadmap

While still in development, with further consultation underway to finalise, the digital technology roadmap for 2018-2020 aims to draw together the foundations of ICT infrastructure renewal that the Council has invested in, and has been delivered by the Digital Technology team over the past 18 months, with the future view towards new ways of working and supporting our Councils significant growth.

The draft roadmap focuses on setting the scene for better use of data and business intelligence for the organisation, and the transformational activity underway within the digital technology team and broader Council to review our internal & external customer interactions. Aligned to the emerging ideation and strategic thinking behind Port Macquarie-Hastings future city needs, and with a growing state of maturity in the technology space, the road map will aim to further deliver on the need to build or acquire the necessary technical platforms which support an informed, efficient and effective future city and organisation.

Item 09.16

Page 2

## AGENDA

ORDINARY COUNCIL  
21/02/2018

At this current stage, consultation has occurred with all divisions of Council and key stakeholders throughout 2017, and presented in draft to the executive team in December 2017. There is currently still significant consultation underway, to ensure the alignment of projects supports Councils current operational and strategic focus. In addition, work continues around consideration of resourcing required to effectively deliver the draft roadmap, with a view to embedding a new 'digital' workforce to maintain momentum and flow of benefits into the organisation following execution.

Following this further input via consultation with the senior leadership team in February, it is expected the draft roadmap will be approved by March, with delivery commencing at the start of the new financial year, FY18/19.

Contribution to the Future State

The draft digital technology roadmap will support Council into the future. In doing this, the draft roadmap looks to deliver technology investment towards:

*(a) New ways of working*

## Objective:

Deliver automation, workflows and systems which integrate applications, releases productivity and enables efficiencies within the organisation.

## 2018-2019

- Establish a new digital team structure to support the transition and provide a way to sustain a move to new ways of working for the whole of Council.
- Commence scoping of work to implement new systems, such as HRIS, CRM, Office365 and Field Mobility which provide core platforms for future automation, workflow and customer service improvements.

## 2019-2020

- Implement new ways of working including new systems and functionality inside our core applications which allow us to realise organisational efficiencies and improved customer service.
- Deliver automation across business processes to release productivity and allow staff to add value back to core services.

*(b) Digitisation and Insights*

## Objective:

Utilise information management and data to increase visibility and insight for Council operations, inform decision making and support service delivery.

## 2018-2019

- Deliver an open data program to enable data access, support digital economic strategies and increase operational transparency.
- Commence digital back scanning of high value records and historical data to improve time to search and access to information.
- Deliver a data warehouse in support of future business intelligence opportunities.

## 2019-2020

- Implement core digital customer transactions and processes to further improve the customer experience across digital platforms

## AGENDA

ORDINARY COUNCIL  
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- Deliver modern reporting and business intelligence platforms to aid in Council operational reporting and decision making.

*(c) Support our growth*

## Objective:

Making better use of technologies and infrastructure so staff can do business more effectively, and deliver improved customer experiences.

## 2018-2019

- Finalise delivery a modern, high performance network across Council's business operations.
- Implement improved wireless connectivity
- Deliver an enhanced communications platform, that integrates voice, video, IM and email.
- Migration of websites
- Upgrade uninterruptable power supplies to support resiliency of infrastructure.

## 2019-2020

- Review systems integration platforms to standardise toolsets and maintain a modern integration architecture
- Build an end user compute strategy and undertake a desktop asset replacement process via cloud based Desktop as a Service.

**Community Engagement & Internal Consultation**

Engagement with a range of Council business units has been undertaken over the delivery of outcomes to date. These include:

- General Managers Office
- Executive Management Team
- Group Managers
- Airport Staff
- Laboratory Staff
- Glasshouse Staff
- Crematorium Staff
- Operational Staff
- Finance, Corporate Services and Information Technology Portfolio.

**Planning & Policy Implications**

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

**Financial & Economic Implications**

There are no specific financial and economic implications in relation to this report. The current program is being delivered within existing allocated budgets and an allocation has been made within the 2017/2018 budget. An allocation has been made in the draft 2018/2019 budget for continued works and roadmap projects subject to finalisation of the roadmap.

**Attachments**

Nil

AGENDA

ORDINARY COUNCIL  
[Meeting Date dd/mm/yyyy]



## BANNERS OVER PUBLIC ROADS & RESERVES POLICY

<b>Responsible Officer</b>	Manager Technical Services
<b>Contact Officer</b>	Road Safety Coordinator Ph: 6581 8656 karen.thompson@pmhc.nsw.gov.au
<b>Authorisation</b>	Port Macquarie Hastings Council 05/03/1990
<b>Effective Date</b>	05/03/1990
<b>Modifications</b>	Amended 24/09/2008
<b>Superseded Documents</b>	Previous version of the policy
<b>Review</b>	Road Safety Coordinator September 2013
<b>File Number</b>	
<b>Associated Documents</b>	Application Form      Banners Road Reserve

### 1. INTRODUCTION

Council acknowledges that displaying banners across roads in the Port Macquarie-Hastings LGA is an effective way of providing the community information. Displaying banners has engineering, safety and legal factors to consider and with the possibility of accidents caused by banners leading to public liability issues.

This policy provides guidelines for the making of applications and erection of banners.

Council has determined two (2) approved sites in the Local Government Area to erect a banner over a public road.

The two sites are:

- High Street, Wauchope
- Intersection of Clarence/Hay Streets, Port Macquarie

### 2. POLICY OBJECTIVE

To ensure banners are erected over public roads in a safe and consistent manner.

To allow the community to be informed of important events, information and campaigns that are relevant to the Port Macquarie-Hastings LGA;

To allow community organisations to advertise local events that would be of benefit to the local community.

### 3. POLICY SCOPE

All staff, community groups and event organisers.

#### 4. DEFINITIONS

Banner a soft plastic/canvas/polycanvas material bearing letters and/or graphics

#### 5. LEGAL & POLICY FRAMEWORK

- a) Approval under Council delegation applies only where the banner complies with the requirements of the Roads and Traffic Authority as set out in the 'Signs and Markings' Manual, Section 3.6.III, September 1986;
- b) Details of the proposal and Council's letter of approval are to be supplied to the Roads and Traffic Authority for banners over a classified road or State Highway. Ocean Drive, Hastings River Drive and parts of Gordon Street are classified roads;
- c) NO COMMERCIAL ADVERTISEMENT WILL BE PERMITTED ON COUNCIL BANNER SITES - A logo of a sponsor can be placed on a banner by a community organisation or Council, provided it is not the focus point of the banner design. The message on the banner should be brief, easily read and quick to comprehend;
- d) Where the banner is to be fastened to an electricity pole, a copy of written approval from Country Energy is to accompany the application;
- e) The maximum length of time for displaying of community and Council banners is 14 days;
- f) Prior to the erection of the banner, the applicant is to submit evidence of a public risk policy which includes insurance cover for the display of the banner to a sum of at least \$10 million.

#### 6. POLICY STATEMENT

BANNERS AND SIGNS ON COUNCIL ROADS AND RESERVES ARE REGULATED TO PRESERVE PUBLIC AMENITY AND SAFETY, AND TO PROVIDE AN AVENUE FOR THE APPROVAL OF NON-COMMERCIAL TEMPORARY ADVERTISING

##### Aims

- i. To prevent the proliferation of inappropriate or inappropriately positioned signage on roadsides and reserves;
- ii. To provide an avenue for the promotion of community events.

##### Intent

The community will be aware of the approved locations and have access to a system that promotes community events. Providing easy access to promotional opportunities will reduce illegal display of signs and make enforcement less confrontational.

All banner applications for a new site must be supported with details of building or other structure connections including:

- Structure design certification
- The building owner's written consent to the erection of the banner

The banner must be made in line with the design and dimensions that are set out on the reverse side of the application form. Failure to comply will mean that the banner cannot be erected:

- a) The Technical Services Section of Council has the primary responsibility for ensuring bookings for banner space over roads are undertaken in accordance with this Policy;
- b) Eligible community organisations include Schools, community groups, not for profit organisations or charities;
- c) Only booking applications on the official application annexed to this policy will be accepted and processed;
- d) Bookings can be tentatively made up to a maximum of 12 months in advance of the desired booking dates.
- e) Bookings can only be made at 1 site at any one time to ensure all groups have equal access to banner space sites.
- f) If the situation arises where Council receives 2 or more applications for bookings at the same location covering the same dates, the first applicant to confirm their booking as per the guidelines will take precedence over the others. Council staff will assist the unsuccessful applicants to find an alternative banner space.

## **7. IMPLEMENTATION**

### **7.1. Roles and Responsibilities**

The person or organisation erecting the banner:

- a) is responsible for maintaining the banner during its display and for its removal;
- b) is responsible for any claims for accidents or other happenings arising from its use;
- c) is responsible for the banner to be securely fastened at each end to sturdy supports that will not collapse in the wind;
- d) where the banner is fastened to a building, it is to be attached to dividing walls and not midway along a facade or parapet;
- e) banner applicants are to refer to the Banner Application Form (attached) for Banner specifications

### **7.2. Support and Advice**

A banner site in the Camden Haven is currently on the reserve at the intersection of Ocean Drive and Kew Road, Laurieton. For bookings at this site, please contact Councils Parks and Gardens Section on Ph 6581 8111.



If a community group/individual or member of staff wishes to erect a banner over a road on a site other than listed above, please contact Council's Technical Services Section. These sites will be assessed in accordance with the requirements of this policy.

### **7.3. Communication**

The policy is communicated to the public through appropriate media releases and all event organisers and community groups within the LGA be notified of the Policy. The policy and application form are to be posted on Wilson.

### **7.4. Procedures and Forms**

#### ***Procedure for bookings of Banners over Roads by Council Staff***

- i. The Council Staff member will make a pre lodgment enquiry to the Technical Services Section;
- ii. The Road Safety Officer (RSO) or Technical Services Officer (TSO) will check the Event/Banner bookings diary to confirm the space is available;
- iii. If the space is available, the RSO/TSO will then send a booking application form to the staff member to complete and return to the Technical Services Section to process the application;
- iv. The application will be processed by the RSO and confirmed with conditions to the applicant;
- v. Once the approval is received the staff member must ensure the banner is erected and hung in accordance with the approval conditions;
- vi. Once the banner space booking has expired, the banner must be removed from the site by the staff member (or their representative) no more than 24 hours after the expiration period.

#### ***Procedure for Bookings of Banners over roads by Community Organisations***

- i. The community organisation contacts Council's Technical Services Section to confirm available date/s. When making a tentative booking, the staff member making the booking will include their name and extension number to assist with the tracking of bookings and will indicate if the booking is to be confirmed (TBC).
- ii. If the dates are available, a tentative booking is made and an application form is sent from the Technical Services Section to the community organisation to confirm the booking.
- iii. The community organisation must return the completed form to the Technical Services Section for the application to be processed;
- iv. Once the completed application form is received, Council will process the application and confirm and issue an application determination with conditions of approval or in the case of a refusal, reasons therefore.
- v. The community organisation must arrange for the banner to be hung and erected in accordance with the approval conditions.

### **7.5. Guidelines**

N/A

**8. REVIEW**

Road Safety Coordinator - 2013

# 2 Your Community Life

17/10/2018

**What we are trying to achieve**

A healthy, inclusive and vibrant community.

**What the result will be**

We will have:

- Community hubs that provide access to services and social connections
- 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 we will get there**

- 2.1 Create a community that feels safe
- 2.2 Advocate for social inclusion and fairness
- 2.3 Provide quality programs, community facilities and public spaces, for example, community halls, parks and vibrant town centres
- 2.4 Empower the community through encouraging active involvement in projects, volunteering and events
- 2.5 Promote a creative and culturally rich community

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**08 MAYOR'S SPORTING FUND - APPLICATION RECEIVED**

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CONSENSUS:

1. That Madelaine Goodridge be granted the amount of \$350.00 to assist with the expenses she would have incurred travelling to and competing at the NSW CHS Track and Field Championships held at Sydney Olympic Park from 5 – 7 September 2018 inclusive.

# 3 Your Business and Industry

17/10/2018

## What we are trying to achieve

A region that is a successful place that has vibrant, diversified and resilient regional economy that provides opportunities for people to live, learn, work, play and invest.

## What the result will be

We will have:

- A strong economy that fosters a culture supportive of business and ensures economic development of the region
- Townships, villages and business precincts that are vibrant commercial, cultural, tourism, recreational and/or community hubs
- A region that attracts investment to create jobs
- Partnerships that maximise economic return and create an efficient and effective business environment

## How we will get there

- 3.1 Embrace business and a stronger economy
- 3.2 Create vibrant and desirable places
- 3.3 Embrace opportunity and attract investment to support the wealth and growth of the community
- 3.4 Partner for success with key stakeholders in business, industry, government, education and the community

## AGENDA

ORDINARY COUNCIL  
16/08/2017

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Item: 11.01Subject: OPPORTUNITIES FOR LOCAL FIRMS TO DO BUSINESS WITH  
COUNCILPresented by: Corporate Performance, Rebecca Olsen

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**Alignment with Delivery Program**

1.5.4 Use procurement, tendering and purchasing approaches that provide best value to the community.

**RECOMMENDATION****That Council:**

1. Adopt the attached Local Preference Policy incorporating a 5% Notional Price Offset for a 12 month trial period from 1 September 2017.
2. Note that a further report will be tabled providing a result of the trial.

**Executive Summary**

A report was provided to the May 2017 Ordinary Meeting of Council which included a draft Local Preference Policy and it was resolved for the policy to be publically exhibited.

The public exhibition process resulted in seven (7) submissions.

It is recommended to adopt and implement the Local Preference Policy to trial for a 12 month period, from 1 September 2017.

A subsequent report will be presented to Council at the end of the trial.

**Discussion**

At the ordinary Council Meeting on 17 March 2017, Council resolved as follows:-

*09.12 OPPORTUNITIES FOR LOCAL FIRMS TO DO BUSINESS WITH COUNCIL  
RESOLVED: Turner/Hawkins*

*That Council request the General Manager develop a draft Local Preference Policy incorporating a 5% Notional Price Offset, to be presented to the April 2017 Ordinary Council Meeting for consideration.*

*CARRIED: 7/1*

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

*AGAINST: Cusato*

## AGENDA

ORDINARY COUNCIL  
16/08/2017

Accordingly, a draft Local Preference Policy was presented to the May 2017 Ordinary Meeting of Council. The Council report is provided at Attachment 1. At the meeting Council resolved the following:

*09.08 OPPORTUNITIES FOR LOCAL FIRMS TO DO BUSINESS WITH COUNCIL**RESOLVED: Alley/Turner**That Council:*

- 1. Continue to implement the currently adopted integrated strategy to support local business.*
- 2. Place the draft Local Preference Policy incorporating a 5% Notional Price Offset, on public exhibition for a period of 28 days from 24 May to 21 June 2017.*
- 3. Request the General Manager provide a briefing to Councillors in August 2017 detailing the submissions received from the public during the exhibition period and a further report to Council.*

*CARRIED: 6/0**FOR: Alley, Dixon, Griffiths, Intemann, Levdo and Turner**AGAINST: Nil*

In terms of the above-mentioned resolutions of Council, staff continue to implement the currently adopted integrated strategy to support local business. Details of actions were included in the report to Council in May 2017 as per attachment 1.

The draft Local Preference Policy incorporating a 5% Notional Price Offset was placed on public exhibition for a period of 28 days from 24 May to 21 June 2017. Seven (7) submissions were received and details of the submissions received are outlined in this report.

A Councillor briefing was provided to Councillors on 2 August 2017 detailing the submissions received from the public during the exhibition period.

This report satisfies the requirement of Resolution 3 above which requires a further report to Council.

Changes have been made to the Policy that was on public exhibition

Ongoing legal advice has been sought with the development of this Policy and this has resulted in further changes.

Changes that have been made to the Policy post public exhibition have resulted in:

- Greater articulation as to when and how the policy will be applied; and
- An expanded definition of a Local Supplier (as outlined below).

Local Supplier Definition

The definition of a local Supplier was provided through legal advice from Lindsay Taylor Lawyers. This is articulated in section 5 of the attached policy:

## AGENDA

ORDINARY COUNCIL  
16/08/2017

*A tenderer will be a Local Supplier for the purposes of this Policy if it is a business which:*

- *in the case of a business which has been operating for more than 3 months prior to lodging the relevant tender:*
  - *has its principal place of business within the LGA or within 5 kilometres of the boundaries of the LGA and has had for the 3 months prior to the lodging of the relevant tender; and*
  - *operates within a market within the LGA and has been doing so for the 3 months prior to the lodging of the relevant tender, or*
- *in the case of a new business which has not been operating for 3 months, has its principal place of business within the LGA or within 5 kilometres of the boundaries of the LGA, and has been operating or is proposing to operate within a market in the LGA.*

Local Preference Policies.

Local preference policies can operate in a number of ways but generally give advantage to locals over and above other suppliers. For this reason, such policies may be favoured by local suppliers.

Local preference policies however, carry a number of legal risks depending on their nature. In the May 2017 report to Council (Attachment 1), a number of manifestations of a local preference policy were referred to: namely:

- A Notional Price Offset
- Weighted Local Preference/Local Content selection criteria
- Social procurement.

It was considered that a notional price offset, rather than a weighted local preference/social procurement policy is more transparent, more able to be consistently applied and less likely to dissuade suppliers from tendering. On balance, it is therefore considered that of the local preference options, a policy incorporating a notional price offset represents the least risk to Council in comparison to the other forms of an LPP presented in that report.

The main risks to Council from a LPP are:-

- breaches of the obligation under clause 178 of the *Local Government (General) Regulation 2005* to accept the most advantageous tender ie best value;
- breaches of the *Competition and Consumer Act 2010* ie lessening of competition;
- challenges as a result of lack of transparency, consistency and fairness.

Exhibition Period and Submissions

The draft Local Preference Policy was publically exhibited for 28 days between the dates of 24 May to 21 June 2017.

A number of submissions were received during this period and the details of these, and staff responses, are also outlined in the Community Engagement and Internal Consultation section of this report.



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A briefing was also held between staff and Councillors on 2 August 2017 to discuss the submissions.

Impacts of Implementation of a Local Preference Policy

Additional to breaches to clause 178 of the *Local Government (General) Regulation 2005*, *Competition and Consumer Act 2009* and challenges to the procurement process, there are a number of implementation risks and potential impediments as a result of implementing a Local Preference policy, these being:

- Additional administration- It is anticipated that additional resources will be required to manage potential risks relating to breaching the *Competition and Consumer Act 2009*, this includes checking submissions in relation to whether the submission is from a local.
- Delays to procurement - It is anticipated that more rigour will be required during procurement planning to complete market analysis and determine the impact local preference factors will have on the market, so as to not breach the *Competition and Consumer Act 2009*. This will have an effect of placing more lead time (and/ or costs) on procurements and projects that include procurement activity.
- Review of accompanying policies, procedures and templates - The procurement plan and tendering documentation will be updated for the implementation of the Local Preference Policy. Other documentation will be reviewed during the trial period, this includes the Procurement Policy, Purchasing / Tendering Procedures and Statement of Business Ethics (these documents are not inconsistent with the draft Local Preference Policy but as they fall due for review will be updated).

If Council resolves to implement a Local Preference Policy with a trial period of 12 months it is planned for the policy to come in to effect on the 1 September 2017. This will mean any current procurements that have been initiated prior to 1 September 2017 will not have the Local Preference Policy apply to them.

The high level plan of implementation includes:

- Adopt a new Local Preference Policy trial for 12 months- 1 September 2017.
- Implement a revised Procurement Plan and Tendering documentation- 1 September 2017.
- Use the trial period to determine changes required to the Procurement Policy, Purchasing / Tendering Procedures and Statement of Business Ethics.

**Options**

Council has the option to:

- Maintain the status quo, and continue to implement the currently adopted integrated strategy to support local business through Council's purchasing of goods and services; or
- To implement a 12 month trial of the Local Preference Policy incorporating a 5% Notional Price Offset. This trial will take place once Council has adopted the Policy and will enable Council to measure its success during the trial period.

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- Give further consideration to the implementation of a weighted local preference/social procurement policy.

**Community Engagement & Internal Consultation**

Internal consultation has been undertaken with:

- General Manager
- Director, Corporate Performance;
- Group Manager, Governance and Procurement;
- Group Manager Commercial Business Units;
- Procurement Operations Coordinator.

The draft Local Preference Policy was publically exhibited for 28 days between the dates of 24 May to 21 June 2017.

A number of submissions were received during this period and the details of these, and staff responses, are outlined below. All persons that submitted a response received a formal acknowledgement letter.

Submission-		Issue
1.	Kellon Beard (New South Wales Business Council)	I believe that the policy as displayed is sound and will work to assist local businesses win work from the Council. Well done.
	Response/ Comment	Council acknowledges your submission and note support for the proposed Policy.
2.	Andy Davis (Director) (Street Wise Road Safety & Traffic Services)	I am in favour of Council giving preference to local businesses, and would support the proposal if it gives locals a better chance of winning Council tenders. I would also like to see this idea expanded and see Council put more civil construction works, civil design and other engineering works out to tender to local companies.
	Response/ Comment	Council acknowledges your submission and note support for the proposed Policy.  A Local Preference Policy will apply to tenders greater than \$150,000 this will include civil construction works, civil design and other engineering works.
3.	Mark Hughes (Australian Workers Union)	Given the high percentage of current contracts won by local businesses, and the legal advice advising against such a policy, I would oppose it. I fully support local businesses, and want them to succeed, but this policy would offer no financial benefit to our LGA, nor any real advantage to many local businesses. Further, there seems to be no differential between major projects that are labor intensive, compared to a supply only contract (such as stationary etc) where location means very little. There also seems to be no mention of large businesses setting up a small office locally to take advantage of the local benefit. Allowing for a

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		number of contracts of which locals are unable to fulfil, the current practice allows a reasonable advantage for local companies, with direct interaction with the council, and the easy opportunity to attend information sessions. I recommend the proposal be voted down.
	Response/ Comment	<p>Council acknowledges your submission and note your opposition to the proposed Policy. It is also acknowledged that Council does provide many local business and suppliers with contracts and work through its' procurement activities already.</p> <p>A Local Preference Policy introduces both benefits and risks, some of the risks are legislative and relate to the risk of breaching the <i>Competition and Consumer Act 2009</i>.</p> <p>Council would be unable to fully mitigate the risk relating to <i>large businesses setting up a small office locally to take advantage of the local benefit</i>, the legal advice that has been provided is that the best way to do this is to make it very clear in the policy the definition of local business, as highlighted in the revised draft Policy.</p> <p>On balance, it is considered that the revised draft Policy mitigates the legal risks and risks associated with the definition of "local" as much as it reasonably can.</p> <p>Council remains committed to supporting the local economy and enhancing the capabilities of local business and industry. The objective of this Policy is to create a framework that ensures Council gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services where possible, whilst maintaining a value for money approach at all times.</p>
4.	Councillor Peter Alley	<p>Issue #1: As I consider this whole issue more fully, I am more persuaded that the benefit of a local preference policy needs to be on the creation of local jobs. This is slightly different to the proposed policy which has a focus on local business. We want to encourage any and every business that creates local jobs in our region, irrespective of where their registered office is. A focus on jobs also differentiates between a contract which is predominately for the delivery of product with very little actual local content and that of a larger service contract with a large labour component. To that end, I propose that every tenderer, irrespective of where their registered office resides, should state as part of their submission, the estimated number of work hours of Port Macquarie Hastings Council residents in the delivery of the tendered goods and services. This labour component should include any tender submission costs, any sub-contractor costs and any local manufacturing costs and be documented in full. A 5% beneficial tender pricing comparison based on the local labour content only would apply in the</p>

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		<p>consideration of that tender submission.</p> <p>Issue 2: The scenario of a local tenderer being more likely to be selected to supply the council may add up to 5% to the cost to council is well documented in the proposed policy. However, this has the risk of masking a different problem and this is the problem that potential tenderers from out of the LGA may not submit a tender. It is likely that some businesses from outside of our LGA may form the view that they have less chance of being successful due to our local preference policy and decide not to commit their resources in making a tender submission. If that becomes the case, the tendering process as a mechanism of getting the best value is undermined. Our out of LGA tenderer may well have put in a price that would have been 20% less than the other tenderers and consequently council ends up paying 20% more than we otherwise would have. We would be none the wiser that this had occurred. I believe that this would be less likely to occur if a local preference policy was based on the creation of local jobs (as I have proposed above) as this would be inclusive of more businesses. The evaluation of the local preference policy at the end of the trial should look at the number of tender submissions received under the LPP and compare it with similar tenders before the LPP to see whether this may be occurring.</p>
	Response/ Comment	<p>Council acknowledges your submission and comments.</p> <p>Consideration of a Policy position to support local business has been in response to a commitment to supporting the local economy and enhancing the capabilities of local business and industry. The objective of this Policy is to create a framework that ensures Council gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services locally where possible, whilst maintaining a value for money approach at all times.</p> <p>In terms of Issue 1, staff have previously considered the application of a policy which would focus on the development of local jobs (through the evaluation process itself). This approach has been the subject of legal advice and found to be a manifestation of a Local Preference Policy. It was considered that a notional price offset, rather than a weighted local preference/social procurement policy is more transparent, more able to be consistently applied and less likely to dissuade suppliers from tendering. On balance, it is therefore considered that of the local preference options, a policy incorporating a notional price offset represents the least risk to Council in comparison to the other forms of an LPP that have been previously considered.</p> <p>In terms of Issue 2, there is certainly validity to the comments</p>

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		<p>made. The application of the Policy may result in Council paying more for goods and services, however it is proposed to mitigate this by the application of a price offset percentage of 5% and a price cap. Furthermore, the draft Policy seeks to ensure that the application of this Policy does not have an adverse effect on competition and does not cause Council to breach its obligations under the <i>Competition and Consumer Act 2010 (CCA)</i>. Greater rigour will need to be applied during procurement planning to ensure that Council is not limiting competition.</p> <p>In the post trial evaluation, the number of submissions received under the LPP in comparison to similar tenders before the LPP can certainly be incorporated.</p>
5.	Malcolm McNeil (McNeil Architects)	<p>Whilst currently travelling overseas I feel somewhat guilty that the money that I have earned in Port Macquarie and has been going around and around in my local community is now in part being spent on the other side of the world. I am consoled by the fact that I am making new friends and encouraging them to visit Australia and Port Macquarie. I am encouraged by proposed POLICY to provide a financial benefit to local tenderers by way of applying a price offset. The next problem will be what defines local.</p> <p>As a local resident that was born in Port Macquarie, I have spent my working life in this community and feel that I cannot be more local than that. In contrast we have had instances in the past where a city, national or multi-national firm sets up an office in Port Macquarie just to get a larger project, and thus claims to be local. As soon as the economy slows or they get a better offer elsewhere, they are off to different pastures whilst often leaving a trail of debt within this community. We have seen many instances where council has ended up in dispute with its contractors and I will stand corrected if I am wrong, but the larger number and the larger value of disputes have been with contractors that do not have the local commitment. The larger firms most often have the greater resources to present the more polished sales pitch and when it comes to the services they are totally driven by the dollar without the commitment to the local community.</p> <p>The third issue is that outside firms tend to be larger and have significantly larger resources to devote to preparing submissions that again places the local typically smaller business at a disadvantage. I believe that the price offset proposed should be significantly greater than 5% and would probably be more appropriate at 20%.</p> <p>I am sorry that I have not been able to prepare a more detailed and polished submission on this subject due</p>

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		to skipping between poor internet connections. I would welcome the opportunity to discuss this subject further.
	Response/ Comment	<p>Council acknowledges your submission and note support for the proposed Policy by way of applying a price offset.</p> <p>In terms of the definition of local, Council would be unable to fully mitigate the risk of a <i>city</i>, national or multi-national firm setting up an office in Port Macquarie just to get a larger project, and thus claiming to be local. Having said that, in accordance with legal advice, the definition of a local supplier, including requirements for proof of principal place of business, have been included to ensure that the application of this policy mitigates this risk occurring.</p> <p>Part of Councils existing strategy to support local business includes education and we provide tendering debriefs, supplier forums and tender writing workshops. These are for the purposes of upskilling local businesses to place them more competitively in the market place</p> <p>In terms of the price offset percentage applied, 5% has been identified to assist in mitigating the risk of Council breaching the <i>Competition and Consumer Act 2009</i>. The higher the percentage applied, the greater the risk that Council may be lessening competition in the market – which places it at greater risk of a breach of the <i>Competition and Consumer Act 2009</i>.</p>
6.	Russell Wallace (Miedecke Motor Group)	<p>Please find following our company's feedback on the above proposed policy.</p> <p>SUMMARY</p> <p>The opportunity to provide feedback on the draft Tendering Local Preference policy is appreciated. We strongly support the principle of supporting local businesses to provide wider community benefits, and practice this in our own organisation. Port Macquarie Hastings Council and Miedecke Motor Group have had a long-standing business relationship and we believe that the new policy will strengthen this association and be mutually beneficial. The proposed Tendering Local Preference Policy is endorsed in its current form, i.e. no recommended changes.</p> <p>ADDITIONAL INFORMATION</p> <p>Andrew Miedecke founded what is now the Miedecke Motor Group in 1982 and built the business from the ground up. While it is now a major regional dealership it is still possible (and encouraged) to speak directly with the owners and senior management, and being a trusted member of the community has always been a core value. The company has always had a strong</p>

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		<p>regional orientation. It employs more than 100 locals and purchases goods and services from a range of other companies in the area. In addition to the financial benefits this provides directly to the local economy, MMG also supports a range of local clubs and charities. The ability to continue providing this assistance is based on having a sustainable business including support from our key customers. We value our partnership with PMHC and always aim to provide outstanding service as well as competitive pricing. The Local Preference Policy provides a means of strengthening the existing relationship in a way that meets the commercial requirements of both parties. The draft policy is concise and unambiguous, and the proposed notational price offset methodology is fair and transparent. We do not propose any changes to the draft version. Again, thank you for the opportunity to provide this feedback. Please let me know if you have any questions regarding our submission or would like any further information.</p>
	Response/ Comment	Council acknowledges your submission and note support for the proposed Policy.
7.	Jamie Harrison (Harelec Solar power Specialists)	<p>Please see my comments on the policy. It is a good first, step and I am in general support of it. The cap of 400000 is reasonable. The percentage given could be lower than 5% but only if council is willing to expose it weightings, in each of its evaluation criteria prior to tendering, it is not against the law and many councils do, this would help local business more that an percentage for local content. Best value for money can only be achieved by an open and transparent tender process, councils tender process is not, no information about tender weighted performance is released to unsuccessful tenders nor is the tender weightings use for the tenders. What would help local business more than a percentage, is to place value on previous tender performance, which council does not. Removing biases and installing independent members to the tender panel would see a better outcome for local businesses.</p>
	Response/ Comment	<p>Council acknowledges your submission and notes your general support for the proposed Policy.</p> <p>For clarification, please be advised that the cap identified in the Policy is \$25,000 and not \$400,000.</p> <p>Your comments in relation to the tendering process at Council are noted.</p> <p>Tendering in local government is regulated and Council also follows the requirements of the <i>Tendering Guidelines for NSW Local Government</i>. These Guidelines must be taken into consideration by all councils when exercising their tendering</p>

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		<p>functions and were prepared to encourage and support best practice procurement within the local government sector.</p> <p>Specific information regarding purchasing at Port Macquarie-Hastings Council can be found on our website at the following link:</p> <p><a href="http://www.pmhc.nsw.gov.au/Business/Supplying-to-Council/Purchasing-Policy-and-Procedures">http://www.pmhc.nsw.gov.au/Business/Supplying-to-Council/Purchasing-Policy-and-Procedures</a></p>
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**Planning & Policy Implications**

The implementation of the Local Preference Policy will not trigger an immediate change to procurement policies and procedures as the existing wording in the documents are not in conflict with the Local Preference Policy. The review of procurement policies and procedures will occur during or post the trial period.

**Financial & Economic Implications**

The implementation of a LPP poses an additional administrative, process and financial burden on Council with evaluation criteria, evaluation processes, and Council tender reports needing to specifically address how Council is satisfied that it will still select the most advantageous tender when the LPP is applied.

The implementation of a LPP has the potential to add costs to goods and services, in that Council may pay more for a contract than it otherwise would due to the application of the LPP as described in the body of the report, however the Draft Policy as proposed mitigates this somewhat with a 5% notional price offset and an overall cap.

**Attachments**

1. May 2017 Ordinary Council Report
2. Tendering Local Preference Policy





**Authorised by:** <authority>  
**Authorised date:** DD/MM/YYYY  
**Effective date:** DD/MM/YYYY  
**Next review date:** DD/MM/YYYY  
**File Number:** D2017/105567

## Tendering Local Preference Policy

### 1. INTRODUCTION

This Policy has been introduced to support local businesses and encourage local economic business activity for the benefit of the Port Macquarie - Hastings community. The Policy complements Council's integrated strategy to support local business.

This Policy should be read in conjunction with Council's Procurement Policy and Tendering Procedure, and in consideration of Council's legislative obligation under clause 178 of the *Local Government (General) Regulation 2005* to "accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous".

### 2. POLICY STATEMENT

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. The objective of this Policy is to create a framework that ensures Council gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services locally where possible, whilst maintaining a value for money approach at all times.

The intention of this Policy is to support Council's commitment to achieving the best value for money outcome to Council and the community, while maximising opportunities for local business to compete for Council business.

Council acknowledges that it has an important role to play in the local economy and is committed to assisting local industry engage in business with Council. To assist local industry and local economic development, Council will apply this Policy within its tendering procedures as set out in this Policy.

Council is also concerned to ensure that application of this Policy does not have an adverse effect on competition and does not cause Council to breach its obligations under the *Competition and Consumer Act 2010* (CCA). Council will determine, before calling tenders for any contract, whether the Policy can be applied without breaching the CCA and having an adverse impact on competition. Section 4 of this Policy set out the matters that will be considered in determining whether this Policy applies.

### 3. OPERATION OF THE POLICY

When assessing a tender in accordance with Council's Tendering Procedure, the procurement decision will be based on best value for money and the most advantageous result for Council after considering a range of weighted price and non-price (quality) evaluation criteria as set out in any tender documents.

If this Policy applies to the particular tender, any Local Supplier who lodges a tender with Council will be granted a notional offset of the lesser of 5% or \$25,000 against that Local Supplier's submitted tender price, for the purposes only of evaluating the tenders, and awarding the contract.

Applying a notional reduction in price will increase the competitiveness of a Local Supplier against other suppliers. The \$25,000 cap on the offset is intended to limit the financial impact of this Policy.

As price is only one factor for consideration in the evaluation of a tender, the application of the notional offset does not guarantee that the tenderer receiving the offset will be the successful tenderer.

For the avoidance of doubt, the price actually paid by Council under any resulting contract will be the submitted tender price, not including the offset.

The notional offset will operate as shown in the following examples:

**Example 1:** Assuming price is equal

Location	Price offset applied	Submitted tender price	Tender price assessed
Local Supplier	5%	\$400,000 Offset applied \$20,000	\$380,000
Non-Local Supplier	Nil	\$400,000	\$400,000

**Example 2:** Assuming price is equal

Location	Price offset applied	Submitted tender price	Tender price assessed
Local Supplier	5%	\$600,000 Offset applied \$25,000 limited by the max. cap	\$575,000
Non-Local Supplier	Nil	\$600,000	\$600,000

**Example 3:** Assuming price is not equal

Location	Price offset applied	Submitted tender price	Tender price assessed
Local Supplier	5%	\$400,000 Offset applied \$20,000	\$380,000
Non-Local Supplier	Nil	\$380,000	\$380,000

#### 4. APPLICATION OF POLICY

Before tenders are called, Council is to firstly determine whether the tender relates to regulatory, service or business activities of Council and therefore whether the CCA applies to the calling of the tender.

##### *Regulatory Activities*

If the tender relates to Council's regulatory activities, this Policy applies.

Examples of regulatory activities of Council include granting approvals and issuing orders under the *Environmental Planning & Assessment Act 1979* and *Local Government 1993*.

##### *Service Activities*

Where the tender relates to Council's service activities, Council must determine whether the service activity is, or is not, an activity in which Council carries on a business.

In determining whether the service activity involves the carrying on of a business, Council will consider the following factors:

- whether the activity involves trading or commercial transactions or is carried out in a business context;
- whether the activity is carried out regularly and systematically; and
- whether the activity is similar to activities a private trader would carry out, rather than being governmental in nature.

Where the tender relates to Council's service activities which are not activities in which Council carries on a business, this Policy will apply.

Examples of service activities of Council which are not activities in which Council carries on a business are domestic waste collection, local roadworks, maintenance and provision of sewerage and drainage systems and operation of libraries.

Where the tender relates to service activities which are activities in which Council carries on a business, this Policy will only apply if Council further determines whether the application of the notional offset to the tender price for Local Suppliers would have an anti-competitive effect, such that it would substantially lessen competition in a market (as that terminology is used in the CCA).

Examples of service activities of Council which are activities in which Council carries on a business are water supply, and commercial waste management services provided on a price competitive basis.

#### *Business Activities*

Where the tender relates to Council's business activities, this Policy will not apply if Council further determines that the application of the notional offset to the tender price for Local Suppliers would have an anti-competitive effect, such that it would substantially lessen competition in a market (as that terminology is used in the CCA).

Examples of business activities of Council are the operation of the airport, the Glasshouse and crematorium.

#### *Anti-Competitive Effect*

In determining whether the application of the notional offset in this Policy to a tender submitted by a Local Supplier would have the effect of substantially lessening competition in a market, Council will consider:

- the competitive nature of the market for the relevant contract; this goes beyond mere consideration of the market by directing attention towards the level of competition, and the number of potential tenderers;
- the likely effect that application of the notional offset in this Policy will have on the market, which may involve consideration of the impact of the offset on the likely tendered prices (for example, given the \$25,000 cap, the notional offset may have a lesser impact in relation to tenders with a very high expected price); and
- whether Council is a significant, or even the only, purchaser of the types of goods and services to which the tender relates.

If Council determines that this Policy will apply to a tender, this will be noted in the relevant tender documents including in:

- the request for tender, tendering advertisement and procurement plan;
- the conditions of tender; and
- the applicable response schedule for tenderers.

Council reserves its right during the evaluation of submitted tenders to determine not to apply the notional offset in this Policy if it forms the view, for any reason, that application of the notional offset is **not** consistent with Council's obligations under the CCA. Tender documents will be drafted to reflect that Council will reserve this right.

The process to be followed in determining whether this Policy applies to a tender, and whether the notional offset will be applied, is further set out in the flow chart annexed to this Policy.

## 5. LOCAL SUPPLIER

A tenderer will be a Local Supplier for the purposes of this Policy if it is a business which:

- in the case of a business which has been operating for more than 3 months prior to lodging the relevant tender:
  - has its principal place of business within the LGA or within 5 kilometres of the boundaries of the LGA and has had for the 3 months prior to the lodging of the relevant tender; and
  - operates within a market within the LGA and has been doing so for the 3 months prior to the lodging of the relevant tender, or
- in the case of a new business which has not been operating for 3 months, has its principal place of business within the LGA or within 5 kilometres of the boundaries of the LGA, and has been operating or is proposing to operate within a market in the LGA.

The onus will be on the tenderer claiming to be a Local Supplier to provide the necessary supporting evidence with its tender to establish that it is a Local Supplier.

Council will accept ASIC documents as proof of a principal place of business. In respect of whether a business operates in a market within the LGA, Council would expect the evidence submitted to include invoices or copies of other contracts or purchase orders which demonstrate the carrying on of a business within the LGA.

Decisions about a tenderer's status as a Local Supplier will be made by the tender evaluation panel established for the relevant tender. The decision of the tender evaluation panel in that regard is final and not subject to challenge.

## 6. RESPONSIBILITIES AND AUTHORITIES

The following Council officers are responsible for the implementation of this Policy, monitoring compliance, and ensuring that the Policy is reviewed and updated as necessary to meet external compliance:

- General Manager;
- Directors;
- Group Manager Governance and Procurement;
- Strategic Procurement Manager.

This Policy applies to all Council staff involved in tendering processes.

## 7. REFERENCES

- Port Macquarie - Hastings Council Procurement Policy;
- Port Macquarie - Hastings Council Tendering Procedure.
- *Local Government Act 1993*;
- *Local Government (General) Regulation 2005*;
- *Competition and Consumer Act 2010*;
- Office of Local Government Tendering Guidelines for NSW Local Government;

## 8. DEFINITIONS

- **CCA** means the *Competition and Consumer Act 2010*
- **Council officer**: A member of Council staff.
- **Director** means a Council officer whose title includes the word 'Director'
- **General Manager** means the General Manager of the Council within the meaning of the *Local Government Act 1993*;
- **Group Manager** means a Council officer whose title includes the words 'Group Manager'.
- **LGA** means the area constituted under Part 1 of Chapter 9 of the *Local Government Act 1993* for Port-Macquarie-Hastings Council.

- **Local Supplier** means a tenderer which the Council determines to be a local supplier for the purposes of this Policy under section 4 of this Policy.

**9. PROCESS OWNER**

- Group Manager Governance and Procurement.

**10. AMENDMENTS**

New document.

DRAFT

# 4 Your Natural and Built Environment

17/10/2018

## What we are trying to achieve

A connected, sustainable, accessible community and environment that is protected now and into the future.

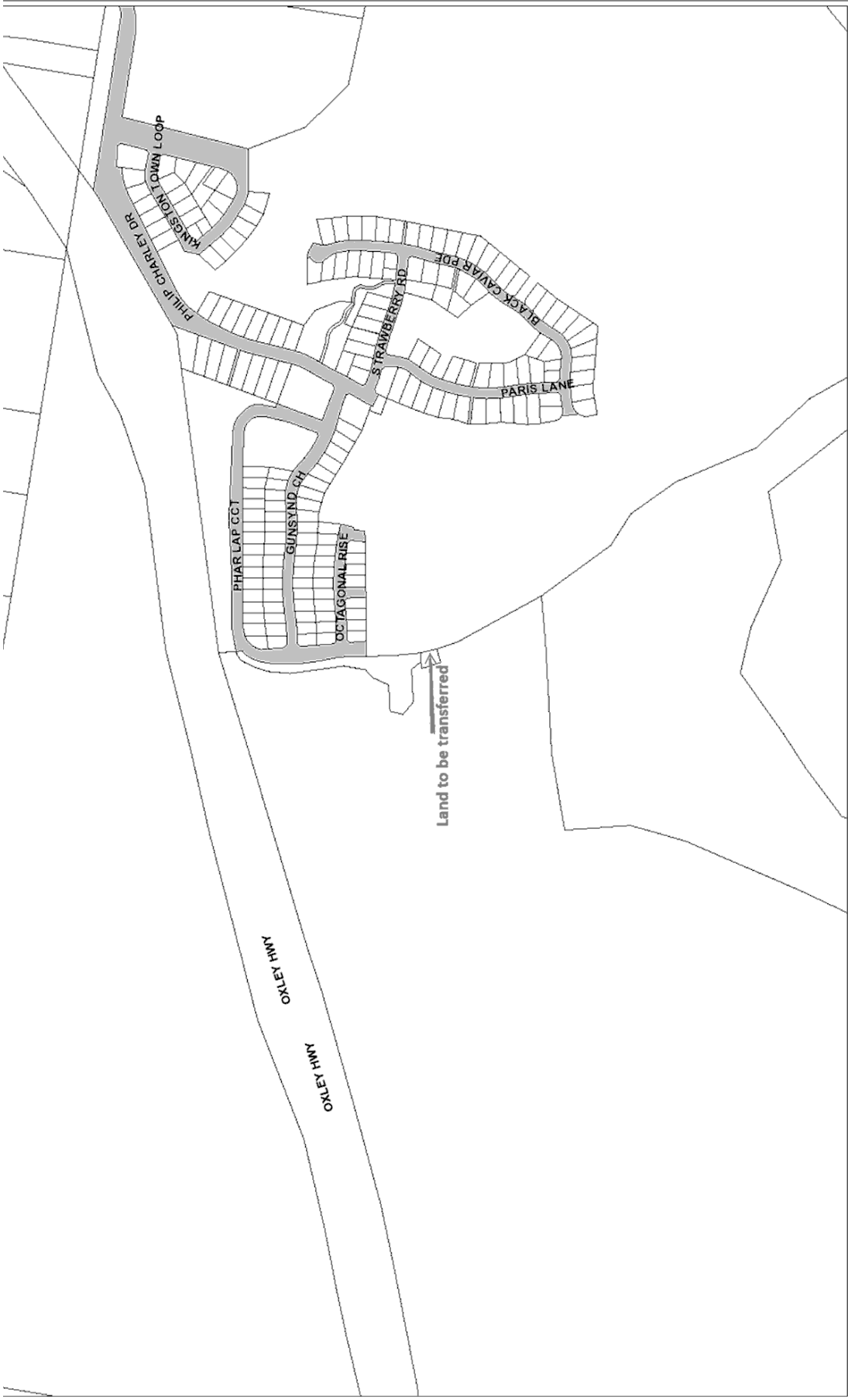
## What the result will be

We will have:

- Effective management and maintenance of essential water, waste and sewer infrastructure
- A community that is prepared for natural events and climate change
- Sustainable and environmentally sensitive development outcomes that consider the impact on the natural environment
- Accessible transport network for our communities
- Infrastructure provision and maintenance that meets community expectations and needs
- Well planned communities that are linked to encourage and manage growth
- Accessible and protected waterways, foreshores, beaches and bushlands
- An environment that is protected and conserved for future generations
- Renewable energy options that are understood and accessible by the community

## How we will get there

- 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
- 4.2 Aim to minimise the impact of natural events and climate change, for example, floods, bushfires and coastal erosion
- 4.3 Facilitate development that is compatible with the natural and built environment
- 4.4 Plan for integrated transport systems that help people get around and link our communities
- 4.5 Plan for integrated and connected communities across the Port Macquarie-Hastings area
- 4.6 Restore and protect natural areas
- 4.7 Provide leadership in the development of renewable energy opportunities
- 4.8 Increase awareness of issues affecting our environment, including the preservation of flora and fauna



**DISCLAIMER**  
This map was produced by the Geographic Information Services section of the Port Macquarie-Hastings Council using information available to Port Macquarie-Hastings Council and the Department of Lands, Bathurst. The data was captured at a scale of 1:25000 for rural areas and 1:4000 for urban areas. The positional accuracy of plots becomes less reliable when viewed at scales greater than the capture scale. Port Macquarie-Hastings Council accepts no responsibility either in contract or tort (and particularly in negligence) for any errors, omissions or inaccuracies whatsoever contained within or arising from this map. NOTE: Cadastral information outside the Port Macquarie-Hastings LGA not updated.

**Lot 374 DP1237302**

**Land to be transferred**

1:5,000 @A3



Printed on 02/07/2018  
Compiled by IR









*PUBLIC EXHIBITION DATES*

22 August to 5 September 2018

# **Planning Proposal under section 3.33 of the EP&A Act**

***Port Macquarie-Hastings LEP 2011  
(Amendment No 52)***

## **Administrative Review**

Ccl ref: PP2017-12.1

DP&E ref: PP\_2018\_PORTM\_003\_00

Date: 22/08/2018



Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018

**Planning Proposal status (for this copy)**

Stage	Version Date (blank until achieved)
Reported to Council (section 3.33)	21 Feb 18 & 21 March 18
Sent to Department under s3.34	19 June 18
Gateway Panel determination (sec 3.34 (2))	27 June 18
Revisions required: Yes	9 Aug 18
Public Exhibition (where applicable) (Sch 1 cl 4)	22 Aug – 5 Sept 18
For Council review (sec 3.35 (1))	
Adopted for submission to Local Plan-making Authority (sec 3.36 (2))	

**Council reference:** PP2017-12.1

Port Macquarie-Hastings LEP 2011 (Amendment No 52)

**Department of Planning &****Environment reference:** PP\_2018\_PORTM\_003\_00

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**Approval of the Planning Proposal****1. For public exhibition**

This Planning Proposal was endorsed on 10/08/18 by *Port Macquarie-Hastings Council*, delegate:

Signed 

Name Peter Cameron

Position Group Manager Strategic Land Use Planning

**2. For section 3.35 finalisation**

This Planning Proposal was endorsed on ..... by *Port Macquarie-Hastings Council*, or the undersigned Council delegate (delete one):

Signed .....

Name .....

Position .....

## Exhibition information

### Content

Proposed amendments to Local Environmental Plans are exhibited in a descriptive form within a "Planning Proposal".

Details of the amendments contained in this **Planning Proposal PP2017-0012** are contained in **Part 2**, found on pages 6 to 15. The amendments relate to the following issues:

1. Clause 4.1 Minimum subdivision lot size - Insertion of an additional subclause to clarify that the area of any 'battle-axe' access to the lot is not to be included in determining the minimum lot size.
2. Land Use Table - Industrial retail outlets proposed to be allowed with consent in certain land use zones; and to be prohibited in B2 (Local Centre) zone.
3. Lot 10 DP 1232850 (14 Misty Vale Way) & Lot 1 DP 1244311 (1497 Pappinbarra Road) Hollisdale - correction to Lot Size map: applying a minimum lot size of 100ha.
4. Lot 1 DP 745953 and part Lot 50 DP 1139289 (Bain Park) Wauchope - adjustment of boundaries - affects Land Zoning map, Floor Space Ratio map and Heritage map. Associated update (also affecting Lot 7032 DP1039811) to item name and property description for existing Heritage Item (Memorial Gates) in Schedule 5 (Environmental heritage) of the LEP.
5. Land Reservation Acquisition map - updating map to remove identification for land at Lots 69 & 70 DP 219719, Lot 27 DP 221558, Lots 67 & 68 DP 754451, Lots 56 & 57 DP 219719 on the North Shore now acquired by the National Parks and Wildlife Service and by Council.
6. Lot 31 DP 0835708 (24 Yaluma Drive) Port Macquarie - rezone land from E3 (Environmental Management) to R1 (General Residential) - affects Land Zoning map, Lot Size map, Floor Space Ratio map.
7. Lot 22 DP DP1229697 and Nos 19 - 31 Diamond Drive, Port Macquarie - adjustment of boundaries - affects Land Zoning map, Lot Size map, Floor Space Ratio map and Height of Buildings map; cadastre updates for Flood, Heritage and Koala Habitat maps.

The specifics of how the LEP would be amended are described in **Part 2**, found on pages 7 to 17. The Planning Proposal contains statements of the intent for changes to the LEP text, but not the specific wording. Further details of the map changes are contained in **Part 4**, and at **Appendix D**.

The "Gateway Determination" from the NSW Department of Planning and Environment, relating to this Planning Proposal, is in **Appendix A**.

### Exhibition

The exhibition period is from 22 August to 5 September 2018, with the Planning Proposal available for inspection by any person at Council's offices at Port Macquarie, Wauchope and Laurieton; and on [haveyoursay.pmhc.nsw.gov.au](http://haveyoursay.pmhc.nsw.gov.au).

### Submissions

Any person may make a written submission to Council up until the end of the exhibition period. The submission should quote Council's reference - **PP2017-12.1**, and be

emailed to [council@pmhc.nsw.gov.au](mailto:council@pmhc.nsw.gov.au) or posted to  
lodged through [haveyoursay.pmhc.nsw.gov.au](http://haveyoursay.pmhc.nsw.gov.au),

The General Manager,  
Port Macquarie-Hastings Council,  
PO Box 84,  
PORT MACQUARIE NSW 2444.

Note that any submission may be made public. Authorisation to make the LEP has been issued to Council.

### Further information

Please contact Stephanie Baker on phone 02 6581 8056

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## Summary

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This is a Planning Proposal prepared under section 3.33 of the *Environmental Planning and Assessment Act 1979*, in relation to seven proposed amendments to *Port Macquarie-Hastings Local Environmental Plan 2011*. It will be assessed by Port Macquarie-Hastings Council, the NSW Department of Planning and Environment, and used for public participation on the proposed LEP amendment.

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## Background

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<b>Proposal</b>	This proposal addresses seven (7) minor issues in the LEP text and map series, and seeks to make refinements and adjustments to correct errors or anomalies that have been identified.
<b>Property details</b>	The changes apply to various properties, as detailed in part 2.
<b>Applicant details</b>	Port Macquarie-Hastings Council.
<b>Land owner</b>	There are multiple landowners affected by these changes.
<b>Brief history</b>	Port Macquarie-Hastings Council has initiated this process (refer to Council resolutions on items No.12.07 of 21/02/18 and No.12.02 of 21/03/18) as part of an ongoing review of <i>Port Macquarie-Hastings Local Environmental Plan 2011</i> to maintain currency, remove errors and anomalies, and to facilitate efficient operation of the LEP and the development application process.
<b>Location</b>	Part 2 – Explanation of provisions - describes the location of each issue.  Part 4 – Mapping - includes location maps for Issues 3, 4, 5, 6 and 7.

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## Planning Proposal

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### Part 1 - Objectives or Intended Outcomes

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To review and refine the Port Macquarie Hastings Local Environmental Plan 2011 (LEP 2011) to correct seven errors and/or anomalies that have been identified (further details in Part 2). This will facilitate efficient operation of the LEP and the development application process.

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### Part 2 - Explanation of Provisions

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Details of seven amendments, as reported to Council on 21 February 2018, and (for the seventh) on 21 March 2018 follow:

#### Amendments to the written instrument

##### *Issue 1. Clause 4.1 Minimum subdivision lot size - 'battle-axe' area*

Clause 4.1 of the Standard Instrument does not alter the minimum lot size requirement where the lot relies on a 'battle-axe' access.

A Development Application for a lot which meets the required minimum can be lodged, even though the usable area is far smaller than the 'minimum' once an area for access has been provided.

This proposal seeks to exclude the access handle from the lot size calculation to ensure that each enclosed lot contains an adequate site area. This requirement is found in a number of other LEPs. More specifically, clause 3.9 of the Housing Code (Codes SEPP) aims to achieve a similar outcome, with the wording being: "*when calculating the lot size of a battle-axe lot, the area of the access laneway is excluded*".

#### **Proposal:**

**That clause 4.1 be amended by adding the following:**

**(4A) if a lot is a battle-axe lot or other lot with an access handle, the area of the access handle is not to be included when calculating the size of the lot for the purposes of this clause.**



**Amendments to the land use table*****Issue 2. Land Use Table – Industrial retail outlets.***

An **Industrial retail outlet** is defined as

... a building or place that:

- (a) is used in conjunction with an industry or rural industry, and
- (b) is situated on the land on which the industry or rural industry is located, and
- (c) is used for the display or sale (whether by retail or wholesale) of only those goods that have been manufactured on the land on which the industry or rural industry is located, but does not include a warehouse or distribution centre.

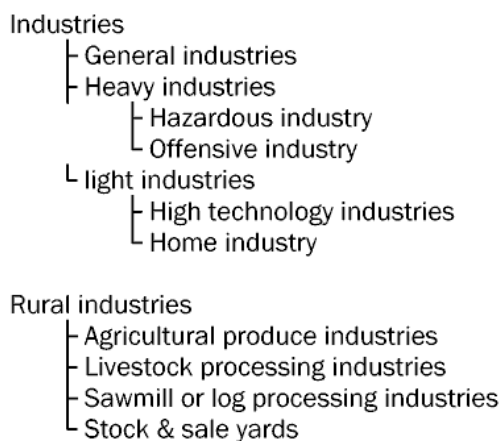
In LEP 2011 clause 5.4, the retail floor area of an industrial retail outlet is restricted to the lesser of:

- (a) 43% of the gross floor area of the industry or rural industry located on the same land as the retail outlet, or
- (b) 400 square metres.

As defined above, an Industrial retail outlet can only operate in conjunction with industry or a rural industry. Consequently, the permitted uses in the Land Use Table should be aligned with this e.g. only allow industrial retail outlets to operate in conjunction with industry/rural industry. This is not currently the case.

As demonstrated in the hierarchies of land uses table (as defined in the LEP dictionary) below, the land use terms include defined sub-types, which can have separate permitted uses - the suitability of which can be assessed with a development application.

The hierarchies of land uses are:



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At present, the permissibility of industrial and rural industry for relevant zones is as follows:

Relevant Zones	Industry			Rural industry	Industrial retail outlet
	General	Heavy	Light		
RU1 Primary Production	N	N	N	Y	N
RU2 Rural Landscape	N	N	N	Y	N
RU5 Village	N	N	Y	N	N
B1 Neighbourhood Centre	N	N	N	N	N
B2 Local Centre	N	N	N	N	Y
B3 Commercial Core	N	N	N	N	N
B4 Mixed Use	N	N	N / Y	N	Y
B5 Business Development	N	N	Y	N	Y
B7 Business Park	N	N	Y	N	N
IN1 General Industrial	Y	N	Y	Y	Y
IN2 Light Industrial	N	N	Y	Y	Y
IN3 Heavy Industrial	Y	Y	N	N	N
IN4 Working Waterfront	Y	N	Y	N	N

As demonstrated above, in the B2 (Local centre) zone, industry (be it general, heavy or light) or rural industry is not allowed in the zone but an industrial retail outlet is. Given that an industrial retail outlet is only allowed in conjunction with industry, this is an anomaly and the land use table should be amended to ensure industrial retail outlets are not allowed in the B2 (Local Centre) zone.

Conversely, there are instances (refer to the above table) in the RU1 (Primary Production), RU2 Rural Landscape), RU5 (Village), B7 (Business Park) and IN4 (Working Waterfront) where either industry (be it general or light) or rural industry is permitted within the zone but industrial retail outlets are not permissible. According to the definition above, industrial retail outlets are permissible in conjunction with these industries. Subsequently, this too is an anomaly and the land use table should be amended to ensure industrial retail outlets are permitted in the RU1, RU2, RU5, B7 and IN4 zones. In each of these zones, the suitability of any proposed industrial retail outlet would be assessed as part of a development application.

Of note, this proposal does not make any changes to the permitted use of an industrial retail outlet in the IN3 (Heavy Industry) zone. It is not appropriate to allow an industrial retail outlet in conjunction with heavy industry. These are conflicting uses and could potentially create a dangerous situation.

#### **Proposal:**

**That the Land Use Table be amended in relation to industrial retail outlets:**

- (a) to be permissible with consent in Zones RU1 Primary Production, RU2 Rural Landscape, RU5 Village, B7 Business Park, and IN4 Working Waterfront,
- (b) to be prohibited in Zone B2 Local Centre.

**Mapping Corrections****Issue 3. Lot 10 DP 1232850 (14 Misty Vale Way) & Lot 1 DP 1244311 (1497 Pappinbarra Road), Hollisdale – applying a minimum lot size**

The land is located on Pappinbarra Road, within the village of Hollisdale. **Figure.1** provides a locality overview of where the subject site is situated.

Immediately to the east fronting Pappinbarra Road are the Hollisdale Rural Fire Service shed and the Hollisdale Hall.



**Figure.1. Locality context**

The relevant land (as outlined red in **Figure.2**) is zoned RU2 (Rural Landscape), and consists of:

- Lot 10 DP 1232850 - 4.9 ha and privately owned
- Lot 1 DP 1244311 - 495 sqm and owned by Port Macquarie-Hastings Council, in conjunction with the adjoining Hollisdale Bush Fire station, and adjacent to Hollisdale Hall.

The Lot Size map does not apply a minimum lot size on these parcels. It is within an area where a 100 ha minimum applies to adjoining land.

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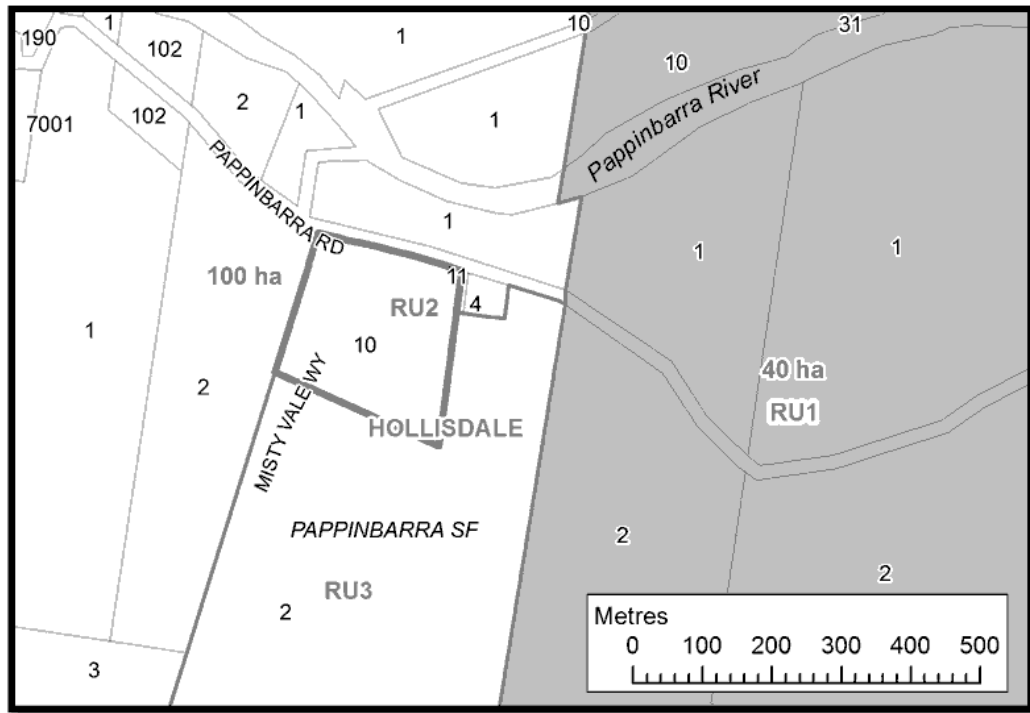
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Figure.2. Site context – Misty Vale Way, Hollisdale

**Proposal** (\*Refer to Part 4 – Mapping (p.25) for current and proposed map changes):

The following changes be made to the LEP 2011 map (map sheet 009) for the above B2 land at Lot 10 DP 1232850 & Lot 1 DP 1244311, 14 Misty Vale Way & 1497 Pappinbarra Road, Hollisdale:

- Lot Size Map – changed to apply a minimum lot size of 100 ha

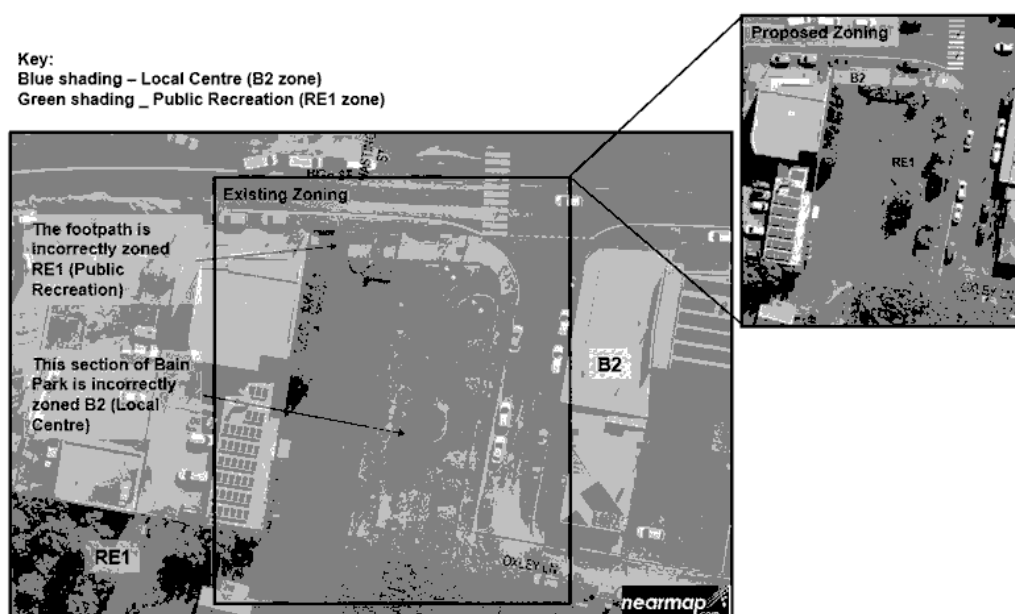
**Issue 4. Lot 1, DP 745953 and part Lot 50 DP 1139289 (Bain Park) Wauchope**  
**– adjustment of boundaries and update to legal property description and**  
**name for heritage item (This update also affects Lot 7032, DP 1039811)**

There are anomalies with the zoning of the northern portion of Bain Park, as shown at **Figure.3**. The red outline and text identifies the proposed changes, involving zones B2 (Local Centre) and RE1 (Public Recreation).

Essentially, the part of Bain Park which is currently in the B2 (Local Centre) zone should be in the RE1 (Public Recreation) zone (refer to the area labelled RE1 below) to reflect its public recreation use as a park.

The footpath is zoned for Public Recreation (RE1). This is inconsistent with the zoning for the footpaths in the rest of the strip, which are all zoned B2 (Local Centre). Subsequently, this anomaly should be rectified to ensure that the footpath is zoned B2 (Local Centre), consistent with the surrounding footpath network.

This mapping anomaly also affects the Floor Space Ratio map, which requires associated changes being 1:5:1 (code S1) for the proposed B2 zone and no FSR for the proposed RE1 zone. The height of buildings map is the same across both parcels and will remain unchanged at 11.5m.



**Figure.3. Site context – Bain Park**

In its Gateway Determination, the Department of Planning and Environment identified an additional omission of the Heritage mapping on the section of Bain Park subject to this proposal. The Memorial Gates within Bain Park are identified as a heritage item in the LEP. This comprises 4 rendered brick piers with wrought iron hinged gates and marble plaques. While the park itself is a heritage place, named after Duncan Bain the public benefactor and patriot, it is the gates that are the heritage item (I100). It is an anomaly that the gates, located in the NE corner of the site, were not previously covered by the heritage mapping.

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It is prudent to extend the Heritage mapping to cover the remainder of the park (subject to this proposal), including the Memorial Gates.

These changes will also result in the legal property description and name for the heritage item (I100) in Schedule 5 of the LEP to be updated.

**Proposal** (\*Refer to Part 4 – Mapping (p.26) for current and proposed map changes):

**The following changes be made to the LEP 2011 map series for part of the above land currently zoned RE1 at Bain Park, High Street, Wauchope:**

- Land Zoning Map – changed from RE1 to B2
- Floor Space Ratio Map – maximum 1:5:1 (code S1)
- Heritage Map – extended to cover the remainder of Bain Park (area subject to this proposal)

**The following changes be made to the LEP 2011 map series for part of the above land currently zoned B2 at Bain Park, High Street, Wauchope:**

- Land Zoning Map – changed from B2 to RE1
- Floor Space Ratio Map – none
- Heritage Map – extended to cover the remainder of Bain Park (area subject to this proposal)

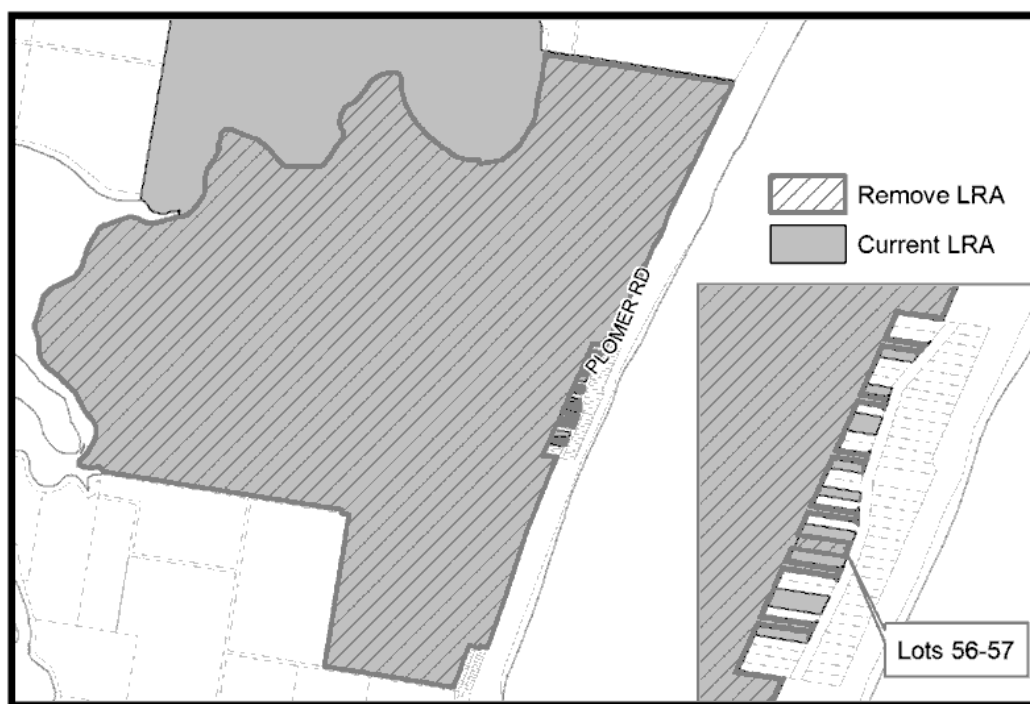
**That the item name and property description in schedule 5 (Environmental heritage), Part 1 (Heritage items) be amended to include the following:**

<b>Item name</b>	<b>Property description</b>
Bain Park, including Memorial Gates	Lot 7032, DP 1039811; Lot 1, DP 745953; part Lot 50, DP 1139289

**Issue 5. Land Reservation Acquisition Map – updating map to remove identification for land at Lots 69 & 70 DP 219719, Lot 27 DP 221558, Lots 67 & 68 DP 754451, Lots 56 & 57 DP 219719 on the North Shore now acquired by the National Parks and Wildlife Service and by Council.**

Recently the NSW National Parks and Wildlife Service purchased an area identified for acquisition on the LEP 2011 Land Reservation Acquisition Map. This land is to be added to Limeburners Creek Nature Reserve. Consequently, the designation for acquisition should be removed (Refer to **Figure.4** for details).

There are several parcels of land in the adjoining Queens Grant Estate identified for acquisition by Council (refer to map insert). Lots 56-57 have recently been purchased and it is appropriate to update the Land Reservation Acquisition Map for these parcels too. This leaves 11 lots in the Queens Grant subdivision designated for future acquisition by Council (This was considered by Council at its 20 July 2016 meeting).



**Figure.4. Land to be added to Limeburners Creek Nature Reserve and insert showing land to be acquired by Council**

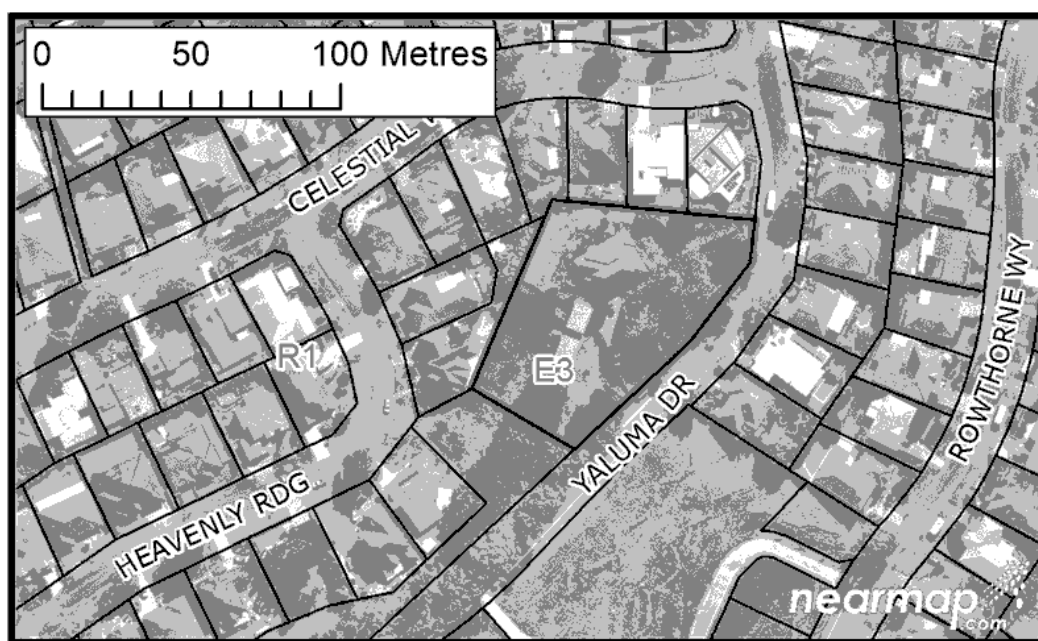
**Proposal** (\*Refer to Part 4 – Mapping (p.28) for current and proposed map changes):

That the Land Reservation Acquisition Map be amended in the North Shore locality by removing the feature labelled:

- (a) 'National Park (E1)' from Lots 69 & 70 DP 219719, Lot 27 DP 221558 and Lots 67 & 68 DP 754451, and
- (b) 'Environment Protection (E2)' from Lots 56 & 57 DP 219719.

**Issue 6. Lot 31 DP 0835708 (24 Yaluma Drive) Port Macquarie – Amend map series**

This 0.47 ha property located at 24 Yaluma Drive, Port Macquarie (as outlined in red at **Figure.5**) is zoned E3 (Environmental Management) with a minimum lot size of 0.5 ha, no maximum floor space ratio and a maximum building height limit (as applies to adjacent land) of 8.5m. This zoning was initially applied to facilitate a ridge-top line of trees, though this privately-owned lot is below the most prominent section of the ridgeline. Retention of these provisions does not achieve the original objectives and it is proposed that standard residential controls be applied.



**Figure. 5. Site context map – 24 Yaluma Drive**

**Proposal** (\*Refer to Part 4 – Mapping (p.30) for current and proposed map changes):

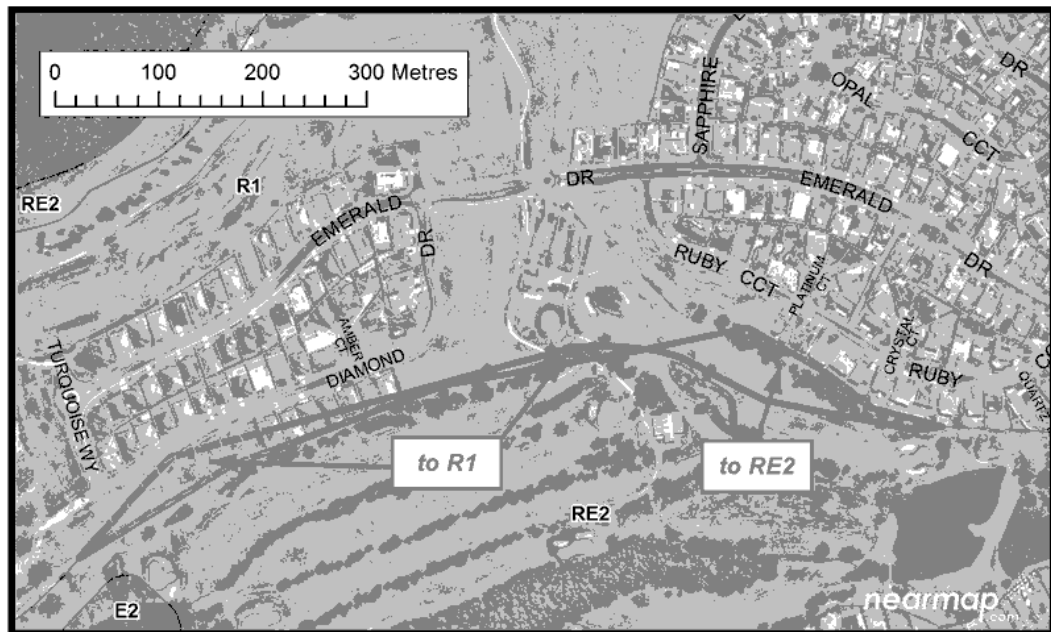
The following changes be made to the LEP 2011 map series (map sheet 013G) for Lot 31 DP 835708 No 24 Yaluma Drive, Port Macquarie:

- Land Zoning Map –Zone R1 General Residential
- Lot Size Map – minimum lot size of 450 sqm
- Floor Space Ratio Map – maximum 0.65:1.



**Issue 7. Lot 22 DP DP1229697 and Nos 19-31 Diamond Drive, Port Macquarie  
– adjustment of boundaries**

Development consent for the staged subdivision creating the Emerald Drive estate was originally granted in January 1990. Maps and subdivision plans were not produced with the same precision as today. Over the years various LEP map anomalies have arisen in relation to the boundary of residential subdivision and the Emerald Downs Golf Course. The proposed changes apply to the map series as shown in the proposal below, and affect map Sheet 013G. The areas proposed to be changed are shown in **Figure. 6** below.



**Figure. 6. Context map – Diamond Drive**

*Note: the eight western residential lots are yet to be registered.*

In its Gateway Determination letter, the NSW Department of Planning and Environment requested that this administrative update also include new additions to the flood, Heritage, Koala and Land Reservation Acquisition (LRA) map sheets. These additions involve updates to the cadastre for lots at Diamond Drive. This update does not change the LEP, it is merely a cadastre update, which ensures currency of map sheets while modifications are being made to other map sheets in this series. In relation to the LRA map sheet, there is no need for Council to update this as the previous sheet was revoked on 20/02/2015 by LEP 2011 (Amendment No.28), meaning that no LRA map applies to this area.

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**Proposal** (\*Refer to Part 4 – Mapping (p.32) for current and proposed map changes).

**The following changes be made to the LEP 2011 map series (map sheet 013G) for Nos 19-31 Diamond Drive and parts of Lot 22 DP DP1229697, Port Macquarie:**

- **Land Zoning Map – change existing R1 (General Residential) to RE2 (Private Recreation)** as referenced in Figure 6 above and further clarified in mapping on p.28.
- **Land Zoning Map – change RE2 (Private Recreation) to R1 (General Residential)** as referenced in Figure 6 above and further clarified in mapping on p.28.
- **Lot Size Map – minimum lot size 40ha** (for land being zoned RE2)
- **Lot Size Map – minimum lot size 450sqm** (for land being zoned R1)
- **Floor Space Ratio Map – no maximum** (for land being zoned RE2)
- **Floor Space Ratio Map – maximum 0.65:1** (for land being zoned R1)
- **Height of Buildings Map – no maximum** (for land being zoned RE2)
- **Height of Buildings Map –maximum height limit 8.5m** (for land being zoned R1)
- **Flood Planning Map – cadastre updates** (for land in the vicinity of Diamond Drive)
- **Heritage Map – cadastre updates** (for land in the vicinity of Diamond Drive)
- **Koala Habitat Map – cadastre updates** (for land in the vicinity of Diamond Drive)

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**Part 3 – Justification**

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**A – Need for the planning proposal.****b. Is the planning proposal a result of any strategic study or report?**

As the planning proposal is to amend a number of small anomalies and errors, it is not the result of a specific study.

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

The planning proposal is the only means to achieve the intended outcome as amendments to the Port Macquarie-Hastings LEP 2011 are required.

**B – Relationship to strategic planning framework.****3. Is the planning proposal consistent with the objectives and actions of the North Coast Regional Plan 2036?**

The proposed amendments are predominantly administrative in nature and the planning proposal aims to ensure quality outcomes for the long term benefit of Port Macquarie Hastings residents through ensuring the accuracy and consistency of its planning controls. The correction of minor anomalies and inconsistencies in the LEP are not inconsistent with the objectives and actions of the North Coast Regional Plan, specifically:

**Goal 1 the most stunning environment in NSW**

*Direction 2: enhance biodiversity, coastal and aquatic habitats, and water catchments*

Action 1.1: Focus development to areas of least biodiversity sensitivity in the region and implement the “avoid, minimise, offset” hierarchy to biodiversity, including areas of high environmental significance.

**Response**

The planning proposal intends to remove a land reservation acquisition map from a parcel of land dedicated to be Nature Reserve. This will ensure the continued protection of the area which is unsuitable for development.

*Direction 3: Manage natural hazards and climate change*

Action 2.1 Reduce the risk from natural hazards, including the projected effects of climate change, by identifying, avoiding and managing vulnerable areas and hazards.

**Response**

This planning proposal demonstrates that the proposed development at Diamond Drive will occur over 60 metres from the nearby coastal wetlands. This is explained further in **Appendix F**, section 2.1 (Environment Protection Zones) and 2.2 (Coastal Management).

24 Yaluma Drive is within the bushfire hazard zone and this matter has been addressed further in **Appendix F**, section 4.4 (Planning for Bushfire Protection).

**Goal 3 vibrant and engaged communities***Direction 21: Coordinate local infrastructure delivery*

Action 21.2 Maximise the cost-effective and efficient use of infrastructure by directing development towards existing infrastructure or promoting the co-location of new infrastructure.

*Response*

The planning proposal will allow infill development of land at 24 Yaluma Drive and approved residential development at Diamond Drive which will make use of existing infrastructure.

**4. Is the planning proposal consistent with Council's Community Strategic Plan and Urban Growth Management Strategy 2010 – 2031?**

The proposed amendments in the planning proposal are consistent with Council's Community Strategic Plan and Urban Growth Management Strategy 2010-2031.

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

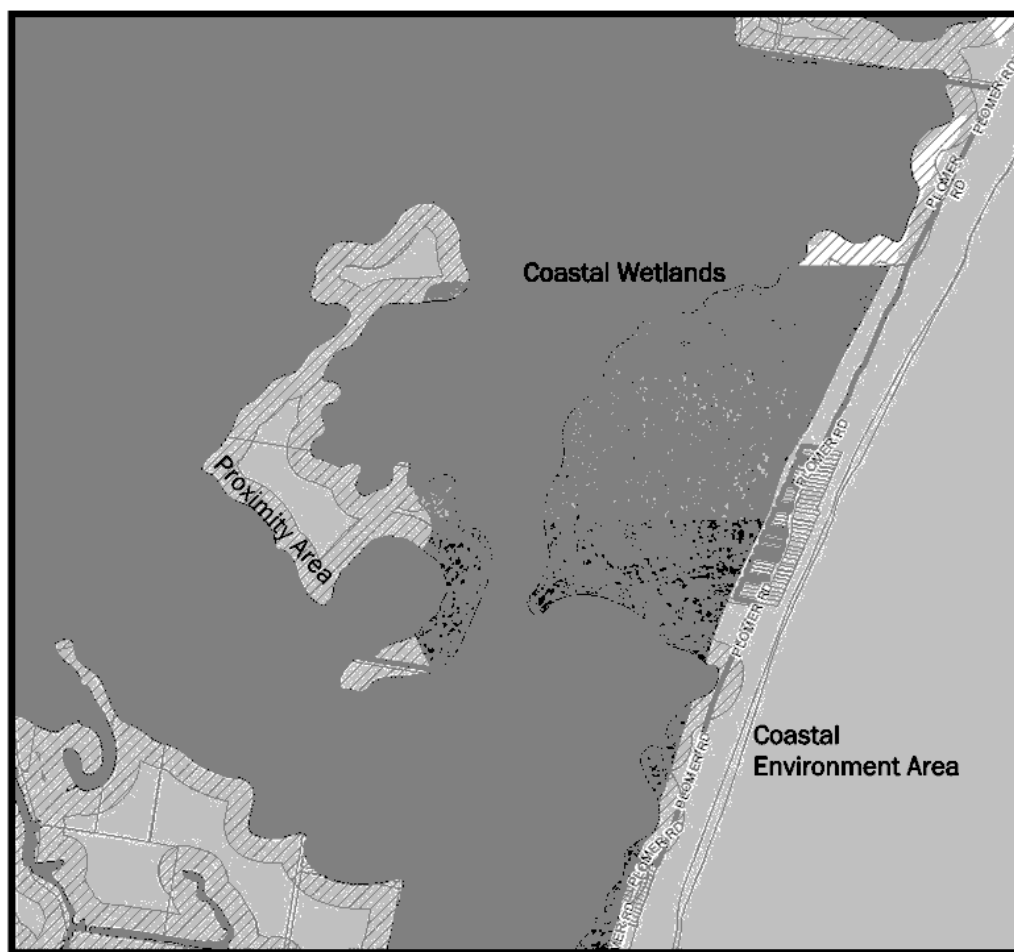
Assessment of consistency with all applicable SEPPs is contained in **Appendix E**. Relevant SEPPs are:

- **Coastal Management SEPP 2018**

**Issue 5** relates to land subject to this SEPP. The proposed changes relating to the Land Reservation Acquisition Map to reflect that the land is now in public ownership is generally designated as being within the Coastal Wetlands (refer to **Figure.7**), while the lots 56 & 57 is designated as Coastal Environment Area (refer to **Figure 7**).

There is no intention for the land on which the Land Reservation Acquisition Map is to be used for anything other than public land. The land will become part of the Limeburners Creek Nature Reserve. Subsequently, there is no inconsistency with the SEPP.

Similarly, there is no intent to develop lots 56 and 57, now owned by Council. Council has purchased these land parcels because of their unsuitability for any form of development. The land is now in public ownership. There is no inconsistency with the SEPP.



**Figure.7. Coastal mapping – North Shore**

Part of the land affected by **Issue 7** is mapped as 'Proximity Area for Coastal Wetlands' in the SEPP (refer to **Figure. 8**). The relevant area is around 1110 sqm, is cleared and separated from the 'Coastal Wetlands' by over 65m of golf course fairway, which is zoned either RE2 (Private Recreation) or E2 (Environmental Conservation).

The subject land has a consent from 1990 for creation of residential lots (as part of a staged development); it would be an anomaly to retain the current zoning and development standards. A separate planning proposal is not considered necessary due to the minor significance of this matter and its distance from the wetlands.

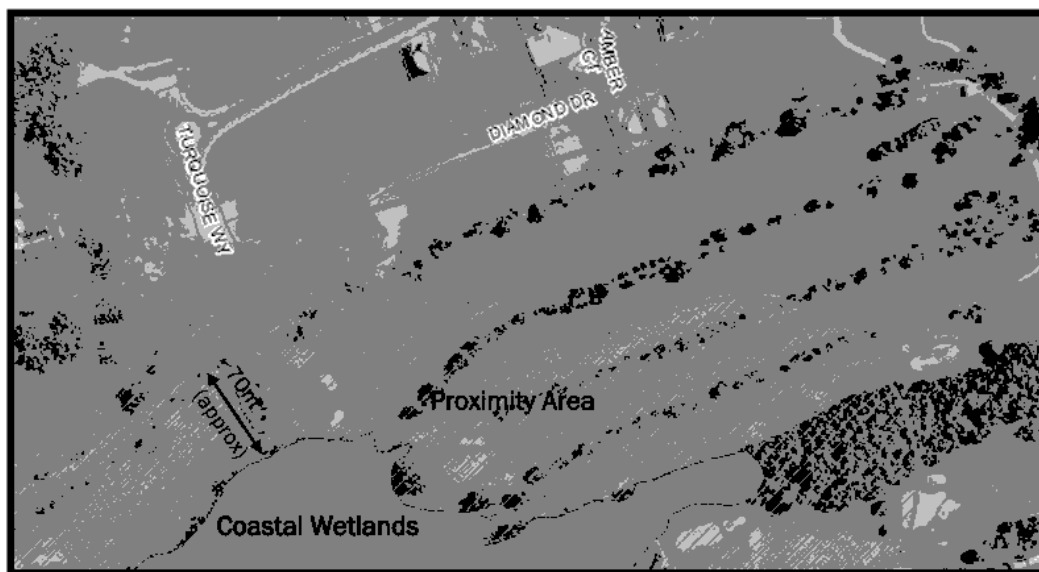


Figure.8 Coastal mapping – 24 Yaluma Drive

- **Rural Lands SEPP**

**Issue 3** applies a minimum lot size to 2 small rural parcels to which no minimum applies. There is no proposed change in the land use and the proposal is consistent with the SEPP.

**6. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?**

Assessment of consistency is contained in **Appendix F**. The areas of potential inconsistency are:

- **Direction 1.1 Business and Industrial Zones**

**Issue 2** adjusts the permissibility of Industrial retail premises within Business and Industrial zones. The changes align permissibility's with the associated Industries and Rural Industries. There is no inconsistency.

- **Direction 1.2 Rural Zones**

**Issue 3** applies a minimum lot size on two small rural parcels to which no minimum currently applies. It is consistent.

- **Direction 1.5 Rural Lands**

**Issue 1** impacts on the minimum lot size for lots within any zone where there is a 'battle-axe' access. It is considered to be consistent with this Direction.

**Issue 3** applies a minimum lot size to land zoned RU2 (Rural Landscape). It is considered to be consistent with this Direction.

**Issue 6** replaces an E3 (Environmental Management) zone for land within an urban area. The land has minimal environmental value, and its rezoning to R1 (General Residential) will be of minor significance.

- **Direction 2.1 Environmental Protection Zones**

**Issue 5** relates to environmentally sensitive areas. In this case they have environmental zonings, and the proposed change is merely reflecting their change to public ownership. There is no inconsistency.

**Issue 6** relates to land currently zoned E3 (Environmental Management), though it is not environmentally sensitive. It is proposed that it:

- be rezoned to R1 General Residential
- have a minimum lot size of 450 sqm (in lieu of 5000 sqm)
- have a maximum floor space ratio of 0.65:1 (in lieu of none).

The relevant land is 4700 sqm, is situated within a residential area, and is a virtually cleared site with an existing dwelling on it. It has minimal environmental value. A separate planning proposal is not considered necessary due to the minor significance of this environmental value.

- **Direction 2.2 Coastal Management**

**Issue 5** applies to land subject to this Direction. This issue arises as a result of the land coming into public ownership. Conservation of the land is the primary objective. Part of land included in **Issue 7** is also subject to this Direction, as explained in the Coastal Management SEPP earlier, the historical subdivision already exists and this is a mapping exercise to align the development with the zoning. The proposed lots are more than 65m from the wetland and only marginally located in the 'proximity area' for the wetlands.

Subsequently, considering the above and the details provided in the aforementioned Coastal Management SEPP there is no inconsistency with this Direction.

**Direction 3.1 Residential Zones**

**Issue 6** proposes to rezone the land at 24 Yaluma Drive, Port Macquarie (from E3 Environmental Management to R1 General Residential), which becomes subject of this direction. The land parcel is situated within a residential area and future residential development will take advantage of the existing infrastructure. The land is of minor environmental significance and the purpose of the existing zone no longer applies. The proposal is consistent with this Direction.

- **Direction 4.4 Planning for Bushfire Protection**

**Issue 3, 5 and 6** are all within the bushfire mapping areas. Issue 3 and 5 are mapping changes. **Issue 3** (at 14 Misty Vale Way, Hollisdale) is located within a category 3 bushfire area. The proposal applies to the minimum lot size for an area that has been overlooked. There is an existing dwelling on the site and this amendment does not result in any additional development potential. **Issue 5** (in the North Shore locality) is located in category 1 and 2 bushfire areas. The proposal removes the Land Acquisition mapping for an area in

public ownership, designated as Nature Reserve. There is no development proposed on this site now or in the future. Subsequently, these changes do not result in any inconsistency.

**Issue 6** is situated within a bushfire prone area. The vast majority of the site is designated to be within the vegetation buffer, with a small area in the southern corner designated as category 1 (refer to image below). The subject site is within an established residential area. While there is a small ridgeline of trees in the vicinity, the significance of these trees has diminished over time creating less of a bushfire risk. A separate Planning Proposal is not considered necessary due to the minor significance of this matter and it being an infill development. The NSW RFS was consulted prior to the public exhibition of the planning proposal and have advised they have no objection to the proposal proceeding (refer to **Appendix C**).

For further details on this direction, refer to **Appendix F**, section 4.4 (p.52).

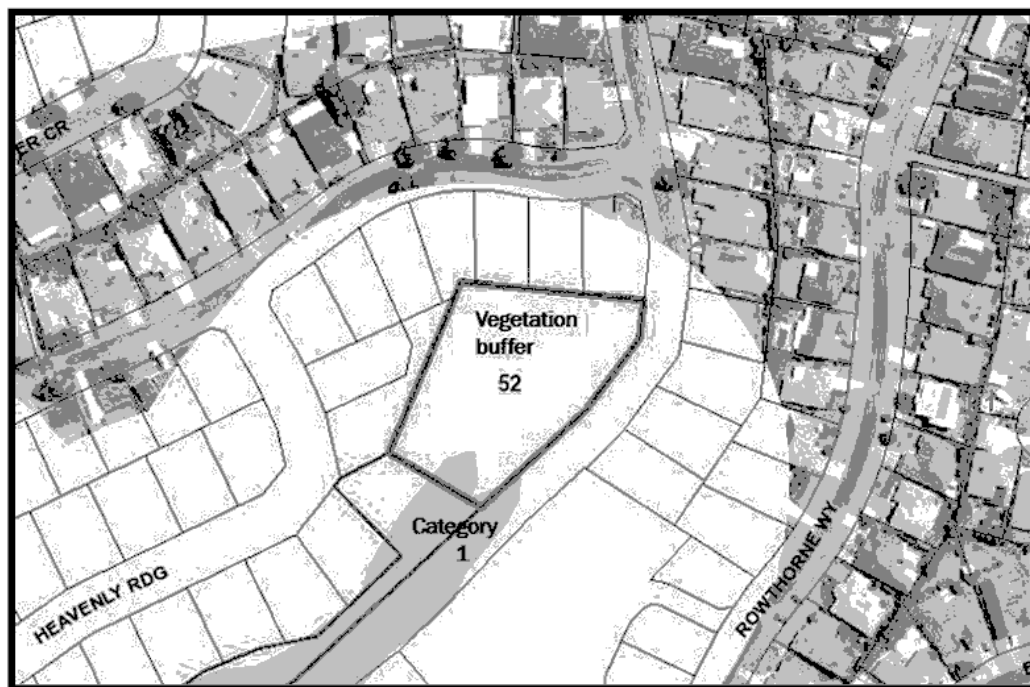


Figure.9 – Bushfire mapping 24 Yaluma Drive

**C – Environmental, social and economic impact.**

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

It is considered that this planning proposal will not have an adverse impact on EECs or threatened species habitat. Most of the changes are minor or administrative in nature and none of these sites are within an EEC area.



*Planning Proposal under sec 3.33 of the EP&A Act*LEP Administrative Review 2018  
Planning Proposal

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

Most of the changes are minor or administrative in nature and unlikely to result in environmental effects.

- b. **How has the planning proposal adequately addressed any social and economic effects?**

The planning proposal is not anticipated to have any negative social or economic impacts. The aim of the planning proposal is to ensure that the LEP is accurate and consistent with Council's strategic policy direction.

*D – State and Commonwealth interests.*

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

This planning proposal does not facilitate any new development that would lead to unforeseen demands on public infrastructure. Any associated development has already been approved or is infill development.

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

The Department of Planning and Environment's Gateway Determination (refer to **Appendix A**) specified that Council should consult with the NSW Rural Fire Service (RFS), and give them at least 21 days to comment on the proposal.

The NSW RFS was consulted prior to the public exhibition of the planning proposal and a copy of their response is included in **Appendix C**. A summary of this advice and Council's response is provided under the 'pre-exhibition consultation' heading below.

The Gateway has also determined the planning proposal to be low impact and therefore, has prescribed a 14 day public exhibition period.

Pre-exhibition consultation

*NSW RFS – letter dated 3 August 2018*

The NSW RFS raised no objection to the planning proposal. They provided the following advice:

- Any future development permitted under the planning proposal on bushfire prone land will be required to comply with the relevant specifications and requirements of 'Planning for Bush Fire Protection'.

**Response:**

Noted.

Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal

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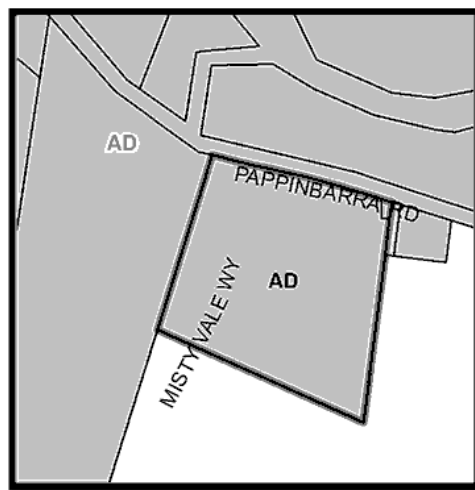
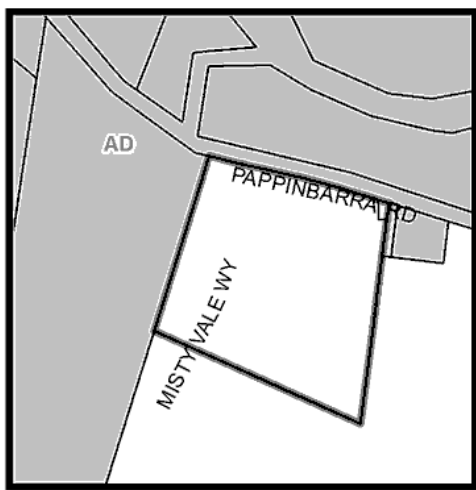
**Part 4 – Mapping**

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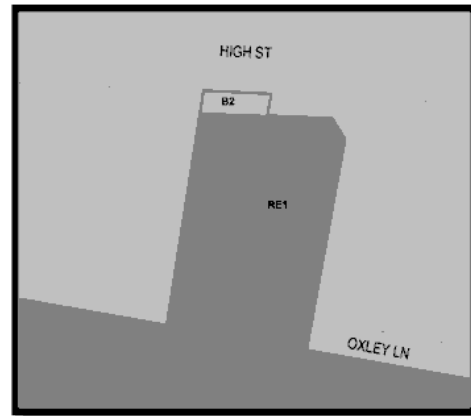
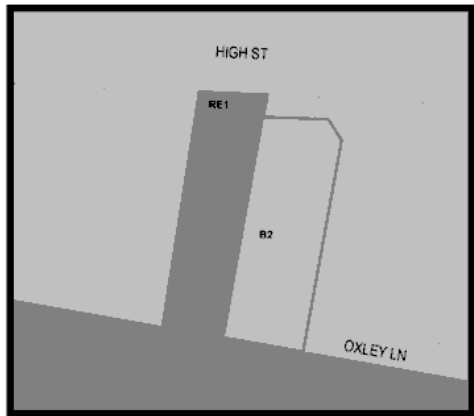
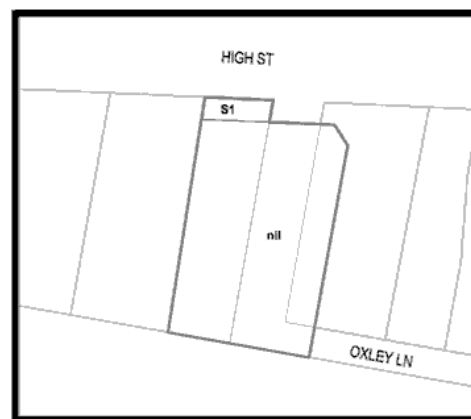
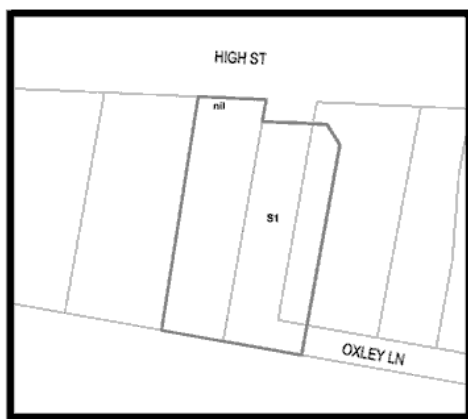
The following changes to maps are proposed:

**Issue 3. Lot 10 DP 1232850 (14 Misty Vale Way) & Lot 1 DP 1244311 (1497 Pappinbarra Road), Hollisdale****Minimum lot size map (LSZ\_009)**

Current minimum lot size – none

Proposed minimum lot size – (AD) 100 ha  
(applied to both lots to correct a mapping anomaly)

Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Issue 4. Lot 1, DP 745953 and part Lot 50 DP 1139289 (Bain Park) Wauchope****Land zoning map (LZN\_010B)**Current zone – B2 Local Centre (Bain Park)  
Current zone – RE1 Public RecreationProposed zoning – RE1 Public Recreation  
Proposed zoning – B2 Local Centre (applied to correct a mapping anomaly)**Floor space ratio map (FSR\_010B)**Current FSR for B2 – S1 (1.50)  
Current FSR for RE1 – nilProposed FSR for RE1 – nil (recreation land does not require a FSR)  
Proposed FSR for B1 – S1 (1.50:1) consistent with the surrounding B2 zoning)

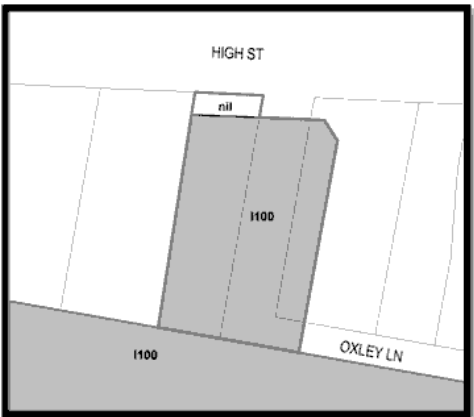
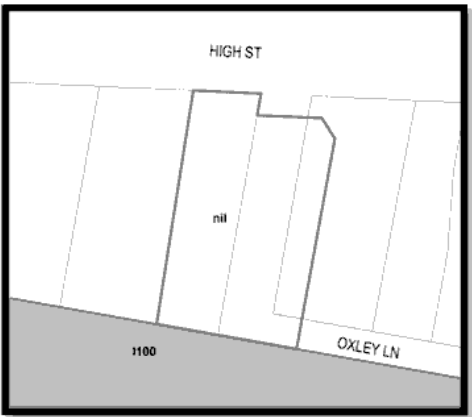
Planning Proposal under sec 3.33 of the EP&A Act

LEP Administrative Review 2018  
Planning Proposal

**Heritage map (HER\_010B)**

Current HER – nil

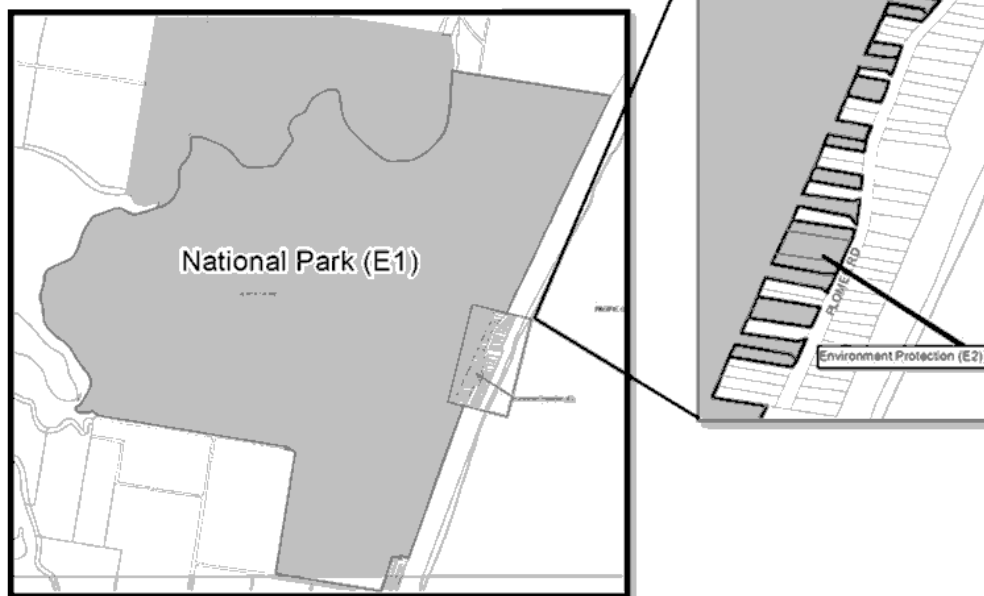
Proposed HER – I100 (Memorial Gates)  
(Bain Park). Nil for parcel identified as  
footpath.



Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Issue 5. Removing identification for land at Lots 69 & 70 DP 219719, Lot 27 DP 221558, Lots 67 & 68 DP 754451, 56 & 57 DP 219719 on the North Shore****Land Reservation Acquisition Map (LRA\_12B)**

Current - E1 (National Parks and Nature Reserves) and E2 (Environmental Conservation)



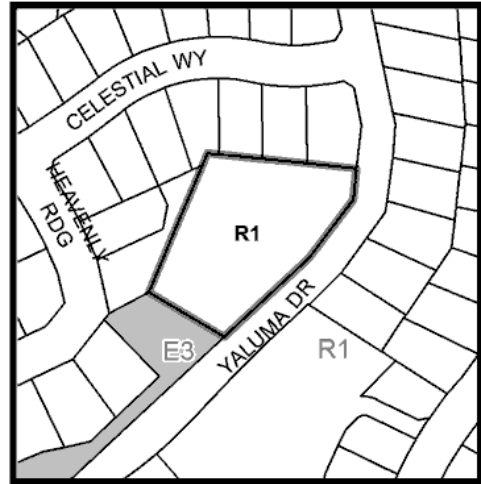
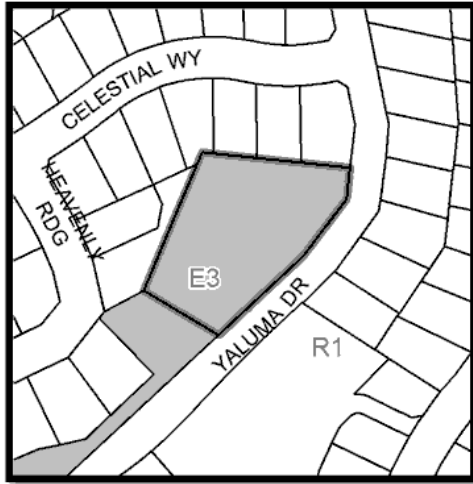
Planning Proposal under sec 3.33 of the EP&A Act

LEP Administrative Review 2018  
Planning Proposal

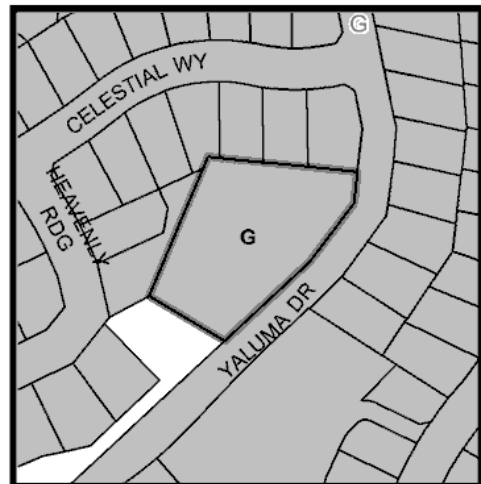
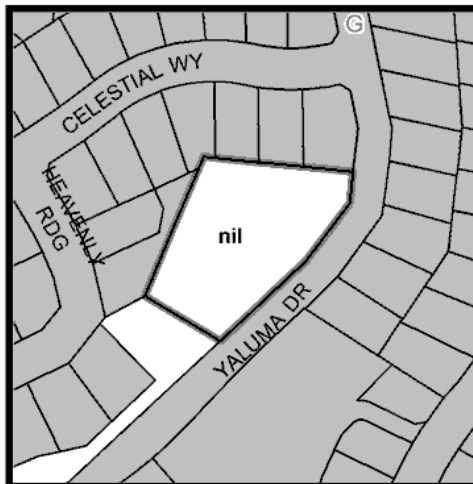
Proposed - E1 removed as the land has been acquired for said purpose. E2 removed on lots 56 and 57 as the land has been acquired by Council



Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Issue 6. Lot 31 DP 0835708 (24 Yaluma Drive) Port Macquarie****Land zoning map (LZN\_013G)**Current zone – E3 Environmental  
ManagementProposed zoning – R1 General  
Residential (applied as the purpose of the  
existing zone no longer applies)**Floor space ratio map (FSR\_013G)**

Current FSR – nil

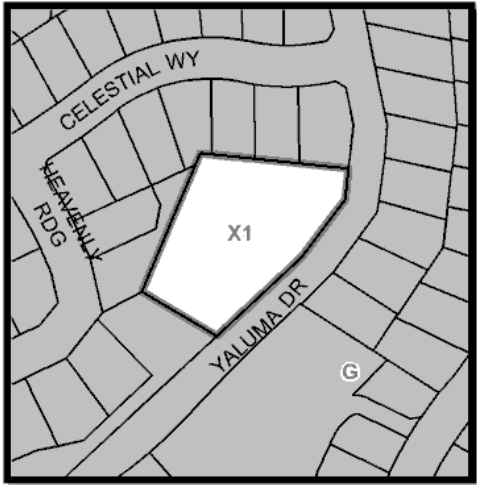
Proposed FSR – G (0.65:1) (consistent  
with the surrounding R1 zoning)

Planning Proposal under sec 3.33 of the EP&A Act

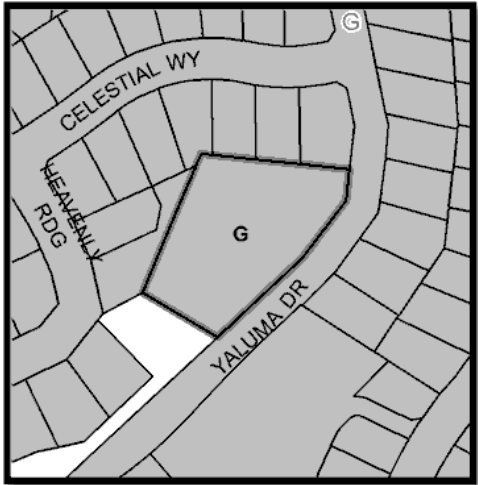
LEP Administrative Review 2018  
Planning Proposal

Lot size map (LSZ\_13G)

Current LSZ – (X1) 0.5 ha



Proposed LSZ – (G) 450sqm (consistent with the surrounding R1 zoning)

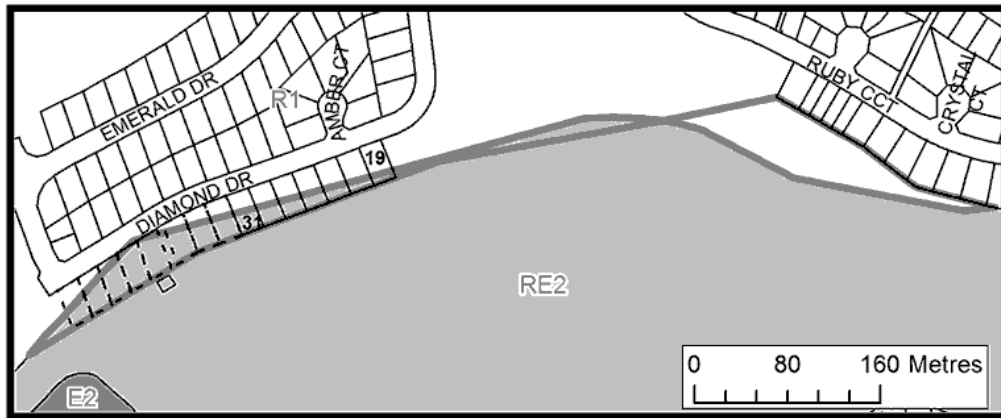




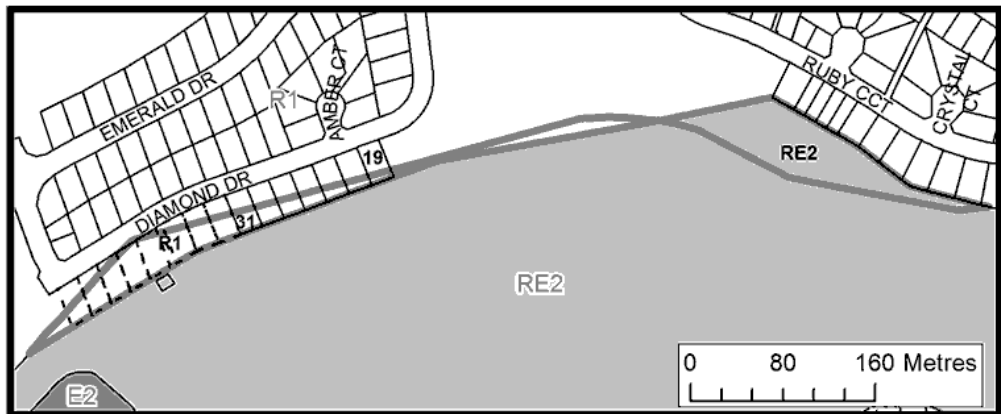
Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Issue 7. Lot 22 DP DP1229697 and Nos 19-31 Diamond Drive, Port Macquarie****Land zoning map (LZN\_013G)**

Current zoning – part R1 General Residential and part RE2 Private Recreation



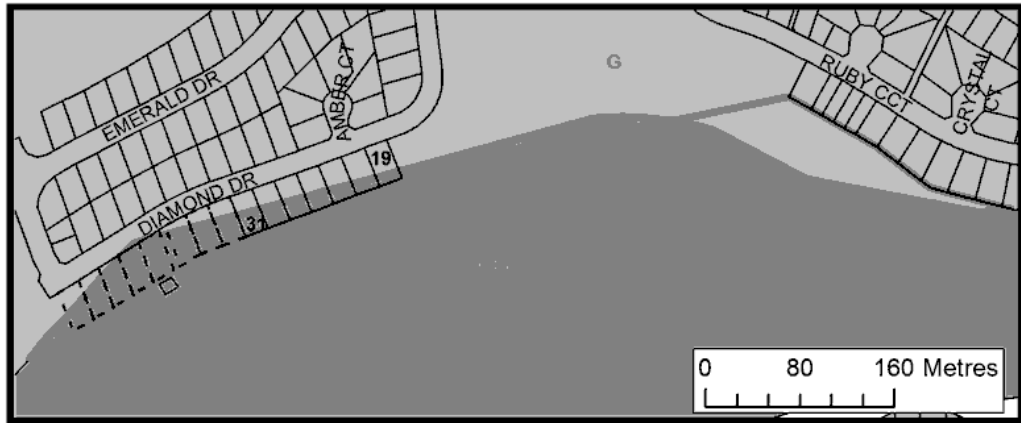
Proposed zoning – part R1 General Residential and part RE2 Private Recreation (applied to correct existing mapping anomaly)



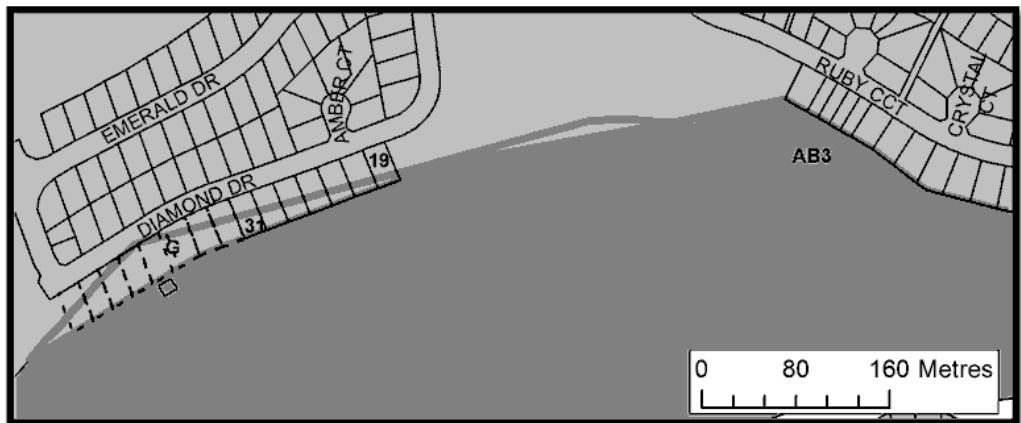
Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Lot size map (LSZ\_013G)**

Current lot size – part (AB3) 40 ha (land currently in RE2 zone) and part 450sqm (land currently in R1 zone)

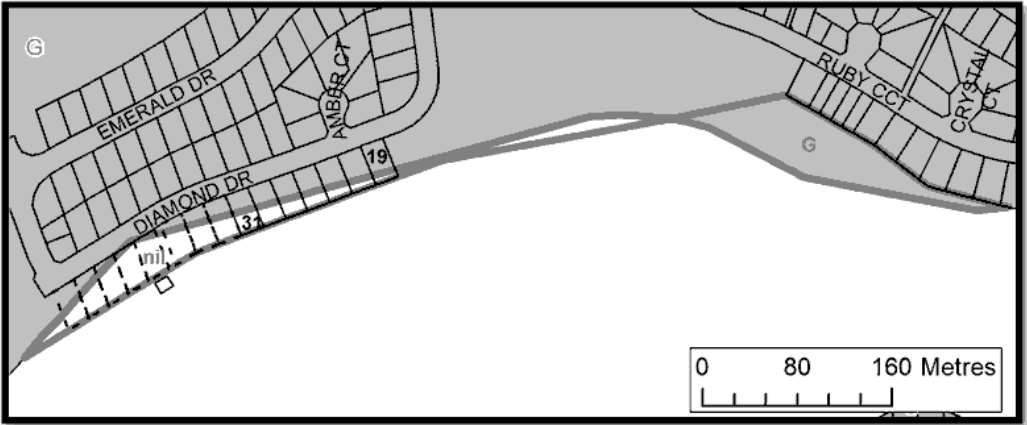


Proposed lot size – part (G) 450sqm (land proposed to be rezoned R1) and part (AB3) 40 ha (for land proposed to be rezoned RE2)

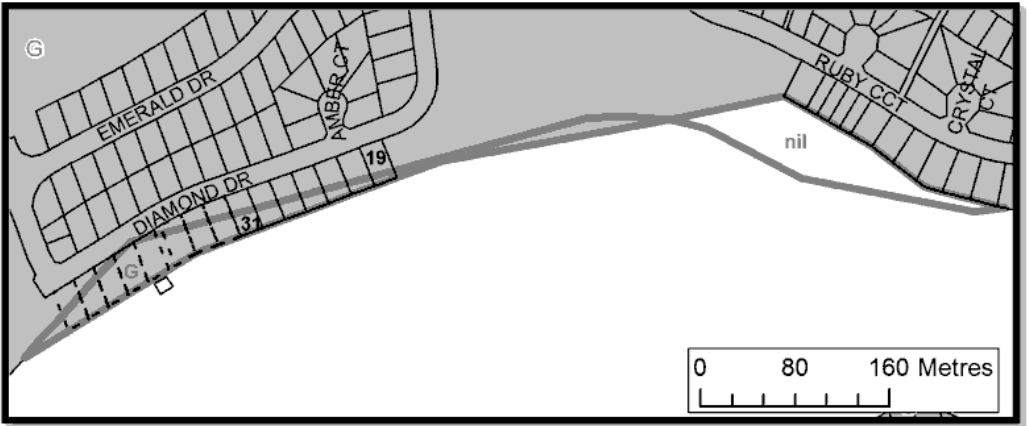


Floor space ratio (FSR\_013G)

Current FSR – part nil (for land currently zoned RE1) and part (G) 0.65:1 (for land currently zoned R1)



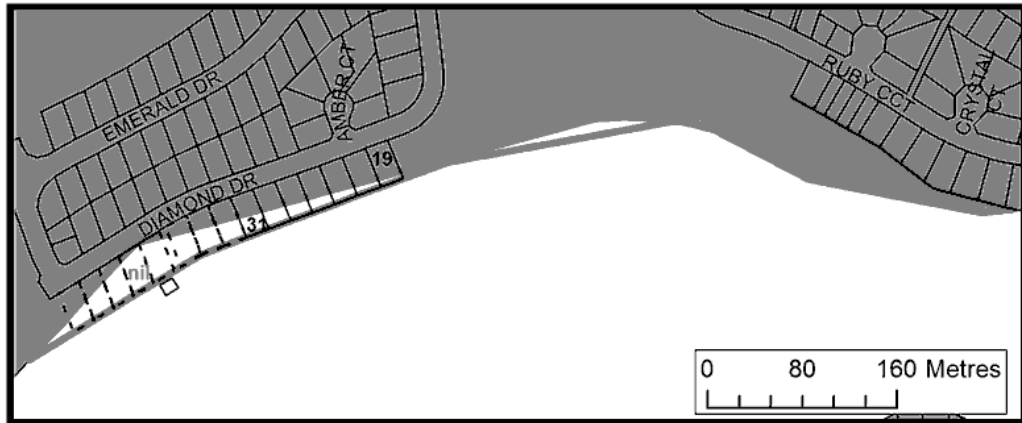
Proposed FSR – part nil (for land proposed to be zoned RE1) and part (G) 0.65:1 (for land proposed to be zoned R1)



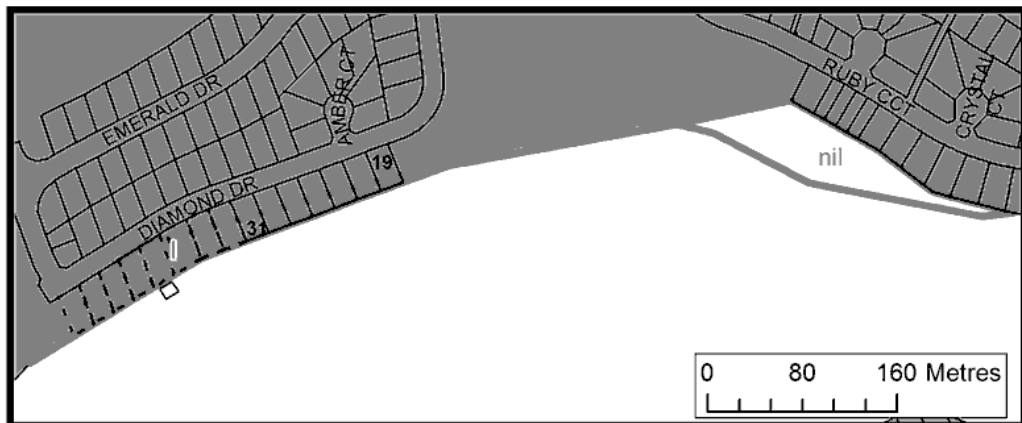
Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Height of building (HOB\_013G)**

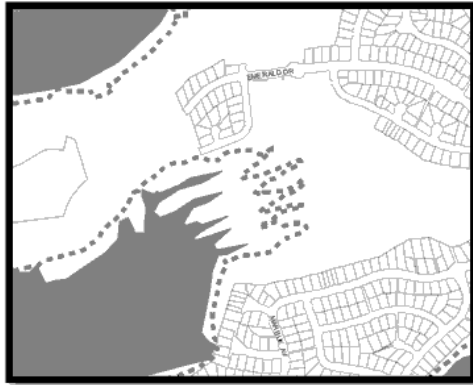
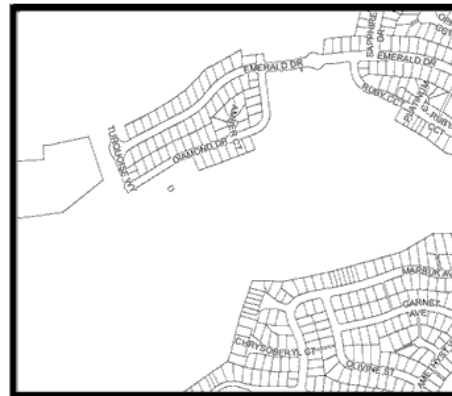
Current HOB – part nil (for land currently zoned RE1) and part (l) 8.5m (for land currently zoned R1)



Proposed HOB – part nil (for land proposed to be zoned RE1) and part (l) 8.5m (for land proposed to be zoned R1)



Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Flood Planning Map (FLD\_013G)***Current FLD map – no cadastre in vicinity of Diamond Drive**Proposed FLD map – updated cadastre in vicinity of Diamond Drive***Heritage map (HER\_013G)***Current HER map – no cadastre in vicinity of Diamond Drive**Proposed HER map – updated cadastre in vicinity of Diamond Drive*

Planning Proposal under sec 3.33 of the EP&A Act

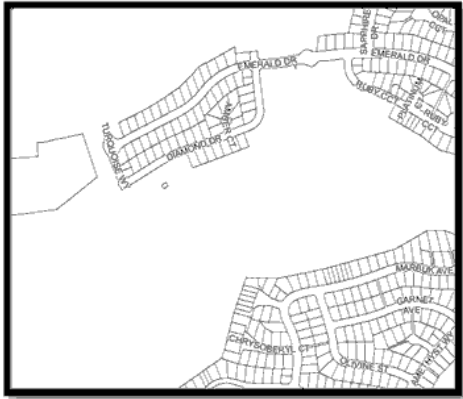
LEP Administrative Review 2018  
Planning Proposal

**Koala Habitat map (KHA\_013G)**

Current KHA map – no cadastre in vicinity of  
Diamond Drive



Proposed KHA map – updated cadastre in  
vicinity of Diamond Drive



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**Part 5 – Community Consultation**

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In accordance with 'A Guide to Preparing Local Environmental Plans' prepared by the Department of Planning and Environment (2013), the Planning Proposal will be exhibited for a minimum of 14 days, as specified in the Gateway Determination. It is proposed that the exhibition will include:

**Advertisement in local newspaper**

An advertisement has been placed in local papers.

**Consultation with affected owners and adjoining landowners**

Where considered appropriate, letters to landowners and adjoining landowners (for issues 3-7), have been posted. Opportunities for one-on-one consultations to discuss the proposals are available at request.

**Displays at the Council Head Quarters and Wauchope branch office.**

The Planning Proposal is displayed at the Council Head Quarters (17 Burrawan Street, Port Macquarie) and Wauchope branch office (49 High Street, Wauchope).

**Exhibition on the Council website**

The Planning Proposal is exhibited on the Council *have your say* website (<https://haveyoursay.pmhc.nsw.gov.au/>)

**Direct contact**

The contact officer for this proposal is Stephanie Baker (Strategic Land Use Planner).

*This section of the Planning Proposal will be updated following public exhibition.*

Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Planning Proposal**Part 6 – Project Timeline**

This project timeline is based on anticipated dates and timeframes, though there can be unexpected delays.

	2018							2019	
Anticipated dates	J	J	A	S	O	N	D	J	F
Commencement (date of Gateway determination)		X							
Timeframe for the completion of required technical information									
Timeframe for government agency consultation (pre and post exhibition as required by Gateway determination)		X	X						
Public exhibition period			X	X					
Timeframe for consideration of submissions					X				
Timeframe for the consideration of a proposal post exhibition						X			
Anticipated date Council will make the plan							X		
Anticipated date Council will forward to the Department for notification.								X	



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## Appendix A – Gateway Determination

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A copy of the Gateway Determination for this planning proposal is provided on the following pages

The Section 3.34 Gateway Determination processing requirements are as follows:

- (a) Prior to agency or community consultation, the proposal is to be amended to:
  - a. Identify all of Bain Park, Wauchope, as a local heritage item; and
  - b. Update the cadastre on the flood, heritage, koala habitat and land reservation maps for the Diamond Drive area at Port Macquarie.

Response: The above updates are described in Part 3 – Explanation of Provisions; Issue 4, p.12 and Issue 7, p.16. They can also be seen in Part 4 – mapping of this report. In relation to updates to the land reservation map, there is no need for Council to update this map as the previous sheet was revoked on 20/02/2015 by *LEP 2011* (Amendment No.28), meaning that no LRA map applies to this area.

- (b) A 14 day public consultation period due to the low impact nature of the Planning Proposal.
- (c) Consultation with the NSW Rural Fire Service and provide at least 21 days to comment.
- (d) A public hearing is not required.
- (e) The timeframe for completion is 27 March 2019.



## Planning & Environment

### Gateway Determination

*Planning proposal (Department Ref: PP\_2018\_PORTM\_003\_00): to undertake various minor corrections and refinements to the Port Macquarie-Hastings LEP 2011.*

I, the Director Regions, Northern at the Department of Planning and Environment, as delegate of the Minister for Planning, have determined under section 3.34(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Port Macquarie-Hastings Local Environmental Plan (LEP) 2011 to undertake various minor corrections and refinements should proceed subject to the following conditions:

1. Prior to agency or community consultation, the proposal is to be amended to:
  - (a) identify all of Bain Park, Wauchope, as a local heritage item; and
  - (b) update the cadastre on the flood, heritage, koala habitat and land reservation maps for the Diamond Drive area at Port Macquarie.
2. Public exhibition is required under section 3.34(2)(c) and schedule 1 clause 4 of the Act as follows:
  - (a) the planning proposal is classified as low impact as described in *A guide to preparing local environmental plans* (Department of Planning and Environment 2016) and must be made publicly available for a minimum of **14 days**; and
  - (b) the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A guide to preparing local environmental plans* (Department of Planning and Environment 2016).
3. Consultation is required with the NSW Rural Fire Service under section 3.34(2)(d) of the Act. The NSW Rural Fire Service is to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal.
4. A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).

PP\_2018\_PORTM\_003\_00 (IRF18/3470)

Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Appendix A – Gateway Determination**Planning &  
Environment**

5. The planning proposal authority is authorised as the local plan-making authority to exercise the functions under section 3.36(2) of the Act subject to the following:
- a. the planning proposal authority has satisfied all the conditions of the Gateway determination;
  - b. the planning proposal is consistent with section 9.1 Directions or the Secretary has agreed that any inconsistencies are justified; and
  - c. there are no outstanding written objections from public authorities.
6. The time frame for completing the LEP is to be 9 months following the date of the Gateway determination.

Dated 27 day of

June 2018.

A handwritten signature in black ink, appearing to read 'Jeremy Gray', written over a horizontal line.

Jeremy Gray  
Director Regions, Northern  
Planning Services  
Department of Planning and  
Environment

Delegate of the Minister for Planning

PP\_2018\_PORTM\_003\_00 (IRF18/3470)

*Planning Proposal under sec 3.33 of the EP&A Act* LEP Administrative Review 2018  
Appendix B – Report to Council and Council meeting minutes (dated 21 February 2018 and 21 March 2018)

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**Appendix B – Report to Council and Council meeting  
minutes (dated 21 February 2018 and 21 March 2018)**

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*Planning Proposal under sec 3.33 of the EP&A Act*

LEP Administrative Review 2018

Appendix C – NSW Rural Fire Service Response Letter

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## **Appendix C – NSW Rural Fire Service Response Letter**

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Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018  
Appendix D – List of proposed amendments**Appendix D – List of proposed amendments**

Note: The following textual changes are indicative, and the final wording will be determined by the NSW Parliamentary Counsel's Office.

**A. Changes to text**

Provision	Changes	Part 2 – Issue reference																								
Clause 4.1	Insert: '(4A) if a lot is a battle-axe lot or other lot with an access handle, the area of the access handle is not to be included when calculating the size of the lot for the purposes of this clause'.	1																								
Land Use Table	That the Land Use Table be amended in relation to industrial retail outlets:  (a) to be permissible with consent in Zones RU1 Primary Production, RU2 Rural Landscape, RU5 Village, B7 Business Park, IN3 Heavy Industry and IN4 Working Waterfront,  (b) to be prohibited in Zone B2 Local Centre.	2																								
Schedule 5 Environmental heritage	Part 1 Heritage items, delete:  <table><tr><th>Suburb</th><th>Item name</th><th>Address</th><th>Property description</th><th>Significance</th><th>Item no</th></tr><tr><td>Wauchope</td><td>Memorial Gates</td><td>Oxley Lane and Avondale Street (Bain Park)</td><td>Lot 7032, DP 1039811</td><td>Local</td><td>I100</td></tr></table>  Insert:  <table><tr><th>Suburb</th><th>Item name</th><th>Address</th><th>Property description</th><th>Significance</th><th>Item no</th></tr><tr><td></td><td>Bain Park, including Memorial Gates</td><td></td><td>Lot 7032, DP 1039811; Lot 1, DP 745953; Part Lot 50 DP 1139289</td><td></td><td></td></tr></table>	Suburb	Item name	Address	Property description	Significance	Item no	Wauchope	Memorial Gates	Oxley Lane and Avondale Street (Bain Park)	Lot 7032, DP 1039811	Local	I100	Suburb	Item name	Address	Property description	Significance	Item no		Bain Park, including Memorial Gates		Lot 7032, DP 1039811; Lot 1, DP 745953; Part Lot 50 DP 1139289			4
Suburb	Item name	Address	Property description	Significance	Item no																					
Wauchope	Memorial Gates	Oxley Lane and Avondale Street (Bain Park)	Lot 7032, DP 1039811	Local	I100																					
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Planning Proposal under sec 3.33 of the EP&amp;A Act

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Appendix D – List of proposed amendments**E. Changes to Map Sheets****The following map sheets are revoked:**

Map sheets	Map sheet identifier	Part 4 – Issue reference
<b>Land Zoning Map</b>		
LZN_010B	6380_COM_LZN_010B_020_20171129	4
LZN_013G	6380_COM_LZN_013G_020_20170822	6, 7
<b>Lot Size Map</b>		
LSZ_009	6380_COM_LSZ_009_080_20160722	3
LSZ_013G	6380_COM_LSZ_013G_020_20170823	6, 7
<b>Flood Planning Map</b>		
FLD_-13G	6380_COM_FLD_013G_020_20110202	7
<b>Floor Space Ratio Map</b>		
FSR_010B	6380_COM_FSR_010B_020_20130809	4
FSR_013G	6380_COM_FSR_013G_020_20170912	6, 7
<b>Heritage Map</b>		
HER_010B	6380_COM_HER010B_020_20150127	4
HER_013G	6380_COM_HER_013G_020_20110536	7
<b>Height of Building Map</b>		
HOB_013G	6380_COM_HOB_013G_020_20161122	6,7
<b>Koala Habitat Map</b>		
KHA_013G	6380_COM_KHA_013G_020_20110201	7
<b>Land Reservation Acquisition Map</b>		
LRA_012B	6380_COM_LRA_012B_020_20141210	5
LRA_013F	6380_COM_LRA_013F_020_20141210	5

*Note: This list of current maps may need to be updated for the other amendments finalised prior to this amendment.***The following map sheets are adopted:**

Map sheets	Map sheet identifier	Part 4 – Issue reference
<b>Land Zoning Map</b>		
LZN_010B	6380_COM_LZN_010B_020_2018....	4
LZN_013G	6380_COM_LZN_013G_020_2018....	6, 7
<b>Lot Size Map</b>		
LSZ_009	6380_COM_LSZ_009_080_2018....	3
LSZ_013G	6380_COM_LSZ_013G_020_2018....	6, 7
<b>Flood Planning Map</b>		
FLD_-13G	6380_COM_FLD_013G_020_2018...	7b
<b>Floor Space Ratio Map</b>		
FSR_010B	6380_COM_FSR_010B_020_2018....	4
FSR_013G	6380_COM_FSR_013G_020_2018....	6, 7
<b>Heritage Map</b>		
HER_010B	6380_COM_HER010B_020_20150127	4

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HER_013G	6380_COM_HER_013G_020_2018...	7
<b>Height of Building Map</b>		
HOB_013G	6380_COM_HOB_013G_020_2018....	6,7
<b>Koala Habitat Map</b>		
KHA_013G	6380_COM_KHA_013G_020_2018...	7
<b>Land Reservation Acquisition Map</b>		
LRA_012B	6380_COM_LRA_012B_020_2018...	5

**Note that there is no replacement sheet for LRA\_013F as there is no remaining land designated for reservation within this sheet.**

*These map sheets may need to be updated prior to finalisation, to incorporate separate amendments that may have commenced since the map sheets were prepared. Such changes have no significance to this Planning Proposal.*



Planning Proposal under sec 3.33 of the EP&amp;A Act

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Appendix E – Consistency with applicable State Environmental Planning Policies

## Appendix E – Consistency with applicable State Environmental Planning Policies

Listed below are the SEPPs that apply to land within the Port Macquarie-Hastings Local Government Area.

State Environmental Planning Policies	Consistency
21 Caravan Parks	Not applicable
30 Intensive Agriculture	Not applicable
33 Hazardous and Offensive Development	Not applicable
36 Manufactured Home Estates	Not applicable
44 Koala Habitat Protection	Not applicable
50 Canal Estate Development	Not applicable
55 Remediation of Land	Not applicable
62 Sustainable Aquaculture	Not applicable
64 Advertising and Signage	Not applicable
65 Design Quality of Residential Flat Development	Not applicable
(Affordable Rental Housing) 2009	Not applicable
(Building Sustainability Index: BASIX) 2004	Not applicable
(Coastal Management) 2018	<b>Issue 5</b> applies to land subject to this SEPP. This issue arises as a result of the land coming into public ownership. Conservation is the primary objective. This is consistent with the SEPP. Part of land included in <b>Issue 7</b> is subject to the SEPP, being identified as 'Proximity Area for Coastal Wetlands'. The subject land has a consent from 1990 for creation of residential lots (as part of a staged development), and it would be an anomaly to retain the current zoning and development standards.
(Educational Establishments and Child Care Facilities) 2017	Not applicable
(Exempt and Complying Development Codes) 2008	Not applicable
(Housing for Seniors or People with a Disability) 2004	Not applicable
(Infrastructure) 2007	Not applicable
(Mining, Petroleum Production and Extraction Industries) 2007	Not applicable
(Miscellaneous Consent Provisions) 2007	Not applicable
(Rural Lands) 2008	<b>Issue 3</b> applies a minimum lot size to 2 small rural parcels to which no minimum applies. There is no proposed change in the land use and the proposal is consistent with the SEPP.
(State and Regional Development) 2011	Not applicable
(State Significant Precincts) 2005	Not applicable
(Vegetation in Non-Rural Areas) 2017	Not applicable

Planning Proposal under sec 3.33 of the EP&amp;A Act

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Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

## Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Listed below are the Section 9.1 (2) Directions (including Objectives) that apply to land within the Port Macquarie-Hastings Local Government Area.

Copies of the full Directions are available on the Department of Planning & Environment website.

Section 9.1 (2) Directions and Objectives	Consistency
<b>1 Employment and Resources</b>	
<b>1.1 Business and Industrial Zones</b> The objectives of this direction are to: (a) encourage employment growth in suitable locations, (b) protect employment land in business and industrial zones, and (c) support the viability of identified strategic centres.	<b>Issue 1</b> adjusts the permissibility's of Industrial retail premises within Business and Industrial zones. The changes align permissibility's with the associated Industries and Rural Industries. The proposal is consistent with this direction.
<b>1.2 Rural Zones</b> The objective of this direction is to protect the agricultural production value of rural land.	<b>Issue 3</b> applies a minimum lot size to 2 small rural parcels to which no minimum applies. The proposal is consistent with this direction.
<b>1.3 Mining, Petroleum Production and Extractive Industries</b> The objective of this direction is to ensure that the future extraction of State or regionally significant reserves of coal, other minerals, petroleum and extractive materials are not compromised by inappropriate development.	Not applicable
<b>1.4 Oyster Aquaculture</b> The objectives of this direction are: (a) to ensure that Priority Oyster Aquaculture Areas and oyster aquaculture outside such an area are adequately considered when preparing a planning proposal, (b) to protect Priority Oyster Aquaculture Areas and oyster aquaculture outside such an area from land uses that may result in adverse impacts on water quality and consequently, on the health of oysters and oyster consumers.	Not applicable
<b>1.5 Rural Lands</b> The objectives of this direction are to: (a) protect the agricultural production value of rural land, (b) facilitate the orderly and economic development of rural lands for rural and related purposes. The Direction applies when: (a) a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed rural or environment protection zone (including the alteration of any existing rural or environment protection zone boundary) or (b) a relevant planning authority prepares a planning proposal that changes the existing minimum lot size on land within a rural or environment protection zone.	<b>Issue 2</b> impacts on the minimum lot size for lots within any zone where there is a 'battle-axe' access. The proposal is consistent with this Direction. <b>Issue 3</b> applies a minimum lot size to land zoned RU2 Rural Landscape. The proposal is consistent with this Direction. <b>Issue 6</b> replaces an E3 Environmental Management zone for land within an urban area, replacing it with the adjoining R1 General Residential. The land has minimal environmental value, and its rezoning will be of minor significance.

Planning Proposal under sec 3.33 of the EP&amp;A Act

LEP Administrative Review 2018

Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Section 9.1 (2) Directions and Objectives	Consistency
<b>2 Environment and Heritage</b>	
<b>2.1 Environmental Protection Zones</b> The objective of this direction is to protect and conserve environmentally sensitive areas. The associated requirements are: (4) A planning proposal must include provisions that facilitate the protection and conservation of environmentally sensitive areas. (5) A planning proposal that applies to land within an environment protection zone or land otherwise identified for environment protection purposes in a LEP must not reduce the environmental protection standards that apply to the land (including by modifying development standards that apply to the land). This requirement does not apply to a change to a development standard for minimum lot size for a dwelling in accordance with clause (5) of Direction 1.5 "Rural Lands".	<b>Issue 5</b> relates to environmentally sensitive areas. In this case they have environmental zonings. The proposed change is merely reflecting their change to public ownership. The proposal is consistent with this direction. <b>Issue 6</b> relates to land currently zoned E3 Environmental Management, though it is not environmentally sensitive. It is proposed that it: <ul style="list-style-type: none"> <li>• be rezoned to R1 General Residential</li> <li>• have a minimum lot size of 450 sqm (in lieu of 5000 sqm)</li> <li>• have a maximum floor space ratio of 0.65:1 (in lieu of none).</li> </ul> The relevant land is 4700 sqm and is situated within a residential area. The land has minimal environmental value. A separate Planning Proposal is not considered necessary due to the minor significance of this environmental value.
<b>2.2 Coastal Management</b> The objective of this direction is to protect and manage coastal areas of NSW. It applies to land within the coastal zone, which is land identified within <i>SEPP (Coastal Management) 2018</i> .	<b>Issue 5</b> relates to land subject to this Direction. The proposed changes merely update the Land Reservation Acquisition Map to reflect that the land is now in public ownership. The proposal is consistent with this direction. Part of the land affected by <b>Issue 7</b> is mapped as 'Proximity Area for Coastal Wetlands' in the SEPP. The relevant area is around 1110 sqm, is cleared, and separated from the 'Coastal Wetlands' by over 65 m of golf course fairway which is zoned either RE2 Private Recreation or E2 Environmental Conservation. The subject land has a consent from 1990 for creation of residential lots (as part of a staged development), and it would be an anomaly to retain the current zoning and development standards. A separate Planning Proposal is not considered necessary due to the minor significance of this matter and its distance from the wetlands.
<b>2.3 Heritage Conservation</b> The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	Not applicable
<b>2.4 Recreation Vehicle Areas</b> The objective of this direction is to protect sensitive land or land with significant conservation values from adverse impacts from recreation vehicles.	Not applicable
<b>3 Housing, Infrastructure and Urban Development</b>	
<b>3.1 Residential Zones</b> The objectives of this direction are: <ol style="list-style-type: none"> <li>to encourage a variety and choice of housing types to provide for existing and future housing needs,</li> <li>to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and</li> </ol>	<b>Issue 6</b> becomes subject of this direction. The land parcel is situated within a residential area and future residential development will take advantage of the existing infrastructure. The land is of minor environmental significance and the purpose of the existing zone no longer applies. The proposal is consistent with this direction.

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Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Section 9.1 (2) Directions and Objectives	Consistency
(c) to minimise the impact of residential development on the environment and resource lands.	
<b>3.2 Caravan Parks and Manufactured Home Estates</b> The objectives of this direction are: (a) to provide for a variety of housing types, and (b) to provide opportunities for caravan parks and manufactured home estates.	Not applicable
<b>3.3 Home Occupations</b> The objective of this direction is to encourage the carrying out of low-impact small businesses in dwelling houses.	Not applicable
<b>3.4 Integrating Land Use and Transport</b> The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives: (a) improving access to housing, jobs and services by walking, cycling and public transport, and (b) increasing the choice of available transport and reducing dependence on cars, and (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and (d) supporting the efficient and viable operation of public transport services, and (e) providing for the efficient movement of freight.	Not applicable
<b>3.5 Development Near Licensed Aerodromes</b> The objectives of this direction are: (a) to ensure the effective and safe operation of aerodromes, and (b) to ensure that their operation is not compromised by development that constitutes an obstruction, hazard or potential hazard to aircraft flying in the vicinity, and (c) to ensure development for residential purposes or human occupation, if situated on land within the Australian Noise Exposure Forecast (ANEF) contours of between 20 and 25, incorporates appropriate mitigation measures so that the development is not adversely affected by aircraft noise.	Not applicable
<b>3.6 Shooting Ranges</b> The objectives are: (a) to maintain appropriate levels of public safety and amenity when rezoning land adjacent to an existing shooting range, (b) to reduce land use conflict arising between existing shooting ranges and rezoning of adjacent land, (c) to identify issues that must be addressed when giving consideration to rezoning land adjacent to an existing shooting range.	Not applicable

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Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Section 9.1 (2) Directions and Objectives	Consistency
<b>4 Hazard and Risk</b>	
<b>4.1 Acid Sulphate Soils</b> The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulphate soils.	<p><b>Issue 5.</b> Is within an area of Class, 2, 3 and 5 Land. Clause 7.1 of PMHLEP 2011 aims to ensure that development does not disturb, expose or drain acid sulphate soils and cause environmental damage. This amendment is an administrative mapping exercise, not creating any development opportunity. Therefore there will be no adverse environmental impacts as a result of this proposal.</p> <p><b>Issue 7.</b> Is partially mapped as Class 5 Land. The subject site has an existing development consent on it and development will occur in accordance with the existing consent and the requirements of clause 7.1 of the PMHLEP 2011. This amendment is purely a mapping exercise and does not make any changes to existing consents or create any additional development opportunity.</p>
<b>4.2 Mine Subsidence and Unstable Land</b> The objective of this direction is to prevent damage to life, property and the environment on land identified as unstable or potentially subject to mine subsidence.	Not applicable
<b>4.3 Flood Prone Land</b> The objectives of this direction are: (a) to ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the <i>Floodplain Development Manual 2005</i> , and (b) to ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.	Not applicable
<b>4.4 Planning for Bushfire Protection</b> The objectives of this direction are: (a) to protect life, property and the environment from bush fire hazards, by discouraging the establishment of incompatible land uses in bush fire prone areas, and (b) to encourage sound management of bush fire prone areas. <i>Further details:</i> <b>When this direction applies</b> This direction applies when a relevant planning authority prepares a planning proposal that will affect, or is in proximity to land mapped as bushfire prone land. <b>What a relevant planning authority must do if this direction applies</b> (4) In the preparation of a planning proposal the relevant planning authority must consult with the Commissioner of the NSW Rural Fire Service following receipt of a gateway determination under section 56 of the Act, and prior to undertaking community consultation in satisfaction of section	<p><b>Issue 3</b> is situated in a category 3 bushfire area. The proposal is not making any changes to development potential on the land, it is just introducing a minimum lot size for a parcel of land where the minimum lot size has been overlooked.</p> <p><b>Issue 5</b> is situated in a category 1 and 2 bushfire area. This site is a rural setting and is a nature reserve in public ownership. The proposal is not for development of any kind.</p> <p><b>Issue 6</b> is situated within a bushfire prone area, being part category 1 and remainder vegetation buffer. The subject site is within an established residential area. While there is a small ridgeline of trees in the vicinity, the significance of these trees has diminished over time creating less of a bushfire risk. A separate Planning Proposal is not considered necessary due to the minor significance of this matter and it being an infill development. Consultation with the NSW Rural</p>

Planning Proposal under sec 3.33 of the EP&amp;A Act

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Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Section 9.1 (2) Directions and Objectives	Consistency
<p>57 of the Act, and take into account any comments so made,</p> <p>(5) A planning proposal must:</p> <p>(a) have regard to <i>Planning for Bushfire Protection 2006</i>,</p> <p>(b) introduce controls that avoid placing inappropriate developments in hazardous areas, and</p> <p>(c) ensure that bushfire hazard reduction is not prohibited within the APZ.</p> <p>(6) A planning proposal must, where development is proposed, comply with the following provisions, as appropriate:</p> <p>(a) provide an Asset Protection Zone (APZ) incorporating at a minimum:</p> <p>(i) an Inner Protection Area bounded by a perimeter road or reserve which circumscribes the hazard side of the land intended for development and has a building line consistent with the incorporation of an APZ, within the property, and</p> <p>(ii) an Outer Protection Area managed for hazard reduction and located on the bushland side of the perimeter road,</p> <p>(b) for infill development (that is development within an already subdivided area), where an appropriate APZ cannot be achieved, provide for an appropriate performance standard, in consultation with the NSW Rural Fire Service. If the provisions of the planning proposal permit Special Fire Protection Purposes (as defined under section 100B of the <i>Rural Fires Act 1997</i>), the APZ provisions must be complied with,</p> <p>(c) contain provisions for two-way access roads which links to perimeter roads and/or to fire trail networks,</p> <p>(d) contain provisions for adequate water supply for firefighting purposes,</p> <p>(e) minimise the perimeter of the area of land interfacing the hazard which may be developed,</p> <p>(f) introduce controls on the placement of combustible materials in the Inner Protection Area.</p>	<p>Fire Service will form part of this planning proposal.</p> <p><u>Consistency with subclause (4)</u> There will be consultation with the Commissioner following receipt of the Gateway Determination and prior to undertaking community consultation. Technically there is an inconsistency until that consultations completed.</p> <p><u>Consistency with subclause (5)</u> If this subclause relates only to planning proposals applying to a specific development, there is no inconsistency.</p> <p>If the planning proposal is meant to anticipate development application level details without the benefit of DA plans, then the planning proposal is inconsistent with the Direction.</p>
<b>5 Regional Planning</b>	
<p><b>5.4 Commercial &amp; Retail Development along the Pacific Hwy, North Coast</b></p> <p>The objectives for managing commercial and retail development along the Pacific Highway are:</p> <p>(a) to protect the Pacific Highway's function, that is to operate as the North Coast's primary inter- and intra-regional road traffic route;</p> <p>(b) to prevent inappropriate development fronting the highway;</p> <p>(c) to protect public expenditure invested in the Pacific Highway;</p>	Not applicable

Planning Proposal under sec 3.33 of the EP&amp;A Act

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Appendix F – Consistency with applicable Section 9.1 Ministerial Directions

Section 9.1 (2) Directions and Objectives	Consistency
(d) to protect and improve highway safety and highway efficiency; (e) to provide for the food, vehicle service and rest needs of travellers on the highway; and (f) to reinforce the role of retail and commercial development in town centres, where they can best serve the populations of the towns.	
<b>5.10 Implementation of Regional Plans</b> The objective of this direction is to give legal effect to the vision, land use strategy, goals, directions and actions contained in Regional Plans.	Not applicable
<b>6 Local Plan Making</b>	
<b>6.1 Approval and Referral Requirements</b> The objective of this direction is to ensure that LEP provisions encourage the efficient and appropriate assessment of development.	
<b>6.2 Reserving Land for Public Purposes</b> The objectives of this direction are: (a) to facilitate the provision of public services and facilities by reserving land for public purposes, and (b) to facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.	Not applicable
<b>6.3 Site Specific Provisions</b> The objective of this direction is to discourage unnecessarily restrictive site specific planning controls.	Not applicable

## Appendix G – Acronyms, Glossary and References

**ACC Map** - the **Acoustic Controls Map**, one of the map series of *LEP 2011*. This is relevant to clause 7.9, which, for land identified as 'Subject to acoustic controls', has an objective of ensuring that development for residential or tourist purposes, or for any other purpose involving regular human occupation, on land subject to significant exposure to noise (including road traffic noise or extractive industry crushing plant operation noise) incorporates appropriate mitigation measures.

**AHD** - **Australian Height Datum**, means the reference (or datum) surface approximating mean sea level that was adopted by the National Mapping Council of Australia in May 1971. This provides a consistent basis for defining heights, irrespective of (changes in) ground level.

**APU Map** - the **Additional Permitted Uses Map**, one of the map series of *LEP 2011*. This is relevant to clause 2.5 and Schedule 1, which permit the specified development (usually subject to consent) for the specified land, notwithstanding anything to the contrary in the Land Use Table.

**APZ** - **Asset Protection Zone**, in relation to bushfire protection, is a buffer zone between a bush fire hazard and buildings, which is managed progressively to minimise fuel loads and reduce potential radiant heat levels, flame, ember and smoke attack. Refer to *Planning for Bushfire Protection 2006*.

**ASS** - **Acid sulfate soils**, means naturally occurring sediments and soils containing iron sulfides (principally pyrite) and/or their precursors or oxidation products. The exposure of the sulfides to oxygen by drainage or excavation leads to the generation of sulfuric acid. **Actual acid sulfate soils** have already become acidic, which can leach into other soils or into waterways. Either way, they can damage ecosystems (eg fish kills after rain) or buried pipes or foundations. **Potential acid sulfate soils** are soils which contain iron sulfides or sulfidic material which have not been exposed to air and oxidised.

**ASS Map** - means the **Acid Sulfate Soils Map**, one of the map series of *LEP 2011*. This is relevant to clause 7.1, which, for land identified by Class 1 to Class 5 on the Map has an objective of ensuring that development does not disturb, expose or drain acid sulfate soils and cause environmental damage. The Map is relevant to some provisions of the *Codes SEPP*.

**BASIX** - A suite of sustainable planning measures to make all residential dwelling types in NSW energy and water efficient. Key components are *SEPP (Building Sustainability Index: BASIX) 2004* and certification of compliance with the BASIX targets are different stages of building approval and construction.

*Biodiversity Conservation Act 2016* provides the basis for the listing of endangered and threatened species and ecological communities and of key threatening processes. Protection of threatened fish and marine vegetation comes under the *Fisheries Management Act 1994*.

**COA Map** - the **Coastal Erosion Map**, one of the map series of *LEP 2011*. This is relevant to clause 7.6, which, for land identified as 'Coastal Erosion Risk', seeks to avoid significant adverse impacts from coastal hazards, to enable evacuation in an



emergency and to ensure uses are compatible with the coastal risks. The Map is relevant to some provisions of the *Codes SEPP*.

*Coastal Design Guidelines 2003* are guidelines issued by the former Coastal Council, and which are referred to in Section 9.1 (2) Ministerial Direction No 2.2.

*NSW Coastal Management Manual (2018)* is the current manual relating to the management of the coastline for the purposes of section 733 of the *Local Government Act 1993*, as referred to in Section 9.1 (2) Ministerial Direction No 2.2.

*Codes SEPP*, or *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008*, contains State-wide provisions that identify certain types of development that can be carried out as **exempt development**, or with a simplified **complying development** approval process.

**DCP - Development Control Plan**, a policy document of Council given status under the EP&A Act to be a consideration in the determination of development applications. In this area this is *Port Macquarie-Hastings Development Control Plan 2013*.

**DP&E** - the NSW **Department of Planning & Environment**, who have a significant role in under the EP&A Act, and who advise, and act under delegation for, the Minister of Planning.

**DSP - Developer Servicing Plan**, a document which details the developer charges to be levied on development areas which use a water utility's water supply, sewerage infrastructure and/or stormwater infrastructure. This can be under either the *Local Government Act 1993* or the *Water Management Act 2000*.

**DWE Map** - the **Dwelling Opportunity Map**, one of the map series of LEP 2011. This is relevant to clause 4.2A, relating to requirements for erection of dwelling houses and dual occupancies in certain rural and environmental protection zones.

**EEC** - **endangered ecological community**, one of the categories of species and habitats subject to protections under the *Biodiversity Conservation Act 2016*.

**EP&A Act** - the *Environmental Planning and Assessment Act 1979*, the relevant NSW Act providing the framework for controlling planning and development within New South Wales. Refer also to **EP&A Reg** for supporting details.

**EP&A Reg** - the *Environmental Planning and Assessment Regulation 2000*, which contains supporting details to the EP&A Act.

**EPBC Act** - the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*, the Australian Government's key piece of environmental legislation.

**et** - **equivalent tenement**, an infrastructure term for creating a standard measure of load for differing types of development, in relation to water and sewer services.

**FLD Map** - the **Flood Planning Map**, one of the map series of LEP 2011. This identifies some land as 'Flood Planning Area', which is subject to clause 7.3, introducing considerations relating to risk, hazard and avoiding significant adverse impacts. Such land is 'Flood control lots' in terms of the *Codes SEPP*. The Map also identifies some land within the area subject to the Probable Maximum Flood but outside the Flood Planning Area as subject to clause 7.4 - this focuses on developments with particular evacuation or emergency response issues and the operational capacity of emergency response facilities and critical infrastructure during extreme flood events.

**Floodplain Development Manual 2005** - the supporting document to the NSW Flood Prone Land Policy. Relevant both to Section 9.1 (2) Ministerial Direction No 4.3 and to assessment of development applications. To be read with a *Guideline on Development Controls on Low Flood Risk Areas* supplement issued in January 2007.

**FSR Map** - the **Floor Space Ratio Map**, one of the map series of LEP 2011. Refer to **Part 4 – Mapping**. This is relevant to clauses 4.4 and 4.5 of the LEP text.

**Gateway determination** - the statement by the Minister, or his delegate, on the relevant steps and other requirements relating to the processing of a planning proposal - refer section 3.34 of the EP&A Act. The determination relevant to this planning proposal is contained in **Appendix A**.

**A guide to preparing Local Environmental Plans**, DP&E August 2016 - provides guidance and information on the process for making local environmental plans under Part 3 of the EP&A Act.

**A guide to preparing planning proposals**, DP&E August 2016 - provides guidance and information on the process for preparing planning proposals, in accordance with section 9.33 (3) of the EP&A Act.

**HER Map** - the **Heritage Map**, one of the map series of LEP 2011. This is relevant to clause 5.10 and Schedule 5, relating to heritage items, archaeological sites, Aboriginal objects and Aboriginal places of heritage significance. This is relevant to some provisions of the *Codes SEPP*. Note clause 5.10 (5) applies also to land within the vicinity of heritage items.

**HOB Map** - the **Height of Buildings Map**, one of the map series of LEP 2011. Refer to **Part 4 – Mapping**. This is relevant to clause 4.3 of the LEP text.

**KHA Map** - the **Koala Habitat Map**, one of the map series of LEP 2011. This is relevant to clause 7.5 of the LEP text.

**KPoM** - a **Koala Plan of Management**, prepared in accordance with the requirements of *SEPP No 44 - Koala Habitat Protection*. Usually relates to the site of a development application, but can relate to a larger area.

**LAP** - the **Land Application Map**, one of the map series of LEP 2011. Clause 1.3 of the LEP text states that the LEP applies to the land identified on the Land Application Map - in this case the whole Port Macquarie-Hastings Local Government Area.

**LEP** - a **Local Environmental Plan** under the EP&A Act, providing Council-level planning controls over development, subject to any overriding SEPP controls. It consists of written text (based on the *Standard Instrument (Local Environmental Plans) Order 2006*), and several map series, the most important of which is the Land Zoning Map.

A LEP is made or amended by the processing of a Planning Proposal (such as this) in accordance with Part 3 (particularly Division 4) of the EP&A Act.

The LEP for this Council area is **Port Macquarie-Hastings Local Environmental Plan 2011** (sometimes abbreviated to **LEP 2011**).

**LRA Map** - the **Land Reservation Acquisition Map**, one of the map series of LEP 2011. This is relevant to clauses 5.1 and 5.1A, relating to land identified by a public authority as reserved for acquisition for a public purpose. Clause 5.1 identifies the relevant

authority for action under the *Land Acquisition (Just Terms Compensation) Act 1991*. Clause 5.1A limits the permitted new land uses pending acquisition.

**LSZ Map** - the **Lot Size Map**, one of the map series of LEP 2011. This is relevant to clauses 4.1 to 4.2C of the LEP text. Refer to **Part 4 – Mapping**.

**LZN Map** - the **Land Zoning Map**, one of the map series of LEP 2011. This map identifies the Land Use Zone, which works with the Land Use Table within the LEP text to determine the permissibility of most development. It is also relevant to many clauses in the LEP text. Refer to **Part 4 – Mapping**.

**Native Vegetation Act 2003** has been superseded by the **Biodiversity Conservation Act 2016** and Part 5A of the **Local Land Services Act 2013**. Also relevant is **State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017**.

**NCRP** - **North Coast Regional Plan 2036**, is the NSW Government's 20 year blueprint for the future of the North Coast. Related to this is the **North Coast Regional Plan 2036 - Implementation Plan 2017-2019**. Local planning by Councils of the North Coast needs to be consistent with these documents.

**Planning for Bushfire Protection 2006** is a publication from the NSW Rural Fire Service outlining the required bush fire protection measures for development applications located on land that has been designated as bush fire prone.

**Planning Proposal** - a document containing relevant background information about a proposed LEP or LEP amendment. The minimum requirements are set out in printed guidelines from the DP&E, though can be subject to requirements of a Gateway determination.

This proposal addresses seven (7) minor issues in the LEP text and map series, and seeks to make refinements and adjustments to correct errors or anomalies that have been identified.

**PMHC** means Port Macquarie-Hastings Council.

**RMS** - the NSW **Roads and Maritime Services**, who have a role in managing potential road and traffic impacts of changes to planning controls.

**RPL Map** - the **Land Reclassification (Part Lots) Map**, one of the map series of LEP 2011. This is relevant to clause 5.2 and Schedule 4, regarding the reclassifications under the Local Government Act 1993 of part(s) of a lot by the LEP.

**Section 9.1 (2) Ministerial Directions** [previously Section 117 Ministerial Directions] - these are directions issued by the Minister of Planning, and which specify State-wide requirements for planning proposals. If a proposal is inconsistent with a requirement of a Direction, then the Secretary of DP&E (or his delegate) may still permit the planning proposal to proceed if the inconsistency is justified in the particular circumstances. Assessment of this proposal in relation to the Section 9.1 (2) Ministerial Directions is in **Appendix F**.

**SEPP** - a **State Environmental Planning Policy**, made under Part 3 of the EP&A Act, and overruling LEPs where there is any inconsistency. Refer to the list of SEPPs relevant to this Council area on [Council's website](#). Assessment of this proposal in relation to the SEPPs is in **Appendix E**.

**SPS - sewerage pumping station**, which is used to move sewage to a sewage treatment plant when gravity sewer mains are inadequate. The sewage travels through a rising main under pressure, and then into a gravity main.

**STP - sewage treatment plant**, where sewage is treated and the waste water made fit for reuse or discharge.

**Standard Instrument (Local Environmental Plans) Order 2006** - the specification of the mandatory and discretionary content of LEP text.

**Standard Technical Requirements for Spatial Datasets and Maps**, DP&E November 2015 - describes the technical specifications for LEP maps and the associated digital mapping data, particularly in relation to introduction of LEP mapping into the DP&E Planning Portal.

**SUA Map - the Significant Urban Areas Map**, one of the map series of *LEP 2011*. This identifies Significant Urban Areas, which are subject to clause 7.11A. The objective of this clause is to ensure that development exhibits design excellence that contributes to the natural, cultural, visual and built character values of Port Macquarie-Hastings.

***Threatened Species Conservation Act 1995*** has been superseded by the ***Biodiversity Conservation Act 2016*** and Part 5A of the ***Local Land Services Act 2013***.

**Towards 2030 Community Strategic Plan**, PMHC June 2017 - Council's community strategic plan, as required by section 402 of the ***Local Government Act 1993***.

**UGMS - Council's Urban Growth Management Strategy 2011-2031**, adopted in December 2010, and which sets the framework for major changes to the LEP and other actions to facilitate urban development within the Council area. It is related to Council's *Towards 2030 Community Strategic Plan*. A draft strategy was released in 2017, with an updated strategy expected later this year (2018).

**URA Map - the Urban Release Area Map**, one of the map series of *LEP 2011*. This identifies Urban Release Areas, which are subject to clauses 6.1 and 6.2. These clauses relate to ensuring subdivision adequately provides satisfactory arrangements to be made for the provision of designated State public infrastructure; and for Council to generally be satisfied that the essential public utility infrastructure is available for development prior to granting consent.

**VPA - Voluntary Planning Agreements** between Council and landowners under Division 6 of Part 4 of the EP&A Act. Through negotiation, they allow for flexibility in infrastructure provision or for other public purposes, which can be hard to achieve with fixed Council-wide requirements relating to infrastructure provision or funding or other implications of development.

**VSL Map - the Visually Sensitive Land Map**, one of the map series of *LEP 2011*. This is relevant to some local exempt development in Schedule 2, and some local complying development in Schedule 3 of the LEP.

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## Appendix H – Map Cover Sheet and new Map Sheets

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The Map Cover Sheet and associated Map Sheets to be adopted are part of the submission of the draft LEP for formal approval by the local plan-making authority.

They will not be prepared until that stage.

Where printed, the Map Cover Sheet and associated Map Sheets will follow this page.

Where in electronic form, they may be in separate documents.

Note that the Map Cover Sheet will reflect the final content of the Part B Changes to Map Sheets within **Appendix D**.



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#### **12.07 PLANNING PROPOSAL - 2017 ADMINISTRATIVE REVIEW OF PORT MACQUARIE-HASTINGS LEP 2011**

---

*RESOLVED: Hawkins/Alley*

That Council:

1. Prepare a Planning Proposal pursuant to section 55 of the Environmental Planning and Assessment Act 1979, for the amendment of provisions of Port Macquarie-Hastings Local Environmental Plan 2011, in relation to the 6 Issues as generally described in this report.
2. 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. Request that the Secretary 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.

*CARRIED: 8/0*

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

*AGAINST: Nil*

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#### **12.08 PLANNING PROPOSAL ADMINISTRATIVE REVIEW - PORT MACQUARIE-HASTINGS LEP 2011 (AMENDMENT NO 29) - CONSIDERATION OF SUBMISSIONS**

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*RESOLVED: Alley/Hawkins*

That Council:

1. Take the necessary steps under sections 58 and 59 of the Environmental Planning and Assessment Act 1979 to finalise Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 29) as attached.
2. Thank in writing all those who made a submission for their contribution and provide information on Council's decision on the matter.

*CARRIED: 8/0*

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

*AGAINST: Nil*

## AGENDA

ORDINARY COUNCIL  
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Item: 12.07Subject: **PLANNING PROPOSAL - 2017 ADMINISTRATIVE REVIEW OF  
PORT MACQUARIE-HASTINGS LEP 2011**Presented by: Strategy and Growth, Jeffery Sharp

---

**Alignment with Delivery Program**

4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development.

**RECOMMENDATION****That Council:**

1. **Prepare a Planning Proposal pursuant to section 55 of the Environmental Planning and Assessment Act 1979, for the amendment of provisions of Port Macquarie-Hastings Local Environmental Plan 2011, in relation to the 6 Issues as generally described in this report.**
2. **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. **Request that the Secretary 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**

Council continually monitors the operation of *Port Macquarie-Hastings Local Environmental Plan 2011* [LEP] to identify necessary refinements and adjustments to the LEP text and maps. This report considers a number of proposed administrative refinements to *Port Macquarie-Hastings Local Environmental Plan 2011*.

**The issues are:**

1. Land Use Table Zone - Industrial retail outlets - align with permissibilities of Industry and Rural industry
2. Clause 4.1 Minimum subdivision lot size - battle-axe lots provision
3. 14 Misty Vale Way, Hollisdale - minimum lot size
4. Bain Park, Wauchope - correct zone boundary
5. Limeburners Creek Nature Reserve and Council acquisitions, North Shore - update Land Reservation Acquisition Map
6. 24 Yaluma Drive, Port Macquarie – rezoning from E3 Environmental Management to R1 General Residential, and associated changes to other map series.



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This report contains more detail on each of the proposed administrative amendments and recommends that Council prepare a Planning Proposal and forward to the Department of Planning and Environment requesting a Gateway Determination.

## Discussion

Details of the proposed amendments are provided below.

1. Land Use Table Zone - Industrial retail outlets

An **Industrial retail outlet** is defined as

... a building or place that:

- (a) is used in conjunction with an industry or rural industry, and
  - (b) is situated on the land on which the industry or rural industry is located, and
  - (c) is used for the display or sale (whether by retail or wholesale) of only those goods that have been manufactured on the land on which the industry or rural industry is located,
- but does not include a warehouse or distribution centre.

In LEP clause 5.4, the retail floor area is restricted to the lesser of:

- (a) 43% of the gross floor area of the industry or rural industry located on the same land as the retail outlet, or
- (b) 400 square metres.

At present, the permissibility of the land uses for relevant zones is:

Relevant Zones	Industry			Rural industry	Industrial retail outlet
	General	Heavy	Light		
RU1 Primary Production	N	N	N	Y	N
RU2 Rural Landscape	N	N	N	Y	N
RU5 Village	N	N	Y	N	N
B1 Neighbourhood Centre	N	N	N	N	N
B2 Local Centre	N	N	N	N	Y
B3 Commercial Core	N	N	N	N	N
B4 Mixed Use	N	N	Y/N	N	Y
B5 Business Development	N	N	Y	N	Y
B7 Business Park	N	N	Y	N	N
IN1 General Industrial	Y	N	Y	Y	Y
IN2 Light Industrial	N	N	Y	Y	Y
IN3 Heavy Industrial	Y	Y	N	N	N
IN4 Working Waterfront	Y	N	Y	N	N

If an industrial retail outlet is linked with an industry or rural industry, then it is appropriate to align their permissibility in the Land Use Table. It is therefore appropriate to make industrial retail outlets also permissible with consent within Zone



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Nos RU1, RU2, RU5, B7, IN3 and IN4, which all permit either Industry or Rural Industry with consent.

In each of these zones, the suitability of any proposed Industrial Retail Outlet would be assessed as part of a development application and would only be considered "in conjunction with" an industry or rural industry, consistent with the definition of Industrial Retail Outlet.

Conversely, there seems no reason to make them permissible in Zone B2 Local Centre, which has a retail focus and does not permit either Industry or Rural Industry with consent. It is therefore proposed to prohibit industrial retail outlets within Zone No. B2.

Proposal: That the Land Use Table be amended in relation to industrial retail outlets:

- (a) to be permissible with consent in Zones RU1 Primary Production, RU2 Rural Landscape, RU5 Village, B7 Business Park, IN3 Heavy Industry and IN4 Working Waterfront,
- (b) to be prohibited in Zone B2 Local Centre.

2. Clause 4.1 Minimum subdivision lot size - battle-axe lots provision

The Standard Instrument clause does not alter the minimum lot size requirement where the lot relies on a 'battle-axe' access. Potentially consent could be sought for a lot which meets the required minimum even though the usable area is far smaller than expected. While it may not be necessary to provide the usual front setback, it is appropriate to ensure the enclosed lot contains adequate site area.

It is proposed to add a requirement found in the LEPs of some other Councils.

Proposal: That clause 4.1 be amended by adding the following:

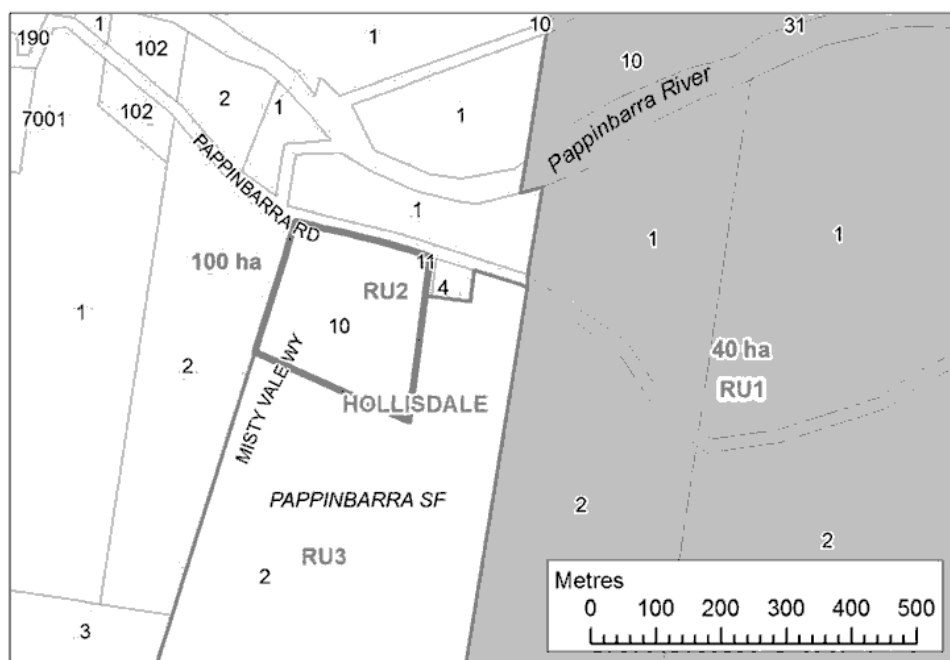
- (4A) If a lot is a battle-axe lot or other lot with an access handle, the area of the access handle is not to be included when calculating the size of the lot for the purposes of this clause.

3. 14 Misty Vale Way, Hollisdale - minimum lot size

The relevant parcel, Lot 10 DP 1006795 (as outlined red on the map below), was previously within a State Forest, but is now privately owned and is zoned RU2 Rural Landscape. The Lot Size Map does not apply a minimum lot size on this parcel. It is 4.9 ha within an area where a 100 ha minimum applies to adjoining land.



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Immediately to the east fronting Pappinbarra Road are the Hollisdale Rural Fire Service shed and the Hollisdale Hall.

Proposal: That the Lot Size Map be amended for Lot 1 DP 1006795, 14 Misty Vale Way, Hollisdale, by applying a minimum lot size of 100 ha.

4. Bain Park, Wauchope - Correct zone boundary

There are anomalies with the zoning of the northern portion of Bain Park, as shown on the map below. The red outline and text identifies the proposed changes, involving Zones B2 Local Centre and RE1 Public Recreation. The area labelled RE1 is currently zoned B2, and the footpath area labelled B2 is currently zoned RE1.

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The Floor Space Ratio Map requires associated changes being 1:5:1 (code S1) for the proposed Zone B2 and no FSR for the proposed Zone RE1.

Proposal: That the Land Zoning Map and the Floor Space Ratio Map be amended as described for Bain Park, High Street, Wauchope.

5. Limeburners Creek National Park and Council acquisitions, North Shore

Recently the NSW National Parks and Wildlife Service purchased an area identified for acquisition on the LEP 2011 Land Reservation Acquisition Map. This land is to be added to Limeburners Creek Nature Reserve. It is appropriate that the designation for acquisition be removed. In addition, Council has recently acquired 2 lots in the adjoining Queens Grant subdivision - it would be appropriate to also remove the acquisition designation for these lots. The relevant lands are shown on the map below.

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This leaves 11 lots in the Queens Grant subdivision designated for future acquisition by Council. (This was considered by Council at its 20 July 2016 meeting.)

Note that the label on the Land Reservation Acquisition Map refers to the reservation purpose and the current land use zone code, while the associated text in clause 5.1 of LEP 2011 identifies the relevant acquiring authority.

Proposal: That the Land Reservation Acquisition Map be amended in the North Shore locality by removing:

- (a) from Lots 69 & 70 DP 219719, Lot 27 DP 221558 and Lots 67 & 68 DP 754451 - the feature labelled 'National Park (E1)', and
- (b) from 56 & 57 DP 219719 - the feature labelled 'Environment Protection (E2)'.

6. 24 Yaluma Drive, Port Macquarie

This 0.47 ha property (outlined in red) is zoned E3 Environmental Management with a minimum lot size of 0.5 ha, no maximum floor space ratio and a maximum building height limit (as applies to adjacent land) of 8.5 m. This zoning was initially applied to facilitate a ridge-top line of trees, though this privately-owned lot is below the most prominent section of the ridgeline. Retention of these provisions does not achieve the original objectives, and it is proposed that standard residential controls be applied.



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Proposal: That for Lot 31 DP 835708 No 24 Yaluma Drive, Port Macquarie, the LEP 2011 Maps be amended as follows:

- Land Zoning Map - Zone R1 General Residential
- Lot Size Map - minimum lot size of 450 sqm
- Floor Space Ratio Map - maximum 0.65:1.

**Options**

Council could choose to omit or modify the Planning Proposal for any of the issues. Council could also choose not to proceed with the preparation of a Planning Proposal at this time. As each of the matters are considered to be minor administrative amendments to LEP 2011, it is recommended that Council proceed with the preparation of a Planning Proposal to amend LEP 2011 for Issues 1 to 6, as described in this report.

**Community Engagement & Internal Consultation**

There has been internal consultation with relevant Council staff in the preparation of this report.

The process for amending the LEP is subject to the 'Gateway determination' from the Department of Planning and Environment. The Gateway determination specifies community engagement requirements for the planning proposal. It is therefore proposed to undertake public exhibition, as specified in the Gateway determination and that a further report be presented to Council if any objections are received.

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**AGENDA**ORDINARY COUNCIL  
21/02/2018**Planning & Policy Implications**

These proposed minor amendments will facilitate future development through the fine-tuning of the LEP provisions.

**Financial & Economic Implications**

The preparation of administrative amendments to LEP 2011 is identified in Council's current Operational Plan.

The proposed LEP amendments apply to land owned by Council at Bain Park, Wauchope and within the Queens Grant Estate, North Shore.

There are no expected economic impacts or financial impacts for Council in the proposed LEP amendments.

It is anticipated that there will be cost savings to the community in the future due to the removal of potential complications to development or simplification of the planning controls.

**Attachments**

Nil

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**08.02 ROADSIDE VEGETATION**

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Mr Raymond Griffiths, representing the Rollands Plains Community Group, addressed Council in regard to roadside vegetation and answered questions from Councillors.

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**REQUESTS TO SPEAK ON AN AGENDA ITEM**

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

Item 12.02 – Mr Anthony Thorne, King and Campbell Pty Ltd, in support of the recommendation.

Item 12.03 – Mr Peter Scott, Scott PDI Pty Ltd, in support of the recommendation.

Item 12.05 – Mr Geoff Perry in opposition of the recommendation.

Item 12.05 – Ms Sally Murphy in support of the recommendation.

*MOTION: Dixon/Turner*

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

*CARRIED: 9/0*

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

*AGAINST: Nil*

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**SUSPENSION OF STANDING ORDERS**

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*MOVED:*

That Standing Orders be suspended to allow Items 12.02, 12.03 and 12.05 to be brought forward and considered next.

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**12.02 PLANNING PROPOSAL FOR DIAMOND DRIVE, PORT MACQUARIE**

---

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 5:49pm.

Mr Anthony Thorne, King and Campbell Pty Ltd, addressed Council in support of the recommendation.

*RESOLVED: Griffiths/Intemann*

That Council:

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- 
1. Prepare a draft planning proposal as described in this report in relation to Lot 22 DP 1229697 and Nos 19-31 Diamond Drive, Port Macquarie, pursuant to section 3.33 of the Environmental Planning and Assessment Act 1979, for the amendment of Port Macquarie-Hastings Local Environmental Plan 2011.
  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 3.34, 3.35 and clause 4 of Schedule 1 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 3.36 of the Act in respect of the planning proposal.

*CARRIED: 8/0*

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

*AGAINST: Nil*

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**12.03 UPDATE ON SITE SPECIFIC PLANNING PROPOSAL REQUESTS**

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Councillor Levido declared a Non-Pecuniary, Significant Interest in this matter and remained out of sight during the Council's consideration.

Councillor Alley 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 5:51pm.

Mr Peter Scott, Scott PDI Pty Ltd, addressed Council in support of the recommendation and answered questions from Councillors.

*RESOLVED: Cusato/Dixon*

That Council:

1. Note the current status of site specific Planning Proposal requests as described in this report.
2. Take the necessary steps to discontinue Planning Proposal request PP2009-1.1 in relation to Nos 302, 304 and 340 Ocean Drive, and 10 Mission Terrace, Lakewood, as the information required for Council to support an amendment to Port Macquarie Hastings LEP 2011 has not been provided.
3. Receive a further update in six months regarding the progress of all other site specific Planning Proposal requests.

*CARRIED: 7/0*

*FOR: Cusato, Dixon, Griffiths, Hawkins, Intemann, Pinson and Turner*

*AGAINST: Nil*

Councillor Levido returned to the meeting, the time being 06:10pm.

Councillor Alley returned to the meeting, the time being 06:10pm.



## AGENDA

ORDINARY COUNCIL  
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Item: 12.02Subject: PLANNING PROPOSAL FOR DIAMOND DRIVE, PORT  
MACQUARIEPresented by: Strategy and Growth, Jeffery Sharp

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**Alignment with Delivery Program**

4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development.

**RECOMMENDATION****That Council:**

1. Prepare a draft planning proposal as described in this report in relation to Lot 22 DP 1229697 and Nos 19-31 Diamond Drive, Port Macquarie, pursuant to section 3.33 of the *Environmental Planning and Assessment Act 1979*, for the amendment of *Port Macquarie-Hastings Local Environmental Plan 2011*.
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 3.34, 3.35 and clause 4 of Schedule 1 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 3.36 of the Act in respect of the planning proposal.

**Executive Summary**

Part of a previous 'Miscellaneous Amendments LEP' Planning Proposal included adjustments of LEP zone and other map boundary lines over some residential lots on Diamond Drive, Port Macquarie and part of the Emerald Downs Golf Course. At its meeting on 21 October 2015 Council considered a report relating to this Planning Proposal, and deferred this particular matter as it was associated with related Voluntary Planning Agreement negotiations.

The offer to enter into a planning agreement has now been withdrawn by the developer, who has advised that the 'development is now being completed in accordance with the original conditions issued with DA 89/477.'

On this basis, it is recommended that action be taken to complete the rezoning.

**Discussion**

Development consent for the staged subdivision creating the Emerald Drive estate was originally granted in January 1990. Maps and subdivision plans were not



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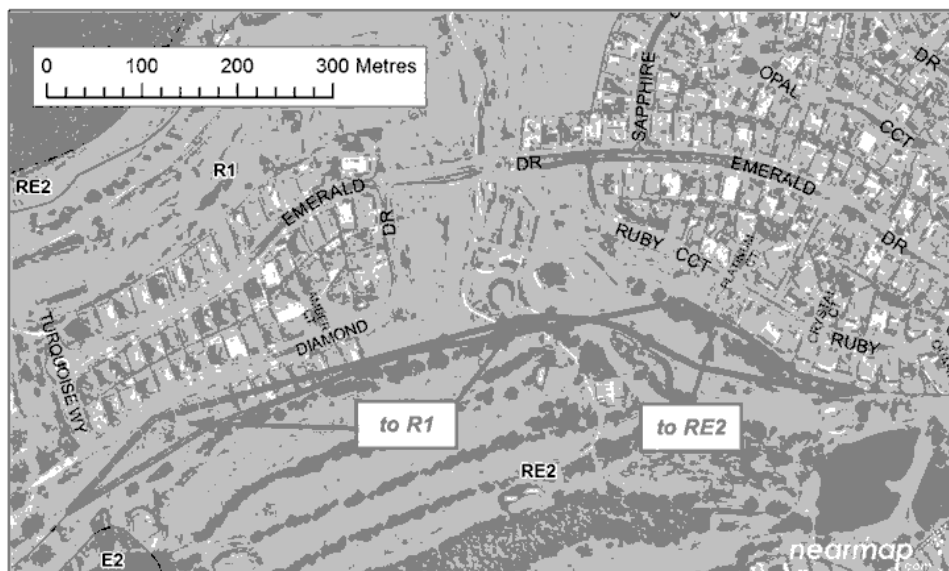
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produced with the same precision as today, and over the years various anomalies have arisen, along with the need to clarify various conditions of consent.

In September 2013 King and Campbell Pty Ltd, acting for the developer wrote to Council proposing actions to resolve a range of issues with the development, including an adjustment to the boundary of several LEP maps affecting some current and proposed residential lots on Diamond Drive.

While negotiations proceeded on a Voluntary Planning Agreement relating to the other issues, the amendment to the LEP maps was included in a 'Miscellaneous Amendments LEP' Planning Proposal. This was exhibited in July 2015.

The exhibited zoning changes are shown below. Associated changes also applied to the Lot Size Map, Floor Space Ratio Map and Height of Buildings Map.



The post-exhibition report to Council's Ordinary Meeting on 21 October 2015 (refer Attachment 1) stated in part:

Issue 12, relating to split zonings on properties in Diamond Drive, Port Macquarie is also recommended to be deferred pending preparation and public exhibition of a related planning agreement. At that time, the proposed planning agreement and planning proposal to amend the zone boundaries will be reported to Council.

The planning agreement in question has been proposed by the proponent in conjunction with the rezoning of the lots in Diamond Drive to address development contribution payments for the remainder of the subdivision and infrastructure requirements associated with the original consent for the Emerald Downs subdivision. A draft agreement has been prepared for review.

The Council minutes record:

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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 7.07pm. Mr Robert Dwyer, representing the Laurieton United Services Club, addressed Council in support of the recommendation.

Ms Sonya Hume addressed Council in opposition of the recommendation and answered questions from Councillors.

Mr Paul Rowlandson, King and Campbell Pty Ltd, representing the applicant, addressed Council in opposition of the recommendation.

MOVED: Roberts/

That Council:

1. Defer Issues 4 and 6 from the draft Local Environmental Plan 2011 (Amendment No 34).
2. Take the necessary steps under sections 58 and 59 of the Environmental Planning and Assessment Act 1979 to finalise Local Environmental Plan 2011 (Amendment No 34) as outlined in the report.

LAPSED FOR WANT OF A SECONDER

RESOLVED: Turner/Intemann

That Council:

1. Defer Issues 4, 6 and 12 from the draft Local Environmental Plan 2011 (Amendment No 34).
2. Take the necessary steps under sections 58 and 59 of the Environmental Planning and Assessment Act 1979 to finalise Local Environmental Plan 2011 (Amendment No 34) as outlined in the report.
- w3. Request the General Manager to provide a briefing to Councillors in relation to issue no. 12 during December 2015.

CARRIED: 7/0

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

AGAINST: Nil

Councillor Levido returned to the meeting, the time being 7:43pm.

Following lengthy negotiation regarding the proposed Planning Agreement and outstanding conditions of consent, King & Campbell has recently withdrawn the offer to enter into a planning agreement. King & Campbell has advised that the 'development is now being completed in accordance with the original conditions issued with DA 89/477.' (Refer Attachment 2).

Council staff have met with the landowner and King & Campbell regarding development consent conditions and contributions planning and agreed in principle to resolve a number of issues in future stages of subdivision.

In this context, it is recommended that Council now proceed with the proposed amendments to the Land Zoning Map and corresponding changes to the other maps:

Map	Residential area	Golf Course area
Land Zoning Map	R1 General Residential	RE2 Private Recreation
Lot Size Map	450 sqm minimum	40 ha minimum
Floor Space Ratio Map	0.65:1 maximum	No maximum
Height of Buildings Map	8.5 m maximum	No maximum



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**AGENDA**ORDINARY COUNCIL  
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The Department of Planning & Environment has advised that, given the time elapsed, it will be necessary to commence a fresh planning proposal.

For efficiency, it is proposed to include this item as part of the new grouped LEP amendment reported to Council in February 2018.

**Options**

Council can opt to not proceed with the proposed amendments to the Land Zoning Map and other map changes or to proceed with the proposed amendments in a different form.

It is recommended that Council proceed with the proposed LEP changes, as discussed in this report.

**Community Engagement & Internal Consultation**

Ongoing consultation is proposed with the developer.

Community engagement will occur consistent with the requirements of the Act, the Gateway determination from DP&E, and Council's policies.

If objections are received a further report will be brought to Council.

**Planning & Policy Implications**

Apart from a minor correction and adjustment to LEP mapping boundaries, there are no planning and policy implications in relation to this report.

Please note that the recommendation in this report refers to recently updated section numbering in the Environmental Planning & Assessment Act.

**Financial & Economic Implications**

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

**Attachments**

1View. Council report and minutes, 21 October 2015

2View. King & Campbell letter, 15 January 2018

YOUR NATURAL AND  
BUILT ENVIRONMENT



## Planning & Environment

Mr Craig Swift-McNair  
General Manager  
Port Macquarie Hastings Council  
PO Box 84  
PORT MACQUARIE NSW 2444

Or. Your ref: MDPE18/2932

PORT MACQUARIE HASTINGS	
TRIM No	CRM 193
20 SEP 2018	
Keyword	
Activity	
Subject	
Folder	SF 18/2880

Dear Mr Swift-McNair,

I refer to your letter to the Hon Anthony Roberts, Minister for Planning, dated 13 August 2018. The Minister has asked me to reply on his behalf.

The 'coastal wetlands and littoral rainforest area' is defined in the *Coastal Management Act 2016* as meaning land identified by a SEPP to be 'land which displays the hydrological and floristics characteristics of coastal wetlands or littoral rainforests and land adjoining those features'.

The mapping of land as 'coastal wetland and littoral rainforest area' (CW/LR area) area does not prohibit development, nor change the permissibility of development as set by the land zoning in the relevant LEP. The mapping of land as CW/LR does not relate to or hinge on the zoning of land.

The identification of land as CW/LR area within the Port Macquarie-Hastings LGA is based on the best available state-based mapping combined with data provided by Council in 2016 and 2017 (see attached letter from Port Macquarie Hastings Council dated 29 March 2016).

Amending the CW/LR area maps must be based on evidence that the land does not meet the criteria specified in the *Coastal Management Act 2016*.

I have considered your request that the Coastal Management SEPP maps be amended to remove the CW/LR area added in response to Council supplied data, which is zoned for residential, industrial or business purposes. This request would not on its own meet the criteria required by the *Coastal Management Act 2016*.

It is critical that any mapping changes be supported by evidence. Noting your advice that a complete review of the CW/LR area would take Council 12 months, the Department is willing in this circumstance to engage a vegetation consultant to analyse the coastal wetland and littoral rainforest areas that were added post-exhibition of the draft Coastal Management SEPP for alignment with the *Coastal Management Act 2016*. It is expected that this review can be undertaken in an accelerated manner, and therefore be included in the current review of the maps associated with the SEPP.

It would be of assistance if Council can advise the best person for the Department and the vegetation consultant to liaise with to obtain access to vegetation data, development assessment data and any other information that Council has relating to the vegetation presence. We would appreciate Council providing any necessary assistance to the vegetation consultant to ensure this review can be undertaken in an expedited manner.

If you have further queries, please contact Ms Santina Camroux of the Department on 9274 6586.

Yours sincerely



**Alison Frame**  
**Deputy Secretary**  
**Policy and Strategy**

# Tree Hazard Evaluation and Works Scheduling

## Methodology

Visual Tree Assessments and scheduled works are evaluated using a combination of two systems; Risk Score and Hazard Score which define a priority rating.

These systems are Council's Risk Matrix (4x4) and Evaluation of Hazard Trees in Urban Areas (Matheny & Clark), an internationally recognised arboriculture evaluation guide.

## Council's Risk Matrix

Risk scores are a result of the likelihood of an event occurring (branch or tree failure) within the 12 months following the date of inspection and provides a basis for Priority Ratings; which are disclosed to customers. A risk score of between 1 to 6 is allocated based on the likelihood/severity of an event occurring.

Risk Score	Definition	Priority
1	Very High	1
2	High	2
3/4	Moderate	3/4
5/6	Low	5/6

## Hazard Rating

Tree Hazard Ratings are based on the Matheny & Clark method (Hazard scores 1 - 12) which evaluates:

- Failure potential
- Size of part most likely to fail
- Frequency of occupancy

The above elements are evaluated and each receives an individual score between 1 to 4. When each of their individual scores are added together, the resulting score can range between 3 and 12.

Hazard Score	Definition
1-4	Low
5-8	Moderate
9-12	High

## Priority Rating

The primary driver for scheduling and prioritising works is the Risk score, with the Hazard score used as supplementary information. Consideration of both scores determines the Priority Rating which is communicated to customers.

Priority Rating	Definition
1	Event is imminent or very likely to occur within 12 months
2	Event is likely to occur within 12 months
3/4	Event is unlikely to occur within 12 months
5/6	Either recorded for monitoring (an annual inspection) or may not be recorded dependent on the determination of the initial inspection.

### Examples:

Trees displaying **lower risk matrix score** with **high hazard score** are generally actioned first, compared to a high risk score with low hazard score tree.

Tree	Risk Score	Hazard Score		Works would be prioritised in this order
A	2	7		4
B	1	10		1
C	2	10		3
D	2	12		2
E	3	7		6
F	2	6		5

By using these systems in conjunction with the initial inspection date, Council is able to advise a **Priority Rating** on the current status and position of a particular tree compared to others within the work schedule.

The work schedule is a live document and can change frequently, depending on new inspection requests, storm damage and resourcing. As a result it is extremely difficult to provide a customer with a guarantee on when works will be scheduled, with the exception of Priority 1 listings. Tree works that have not been completed are re-inspected annually to determine if there are any changes in risk and hazard scores.