

# Ordinary Council

## Business Paper

**date of meeting:** Thursday 15 February 2024

**location:** Council Chambers, 17 Burrawan Street, Port Macquarie

**time:** 10:00am

<b>Community Vision</b>	A sustainable high quality of life for all
<b>Community Mission</b>	Building the future together People Place Health Education Technology
<b>Council's Corporate Values</b>	<ul style="list-style-type: none"> <li>★ Sustainability</li> <li>★ Excellence in Service Delivery</li> <li>★ Consultation and Communication</li> <li>★ Openness and Accountability</li> <li>★ Community Advocacy</li> </ul>
<b>Community Themes</b>	<ul style="list-style-type: none"> <li>★ Leadership and Governance</li> <li>★ Your Community Life</li> <li>★ Your Business and Industry</li> <li>★ Your Natural and Built Environment</li> </ul>

Under Clause 3.23 Statement of ethical Obligations in the Code of Meeting Practice as adopted by Council at the Extraordinary Meeting of Council held on 23 June 2022 (Item 6.04), business papers for all ordinary and extraordinary meetings of the council and committees of the council must contain a statement reminding councillors of their oath or affirmation of office made under section 233A of the Act and their obligations under the council's code of conduct to disclose and appropriately manage conflicts of interest.

Councillors are reminded of the oath or affirmation which was taken by each of them on 10 January 2022.

#### **Oath Of Councillor**

I swear that I will undertake the duties of the office of Councillor in the best interests of the people of Port Macquarie-Hastings local government area and the Port Macquarie-Hastings Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

#### **Affirmation Of Councillor**

I solemnly and sincerely declare and affirm that I will undertake the duties of the office of Councillor in the best interests of the people of Port Macquarie-Hastings local government area and the Port Macquarie-Hastings Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Councillors have the opportunity to declare any interests in items on the agenda and inform the Council and public if they will be leaving the Chambers during the debate and voting on the item.

# Ordinary Council Meeting

Thursday 15 February 2024

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

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

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**Item: 02****Subject: REMOTE ATTENDANCE AT MEETING**

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**RECOMMENDATION**

That Council accede to the request of Councillors to attend the meeting by remote means.

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**Item: 03****Subject: LOCAL GOVERNMENT PRAYER**

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

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**Item: 04****Subject: APOLOGIES**

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**RECOMMENDATION**

That the apologies received be accepted.

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**Item: 05****Subject: CONFIRMATION OF PREVIOUS MINUTES**

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**RECOMMENDATION**

That the Minutes of the Ordinary Council Meeting held on 14 December 2023 be confirmed.

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**PRESENT**

**Members:**

Mayor Peta Pinson  
Councillor Lauren Edwards  
Councillor Lisa Intemann  
Councillor Nik Lipovac  
Councillor Danielle Maltman  
Councillor Adam Roberts  
Councillor Rachel Sheppard  
Councillor Josh Slade

**Other Attendees:**

Chief Executive Officer (Dr Clare Allen)  
Director Business and Performance (Keith Hentschke)  
Director Community, Planning and Environment (Melissa Watkins)  
Director Community Infrastructure (Robert Fish)  
Director Community Utilities (Jeffery Sharp)  
Group Manager Governance (Michael Ferguson)  
Governance Officer (Tania Ellis)

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The meeting opened at 3.00pm.

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**01 ACKNOWLEDGEMENT OF COUNTRY**

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The Mayor opened the Meeting with an Acknowledgement of Country and welcomed all in attendance in the Chamber and viewing on line.

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**02 REMOTE ATTENDANCE AT MEETING**

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Nil.

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**03 LOCAL GOVERNMENT PRAYER**

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Pastor David Pym from the Port Macquarie Baptist Church delivered the Local Government Prayer.

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#### **04 APOLOGIES**

Nil.

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#### **05 CONFIRMATION OF MINUTES**

*RESOLVED: Roberts/Slade*

**That the Minutes of the Ordinary Council Meeting held on 16 November 2023 be confirmed.**

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

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#### **06 DISCLOSURES OF INTEREST**

Councillor Lipovac declared a Non-Pecuniary-Less than Significant interest in Item 10.17 Notice of Motion - Town Centre Master Plan. The reason being that Councillor Lipovac holds a position as Account Executive and meets with local business owners in Port Macquarie Central Business District and the Hastings Macleay and Nambucca Valleys and is involved in the local community and therefore Financial Member of Business port Macquarie and the Greater Port Macquarie Tourism Association. Councillor Lipovac has no family links to any local business in the Hastings LGA or across the Mid North Coast. Councillor Lipovac intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence his decision making in the matter.

Councillor Edwards declared a Pecuniary, Significant interest in Item 11.05 Temporary Licence - Voodie Foods Van - Shelley Beach Port Macquarie. The reason being is that she is the applicant in this matter. Councillor Edwards intends to leave the meeting and take no part in consideration of this item.

Mayor Pinson declared a Non-Pecuniary-Less than Significant interest in Item 13.02 PP2022-2.1 - Planning Proposal Assessment Report - 1175-1191 Ocean Drive, Bonny Hills Applicant - King and Campbell Pty Ltd Landowner - St Agnes Catholic Parish, The Trustees of the Roman Catholic Church Diocese of Lismore. The reason being is that the Mayor owns a property and resides in this area. Mayor Pinson intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence her decision making in the matter.

Councillor Sheppard declared a Non-Pecuniary-Less than Significant interest in Item 13.02 PP2022-2.1 - Planning Proposal Assessment Report - 1175-1191 Ocean Drive, Bonny Hills Applicant - King and Campbell Pty Ltd Landowner - St Agnes Catholic Parish, The Trustees of the Roman Catholic Church Diocese of Lismore. The reason being is that the Councillor Sheppard owns a property and

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resides in this area. Councillor Sheppard intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence her decision making in the matter.

Councillor Maltman declared a Non-Pecuniary-Less than Significant interest in Item 13.08 Lake Cathie Natural Resource Management Monthly Update Report. The reason being that Councillor Maltman is a non-financial life member and former President of the community organisation Revive Lake Cathie Incorporated. Councillor Maltman intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence her decision making in the matter.

Councillor Slade declared a Non-Pecuniary-Less than Significant interest in Item 13.02 PP2022-2.1 - Planning Proposal Assessment Report - 1175-1191 Ocean Drive, Bonny Hills Applicant - King and Campbell Pty Ltd Landowner - St Agnes Catholic Parish, The Trustees of the Roman Catholic Church Diocese of Lismore. The reason being is that Councillor Slade owns a property and resides in this area. Councillor Slade intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence his decision making in the matter.

Councillor Slade declared a Non-Pecuniary-Less than Significant interest in Item 13.20 Notice of Motion - Construction of 2 All-Weather Netball Courts. The reason being that Councillor Slade is a sponsor of an under 6's netball team at Wauchope Netball Club. Councillor Slade intends to remain in the meeting, participate and vote in the matter as this perceived conflict will not influence his decision making in the matter.

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## **07 MAYORAL MINUTES**

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### **07.01 INDEPENDENT STRATEGIC REVIEW ON THE INFRASTRUCTURE INVESTMENT PROGRAM**

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*RESOLVED: Pinson*

**That Council:**

- 1. Note that funding from the Australian Government for the upgrade of Lorne Road will remain in place following the review of the Infrastructure Investment Program.**
  - 2. Note that funding from the Australian Government to plan the upgrade of the Oxley Highway at Wrights Road and Lake Road has been revoked after the review of the Infrastructure Investment Program.**
  - 3. Note that the Chief Executive Officer has written to the relevant Federal and State Ministers, Shadow Ministers and our Local Members raising our strong concern with the loss of funding for the proposed Oxley Highway upgrade at Wrights Road and Lake Road.**
  - 4. Support Local Government NSW in their representations to the Australian Government regarding the 17 infrastructure projects in NSW**
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that have lost funding following the review of the Infrastructure Investment Program.

5. Advocate to the relevant NSW State Government Minister The Hon. Jenny Aitchison, Minister for Regional Transport and Roads.

CARRIED: 8/0  
FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade  
AGAINST: Nil

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**07.02 NSW HOUSING CRISIS - CORRESPONDENCE FROM THE MINISTER FOR PLANNING AND PUBLIC SPACES**

RESOLVED: Pinson

That Council note the correspondence received from The Hon. Paul Scully MP, Minister for Planning and Public Spaces in relation to the NSW Housing crisis.

CARRIED: 8/0  
FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade  
AGAINST: Nil

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**07.03 2023 CHRISTMAS FAIR AND LIGHTING OF THE TREE**

RESOLVED: Pinson

That Council:

1. Note the outstanding success of the 2023 Christmas Fair event held on the Town Green on 8 December 2023.
2. Through the Chief Executive Officer pass on Council's thanks and congratulations to all the staff involved in making the event the success that it was.

CARRIED: 8/0  
FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade  
AGAINST: Nil

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**08 CONFIDENTIAL CORRESPONDENCE TO ORDINARY COUNCIL MEETING**

Nil

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## **09 ITEMS TO BE DEALT WITH BY EXCEPTION**

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*RESOLVED: Lipovac/Slade*

**That Items 10.01, 10.02, 10.03, 10.04, 10.08, 10.10, 10.11, 10.12, 10.13, 11.04, 13.01, 13.03, 13.04, 13.05, 13.06, 13.11, 13.13, and 13.15 be considered as a block resolutions.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

*RESOLVED: Lipovac/Edwards*

**That all recommendations listed in the block resolution be adopted by Council.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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### **10.01 MAYORAL DISCRETIONARY FUND ALLOCATIONS - 2 TO 29 NOVEMBER 2023**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note that there were no Mayoral Discretionary Fund allocations for the period 2 to 29 November 2023 inclusive.**

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### **10.02 STATUS OF REPORTS FROM COUNCIL RESOLUTIONS**

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*BLOCK RESOLVED: Lipovac/Edwards*

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

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### **10.03 INVESTMENTS AND LOANS - NOVEMBER 2023**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note the Investment and Loans Report for November 2023.**

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#### **10.04 MONTHLY BUDGET REVIEW - NOVEMBER 2023**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

- 1. Adopt the adjustments in the “November 2023 Adjustments” section of the Monthly Budget Review – November 2023 report and associated attachment.**
  - 2. Amend the 2023-2024 Operational Plan to include all budget adjustments approved in this report.**
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#### **10.08 CODE OF CONDUCT COMPLAINT STATISTICS**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note the Code of Conduct Complaint Statistics for the period 1 September 2022 to 31 August 2023.**

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#### **10.10 COUNCILLOR PROFESSIONAL DEVELOPMENT 2023**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note the Councillor Professional Development for 2023.**

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#### **10.11 POLICY REVIEW - DRAFT PETITIONS POLICY - FOLLOWING PUBLIC EXHIBITION**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

- 1. Adopt the draft Petitions Policy.**
  - 2. Thank those that made submissions and advise them of Council’s determination in this matter.**
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#### **10.12 POLICY REVIEW - STRATEGIC PROPERTY INVESTMENT POLICY**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

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1. Publicly exhibit the draft Strategic Property Investment Policy for a period of not less than 42 days.
  2. Note that a further report will be tabled at the March 2024 meeting of Council, detailing the submissions received from the public during the exhibition period.
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#### **10.13 PROPERTY INVESTMENT PORTFOLIO - ANNUAL REPORT**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

1. Note the update provided to Council on the Property Investment Portfolio in this report.
  2. Request the Chief Executive Officer adopt a reporting period aligned with financial year reporting, for future Property Investment Portfolio annual reports to cover the period 1 July to 30 June, with the report tabled at the following November Ordinary Council meeting.
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#### **11.04 PORT MACQUARIE CENTRAL BUSINESS DISTRICT ALCOHOL FREE ZONES AND ALCOHOL PROHIBITED AREAS**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

1. Approve the proposed Alcohol Free Zones and Alcohol Prohibited Areas in the Port Macquarie Central Business District as detailed in the body of this report.
  2. Provide seven (7) days Public Notice advising the community of Council's establishment of alcohol restricted locations in the Port Macquarie Central Business District.
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#### **13.01 UPDATE ON SITE SPECIFIC PLANNING PROPOSAL REQUESTS BI-ANNUAL REPORT**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

1. Note the status of site specific Planning Proposal requests detailed in this report; and
  2. Receive a further update report in June 2024 regarding the progress of site specific Planning Proposal requests.
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### **13.03 LAND ACQUISITION AND COMPENSATION - HASTINGS RIVER DRIVE**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

- 1. Pay compensation in the amount of \$371,440 (GST exclusive) to the owner of Lot 102 Deposited Plan 1179346, Lots 1 and 4 Deposited Plan 39064 and Lot 1 Deposited Plan 568460, Blue Polka Pty Limited, for the acquisition of that part of Lot 102 Deposited Plan 1179346, Lots 1 and 4 Deposited Plan 39064 and Lot 1 Deposited Plan 568460, more particularly described as Lot 30, 29 and 26 in Deposited Plan 874058 and Lot 203 in Deposited Plan 1291510 in Plan of Acquisition.**
- 2. Proceed to transfer ownership of Lot 18 in Deposited Plan 874058 as compensation to the owner of Lot 102 Deposited Plan 1179346, Lots 1 and 4 Deposited Plan 39064 and Lot 1 Deposited Plan 568460, Blue Polka Pty Limited, for the acquisition of that part of Lot 102 Deposited Plan 1179346, Lots 1 and 4 Deposited Plan 39064 and Lot 1 Deposited Plan 568460, more particularly described as Lot 30, 29 and 26 in Deposited Plan 874058 and Lot 203 in Deposited Plan 1291510 in Plan of Acquisition.**
- 3. Pursuant to Section 59 of the Land Acquisition (Just Terms Compensation) Act 1991, pay the landowner's legal (property conveyancing) expenses reasonably incurred arising from the land acquisition.**
- 4. Pursuant to Section 10 of the Roads Act 1993, upon acquisition, dedicate Lot 30, 29 and 26 in Deposited Plan 874058 and Lot 203 in Deposited Plan 1291510 to the public as road.**

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### **13.04 CLASSIFICATION OF COUNCIL LAND - VERNON CIRCUIT KEW**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council, pursuant to Section 34 of the Local Government Act 1993, classify Lot 36 DP 12887783 Vernon Circuit Kew as operational land.**

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### **13.05 CLASSIFICATION OF LAND - MAIZE PARKWAY THRUMSTER**

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*BLOCK RESOLVED: Lipovac/Edwards*

**That Council pursuant to Section 34 of the Local Government Act 1993 classify Lot 290 DP 1281501 Maize Parkway, Thrumster as operational land.**

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**13.06 CLASSIFICATION OF COUNCIL LAND - CARLIE JANE DRIVE  
THRUMSTER**

*BLOCK RESOLVED: Lipovac/Edwards*

**That Council pursuant to Section 34 of the Local Government Act 1993  
classify Lot 383 DP 1241368 Carlie Jane Drive, Thrumster as operational  
land.**

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**13.11 INTEGRATED TRANSPORT PLAN UPDATE**

*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note the information provided in the Integrated Transport Plan  
update.**

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**13.13 POLICY REVIEW - POST EXHIBITION REPORT - WATER SUPPLY  
SERVICES AND RECYCLED WATER SUPPLY SERVICES 2023**

*BLOCK RESOLVED: Lipovac/Edwards*

**That Council:**

- 1. Note the Information in the Draft Water Supply Services and Recycled Water Supply Services Policies 2023 and Community Engagement Report.**
- 2. Note the responses to feedback on the Draft Water Supply Services and Recycled Water Supply Policies 2023.**
- 3. Thank the community for their feedback.**
- 4. Adopt the Draft Water Supply Services & Draft Recycled Water Supply Services Policies 2023.**

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**13.15 QUESTION WITH NOTICE - GRANT APPLICATION COMMUNITY  
ENERGY UPGRADE FUND**

*BLOCK RESOLVED: Lipovac/Edwards*

**That Council note the Question With Notice from Councillor Edwards  
regarding the Federal Government Grant Program for Local Government -  
Community Energy Upgrade Fund.**

Item 10.01 Mayoral Discretionary Fund Allocations - 2 to 29 November 2023, has  
been addressed previously within the meeting

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Item 10.02 Status of Reports From Council Resolutions, has been addressed previously within the meeting

Item 10.03 Investments and Loans - November 2023, has been addressed previously within the meeting

Item 10.04 Monthly Budget Review - November 2023, has been addressed previously within the meeting

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## **10.05 IMPROVEMENT PLAN 2022-2026 - GENERAL FUND OPERATING PERFORMANCE**

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### **MOTION**

*MOVED: Roberts/Maltman*

That Council note the update provided in this Improvement Plan 2022-2026 - General Fund Operating Performance report.

### **AMENDMENT**

*MOVED: Sheppard/Edwards*

That Council:

1. Note the update provided in this Improvement Plan 2022-2026 - General Fund Operating Performance report.
2. Provide Councillors with a briefing further detailing the scope, governance, objectives, and functions of the Executive Transformation Board, including areas of potential overlap with the role of the governing body.

*LOST: 3/5*

*FOR: Edwards, Intemann and Sheppard*  
*AGAINST: Lipovac, Maltman, Pinson, Roberts and Slade*

**THE AMENDMENT ON BEING PUT WAS LOST**

**THE MOTION ON BEING PUT WAS CARRIED**

*RESOLVED: Roberts/Maltman*

**That Council note the update provided in this Improvement Plan 2022-2026 - General Fund Operating Performance report.**

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

Councillor Slade left the meeting, the time being 03:38pm.

Councillor Slade returned to the meeting, the time being 03:40pm.

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## 10.06 RISK APPETITE STATEMENT AND RISK CONSEQUENCE TABLE

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### MOTION

*MOVED: Roberts/Maltman*

That Council:

1. Adopt the draft Risk Appetite Statement as attached to this report as Attachment 1.
2. Adopt the draft Risk Consequence Table as attached to this report as Attachment 2.

### AMENDMENT

*MOVED: Edwards/Sheppard*

That Council:

- Adopt the draft Risk Appetite Statement as attached to this report as Attachment 1.
- Adopt the draft Risk Consequence Table as attached to this report as Attachment 2 amending the Impact Description of the Regulatory and Governance Category to read "Impacts compliance with contracts, laws, regulations, policies and procedures".

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

**THE AMENDMENT ON BEING PUT WAS CARRIED**

**THE AMENDMENT BECAME THE MOTION AND ON BEING PUT WAS CARRIED**

*RESOLVED: Edwards/Sheppard*

That Council:

1. **Adopt the draft Risk Appetite Statement as attached to this report as Attachment 1.**
2. **Adopt the draft Risk Consequence Table as attached to this report as Attachment 2 amending the Impact Description of the Regulatory and Governance Category to read "Impacts compliance with contracts, laws, regulations, policies and procedures".**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*



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## 10.07 DISCLOSURE OF INTEREST RETURN

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*RESOLVED: Pinson/Roberts*

**That Council note the Disclosure of Interest returns for the following position:**

**1. Community Infrastructure - Project Manager**

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

The Chairperson tabled the disclosure of interest as described above.

Item 10.08 Code of Conduct Complaint Statistics, has been addressed previously within the meeting.

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## 10.09 REPORT OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD 1 DECEMBER 2023

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### MOTION

*MOVED: Intemann/Sheppard*

That Council:

- Note the report of the Audit, Risk and Improvement Committee held 1 December 2023.
- Appoint Councillor Rachel Sheppard as an alternate non-voting Councillor representative to attend the Audit, Risk and Improvement Committee meeting as the Councillor representative whenever the primary non-voting Councillor representative is unable to attend.
- Amend the Audit, Risk and Improvement Committee Charter to permit the alternate non-voting Councillor representative to attend all Committee meetings as an observer where not attending as the primary non-voting Councillor representative.

### AMENDMENT

*MOVED: Roberts/Slade*

That Council:

1. Note the report of the Audit, Risk and Improvement Committee held 1 December 2023.
2. Appoint Councillor Danielle Maltman as an alternate non-voting Councillor representative to attend the Audit, Risk and Improvement Committee meeting as the Councillor representative whenever the primary non-voting Councillor representative is unable to attend.

*EQUAL: 4/4*  
*FOR: Maltman, Pinson, Roberts and Slade*  
*AGAINST: Edwards, Intemann, Lipovac and Sheppard*

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CASTING VOTE: For  
CARRIED

**THE AMENDMENT ON BEING PUT WAS CARRIED**

**THE AMENDMENT BECAME THE MOTION AND ON BEING PUT WAS CARRIED**

*RESOLVED: Roberts/Slade*

**That Council:**

- 1. Note the report of the Audit, Risk and Improvement Committee held 1 December 2023.**
- 2. Appoint Councillor Danielle Maltman as an alternate non-voting Councillor representative to attend the Audit, Risk and Improvement Committee meeting as the Councillor representative whenever the primary non-voting Councillor representative is unable to attend.**

*FOR: Maltman, Pinson, Roberts and Slade*  
*AGAINST: Edwards, Intemann, Lipovac and Sheppard*  
*EQUAL: 4/4*  
*CASTING VOTE: For*  
*CARRIED*

Item 10.10 Councillor Professional Development 2023, has been addressed previously within the meeting.

Item 10.11 Policy Review - Draft Petitions Policy - Following Public Exhibition, has been addressed previously within the meeting.

Item 10.12 Policy Review - Strategic Property Investment Policy, has been addressed previously within the meeting.

Item 10.13 Property Investment Portfolio - Annual report, has been addressed previously within the meeting.

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**10.14 99 WILLIAM STREET, PORT MACQUARIE**

*RESOLVED: Pinson/Roberts*

**That Council:**

- Buy back the vacant land at 99 William St, Port Macquarie (Lot 1, DP1012667) for \$1 in accordance with the registered positive covenant dated 30 July 2019.**
- Delegate authority to the Chief Executive Officer to sign all associated land sale and transfer documents.**
- Request the Chief Executive Officer to provide a briefing to Councillors in March 2024 with high level options for alternative uses for the land at 99 William Street, Port Macquarie, including possible sale.**
- Request the Chief Executive Officer to prepare a precinct parking plan with options to provide for future forecast parking needs in the Port**

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**Macquarie Town Centre, and to provide a briefing to Council on this plan and on parking supply options.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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**10.15 JOINT NATIONAL COAST TO COAST AND NSW COASTAL CONFERENCE 2023 - ONE COAST, ONE COMMUNITY**

*RESOLVED: Maltman/Slade*

**That Council note the information contained in the report from Councillor Danielle Maltman regarding her attendance at the Joint National Coast to Coast and NSW Coastal Conference 2023 - One Coast, One Community.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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**10.16 NOTICE OF MOTION - LOCAL GOVERNMENT REMUNERATION TRIBUNAL - SUBMISSION ON FEES PAYABLE TO MAYOR AND COUNCILLORS FROM 1 JULY 2024**

*RESOLVED: Pinson/Sheppard*

**That Council, through the Chief Executive Officer, make a submission to the Local Government Remuneration Tribunal supporting reform of the fees payable to Mayors and Councillors in the 2024 annual determination for the following reasons:**

- 1. Current fees do not reflect the level of input required by mayors and councillors and will lead to degradation in the range of candidates at a local level and may further restrict particular groups from representation in local government due to the financial constraints that may follow.**
- 2. Councils in rural and regional NSW that are placed in non-metropolitan categories are remunerated at substantially lower levels than those in metropolitan areas.**
- 3. While the population of these non-metropolitan communities may be smaller than that of larger metro councils, elected representatives in these communities face unique and ongoing challenges for which they are not remunerated appropriately.**
- 4. The Local Government Remuneration Tribunal, in its determination for 2023, noted the challenges with remuneration and set out that, in the Tribunal's view, there would be merit in a comprehensive review of the**

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**framework for mayor and councillor remuneration and Council fully supports this view.**

*CARRIED: 6/2*

*FOR: Edwards, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Intemann and Lipovac*

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#### **10.17 NOTICE OF MOTION - TOWN CENTRE MASTER PLAN RATE FROM 1 JULY 2024**

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Councillor Lipovac declared a Non-Pecuniary - Less than Significant interest in this item. The reason being that Councillor Lipovac holds a position as Account Executive and meets with local business owners in Port Macquarie Central Business district and the Hastings Macleay and Nambucca Valleys and is involved in the local community and therefore Financial Member of Business port Macquarie and the Greater Port Macquarie Tourism Association. Councillor Lipovac has no family links to any local business in the hasting or the LGA across the Mid North Coast. Councillor Lipovac remained in the meeting, participated and voted in the matter as this perceived conflict will not influence his decision making in the matter.

#### **MOTION**

*MOVED: Roberts/Maltman*

That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting which details:

1. The financial, staffing and service delivery impact of a proposed abolition of the Town Centre Master Plan (TCMP) component of the Port Macquarie CBD Ordinary Business Rate from 1 July 2024.
2. The potential options for mitigating the impact of the abolition.

#### **AMENDMENT**

*MOVED: Intemann/Sheppard*

That Council:

- Note the extensive consideration of this matter and the Business Rating model during 2022, which included:
    - a) Two independent reviews that included detailed engagement with stakeholders and community members, with reports to Council in June and December 2022.
    - b) A resolution in December 2022 for a 32% reduction in the Town Centre Master Plan (TCMP) component of the Port Macquarie CBD ordinary business rate through to 2027 and a 45% reduction thereafter, which will ensure continued service standards for CBD maintenance and funding for existing TCMP related loan repayments through to 2027.
  - Note that abolition of the TCMP component of the Port Macquarie CBD Business rate from 1 July 2024 would result in additional costs to the General Fund both to ensure current levels of Port Macquarie CBD maintenance and to repay the existing TCMP loan.
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- 
- Request the Chief Executive Officer to provide a report to the February 2024 Ordinary Council meeting which details the costs that would follow from abolishing the TCMP rate component and any potential options for mitigating the impact of the abolition.

EQUAL: 4/4  
FOR: Edwards, Intemann, Lipovac and Sheppard  
AGAINST: Maltman, Pinson, Roberts and Slade  
CASTING VOTE: Against  
LOST

**THE AMENDMENT ON BEING PUT WAS LOST**

**PROCEDURAL MOTION**

RESOLVED: Slade/Roberts

That the motion be put.

EQUAL: 4/4  
FOR: Maltman, Pinson, Roberts and Slade  
AGAINST: Edwards, Intemann, Lipovac and Sheppard  
CASTING VOTE: For  
CARRIED

**THE MOTION ON BEING PUT WAS CARRIED**

RESOLVED: Roberts/Maltman

That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting which details:

- The financial, staffing and service delivery impact of a proposed abolition of the Town Centre Master Plan (TCMP) component of the Port Macquarie CBD Ordinary Business Rate from 1 July 2024.
- The potential options for mitigating the impact of the abolition.

EQUAL: 4/4  
FOR: Maltman, Pinson, Roberts and Slade  
AGAINST: Edwards, Intemann, Lipovac and Sheppard  
CASTING VOTE: For  
CARRIED

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**10.18 NOTICE OF MOTION - RATE FREEZE**

**MOTION**

MOVED: Roberts/Pinson

That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting, preceded by a Councillor Briefing, that:

- Details the financial, staffing and service delivery impacts of a proposed freezing of Ordinary and Special Rates at the 2023-2024 rates for the period 1 July 2024 to 30 June 2025.

- 
2. Articulates the cumulative potential Long Term Financial Plan impacts of an Ordinary and Special Rates freeze noted in point 1 above
  3. Includes an assessment of the options for mitigating the impact of a rate freeze.
  4. Provides a draft Community Engagement Plan to seek feedback on the proposed rate freeze.

#### **AMENDMENT**

*MOVED: Sheppard/Edwards*

That Council:

1. Defer consideration is this item until further information is provided by the Chief Executive Officer.
2. In relation to the information referred to in Clause 1, request the Chief Executive Officer collate and provide councillors with the recording of the Councillor budget workshop, and any previous advice to councillors or other information, which the Chief Executive Officer considers relevant to rate freeze proposals.

*EQUAL: 4/4*  
*FOR: Edwards, Intemann, Lipovac and Sheppard*  
*AGAINST: Maltman, Pinson, Roberts and Slade*  
*CASTING VOTE: Against*  
**LOST**

#### **THE AMENDMENT ON BEING PUT WAS LOST**

#### **THE MOTION ON BEING PUT WAS CARRIED**

*RESOLVED: Roberts/Pinson*

**That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting, preceded by a Councillor Briefing, that:**

1. **Details the financial, staffing and service delivery impacts of a proposed freezing of Ordinary and Special Rates at the 2023-2024 rates for the period 1 July 2024 to 30 June 2025.**
2. **Articulates the cumulative potential Long Term Financial Plan impacts of an Ordinary and Special Rates freeze noted in point 1 above**
3. **Includes an assessment of the options for mitigating the impact of a rate freeze.**
4. **Provides a draft Community Engagement Plan to seek feedback on the proposed rate freeze.**

*EQUAL: 4/4*  
*FOR: Maltman, Pinson, Roberts and Slade*  
*AGAINST: Edwards, Intemann, Lipovac and Sheppard*  
*CASTING VOTE: For*  
**CARRIED**

Councillor Slade left the meeting, the time being 05:00pm.

Councillor Slade returned to the meeting, the time being 05:01pm.

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## **10.19 NOTICE OF MOTION - CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW PANEL**

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### **MOTION**

*MOVED: Sheppard/Edwards*

That Council:

1. Determine the composition of the Chief Executive Officer's Performance Review Panel for the remaining Council term to consist of the Mayor, two (2) Councillors nominated by the elected Council, and one (1) Councillor nominated by the Chief Executive Officer.
2. Determine Councillor Rachel Sheppard and Councillor Lauren Edwards to represent the elected Council on the Chief Executive Officer's Performance Review Panel.
3. Request the Chief Executive Officer to nominate the Councillor to represent the Chief Executive Officer on the Chief Executive Officer's Performance Review Panel for the subject period.
4. Delegate to the Chief Executive Officer's Performance Review Panel the entire process of performance management, including discussions about performance, reporting and performance reviews for the period ending this term.
5. Request the Chief Executive Officer's Performance Review Panel to prepare a written brief for councillors, detailing the performance review and performance agreement process to be undertaken, noting anywhere this process deviates from the OLG guidelines for performance management.

### **AMENDMENT**

*MOVED: Pinson/Roberts*

That Council defer consideration of this item until the February 2024 Ordinary Council Meeting where it will be considered as a Mayoral Minute to allow the Chief Executive Officer adequate time to determine and speak to her representative on this Panel.

*CARRIED: 5/3*

*FOR: Intemann, Maltman, Pinson, Roberts and Slade*  
*AGAINST: Edwards, Lipovac and Sheppard*

### **THE AMENDMENT BECAME THE MOTION**

### **AMENDMENT**

*MOVED: Intemann/Lipovac*

That Council

1. Defer consideration of this item until the February 2024 Ordinary Council Meeting where it will be considered as a Mayoral Minute to allow the Chief



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Executive Officer adequate time to determine and speak to her representative on this Panel.

2. Request the Chief Executive Officer's Performance Review Panel when convened to prepare a written brief for councillors, by the end of March 2024, detailing the performance review and performance agreement process to be undertaken, noting anywhere this process deviates from the OLG guidelines for performance management

EQUAL: 4/4

FOR: Edwards, Intemann, Lipovac and Sheppard

AGAINST: Maltman, Pinson, Roberts and Slade

CASTING VOTE: Against  
LOST

#### **THE AMENDMENT ON BEING PUT WAS LOST**

#### **THE MOTION ON BEING PUT WAS CARRIED**

RESOLVED: Pinson/Roberts

**That Council defer consideration of this item until the February 2024 Ordinary Council Meeting where it will be considered as a Mayoral Minute to allow the Chief Executive Officer adequate time to determine and speak to her representative on this Panel.**

CARRIED: 5/3

FOR: Lipovac, Maltman, Pinson, Roberts and Slade

AGAINST: Edwards, Intemann and Sheppard

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#### **10.20 NOTICE OF MOTION - REPORTING ON COUNCILLOR ATTENDANCE AND ENGAGEMENT**

MOVED: Lipovac/Sheppard

That Council:

1. At the end of each Council term, and commencing following the next Local Government election in September 2024, provide a report to the last Ordinary Council meeting preceding the conclusion of that Council term on the following data:
  - a) The number of Ordinary Meetings, Extraordinary Meetings and Public Forums each Councillor attended.
  - b) The number of pre-council briefings, staff briefings and workshops each Councillor attended.
  - c) The number of Committees each Councillor was a member of during the term of Council.
  - d) The number and cost of conferences, professional development sessions and events Councillors attended, where such attendance incurred a cost to Council.
2. Present the above on a per-Councillor basis and report it in Council's Annual Report commencing in the 2024-2025 Annual Report.

EQUAL: 4/4

FOR: Edwards, Intemann, Lipovac and Sheppard



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AGAINST: Maltman, Pinson, Roberts and Slade  
CASTING VOTE: Against  
LOST

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### ADJOURN MEETING

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RESOLVED: Sheppard/Pinson

The Ordinary Council Meeting adjourned at 5.34pm.

CARRIED: 5/3  
FOR: Edwards, Pinson, Roberts, Sheppard and Slade  
AGAINST: Intemann, Lipovac and Maltman

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### RESUME MEETING

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The Ordinary Council Meeting resumed at 5.45pm.

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### 10.21 RESCISSION MOTION - COUNCIL MEETING DATES 2024

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MOVED: Roberts/Slade

That the undermentioned motion adopted at the Ordinary Council Meeting held on 16 November 2023:

That Council:

1. Set the Ordinary Council Meeting dates for the 2024 as the third Thursday of each month (with the exception of no meeting to be held in September 2024 due to the Local Government elections, an earlier meeting in November 2024 due to the NSW Local Government Conference, and an earlier meeting in December due to the proximity of Christmas) being:
    - 15 February
    - 21 March
    - 18 April
    - 16 May
    - 20 June
    - 18 July
    - 15 August
    - 17 October
    - 14 November
    - 12 December
  2. Conduct all Ordinary and Extraordinary Council meetings in the Council Chamber at Council's Administration Building, Burrawan Street, Port Macquarie.
  3. Set the Ordinary Council meetings to commence at 3:00pm on the dates as listed in 1 above.
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4. **Conduct a public forum in Wauchope on 18 March 2024 that relates to the March 2024 Ordinary Council meeting and a public forum in Laurieton on 15 July 2024 that relates to the July 2024 Ordinary Council meeting.**

be rescinded.

EQUAL: 4/4  
FOR: Maltman, Pinson, Roberts and Slade  
AGAINST: Edwards, Intemann, Lipovac and Sheppard  
CASTING VOTE: For  
CARRIED

RESOLVED: Roberts/Slade

That Council:

1. **Set the Ordinary Council Meeting dates for the 2024 as the third Thursday of each month (with the exception of no meeting to be held in September 2024 due to the Local Government elections, an earlier meeting in November 2024 due to the NSW Local Government Conference, and an earlier meeting in December due to the proximity of Christmas) being:**
  - 15 February
  - 21 March (Wauchope)
  - 18 April
  - 16 May
  - 20 June
  - 18 July (Laurieton)
  - 15 August
  - 17 October
  - 14 November
  - 12 December
2. **Set the Ordinary Council meetings to commence at 10:00am on the dates as listed in 1 above.**
3. **Conduct a public forum in Wauchope on 21 March 2024 and a public forum in Laurieton on 18 July 2024 from 9am to 9.45am preceding the Ordinary Council meeting.**
4. **Note that all Public Forums, with the exception of March 2024 and July 2024, be conducted at 5pm the Monday prior to each Ordinary Council meeting.**
5. **Make all efforts to livestream Council meetings held at remote sites, noting possible limitations affecting ability to livestream including venue facilities, geographic location and unexpected technical issues.**
6. **Note that the livestreaming of Council meetings at remote sites be funded from the existing Council meeting costs budget.**

CARRIED: 8/0  
FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade  
AGAINST: Nil

Councillor Intemann left the meeting, the time being 06:20pm.

Councillor Intemann returned to the meeting, the time being 06:21pm.

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## 11.01 DRAFT LANDRIGAN AND ANDREWS PARKS MASTER PLAN

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### MOTION

*MOVED: Roberts/Pinson*

That Council:

1. Place the draft Landrigan and Andrews Parks Master Plan on public exhibition for a period of not less than 28 days.
2. Identify the northern carpark areas and warm up zone as requiring further consideration pending a review of the benefit of providing a road connection between the Oxley Highway and Cameron Street to support traffic movement through Wauchope CBD, planned for 2025-2026 as part of an LGA wide traffic modelling review.
3. Note that a further report will be tabled at a future meeting of Council, detailing the submissions received from the public during the exhibition period.

### AMENDMENT

*MOVED: Sheppard/Lipovac*

That Council:

1. Place the draft Landrigan and Andrews Parks Master Plan on public exhibition for a period of not less than 28 days.
2. Note that a further report will be tabled at a future meeting of Council, detailing the submissions received from the public during the exhibition period.

*EQUAL: 4/4*

*FOR: Edwards, Intemann, Lipovac and Sheppard*

*AGAINST: Maltman, Pinson, Roberts and Slade*

*CASTING VOTE: Against*

*LOST*

### THE AMENDMENT ON BEING PUT WAS LOST

### THE MOTION ON BEING PUT WAS CARRIED

*RESOLVED: Roberts/Pinson*

That Council:

1. **Place the draft Landrigan and Andrews Parks Master Plan on public exhibition for a period of not less than 28 days.**
2. **Identify the northern carpark areas and warm up zone as requiring further consideration pending a review of the benefit of providing a road connection between the Oxley Highway and Cameron Street to support traffic movement through Wauchope CBD, planned for 2025-2026 as part of an LGA wide traffic modelling review.**
3. **Note that a further report will be tabled at a future meeting of Council, detailing the submissions received from the public during the exhibition period.**

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*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

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## **11.02 RESCUE TUBES FOR PORT MACQUARIE - HASTINGS BEACHES**

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*RESOLVED: Maltman/Lipovac*

**That Council:**

- 1. Note the outcome of the assessment of merits and costs associated with implementation of rescue tubes for Port Macquarie-Hastings beaches.**
- 2. Commit to trial Rescue Tubes at Shelley Beach, Port Macquarie with Rescue Tubes to be positioned at:
  - i) North end Shelley Beach, Port Macquarie**
  - ii) South end Shelley Beach, Port Macquarie****
- 3. Investigate opportunities for local community groups to assist with fund raising costs associated with this trial and possible future implementation.**

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

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## **11.03 PLAY SPACE REPLACEMENT BY RELOCATION DUE TO FLOOD IMPACTS**

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*RESOLVED: Pinson/Roberts*

**That Council:**

- 1. Note the information provided in this report.**
- 2. Request the Chief Executive Officer to advise the community and stakeholders of Council's decision to retire the following playgrounds at the end of their useful lives via communication through Council website, media release and written correspondence to affected Chambers of Commerce, Progress Associations and CCATs.
  - a) Norrie Reserve Playground, Kendall**
  - b) Bunny's Corner Playground, North Haven**
  - c) Rocks Ferry Reserve Playground, Wauchope****

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

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Item 11.04 Port Macquarie Central Business District Alcohol Free Zones and Alcohol Prohibited Areas, has been addressed previously within the meeting.

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#### **11.05 TEMPORARY LICENCE - VOODIE FOODS VAN**

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Councillor Edwards declared a Pecuniary, Significant interest in this item. The reason being is that she is the applicant in this matter. Councillor Edwards took no part in the consideration or voting and was out of sight for consideration of this matter.

*RESOLVED: Intemann/Pinson*

**That Council endorse the Short Term ‘Temporary’ Licence application from Lauren Edwards to operate the mobile food van, Voodie Foods, on a part time basis at John Downes Remembrance Park and at Shelly Beach, Port Macquarie.**

*CARRIED: 7/0*

*FOR: Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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#### **11.06 NOTICE OF MOTION - GRAFFITI RESOURCE**

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*RESOLVED: Roberts/Pinson*

**That Council request the Chief Executive Officer give consideration to the inclusion of resources in the draft 2024-2025 Operational Plan and budget for graffiti removal from Council owned and managed assets and infrastructure including an additional Full Time Equivalent (FTE) staff resource and vehicle.**

*CARRIED: 5/3*

*FOR: Intemann, Maltman, Pinson, Roberts and Slade*

*AGAINST: Edwards, Lipovac and Sheppard*

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Item 13.01 Update on Site Specific Planning Proposal Requests Bi-Annual Report, has been addressed previously within the meeting.

Councillor Sheppard left the meeting, the time being 06:55pm.

Councillor Sheppard returned to the meeting, the time being 06:56pm.

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**13.02 PP2022-2.1 - PLANNING PROPOSAL ASSESSMENT REPORT - 1175-1191 OCEAN DRIVE, BONNY HILLS  
APPLICANT - KING AND CAMPBELL PTY LTD  
LANDOWNER - ST AGNES CATHOLIC PARISH, THE TRUSTEES OF  
THE ROMAN CATHOLIC CHURCH DIOCESE OF  
LISMORE**

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Mayor Pinson declared a Non-Pecuniary - Less than Significant interest in this item. The reason being is that Mayor Pinson owns a property and resides in this area. Mayor Pinson remained in the meeting, participated and voted in the matter as this perceived conflict will not influence her decision making in the matter.

Councillor Sheppard declared a Non-Pecuniary - Less than Significant interest in this item. The reason being is that Councillor Sheppard owns a property and resides in this area. Councillor Sheppard remained in the meeting, participated and voted in the matter as this perceived conflict will not influence her decision making in the matter.

Councillor Slade declared a Non-Pecuniary - Less than Significant interest in this item. The reason being is that Councillor Slade owns a property and resides in this area. Councillor Slade remained in the meeting, participated and voted in the matter as this perceived conflict will not influence his decision making in the matter.

*RESOLVED: Pinson/Maltman*

**That Council:**

- 1. Endorse the draft Planning Proposal (Attachment 1), to enable rezoning of land for a proposed education establishment at Bonny Hills prepared under section 3.33 of the Environmental Planning and Assessment Act 1979.**
- 2. Forward the draft Planning Proposal to the NSW Department of Planning and Environment for a Gateway Determination under Section 3.34 of the Environmental Planning & Assessment Act 1979, and request that the Gateway Determination authorise Council to be the local plan-making authority.**
- 3. Delegate authority to the Director Community, Planning and Environment to make any minor updates to the Planning Proposal prior to seeking a Gateway Determination, and/or as a result of the issue of Gateway Determination.**
- 4. Receive a report following the public exhibition period on any submissions received.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

Item 13.03 Land Acquisition and Compensation - Hastings River Drive, has been addressed previously within the meeting.

Item 13.04 Classification of Council Land - Vernon Circuit Kew, has been addressed previously within the meeting.

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Item 13.05 Classification of Land - Maize Parkway Thrumster, has been addressed previously within the meeting.

Item 13.06 Classification of Council Land - Carlie Jane Drive Thrumster, has been addressed previously within the meeting.

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### **13.07 REQUEST TO REFUND DEVELOPMENT RELATED FEES - PORT MACQUARIE WOMEN'S SHED**

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*RESOLVED: Maltman/Roberts*

**That Council:**

- 1. Approve the refund of fees that Council can refund under its authority, less the Development Servicing Charges, to the maximum total of \$2,248 for the Port Macquarie Women's Shed.**
- 2. Refuse the request to refund Development Servicing Charges.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

Councillor Lipovac left the meeting, the time being 06:59pm.

Councillor Slade left the meeting, the time being 06:59pm.

Councillor Lipovac returned to the meeting, the time being 07:00pm.

Councillor Slade returned to the meeting, the time being 07:00pm.

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### **13.08 LAKE CATHIE NATURAL RESOURCE MANAGEMENT MONTHLY UPDATE REPORT**

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Councillor Maltman declared a Non-Pecuniary - Less than Significant interest in this item. The reason being that Councillor Maltman is a non-financial life member and former President of the community organisation Revive Lake Cathie Incorporated. Councillor Maltman remained in the meeting, participated and voted in the matter as this perceived conflict will not influence her decision making in the matter.

*RESOLVED: Maltman/Sheppard*

**That Council note the progress of natural resource management projects/initiatives within the Lake Cathie, Lake Innes and Cathie Creek waterways and progress on the Coastal Management Program.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*



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### **13.09 SALE OF COUNCIL-OWNED LAND - KANGAROO PARK ON NORTH SHORE**

#### **MOTION**

*MOVED: Pinson/Roberts*

That Council:

1. Defer consideration of the sale, or otherwise, of 8 residential allotments being 4 - 10 Marlin Place (Lot 78 DP 247188, Lot 79 DP 247188, Lot 80 DP 247188 and Lot 81 DP 247188) and 4 - 10 Dolphin Court (Lot 85 DP 247188, Lot 84 DP 247188, Lot 83 DP 247188 and Lot 82 DP 247188), North Shore.
2. Request the Chief Executive Officer provide a Councillor Briefing in March 2024 to identify options for the appropriate management of flood constraints that may impact development on the allotments listed in Item 1 above.

#### **AMENDMENT**

*MOVED: Sheppard/Edwards*

That Council:

1. Note resolution 9.24 from the 19 September 2018 Ordinary Council Meeting.
2. Resolve not to proceed with the sale of the 8 lots of residential land being 4 Marlin PI (Lot 78 DP 247188); 6 Marlin PI (Lot 79 DP 247188); 8 Marlin PI (Lot 80 DP 247188); 10 Marlin PI (Lot 81 DP 247188); 4 Dolphin Ct (Lot 85 DP 247188); 6 Dolphin Ct (Lot 84 DP 247188); 8 Dolphin Ct (Lot 83 DP 247188); and 10 Dolphin Ct (Lot 82 DP 247188), due to the flood risk associated with the lots.
3. Request the Chief Executive to investigate future options for the lots noted in 2 above and include in the Strategic Property Portfolio review and assessment.

*EQUAL: 4/4*

*FOR: Edwards, Intemann, Lipovac and Sheppard*

*AGAINST: Maltman, Pinson, Roberts and Slade*

*CASTING VOTE: Against*

*LOST*

**THE AMENDMENT ON BEING PUT WAS LOST**

**THE MOTION ON BEING PUT WAS CARRIED**

*RESOLVED: Pinson/Roberts*

That Council:

1. Defer consideration of the sale, or otherwise, of 8 residential allotments being 4 - 10 Marlin Place (Lot 78 DP 247188, Lot 79 DP 247188, Lot 80 DP 247188 and Lot 81 DP 247188) and 4 - 10 Dolphin Court (Lot 85 DP 247188, Lot 84 DP 247188, Lot 83 DP 247188 and Lot 82 DP 247188), North Shore.
2. Request the Chief Executive Officer provide a Councillor Briefing in March 2024 to identify options for the appropriate management of flood



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**constraints that may impact development on the allotments listed in Item 1 above.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

**13.10 WATER MAIN CONNECTION FEES WAIVER - BLACK SUMMER BUSHFIRE RECOVERY GRANTS PROGRAM - DIAMOND WATERS CARAVAN PARK (RITCHIE VILLAGE PROPERTY PTY LTD)**

*RESOLVED: Roberts/Maltman*

**That Council:**

- 1. Waive the fees and charges associated with water main connection and disinfection for a new water main and temporary water main being delivered by the Diamond Waters Caravan Park (Ritchie Village Property Pty Ltd) as part of a Black Summer Bushfire Recovery Grants Program project.**
- 2. Refund any fees and charges associated with water main connection and disinfection for a new water main and temporary water main that have already been paid by the Diamond Waters Caravan Park (Ritchie Village Property Pty Ltd) as part of a Black Summer Bushfire Recovery Grants Program project.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

Item 13.11 Integrated Transport Plan Update, has been addressed previously within the meeting.

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**13.12 REQUEST TO CONTINUE ACCEPTANCE OF KEMPSEY SHIRE COUNCIL WASTE AT CAIRCROSS LANDFILL**

*RESOLVED: Pinson/Roberts*

**That Council:**

- 1. Note the request to continue to support Kempsey Shire Council's Waste management activities given the issues they are having with their landfill expansion project.**
- 2. Continue to accept kerbside municipal general waste from Kempsey Shire Council at the Cairncross Landfill until 31 July 2024.**
- 3. Continue to accept transfer station waste from Kempsey Shire Council at the Cairncross Landfill until 31 July 2024.**
- 4. Note the additional volume of waste will have minimal impact on landfill capacity at the Cairncross site over this extended period.**

- 
5. **Charge Kempsey Shire Council the adopted Waste Fees and Charges applicable for the disposal of all municipal waste at the Cairncross Landfill from 1 January 2024 to 31 July 2024.**
  6. **Request Kempsey Shire Council direct their waste contractors to use the Blackman's Point Interchange to access Cairncross to reduce the impact on local traffic.**
  7. **Note the intention to continue working collaboratively with Kempsey Shire Council to develop and implement effective waste management strategies that benefit the region.**
  8. **Note that a report will be tabled at the completion of this arrangement with Kempsey Shire Council, detailing the waste accepted from Kempsey Shire Council at the Cairncross Landfill and resultant impacts.**

**CARRIED:** 8/0

**FOR:** Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade

**AGAINST:** Nil

Item 13.13 Policy Review - Post Exhibition Report - Water Supply Services and Recycled Water Supply Services 2023, has been addressed previously within the meeting.

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#### **13.14 THRUMSTER WASTEWATER TREATMENT PLANT DISCHARGE OPTION SELECTION FOR ENVIRONMENTAL IMPACT STATEMENT**

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**RESOLVED:** Sheppard/Edwards

**That Council:**

1. **Note the delivery of the Thrumster Wastewater Treatment Plant is continuing with an estimated commissioning date of mid-2028.**
2. **Note that to progress the Environmental Impact Statement (EIS) investigations and concept design work, a single effluent discharge location is required for the treatment plant.**
3. **Note that following preliminary investigations and stakeholder consultation the Kooloonbung Creek has been selected as the effluent discharge location to be investigate in detail as part of the EIS.**

**CARRIED:** 8/0

**FOR:** Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade

**AGAINST:** Nil

Item 13.15 Question With Notice - Grant Application Community Energy Upgrade Fund, has been addressed previously within the meeting.

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### 13.16 NOTICE OF MOTION - BEACHWATCH PARTNERSHIP PROGRAM

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*RESOLVED: Maltman/Edwards*

**That Council request the Chief Executive Officer give consideration to the inclusion of resourcing in the draft 2024-2025 Operational Plan and budget for implementation and ongoing monitoring of and participation in the Beachwatch Partnership Program in the following Port Macquarie-Hastings Local Government Area locations:**

1. **Town Beach**
2. **Flynn's Beach**
3. **Lighthouse Beach**
4. **Lake Cathie Lagoon**
5. **Rainbow Beach, Bonny Hills**
6. **Grants Beach, North Haven**

**CARRIED:** 8/0

**FOR:** *Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

**AGAINST:** Nil

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### 13.17 NOTICE OF MOTION - VEGETATION MANAGEMENT ON COASTAL HEADLANDS

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#### **MOTION**

*MOVED: Roberts/Pinson*

That Council request the Chief Executive Officer give consideration to the inclusion of resources in the draft 2024-2025 Operational Plan and budget to:

1. Undertake a review of Council's vegetation management standards and practices on Council owned and managed coastal headlands and lands including but not limited to Town Beach and headlands, Oxley Beach, Flynn's Beach access road, Lake Cathie (Aqua Crescent to Jonathon Dixon Reserve, Rainbow Beach (reserve), North Haven and Camden Head; and
2. Develop a draft program and/or strategy (including costings) in accordance with the relevant legislation for the management of vegetation on Council owned and managed coastal headlands and lands to address vegetation management in locations including but not limited to Town Beach and headlands, Oxley Beach, Flynn's Beach access road, Lake Cathie (ie Aqua Crescent to Jonathon Dixon Reserve, Rainbow Beach (reserve)), North Haven and Camden Head for the establishment and/or maintenance of important vistas at these locations.

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## AMENDMENT

*MOVED: Sheppard/Edwards*

That Council:

- Defer consideration of this matter pending receipt of further information
- Request the Chief Executive Officer provide a Councillor Briefing in March 2024 to provide the further information referenced in item 1 in respect of the following:
  - a) Council's current approach to the management of Council owned and managed coastal headlands and lands including but not limited to Town Beach and headlands, Oxley Beach, Flynn's Beach access road, Lake Cathie (Aqua Crescent to Jonathon Dixon Reserve), Rainbow Beach (reserve), North Haven and Camden Head; and
  - b) The current legislative framework and/or any constraints that apply to Council in its management of Council owned and managed coastal headlands and lands.

*EQUAL: 4/4*

*FOR: Edwards, Intemann, Lipovac and Sheppard*

*AGAINST: Maltman, Pinson, Roberts and Slade*

*CASTING VOTE: Against*

*LOST*

## THE AMENDMENT ON BEING PUT WAS LOST

## AMENDMENT

*MOVED: Sheppard/Edwards*

That Council:

1. Request the Chief Executive Officer give consideration to the inclusion of resources in the draft 2024-2025 Operational Plan and budget to:
  - a) Undertake a review of Council's vegetation management standards and practices on all Council owned and managed coastal headlands and lands.
  - b) Develop a draft program and/or strategy (including costings) in accordance with the relevant legislation, with the objective of transparent processes for management of vegetation on Council owned and managed coastal headlands and lands, in a manner consistent with community values as reflected in the existing Community Strategic Plan and relevant Community Plans.
2. Request the Chief Executive Officer provide a Councillor Briefing in March 2024 to provide further information in respect of the following:
  - a) Council's current approach to the management of Council owned and managed coastal headlands and lands; and
  - b) The current legislative framework and/or any constraints that apply to Council in its management of Council owned and managed coastal headlands and lands.

*EQUAL: 4/4*

*FOR: Edwards, Intemann, Lipovac and Sheppard*

*AGAINST: Maltman, Pinson, Roberts and Slade*

*CASTING VOTE: Against*

*LOST*

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**THE AMENDMENT ON BEING PUT WAS LOST**

**THE MOTION ON BEING PUT WAS CARRIED**

*RESOLVED: Roberts/Pinson*

That Council request the Chief Executive Officer give consideration to the inclusion of resources in the draft 2024-2025 Operational Plan and budget to:

1. Undertake a review of Council's vegetation management standards and practices on Council owned and managed coastal headlands and lands including but not limited to Town Beach and headlands, Oxley Beach, Flynn's Beach access road, Lake Cathie (Aqua Crescent to Jonathon Dixon Reserve, Rainbow Beach (reserve), North Haven and Camden Head; and
2. Develop a draft program and/or strategy (including costings) in accordance with the relevant legislation for the management of vegetation on Council owned and managed coastal headlands and lands to address vegetation management in locations including but not limited to Town Beach and headlands, Oxley Beach, Flynn's Beach access road, Lake Cathie (ie Aqua Crescent to Jonathon Dixon Reserve, Rainbow Beach (reserve)), North Haven and Camden Head for the establishment and/or maintenance of important vistas at these locations.

EQUAL: 4/4  
FOR: Maltman, Pinson, Roberts and Slade  
AGAINST: Edwards, Intemann, Lipovac and Sheppard  
CASTING VOTE: For  
CARRIED

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**EXTENSION OF TIME**

*RESOLVED: Pinson/Lipovac*

That, as per Clause 18.2 of the adopted Code of Meeting Practice, Council extend the finish time of this meeting to 8.30pm

CARRIED: 8/0  
FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade  
AGAINST: Nil

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### 13.18 NOTICE OF MOTION - LAND BRIDGE, WILDLIFE CROSSING

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*RESOLVED: Edwards/Pinson*

That Council request the Chief Executive Officer write to the NSW Minister for the Environment, the Honourable Penny Sharpe MP to:

1. Advise that, in June 2023, Council wrote to the Minister for Regional Transport and Roads, the Hon Jenny Aitchison MP to request that urgent funding be provided to commence a concept design for an interchange at the Houston Mitchell Drive / Pacific Highway intersection;
2. Request the NSW Minister to advocate for the NSW State Government, through the NSW Koala Strategy, to consider the delivery of one or more Land Bridges (forested overpasses) for koalas to move about with greater connectivity and safety in the Port Macquarie Hastings Local Government Area; and
3. Request an investigation into the possibility of combining the design and delivery of the Houston Mitchell Drive overpass project together with a Land Bridge for safe wildlife crossing and habitat connectivity which may prove to be the most strategic, efficient and cost-effective option to achieve both of these much-needed infrastructure projects.
4. Request the Chief Executive Officer to include in the correspondence to NSW Minister for the Environment, the Honourable Penny Sharpe MP, the written presentation by Koala Conservation Australia as was delivered to Councillors in the Public Forum and via email.

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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### 13.19 NOTICE OF MOTION - WAUCHOPE STADIUM AMENITIES UPGRADE

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*RESOLVED: Slade/Roberts*

That Council request the Chief Executive Officer give consideration to the inclusion of funding in the draft 2024-2025 Operational Plan and budget to undertake amenities upgrades at Wauchope Stadium.

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

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### **13.20 NOTICE OF MOTION - CONSTRUCTION OF 2 ALL-WEATHER NETBALL COURTS**

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Councillor Slade declared a Non-Pecuniary - Less than Significant interest in this item. The reason being that Councillor Slade is a sponsor of an under 6's netball team at Wauchope Netball Club. Councillor Slade remained in the meeting, participated and voted in the matter as this perceived conflict will not influence his decision making in the matter.

*RESOLVED: Slade/Pinson*

**That Council request the Chief Executive Officer give consideration to the inclusion of funding in the draft 2024-2025 Operational Plan and budget to undertake construction of a minimum of 2 all-weather netball courts as noted in the Draft Landrigan and Andrew's Parks Master Plan.**

*CARRIED: 8/0*  
*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*  
*AGAINST: Nil*

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### **CONFIDENTIAL SESSION**

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*RESOLVED: Roberts/Sheppard*

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

**Item 14.01 Statutory and Other Officers Remuneration (Executive Office Holders and Senior Executives) Determination 2023**

This item is considered confidential under Section 10A(2)(a) of the Local Government Act 1993, as it contains personnel matters concerning particular individuals (other than Councillors).

**Item 14.02 T-20-40 Support and Host a Content Management System for Council's Website**

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

- 3. That the resolutions made by Council in Confidential Session be made public as soon as practicable after the conclusion of the Confidential**



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**Session and such resolutions be recorded in the Minutes of the Council Meeting.**

CARRIED: 8/0

FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade

AGAINST: Nil

RESOLVED: Lipovac/Roberts

**That the Council meeting be closed to the public for the consideration of confidential items for the reason as listed in the reports.**

CARRIED: 8/0

FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade

AGAINST: Nil

#### **14.01 STATUTORY AND OTHER OFFICERS REMUNERATION (EXECUTIVE OFFICE HOLDERS AND SENIOR EXECUTIVES) DETERMINATION 2023**

RESOLVED: Pinson/Roberts

**That Council:**

- 1. Note that the Local Government State Award increase received by Council staff, other than the Chief Executive Officer and senior staff, was 4.5% as at 1 July 2023 and will be 3.5% as at 1 July 2024.**
- 2. Approve an annual 4.5% increase in the Chief Executive Officer's Total Remuneration Package on each anniversary date in February, effective February 2024, until a new Statutory and Other Officers Remuneration (Executive Office Holders and Senior Executives) Regulation 2023 (SOORT) determination is made.**
- 3. Note that the Chief Executive Officer will approve under delegation an annual increase of 4.5% for each Director's Total Remuneration Package effective on each anniversary date until a new Statutory and Other Officers Remuneration (Executive Office Holders and Senior Executives) Regulation 2023 (SOORT) determination is made.**

EQUAL: 4/4

FOR: Maltman, Pinson, Roberts and Slade

AGAINST: Edwards, Intemann, Lipovac and Sheppard

CASTING VOTE: For

CARRIED



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**14.02 T-20-40 SUPPORT AND HOST A CONTENT MANAGEMENT SYSTEM FOR COUNCIL'S WEBSITE**

*RESOLVED: Roberts/Slade*

**That Council:**

- 1. Under the extenuating circumstances provision of s.55(3)(i) of the Local Government Act 1993, not invite tenders as a satisfactory outcome would not be achieved, for the reason of limited availability of competitive or reliable tenderers of Council's Content Management System, including My City, Intranet and Open Forms.**
- 2. Accept the renewal of Granicus Australia Pty Ltd, Content Management System, My City, Intranet and Open Forms for a further year at the annual cost of \$182,943.26 (excluding GST), commencing 1 January 2024 and expiring 31 December 2024 with the option for a further 12-month renewal at Council's discretion.**
- 3. Note that Council intends to commence an investigation into alternate Content Management System, Intranet and Forms system in mid 2024.**
- 4. Maintain the confidentiality of the consideration in respect of the Content Management System, procurement matter outlined in this report.**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

*RESOLVED: Roberts/Lipovac*

**That the Council Meeting be re-opened to the public**

*CARRIED: 8/0*

*FOR: Edwards, Intemann, Lipovac, Maltman, Pinson, Roberts, Sheppard and Slade*

*AGAINST: Nil*

The outcomes of the Confidential Session of the Ordinary Council meeting were read to the meeting by the Group Manager Governance

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The meeting closed at 8.10pm

.....  
Peta Pinson  
Mayor

UNCONFIRMED

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**Item: 06**  
**Subject: DISCLOSURES OF INTEREST**

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**RECOMMENDATION**

**That Disclosures of Interest be presented**

**DISCLOSURE OF INTEREST DECLARATION**

<b>Name of Meeting:</b>	
<b>Meeting Date:</b>	
<b>Item Number:</b>	
<b>Subject:</b>	
<b>I, the undersigned, hereby declare the following interest:</b>	
<input type="checkbox"/>	<b>Pecuniary:</b> Take no part in the consideration and voting and be out of sight of the meeting.
<input type="checkbox"/>	<b>Non-Pecuniary – Significant Interest:</b> Take no part in the consideration and voting and be out of sight of the meeting.
<input type="checkbox"/>	<b>Non-Pecuniary – Less than Significant Interest:</b> May participate in consideration and voting.
<b>For the reason that:</b>	
<b>Name:</b>	<b>Date:</b>
<b>Signed:</b>	
<b>Please submit to the Governance Support Officer at the Council Meeting.</b>	

*(Refer to next page and the Code of Conduct)*

**Pecuniary Interest**

- 4.1** A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.
- 4.2** You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.
- 4.3** For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:
- (a) your interest, or
  - (b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or
  - (c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.
- 4.4** For the purposes of clause 4.3:
- (a) Your "relative" is any of the following:
    - i) your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
    - ii) your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
    - iii) the spouse or de facto partner of a person referred to in paragraphs (i) and (i)
  - (b) "de facto partner" has the same meaning as defined in section 21C of the *Interpretation Act 1987*.
- 4.5** You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c)
- (a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or
  - (b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or
  - (c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

**Non-Pecuniary**

- 5.1** Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.
- 5.2** A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.
- 5.3** The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.
- 5.4** Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.
- 5.5** When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

**Managing non-pecuniary conflicts of interest**

- 5.6** Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter. In the case of members of council staff other than the Chief Executive Officer, such a disclosure is to be made to the staff member's manager. In the case of the Chief Executive Officer, such a disclosure is to be made to the mayor.
- 5.7** If a disclosure is made at a council or committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.
- 5.8** How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.
- 5.9** As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:
- a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household
  - b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.
  - c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation.
  - d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter
  - e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1
  - f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.
- 5.10** Significant non-pecuniary conflicts of interest must be managed in one of two ways:
- a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or
  - b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a council or committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.28 and 4.29.
- 5.11** If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.
- 5.12** If you are a member of staff of council other than the Chief Executive Officer, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of your manager. In the case of the Chief Executive Officer, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of the mayor.
- 5.13** Despite clause 5.10(b), a councillor who has a significant non-pecuniary conflict of interest in a matter, may participate in a decision to delegate consideration of the matter in question to another body or person.
- 5.14** Council committee members are not required to declare and manage a non-pecuniary conflict of interest in accordance with the requirements of this Part where it arises from an interest they have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if they have been appointed to represent the organisation or group on the council committee.

**SPECIAL DISCLOSURE OF PECUNIARY INTEREST DECLARATION**

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

<b>By</b> <i>[insert full name of councillor]</i>	
<b>In the matter of</b> <i>[insert name of environmental planning instrument]</i>	
<b>Which is to be considered at a meeting of the</b> <i>[insert name of meeting]</i>	
<b>Held on</b> <i>[insert date of meeting]</i>	
<b>PECUNIARY INTEREST</b>	
Address of the affected principal place of residence of the councillor or an associated person, company or body <b>(the <i>identified land</i>)</b>	
Relationship of identified land to councillor <i>[Tick or cross one box.]</i>	<input type="checkbox"/> The councillor has interest in the land (e.g. is owner or has other interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> An associated person of the councillor has an interest in the land. <input type="checkbox"/> An associated company or body of the councillor has interest in the land.
<b>MATTER GIVING RISE TO PECUNIARY INTEREST<sup>1</sup></b>	
Nature of land that is subject to a change in zone/planning control by proposed LEP <b>(the <i>subject land</i><sup>2</sup>)</b> <i>[Tick or cross one box]</i>	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control <i>[Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]</i>	
Proposed change of zone/planning control <i>[Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]</i>	
Effect of proposed change of zone/planning control on councillor or associated person <i>[Tick or cross one box]</i>	<input type="checkbox"/> Appreciable financial gain. <input type="checkbox"/> Appreciable financial loss.

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

**Councillor's Signature:** ..... **Date:** .....

*This form is to be retained by the council's Chief Executive Officer and included in full in the minutes of the meeting*

Last Updated: 3 June 2019

**Important Information**

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

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

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

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

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

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

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

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

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Item: 07.01

Subject: **MAYORAL MINUTE - CHIEF EXECUTIVE OFFICER'S  
PERFORMANCE REVIEW PANEL**

Mayor, Peta Pinson

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## RECOMMENDATION

That Council:

1. **Determine that the composition of the Chief Executive Officer's Performance Review Panel for the period ending 1 February 2024 to consist of the Mayor, one (1) Councillor nominated by Council and one (1) Councillor nominated by the Chief Executive Officer.**
2. **Note that Councillor Josh Slade is the Chief Executive Officer's nominated Councillor on the Chief Executive Officer's Performance Review Panel for the subject period.**
3. **Delegate to the Chief Executive Officer's Performance Review Panel the process of performance management, including discussions about performance, reporting and performance reviews for the period ending 1 February 2024.**

## Discussion

The Office of Local Government issued Guidelines in 2022 for the Appointment and Oversight of General Managers (the Guidelines). It is noted that this applies to Council's Chief Executive Officer. The Guidelines recommend that the Chief Executive Officer's Performance Review Panel comprise the Mayor, the Deputy Mayor, a Councillor nominated by Council and a Councillor nominated by the Chief Executive Officer. As Council does not have a Deputy Mayor at the present time it is recommended that the Chief Executive Officer's Performance Review Panel comprise the Mayor, a Councillor nominated by Council and a Councillor nominated by the Chief Executive Officer. It is noted that Councillor Josh Slade is the Chief Executive Officer's nominated Councillor. The Office of Local Government has provided verbal advice that it is not necessary to replace the position of the Deputy Mayor with an additional Council nominated Councillor on this panel.

The Guidelines further provide that the whole process of performance management be delegated to the Chief Executive Officer's Performance Review Panel including the conduct of performance reviews, reporting the findings and recommendations of those reviews to Council and the development of the performance agreement.

The Standard Contract for General Managers requires that the performance of the General Manager (Chief Executive Officer) must be formally reviewed at least annually. Councillors not on the Chief Executive Officer's Performance Review Panel can contribute to the process by providing feedback to the Mayor or other panel members on the Chief Executive Officer's performance.

The role of the review panel includes:

- Conducting performance reviews
- Reporting the findings and recommendations of reviews to the Council, and
- Development of the performance agreement



In accordance with the Guidelines, it is proposed to engage a professional facilitator to facilitate the process of the Chief Executive Officer's performance review being Kath Roach of Sinc Solutions. Ms Roach is experienced in the facilitation of performance reviews of General Managers/Chief Executive Officers and is available to assist in this process. Further, and in accordance with the Guidelines, it is also proposed to engage an independent observer to participate in the process. This is being proposed based on comments and concerns made by some Councillors during the previous review process. It is proposed to engage Ms Mel Jacobs to undertake this role. Ms Jacobs is an independent member of Council's Audit, Risk and Improvement Committee and involvement in this process is not deemed to be conflict of interest. Ms Jacobs has indicated that she is available to participate in this process.

**Attachments**

Nil

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**Item: 07.02**

**Subject: MAYORAL MINUTE - COST SHIFTING ONTO LOCAL GOVERNMENT**

**Mayor, Peta Pinson**

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### **RECOMMENDATION**

#### **That Council:**

- 1. Receive and note the findings of Local Government NSW's Cost Shifting report for the 2021-2022 financial year.**
- 2. Request the Chief Executive Officer to place a copy of the cost shifting report on Council's website so that our community can access it.**
- 3. Request the Chief Executive Officer write to the Premier of NSW, the NSW Treasurer and the NSW Minister for Local Government seeking that they urgently seek to address these costs through a combination of regulatory reform, budgetary provision and appropriate funding.**

#### **Discussion**

The pressure on Councils to continue to provide services of appropriate standard to our communities is now extraordinary.

The unrelenting growth of cost shifting to Councils, coupled with rate pegging, is increasingly eroding any possibility of financially sustainable Local Government and risking the capacity of Councils to deliver tailored, grassroots services to their communities and properly deliver and maintain vital local infrastructure.

Alarming, the latest research commissioned by Local Government NSW (LGNSW) shows that the increase in cost shifting has been accelerated by various NSW Government policies.

As shown in the latest cost shifting report produced by independent consultants Morrison Low on behalf of LGNSW for the 2021-2022 financial year (Attachment 1), an amount of \$1.36 billion of expense has been passed on to Councils to fund. This is an increase of \$540 million since the last report from the 2017-2018 financial year and represents lost services, lost opportunity and lost amenity for all our residents and businesses.

On average, this represents an additional cost of \$460.67 for every ratepayer across the state.

With Councils having to fund this ongoing subsidy for the State Government each and every year, it means our communities get less or go without. They go without better roads, they go without better parks, they go without important community services that only Councils provide, and they and their ratepayers are effectively paying hidden taxes to other levels of government.

Councillors, our communities deserve better and this must stop. Prior to the most recent state election, the then Minns Opposition wrote to LGNSW acknowledging that cost shifting had undermined the financial sustainability of the local government sector.

Now in 2024, it is important to Councils and communities that the NSW Government urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision and appropriate funding.

**Attachments**

1.  Morrison Low Cost Shifting Report

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**Item: 08**

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

**Presented by: Chief Executive Officer, Dr Clare Allen**

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**Alignment with Delivery Program**

1.3.2 Build trust and improve Council's public reputation through transparency, good decision making and living Council's Values.

**RECOMMENDATION**

**That Council determine that the attachment to Item Number \*\* be considered as confidential, in accordance with Section 10A(2)(c) of the Local Government Act 1993**

**Discussion**

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

**Item No: 10.06**  
**Subject: Legal Fees**  
**Attachment Description:** CONFIDENTIAL - Legal matters greater than \$10,000 2023\_2024 Financial Year

**Confidential Reason:** Relates to information that would, if disclosed, preclude the commercial position of the person who supplied it.

**Item No: 10.12**  
**Subject: Quarterly Budget Review Statement December 2023**  
**Attachment Description:** CONFIDENTIAL - Legal matters greater than \$10,000 2023\_2024 Financial Year

**Confidential Reason:** Relates to information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

# 1 Leadership and Governance

## 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 affective 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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**Item:** 10.01

**Subject:** MAYORAL DISCRETIONARY FUND ALLOCATIONS - 30  
NOVEMBER 2023 TO 31 JANUARY 2024

**Presented by:** Chief Executive Officer, Dr Clare Allen

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### Alignment with Delivery Program

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### RECOMMENDATION

**That Council note the Mayoral Discretionary Fund allocations for the period 30 November 2023 to 31 January 2024.**

### Executive Summary

To advise of the Mayoral Discretionary Fund allocations for the period 30 November 2023 to 31 January 2024 inclusive.

### Discussion

The following allocations were made by the Mayor from the Mayoral Discretionary Fund during this reporting period:

Donation to Salvation Army on behalf of Centenarian Roy Boyle who turned 100 on 16 December 2023	\$100.00
Donation to Corrective Services NSW for lighting the Glasshouse "Blue" on 19 January 2023	\$97.00
Donation of Glasshouse Vouchers to PMQ Women's Shed Fundraiser	\$200.00
Donation to Nate Castelli towards competing in Cerebral Palsy Krazy Kosci Climb	\$500.00
<b>Total allocation</b>	<b>\$897.00</b>

### Options

This report is for noting only.

### Community Engagement and Internal Consultation

There has been no community engagement or internal consultation in relation to this report.

**Planning and Policy Implications**

There are no planning and policy implications in relation to this report. This report is provided to Council as per the requirements of the Mayoral Discretionary Fund Policy.

**Financial and Economic Implications**

There are no economic implications in relation to this report.

The allocations made during this reporting period were funded from the Mayoral Discretionary Fund as included in the 2023-2024 Operational budget.

**Attachments**

Nil



**Item: 10.02**

**Subject: STATUS OF REPORTS FROM COUNCIL RESOLUTIONS**

**Presented by: Business and Performance, Keith Hentschke**

**Alignment with Delivery Program**

1.3.2 Build trust and improve Council's reputation through transparency, good decision making and living Council's Values.

**RECOMMENDATION**

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

**Discussion**

FEBRUARY 2024 REPORTS					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
2023.009 Provision of General Concreting Services	20/07/2023 Item 14.01	A further report to February 2024 included within the quarterly report	DBP	Oct-23 Nov-23	Feb-24
Out of Water Inspection and Maintenance (Slipping)	15/06/2023 Item 13.08	A further report to future Council meeting on completion of the works for Council's information. Timing of completion of work will determine the date of reporting. Should works not be completed in November 2023 the reporting date shall be early 2024	DCI		Feb-24
Rainbow Beach Central Corridor Planning Agreement Assessment Report	16/11/2023 Item 13.03	A further report to Council meeting following public exhibition	DCPE	Feb-24	

<b>FEBRUARY 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Development Control Plan 2013 Amendments for Agritourism and Environmental Management	16/11/2023 Item 13.05	A further report to Council meeting following public exhibition	DCPE	Feb-24	
Audit of the Returns of Interests and Designated Persons	16/11/2023 Item 10.06	Receive a status report detailing the outcomes of the audit	DBP	Feb-24	
Town Centre Master Plan Rate 1 July 2024	14/12/2023 Item 10.17	A further report to the February 2024 to include the financial, staffing and service delivery impact of a proposed abolition. Potential options for mitigating the impact of abolition.	DBP	Feb-24	
Determination of Councillor Numbers	21/09/2023 Item 10.03	Determine the wording of the referendum question by consideration at a future Council Meeting	DBP	Feb-24	
Rate Freeze	14/12/2023 Item 10.18	A further report to the February 2024 detailing the financial, staffing and service delivery impacts of freezing rates	DBP	Feb-24	
Sale of Council - Owned Land - Lot 1, Lake Innes Drive, Lake Innes (Confidential)	16/11/2023 Item 14.01	Provide a progress report on the sale to Council meeting February 2024	DBP	Feb-24	

<b>MARCH 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Sale of Surplus Land - 178 Nancy Bird Walton Drive, Kew	16/02/2022 Item 09.23	Report to Council on progress with this sale after Council have considered the Strategic Property Investment Policy and Procedure at the December OCM.  This property is included in the new Strategic Property Investment priority list, which will go to the February OCM.  An update will be provided in the accompanying report.	DBP	Nov-23 Feb-24	Mar-24
Policy Review Smoke Free Environment Policy	16/11/2023 Item 11.02	A further report to Council meeting following public exhibition	DCPE	Feb-24	Mar-24
Lots 101 and 102 DP 1244390 Pacific Drive, Port Macquarie Options for operational land	07/03/2022 Item 10.01	For inclusion in Operational Plan – Quarterly Progress	DBP		Mar-24
Material Public Benefit Developer Delivered Sewer Works Kendall - completion of works	17/03/2022 Item 14.07	Future Report upon completion of the project	DCU		Mar-24
Classification as "Operational" Land - 52 John Oxley Drive, Port Macquarie - post exhibition.	20/06/2018 Item 14.05	Reclassify the property to operational land, this is a statutory process involving a planning proposal which includes Council fees, public exhibition, submissions, a public hearing, council resolutions and Depot Planning approval. Estimated timeline at least 6-9 months.	DCPE		Mar-24
<b>MARCH 2024 REPORTS</b>					

Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Council owned lots at North Shore Progress of Sale	19/09/2018 Item 09.24	Report to Council on this issue after Council have considered the Strategic Property Investment Policy and Procedure at the December 2023 Council meeting	DBP	Nov-23	Mar-24
Opportunity for Local Firms to do Business with Port Macquarie-Hastings Council	16/03/2023 Item 10.05	A further report is to be presented to the March 2024 Ordinary Council Meeting	DBP		Mar-24
Policy Review Strategic Property Investment Policy	14/12/2023 Item 10.12	A further report is to be presented to the March 2024 Ordinary Council Meeting	DBP		Mar-24
<b>APRIL 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Cairncross Waste Management Facility Leachate Pre-Treatment	18/05/2023 Item 14.03	Following successful negotiations with Oleology Pty Ltd for the supply of a containerized leachate pre-treatment solution and present a further report to a future meeting of Council on completion of the works for Council's information	DCU	Feb-24	Apr-24 Delayed due to issues with the contract
Wastewater Treatment Plant Capacities	18/08/2022 Item 14.04	Report to Council impacts on Planning Proposals Port Macquarie/Thrumster Sewerage Scheme catchment once the outcomes identified Briefing scheduled - June 2023 Report to Council September 2023	DCU DCPE	Sep-23 Feb-24	Apr-24 Delayed due to the outcomes of the Process Capacity Review and Optimisation Study for the Port Macquarie Wastewater Treatment Plant are known.

<b>APRIL 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Review of Current and Recent Community Engagement Systems, Structures and Functions	16/11/2023 Item 11.01	Receive a report to Ordinary Council meeting April 24, with details of the outcomes of the review	DBP		Apr-24
Draft Local Housing Strategy Update	16/11/2023 Item 13.08	Receive a report to Ordinary Council meeting April 24, with revised Housing Strategy and the outcome of community engagement	DCPE		Apr-24
Policy Review Sustainability Policy	21/09/2023 Item 10.10	Council deferred this Policy until workshop has been held for further consideration to the Policy in relation to the proposed draft Environmental Sustainability Strategy.	DCPE		Apr-24
Draft Environmental Sustainability Strategy	21/09/2023 Item 13.09	Council deferred consideration to this item until workshop has been held for further consideration to the Sustainability Policy review	DCPE		Apr-24
<b>MAY 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
<b>JUNE 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report

<b>JULY 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Post Exhibition Report - Planning Proposal PP-2022-4099 New LEP Clause 5.5 Secondary Dwellings in Rural Zones	20/07/2023 Item 13.02	Future report to the July 2024 Ordinary Council Meeting regarding the uptake of secondary dwelling provisions in rural areas.	DCPE		Jul-24
Extension of the Fly Neighbourly Agreement for a further 12 months	15/06/2023 Item 12.02	A further report to Council Meeting July 2024	DBP		Jul-24
<b>AUGUST 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Draft MR538 and MR600 Corridor Strategy - Following public exhibition	19/05/2022 Item 14.04	Alignment of the Corridor Strategy with the Integrated Transport Plan is required. The Draft Corridor Strategy shall be reviewed on completion of the Integrated Transport Plan	DCI	Feb-24	Aug-24
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
<b>SEPTEMBER 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report



<b>OCTOBER 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Acceptance (transfer station waste) from Kempsey Shire Council until December 2023  Kempsey Shire Council at Cairncross Landfill - Details of Waste Accepted During 2022-2023	18/05/2023 Item 14.04  18/8/2022 Item 16.05	As this arrangement will continue until 31 July 2024. It was resolved at the 14/12/23 OCM Item 13.12, one report will be produced at the end of the agreement which will detail all the waste accepted throughout the term of this agreement.			Oct-24
<b>NOVEMBER 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
<b>DECEMBER 2024 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
<b>January 2026 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Statement of Business Ethics	16/11/2023 Item 10.20	NA	GMP		2026
<b>DECEMBER 2026 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Administering 2028 Local Government Election	NA	NA	GMG	NA	Dec-26



<b>JULY 2027 REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Councillor numbers for 2028 Local Government Election	NA	NA	GMG	NA	July-27
<b>FUTURE REPORTS</b>					
Report	Date and Item of Resolution	Status	Reporting Officer	Previous Anticipated Date/s for Report	Current Anticipated Date for Report
Biodiversity and Land Acquisition for offsets update	20/04/2023 Item 14.02	A further report to Council for further consideration.	DBP		Estimated 24
Environmental Land Rezoning - Council owned land	08/12/2022 Item 13.10	A further report to Council following public exhibition.	DCPE		Future report
Draft s9.11 Airport Business Park Roads Contribution Plan	20/05/2020 Item 13.05	Item to be considered as part of wider development contribution framework review and proposed development yet to be assessed.	DCPE	Dec-20 Jun-21 Oct-21 Jun-22 Dec-22	Future report
T-22-10 Inlet Odour Management Works	21/09/2023 Item 14.02	Present a future report to Ordinary Council Meeting after contract awarded for Council's information	DCU		Future report
Draft Landrigan and Andrews Parks Master Plan	14/12/2023 Item 11.01	Council to receive a future report following public exhibition	DBP		Future report
Request Council to Continue Acceptance of Kempsey Shire Council Waste at Cairncross Landfill	14/12/2023 Item 13.12	A future report be tabled at the completion of the arrangement	DCPU		Future report

Cyclic Reports	Reporting Officer	Reporting Cycle	Month	Altered Report Date	Reason for Altered Date
Mayoral Discretionary Fund Allocations	CEO	Monthly	Every		
Monthly Budget Update	DBP	Monthly	Every (except July)		
Investments	DBP	Monthly	Every		
Recommendations by the Port Macquarie-Hastings Sporting Fund Sub-Committee	DCPE	Monthly	Every (Except February)		
Lake Cathie Natural Resource Management update (13/01/2022 Item 05.01)	DCPE	Monthly	Every		
Contracts Awarded under Delegation by the Chief Executive Officer  (Including Tender T-22-61 Aviation Security Screening Services)	DBP	Quarterly	April, July, October, February		
Legal Fees - Update Report (19/09/18 - Item 09.16)	CEO	Quarterly	February, May August, November		
Development Activity and Assessment System Performance	DCPE	Quarterly	February, May August, November		
Community Inclusion Plan. Update of Tasks, Measures and Actions	DCPE	Biannual	February, August		
Glasshouse Strategic Plan Update	DBP	Biannual	February, August		
2022-2026 Delivery Program – Six Monthly Progress	DBP	Biannual	February, August		
Grant Application Biannual Report (16/02/23 - Item 11.05 (21/08/19 - Item 11.02)	DCPE	Biannual	February, August		
Major Events Round One Round Two	DCPE	Biannual	Sept Apr		
Chief Executive Officer's Performance Review	CEO	Annually	April		
Operational Plan – Quarterly Progress	DBP	Quarterly	May, November (other 2 quarters reported with DP 6 monthly progress report)		

Cyclic Reports	Reporting Officer	Reporting Cycle	Month	Altered Report Date	Reason for Altered Date
Quarterly Budget Review Statement	DBP	Quarterly	February, May, November		
Mayoral and Councillor Fees (Setting of)	CEO	Annually	May		
General Fund Operating Performance	CEO	Biannual	June and December		
Update on Site Specific Planning Proposal Requests	DCPE	Biannual	June, December		
Port Macquarie-Hastings Destination Management Plan 2020-2024 (20/05/2020 - Item 12.01)	DCPE	Annually	June		
Kooloonbung Creek Flying Fox Camp Management Plan - Annual Update (16/06/2021 - Item 12.03)	DCPE	Annually	June		
Council Policy - Status	CEO	Annually	July		
Recreation Action Plan – Status	DCPE	Annually	July		
Recreation Action Plan – Status The cycle of Recreation plan has changed due to Recreation Action Plan being adopted in February 2023	DCPE	Annually	February		
UGMS - Annual Progress Report on Implementation and Status of Actions (20/06/18 - Item 12.07)	DCPE	Annually	July		
Local Preference Policy Outcomes	DBP	Annually	August		
Cultural Plan 2021 - 2025: Implementation and evaluation of actions undertaken (04/08/2021 - Item 10.01)	DCPE	Annually	August		
Legislative Compliance Register	CEO	Annually	September		
Audit, Risk, and Improvement Committee Annual Report	CEO	Annually	September		
Annual Disclosure of Interest Returns	CEO	Annually	October		

Cyclic Reports	Reporting Officer	Reporting Cycle	Month	Altered Report Date	Reason for Altered Date
Professional Development of Councillors (15/09/2021 - Item 09.07)	CEO	Annually	October	December	
Council Meeting Dates	CEO	Annually	November		
Council's Annual Report	DBP	Annually	November		
Performance of Property Investment Portfolio (20/11/19 - Item 10.17)	DBP	Annually	November	December	
Local Strategic Planning Statement - Implementation of Actions (03/11/2021 - Item 12.05)	DCPE	Annually	November		
Koala Recovery Strategy Annual Report	DCPE	Annually	September		
Annual Financial Statements for the Year Ended 30 June	DBP	Annually	November		
Code of Conduct Complaints Annual Report	CEO	Annually	December		
Annual Reporting of Wet and Dry Hire Contractual Arrangements	DBP	Annually	Commence September 2024		

**Attachments**

Nil

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**Item: 10.03**

**Subject: AUDIT OF THE RETURNS OF INTERESTS OF COUNCILLORS AND DESIGNATED PERSONS**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.3.2 Build trust and improve Council's reputation through transparency, good decision making and living Council's Values.

### **RECOMMENDATION**

**That Council note the information provided within this report.**

#### **Executive Summary**

At the November 2023 Ordinary Meeting of Council, Council resolved as follows:

*That Council:*

- 1. Request the Chief Executive Officer to conduct an audit of the returns of interests of Councillors and designated persons, which assesses the extent to which the returns do/do not satisfy the recommendations made within the June 2023 Information and Privacy Commissioner report on Local Government returns of interest declarations.*
- 2. Receive a status report, no later than the February 2024 Ordinary Council meeting, detailing the outcomes of the audit.*
- 3. Inform Councillors through the report, on the extent to which Council is compliant with publishing Open Access information on the Council website as required by the Information and Privacy Commissioner and include any recommendations for improving the record-keeping process and managing non-compliance.*

This report addresses the outcomes from this resolution of Council.

#### **Discussion**

The Information and Privacy Commissioner (IPC) released a report in June 2023 titled "Local Government Sector – Follow-up GIPA Compliance Report - Disclosure of Open Access Information (returns disclosing the interests of councillors and designated persons)". This was a follow up report following an audit released in July 2021 to assess NSW Local Government and its compliance with GIPA requirements.

This report made 8 recommendations to assist the local government sector to continue improving its compliance with the mandatory proactive release provisions of the GIPA Act, specifically relating to the requirement to make returns of interests by councillors and designated persons publicly available. The IPC recommendations and Council's compliance with such recommendations are listed below.



Recommendations	
<b>Recommendation 1</b>	<p>Councils should ensure that returns of interests of both Councillors and designated persons are published on their websites.</p> <p><i>Response:</i> Council publishes its returns of interests of both Councillors and designated persons on its website.</p>
<b>Recommendation 2</b>	<p>Councils should ensure that the returns of interests for each councillor and designated person are saved as individual files and meaningfully labelled by year, type and the name of the individual to whom the return relates.</p> <p><i>Response:</i> Each return of interest for Councillors and designated persons are saved as individual files and meaningfully labelled in the corporate records management system. It is not proposed to provide approximately 160 links with 160 individual files on Council's website to each individual return. The file that contains all returns of interest available on the website has been created as a text searchable file with all returns being arranged alphabetically to assist anyone wishing to find a particular return.</p>
<b>Recommendation 3</b>	<p>Councils should ensure that returns of interests are made publicly available on their websites without imposing additional conditions.</p> <p><i>Response:</i> Council publishes its returns of interests of both Councillors and designated persons on its website without imposing additional conditions.</p>
<b>Recommendation 4</b>	<p>Councils should give due consideration to the requirements under clause 4.21 of the Model Code of Conduct and ensure that returns are updated and published on councils' websites every 12 months.</p> <p><i>Response:</i> Council does ensure that returns are updated annually, reported to Council in accordance with the requirements and publishes its returns of interests of both Councillors and designated persons on its website.</p>
<b>Recommendation 5</b>	<p>Councils should ensure that returns of interest forms do not contain a statement that personal information or other categories of information will be automatically redacted.</p> <p><i>Response:</i></p>

	<p>Returns of interests of both councillors and designated persons do not contain a statement that personal information or other categories of information will be automatically redacted. The only information redacted is at the request of Councillors or designated persons in accordance with section 739 of the Local Government Act 1993.</p>
<b>Recommendation 6</b>	<p>Councils should ensure that they do not take a blanket approach to the redaction of personal information or other categories of information from returns. Instead, councils should assess the returns on a case-by-case basis to determine whether there is an overriding public interest against disclosure of the information contained in the returns that is supported by evidence.</p> <p><i>Response:</i> Returns of interests of both Councillors and designated persons do not contain a statement that personal information or other categories of information will be automatically redacted. The only information redacted is at the request of Councillors or designated persons in accordance with section 739 of the Local Government Act 1993.</p>
<b>Recommendation 7</b>	<p>Councils should ensure that section 6(5) records are published on their website and updated on a regular basis. In circumstances where information is redacted from the returns, councils should ensure that this is accurately reflected in the section 6(5) record.</p> <p><i>Response:</i> Council has published a Section 6(5) statement on its website that indicates that the Principal place of residence, or other properties in exceptional circumstances, contained in Returns of Interests of councillors and designated persons may be deleted at the request of the Councillor or designated person in accordance with section 739 of the Local Government Act 1993.</p>
<b>Recommendation 8</b>	<p>The IPC commits to the development of guidance to assist councils in their compliance with section 6(5) of the GIPA Act.</p> <p><i>Response:</i> This recommendation does not apply to councils.</p>

An audit has also been undertaken of the returns for the most recent period in terms of completeness of the return. In assessing the completeness of the returns of interests, it is also necessary to recognise that this measure is constrained by the accuracy of the information recorded in the returns. That is, the question of whether

the returns of interests are complete cannot be meaningfully ascertained without also considering whether the accuracy of the information can be verified. Given that Council is not in a position to verify each individual’s circumstances, the analysis with respect to the measure of completeness is based on examination of whether individuals have completed all parts of the returns of interest form. The audit does not examine whether the information provided in the forms are in fact accurate.

The main finding of the audit is that generally the returns have been completed appropriately. The highest level of non-compliance was found in staff returns whereby the address of Port Macquarie-Hastings Council was not included in the Sources of Income section. It is noted that almost all staff included Port Macquarie-Hastings Council as the employer but failed to include the address. This is considered a low risk as the address of Port Macquarie-Hastings Council is readily available. This will be addressed with staff and Councillors in the next returns to ensure that this detail is included.

Non-compliances have been provided in the table below:

<b>Non-compliance</b>	<b>Number</b>	<b>Percentage</b>
<b>Overall Disclosure</b>		
Not dated	1	0.6%
<b>A. Real Property</b>		
Nature of Interest in relation to Real Property not specified	29	18.1%
Incorrectly completed	7	4.4%
No response	1	0.6%
<b>B. Sources of income</b>		
Address of employer not included	126	78.8.1%
Unclear response	1	0.6%
Incorrectly completed	1	0.6%
Income from Trust not completed	1	0.6%
Name and Address of Trustee not included	2	1.2%
No response to Other Sources of Income	2	1.2%
<b>C. Gifts</b>		
Inadequate detail	1	0.6%
No response to Gifts	4	2.5%
<b>D. Contributions to Travel</b>		
Unclear response	1	0.6%
Incomplete dates travel took place	1	0.6%
No response to Contributions to travel	3	1.9%
<b>E. Interests and Positions in Corporations</b>		
Address of Corporation not provided	2	1.2%
Unclear response	1	0.6%
<b>F. Property Developer</b>		
Unclear response	3	1.9%



No response to associate of property developer	2	1.2%
<b>G. Positions in Trade Unions and Professional Associations</b>		
No response to positions in trade unions and professional associations	1	0.6%
No indication of position held in organisation	1	0.6%
<b>H. Debts</b>		
No address provided for debts owed	17	10.6%
<b>I. Dispositions of Property</b>		
No response to Dispositions of Property	5	3.1%
<b>J. Discretionary Disclosures</b>		
No response to Discretionary disclosures	1	0.6%

There are some areas of improvement required, particularly around completed details for addresses of employers and addresses where debts are declared. It is noted that the declaration provides the correct name however it omitted the addresses as required. The majority of the remainder of the returns are completed satisfactorily. Although a guide is provided to Councillors and staff when completed returns are required, it is proposed that a workshop be provided to Councillors and designated persons during the next period, to address the issues identified here.

The resolution from November 2023 also requires informing Councillors, through this report, the extent to which Council is compliant with publishing Open Access information on the Council website as required by the Information and Privacy Commissioner and include any recommendations for improving the record-keeping process and managing non-compliance.

The Government Information (Public Access) Act 2009 (GIPA Act) and the Government Information (Public Access) Regulation 2018 (GIPA Regulation), requires Council to make a range of open access information publicly available unless there is an overriding public interest against disclosure of the information. Section 18 of the GIPA Act defines specific government information held by Council as open access information. Schedule 1 of the Government Information (Public Access) Regulation 2018 (GIPA Regulation) prescribes additional open access information for local authorities. Open access information must be available free of charge on Council’s website unless this would impose unreasonable costs on Council. If Council decides not to make information available for free on its website, at least one alternative method of access must be free of charge.

This report provides the means by which Council’s open access information as defined by section 18 of the GIPA Act (Table 1), and schedule 1 of the GIPA Regulation (Table 2), is made publicly available as prescribed by section 6 of the GIPA Act, via either Council’s website, or an alternative method.

**Table 1. GIPA Act - Section 18 - What constitutes open access information**

Section 18 Reference	Web Link or Alternative Method
18	What constitutes open access information



Section 18 Reference	Web Link or Alternative Method
The following government information held by an agency is the agency's open access information that is required to be made publicly available by the agency under section 6 (Mandatory proactive release of certain government information)	
(a) the agency's current agency information guide	Available on Council's website
(b) information about the agency contained in any document tabled in Parliament by or on behalf of the agency, other than any document tabled by order of either House of Parliament	No records meet this criteria
(c) the agency's policy documents	Available on Council's website
(d) the agency's disclosure log of access applications	Available on Council's website
(e) the agency's register of government contracts	Available on Council's website
(f) the agency's record (kept under section 6) of the open access information (if any) that it does not make publicly available on the basis of an overriding public interest against disclosure	Available on Council's website
(g) such other government information as may be prescribed by the regulations as open access information	See Table 2.

**Table 2. GIPA Regulation - Schedule 1 - Additional open access information - local authorities**

Schedule 1 Reference	Web Link or Alternative Method
<b>1 Information about local authority</b>	
(1) Information contained in the current version and the most recent previous version of the following records is prescribed as open access information	
(a) the model code prescribed under section 440 (1) of the LGA and the code of conduct adopted under section 440 (3) of the LGA	Available on Council's website
(b) code of meeting practice	Available on Council's website
(c) annual report	Available on Council's website
(d) annual financial reports	Available on Council's website
(e) auditor's report	Available on Council's website as part of Annual Financial Statements
(f) management plan	Available on Council's website
(g) EEO management plan	Under review - to be published on approval.
(h) policy concerning the payment of expenses incurred by, and the provision of facilities to, councillors	Available on Council's website
(i) annual reports of bodies exercising functions delegated by the local authority	No records meet this criteria
(j) any codes referred to in the LGA	Available on Council's website
(2) Information contained in the following records (whenever created) is prescribed as open access information	

Schedule 1 Reference	Web Link or Alternative Method
(a) returns of the interests of councillors, designated persons and delegates	Available on Council's website
(b) agendas and business papers for any meeting of the local authority or any committee of the local authority (but not including business papers for matters considered when part of a meeting is closed to the public)	Available on Council's website
(c) minutes of any meeting of the local authority or any committee of the local authority, but restricted (in the case of any part of a meeting that is closed to the public) to the resolutions and recommendations of the meeting	Available on Council's website
(d) reports by the Chief Executive of the Office of Local Government presented at a meeting of the local authority in accordance with section 433 of the LGA	No records meet this criteria
<b>(3) Information contained in the current version of the following records is prescribed as open access information</b>	
(a) land register	This is a constantly changing register which is not available on the website. This is available upon request.
(b) register of investments	Available on Council's website
(c) register of delegations	This is a constantly changing register which is not available on the website. This is available upon request.
(d) register of graffiti removal work kept in accordance with section 13 of the Graffiti Control Act 2008	This is a constantly changing register which is not available on the website. This is available upon request.
(e) register of current declarations of disclosures of political donations kept in accordance with section 328A of the LGA	State Electoral Commission website register of disclosure
(f) the register of voting on planning matters kept in accordance with section 375A of the LGA	Available on Council's website
<b>2 Plans and policies</b> Information contained in the current version and the most recent previous version of the following records is prescribed as open access information	
(a) local policies adopted by the local authority concerning approvals and orders	Available on Council's website
(b) plans of management for community land	Not currently on Council's website but available upon request.
(c) environmental planning instruments, development control plans and contributions plans made under the Environmental Planning and Assessment Act 1979 applying to land within the local authority's area.	Available on Council's website

Schedule 1 Reference	Web Link or Alternative Method
<b>3 Information about development applications</b>	
(1) Information contained in the following records (whenever created) is prescribed as open access information	
(a) development applications (within the meaning of the Environmental Planning and Assessment Act 1979) and any associated documents received in relation to a proposed development	Available on Council's website
(b) records of decisions made on or after 1 July 2010 on development applications (including decisions made on appeal)	Available on Council's website
(c) a record that describes the general nature of the documents that the local authority decides are excluded from the operation of this clause	Available on Council's website
<b>4 Approvals, orders and other documents</b>	
Information contained in the following records (whenever created) is prescribed as open access information	
(a) applications for approvals under Part 1 of Chapter 7 of the LGA and any associated documents received in relation to such an application	Available on Council's website
(b) applications for approvals under any other Act and any associated documents received in relation to such an application	Available on Council's website
(c) records of approvals granted or refused, any variation from local policies with reasons for the variation, and decisions made on appeals concerning approvals	A selection of approvals types are provided on the website however some are provided upon request due to the ever changing nature of these records.
(d) orders given under Part 2 of Chapter 7 of the LGA, and any reasons given under section 136 of the LGA	This is a constantly changing register which is not available on the website. This is available upon request.
(e) orders given under the authority of any other Act	This is a constantly changing register which is not available on the website. This is available upon request.
(f) records of building certificates under the Environmental Planning and Assessment Act 1979	Available on Council's website
(g) plans of land proposed to be compulsorily acquired by the local authority	Available on Council's website when required
(h) compulsory acquisition notices	Available on Council's website when required
(i) leases and licences for use of public land classified as community land	Available on Council's website



Schedule 1 Reference	Web Link or Alternative Method
(j) performance improvement orders issued to a council under Part 6 of Chapter 13 of the LGA	No records meet this criteria

Generally, Council is compliant with the requirements of the open access information provisions of the GIPA Act. Council is not required to have all open access information available on its website as the GIPA Act provides an exemption for information that would impose unreasonable costs on Council which includes the costs associated with constantly updating those registers that are regularly and continually updated. In instances where Council decides not to make information available for free on its website, this information is provided free of charge upon request, as noted on the website.

It is also noted that the requirements as related to plans and policies requires the current version and most recent version of the plan or policy to be available on Council’s website. Council currently only includes the current version on its website to prevent confusion between versions however we will now move to include the previous version and watermark the document as not-current as required by the GIPA Act. This will be a time consuming task so this will be performed in stages until complete.

Council will continue to review the information on its website against the open access provisions of the GIPA Act to ensure open access information is made available on its website where it is not cost prohibitive to do so.

**Options**

This report is for information only.

**Community Engagement and Internal Consultation**

No consultation has occurred in relation to this report.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

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

**Attachments**

Nil

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Item: 10.04

Subject: CONSTITUTIONAL REFERENDUM - REDUCTION IN COUNCILLOR NUMBERS

Presented by: Business and Performance, Keith Hentschke

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### Alignment with Delivery Program

1.3.1 Provide effective leadership and equity.

### RECOMMENDATION

**That Council approve the wording for the constitutional referendum to consider the reduction in Councillor numbers to be:**

***'Do you favour a reduction in the number of Port Macquarie-Hastings Councillors from nine to seven, comprising the Mayor and 6 Councillors?'***

### Executive Summary

At Council's Ordinary Council meeting held September 2023, Council resolved:

*That Council:*

- 1. Note that Council resolved at its February 2023 Ordinary Council meeting that in accordance with sections 296(2) and 296(3) of the Act that a constitutional referendum arrangement be entered into by contract for the Electoral Commissioner to administer all constitutional referenda of the Council where required.*
- 2. In accordance with Section 224 of the Local Government Act 1993, resolve that it will comprise of nine councillors, including the Mayor, following the next ordinary Local Government election in September 2024.*
- 3. In accordance with Section 224(3) engage the Electoral Commissioner to conduct a constitutional referendum at the 2024 Local Government election in September 2024 in regard to a reduction of Councillors from 9 to 7, including the Mayor, following the 2028 Local Government election.*
- 4. Note that the expected cost of conducting the constitutional referendum is estimated at \$70,000 where funding will be determined during the preparation of the 2024-2025 budget.*
- 5. Determine the wording of the referendum question by consideration at a future meeting of Council.*

In accordance with clauses 3 and 5 of the above resolution, Council has executed a contract variation with the NSW Electoral Commissioner to conduct a constitutional referendum in conjunction with the 2024 Local Government elections.

This report determines the wording of the constitutional referendum question.

**Discussion**

Port Macquarie-Hastings Council currently has 9 Councillors, comprising the Mayor and 8 Councillors. The Local Government Act 1993 provides the ability for a Council to change the number of Councillors by conducting a constitutional referendum. The outcome of the constitutional referendum is binding upon the Council.

At the Ordinary Council meeting held in September 2023, Council resolved:

*That Council:*

- 1. Note that Council resolved at its February 2023 Ordinary Council meeting that in accordance with sections 296(2) and 296(3) of the Act that a constitutional referendum arrangement be entered into by contract for the Electoral Commissioner to administer all constitutional referenda of the Council where required.*
- 2. In accordance with Section 224 of the Local Government Act 1993, resolve that it will comprise of nine councillors, including the Mayor, following the next ordinary Local Government election in September 2024.*
- 3. In accordance with Section 224(3) engage the Electoral Commissioner to conduct a constitutional referendum at the 2024 Local Government election in September 2024 in regard to a reduction of Councillors from 9 to 7, including the Mayor, following the 2028 Local Government election.*
- 4. Note that the expected cost of conducting the constitutional referendum is estimated at \$70,000 where funding will be determined during the preparation of the 2024-2025 budget.*
- 5. Determine the wording of the referendum question by consideration at a future meeting of Council.*

In accordance with clauses 3 and 5 of the above resolution, Council has executed a contract variation with the NSW Electoral Commissioner to conduct a constitutional referendum in conjunction with the 2024 Local Government elections.

It is proposed that the wording of the referendum question be *'Do you favour a reduction in the number of Port Macquarie-Hastings Councillors from nine to seven, comprising the Mayor and 6 Councillors?'*

Although formal approval from the Office of Local Government and NSW Electoral Commissioner is not required, comments were sought on the appropriateness of this wording with both organisations indicating that the wording was clear, concise, able to be answered by yes or no and appropriate.

It is recommended that Council approve the wording of the constitutional referendum question as indicated in the recommendation of this report.

**Options**

Council may approve this proposed wording or approve alternate wording.

**Community Engagement and Internal Consultation**

External community engagement has not been necessary for this proposed wording.

Although formal approval from the Office of Local Government and NSW Electoral Commissioner is not required, comments were sought on the appropriateness of this wording with both organisations indicating that the wording was clear, concise, able to be answered by yes or no and appropriate.

Internal consultation has been undertaken with the Executive Team.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

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

**Attachments**

Nil



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Item: 10.05

Subject: NOTICE OF MOTION - CONSTITUTIONAL REFERENDUM - METHOD OF ELECTING THE MAYOR

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Councillor Nik Lipovac has given notice of his intention to move the following motion:

**RECOMMENDATION**

**That Council:**

1. In accordance with Section 229 of the Local Government Act engage the Electoral Commissioner to conduct a constitutional referendum at the 2024 Local Government election in September 2024 regarding discontinuing the election of the Mayor by the electors in favour of conducting the election of the Mayor by Councillors from among their number, following the 2028 Local Government election.
2. Note that the estimated costs of conducting this additional constitutional referendum is approximately \$35,000 where funding will be determined during the preparation of the 2024-2025 budget.
3. Receive a further report to the March 2024 Ordinary Council meeting to determine the wording that will be used in the referendum.

**Attachments**

Nil

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**Item: 10.06**

**Subject: LEGAL FEES**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### **RECOMMENDATION**

**That Council note the information in the Legal Fees report.**

### **Executive Summary**

At the July 2018 Ordinary Council meeting, Council resolved for a report to be provided to the September 2018 Ordinary Council meeting listing a breakdown of legal fees on a case by case basis for matters costing more than \$10,000 in the 2017-2018 financial year. As a result of the September 2018 Ordinary Council meeting, Council requested an updated report to be provided each quarter.

There were two matters costing more than \$10,000 in the 2023-2024 financial year as at the end of December 2023.

### **Discussion**

At the July 2018 Ordinary Council meeting, Council resolved:

1. *Note the information contained within the Question from Previous Meeting - Enforcement of Unlawful Activity Policy report.*
2. *Request the General Manager undertake a review of the Regulatory Enforcement Policy in relation to its adequacy for assessing the cost benefits of taking enforcement action, prior to such action taking place.*
3. *Request the General Manager report back to a future meeting of Council as soon as practicable on the findings of the review referred to in 2) above.*
4. *Request the General Manager provide a report to the September 2018 Council meeting listing a breakdown of legal fees on a case by case basis for matters costing more than \$10,000 in the 2017-2018 financial year.*

A report was then provided to the September 2018 Ordinary Council meeting that related to point 4 of the resolution above. As a result, at the September 2018 Ordinary Council meeting, Council resolved:

*That Council:*

1. *Note the information in the Legal Fees report.*
2. *Request the General Manager to provide an updated report quarterly to Council.*

Attached is a confidential file that provides the information that relates to point 2 of the resolution above. This includes a breakdown of legal fees on a case by case basis for matters costing more than \$10,000 in the 2023-2024 financial year as at the end of December 2023.

The attachment titled "Legal matters greater than \$10,000 2023-2024 Financial Year" is confidential as it contains information that relates to commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (*Local Government Act 1993* - Section 10A(2)(d)(i)).

**Options**

Council can resolve to request further information.

**Community Engagement and Internal Consultation**Internal Consultation

- Director Business and Performance

**Planning and Policy Implications**

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

**Financial and Economic Implications**

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

**Attachments**

1. Legal matters greater than \$10,000 2023\_2024 Financial Year (Confidential)

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**Item: 10.07**

**Subject: DISCLOSURE OF INTEREST RETURN**

**Presented by: Business and Performance, Keith Hentschke**

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**Alignment with Delivery Program**

1.3.2 Build trust and improve Council's reputation through transparency, good decision making and living Council's Values.

**RECOMMENDATION**

**That Council note the Disclosure of Interest returns for the following positions:**

- 1. Business and Performance - Legal Counsel**
- 2. Business and Performance - Executive Lead Finance and Commercial Services**
- 3. Community Infrastructure Planning and Design - Senior Transport Engineer (Strategic)**
- 4. Community Utilities - Sewerage Pump Station Technical Officer**

**Executive Summary**

This report informs Council of the lodgement of a return disclosing the interests of a designated person which are required under Clause 4.21 of Council's Code of Conduct.

The returns for the abovementioned positions will be tabled at this meeting.

**Discussion**

Clause 4.21 of Council's Code of Conduct, requires Councillors and Designated Persons to prepare and submit written returns of interests. The following positions are designated person under the Local Government Act:

As reported to the 14 December Ordinary Council Meeting, one (1) Return was outstanding and Council resolved:

- Community Planning and Environment - Building Surveyor

It is noted that the Community Planning and Environment - Building Surveyor is currently away on extended leave. Upon return the Disclosure of Interest will then be tabled at the next available Council meeting.

At the time of writing this report the following Annual Disclosure Returns are outstanding:

- Utilities Planning and Design - Network Construction and Integration Manager

It is noted that the Utilities Planning and Design - Network Construction and Integration Manager is currently away on leave. Upon return the Disclosure of Interest will then be tabled at the next available Council meeting.

Clause 4.24 requires the General Manager (or Chief Executive Officer) to keep a Register of the Returns and Clause 4.25 requires the returns must be tabled at the first meeting of the Council after the last day the return is required to be lodged.

The disclosure returns will be held in the Disclosure Register in the Governance Section of Council and, as required by Section 6 of the *Government Information (Public Access) Act 2009*, they are available for public inspection by appointment or they are available on Council's website noting residential addresses of staff may be redacted in accordance with the Local Government Act.

### **Options**

Lodgement of a Return by a Designated Person is a requirement under Clause 4.21 of Council's Code of Conduct.

### **Community Engagement and Internal Consultation**

#### Internal Consultation

- Group Manager Governance.
- Chief Executive Officer.

### **Planning and Policy Implications**

There are no planning or policy implications.

### **Financial and Economic Implications**

There are no financial or economic implications.

### **Attachments**

Nil

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**Item: 10.08**

**Subject: NOTICE OF MOTION - ORGANISATIONAL COST SHIFTING**

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Councillor Adam Roberts has given notice of his intention to move the following motion:

**RECOMMENDATION**

**That Council:**

- 1. Note the importance of the impact of cost shifting on Council's long term financial sustainability.**
- 2. Request the Chief Executive Officer include in the General Fund Improvement Plan a review of all forms of cost shifting and the estimated cost to Council.**
- 3. Report back to Council the progress of the review as part of the General Fund Improvement Plan - Biannual Reporting in June and December.**

**Attachments**

Nil



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**Item: 10.09**

**Subject: INVESTMENTS AND LOANS - DECEMBER 2023**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### **RECOMMENDATION**

**That Council note the Investment and Loans Report for December 2023.**

#### **Executive Summary**

- Council's investment portfolio has met compliance requirements and investment income has slightly exceeded the budget.
- Total investment portfolio performance for the financial year to date was marginally below benchmarks due to the unexpected aggressive rate hikes undertaken by the RBA. Whilst the 'underperformance' may continue in the short term, it is anticipated that this is temporary.
- Financial markets continued their strong rally in December as inflation continues to ease and growing hopes that central banks will move towards an easing cycle (cut official interest rates) in 2024. Over December, major bank deposit rates fell ~5-10bp for 6-12 month tenors, as the market turns its attention to potential rate cuts in 2024. Interestingly, at the longer-end (2-5 years), deposit rates offered by the majors banks fell between ~25-30bp with the banks clearly pricing in rate cuts in 2024 and into 2025. Rates are now inverse again across the longer-tenors (1-5 year rates), with the peak rate offered in the 12 month tenor.
- Over the past 12 months the portfolio has returned 2.62% p.a. being 1.27% lower than the benchmark (AusBond Bank Bill Index).
- Outstanding loan balances are at relatively low levels which provides the opportunity to leverage borrowings to invest in capital works moving forward. Significant borrowings will be undertaken later in this financial year as adopted in the 2023-2024 Operational Plan.
- The loans portfolio is currently attracting average rates lower than new investments, meaning that Council is currently experiencing a positive net exposure to interest rates.

#### **Discussion**

The purpose of this report is to provide details of Council's investment and loan portfolios and to certify that all investment funds have been made in accordance with section 625 of the Local Government Act 1993.

Council has engaged Arlo Advisory (previously Imperium Markets) to provide both an investment management platform and investment advisory service. In October 2023 Imperium Markets undertook an internal corporate restructure and is now named Arlo

Advisory with no changes to service. Attachments 1 and 2 prepared by Arlo Advisory provide detailed information on the performance of Council’s investment portfolio for the period.

Investment Portfolio

As of 31 December 2023, the investments held by Council totalled \$423,458,034.

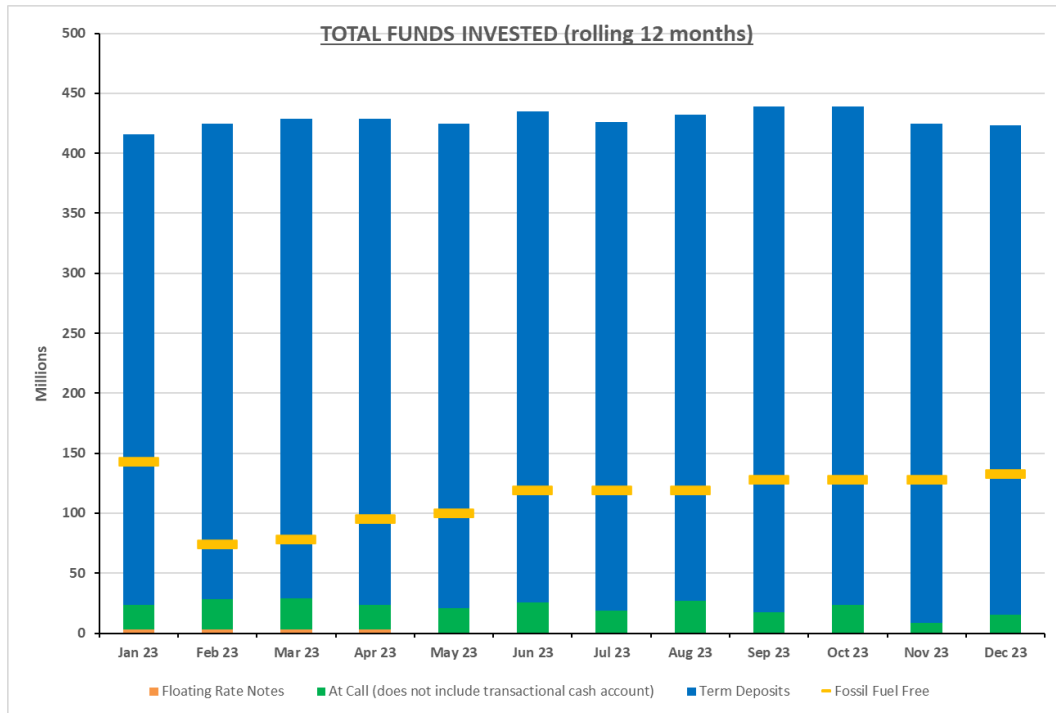
Investment activity during the month was as follows:

Activity	Amount	Institution	Rate	Term	Funds Fossil Fuel
Matured	3,000,000	Westpac	1.19%	2yr	Yes
Matured	4,000,000	ICBC	1.81%	4yr	Yes
Withdrawal	3,000,000	Westpac	4.35%	On Demand	Yes
<b>Total Matured</b>	<b>10,000,000</b>				
Invested	63,545	Westpac	4.35%	On Demand	Yes
Invested	5,000,000	Bank Vic	5.45%	1yr	No
Invested	5,000,000	Bank Vic	5.35%	2yr	No
<b>Total New Investments</b>	<b>10,063,545</b>				
<b>Net Investment Movement being the difference in Principal invested at end of month &amp; excluding Investment Earnings</b>	<b>63,545</b>				

It is noted that all investments have been made in accordance with Council’s adopted investment policy, including in relation to Policy risk limits and performance. The Policy is formulated with reference to Office of Local Government Investment Policy Guidelines.

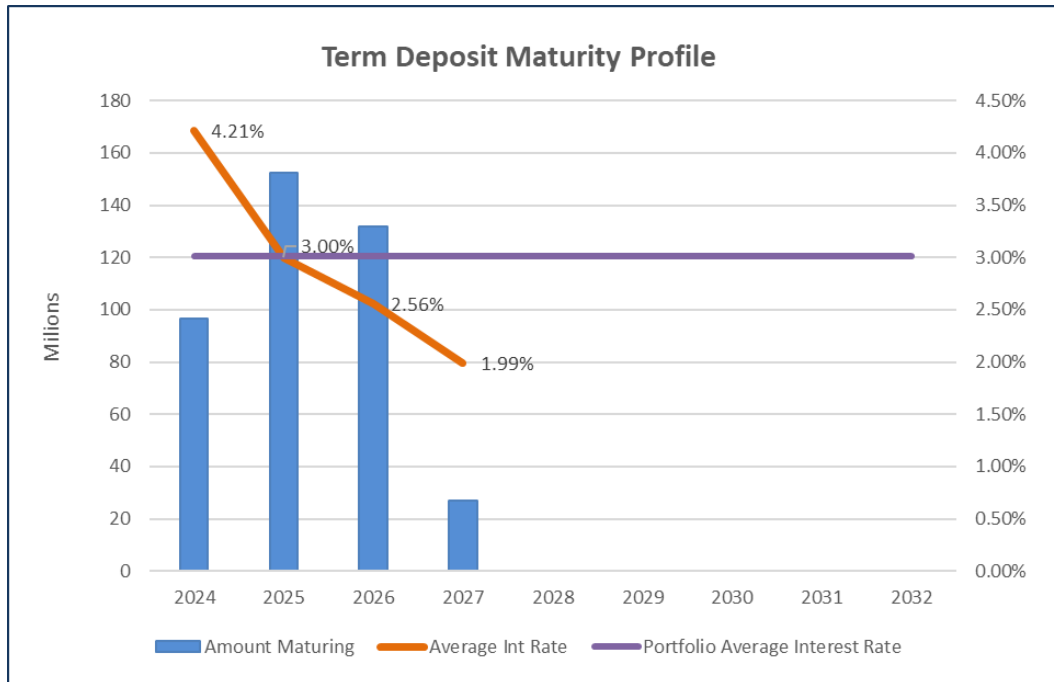
The following graph shows total investments by type on a rolling 12-month basis:





The maturity profile of the investment portfolio, (excluding the cash management account which is at call) is illustrated below and shows that maturities are well balanced across the next 3-5 year horizon.

The average interest rate of those falling in the current year illustrates the impact of longer-term investments made in higher rated products prior to the interest rate decline during the COVID-19 pandemic. This has meant that returns have been somewhat protected against falling rates and the portfolio performed strongly despite this. From next year the average interest rate of maturities falls. This reflects the declining interest rates of the last two years, noting that Council protected the portfolio against even lower interest rates by taking advantage of longer term and higher rated products, thereby still maintaining average returns above industry benchmarks. Moving forward it will be important to take advantage of rising interest rates if re-investing maturing investments, whilst also balancing with a level of risk mitigation against a potential recession environment.



Council’s total investment portfolio is attributed to the following funds:

Fund	Balance (\$)	Notes
General Fund	175,053,317	1
Waste Fund	28,452,145	2
Water Fund	155,019,517	2
Sewer Fund	64,933,055	2
<b>Total</b>	<b>423,458,034</b>	

Whilst the current level of investments remains high, these largely relate to funds which have legal restrictions, (for example Water and Sewer), where funds cannot be spent on general operations or works, or for funds held for specific purposes. These funds will be spent depending on the required timing of future works and the totals will fluctuate depending on the status of individual projects.

(1) The General Fund reserves include the following:

- Approximately \$75.6m are development contributions (S.711) that must be expended in relation to adopted plans to fund growth related infrastructure. They cannot be spent on existing infrastructure or on projects not listed in the relevant plans.
- At 30 June 2023, \$59m were grants for specific projects which will be spent in 2023 and 2024, including Ocean Drive (\$16.6m) and Maria River (\$10.6m).
- Remaining reserves are fully allocated to a range of projects including Ocean Drive (\$10m), additional parks maintenance (\$1m) and various airport projects. They are also allocated to fund operational needs of Council, such

as replacing Plant and Equipment, with approximately \$10.5m held for security bonds which will be returned to suppliers on completion of works.

- (2) The majority of the portfolio is held in the Water, Sewer and Waste Funds which require significant capital investment. Projects often occur cyclically, with a combination of reserves and borrowings used to fund the large infrastructure needs. The funds are fully allocated to projects over the coming years including:
- Cowarra Water Treatment / Filtration Plant = \$125m of reserves funding
  - Thrumster Sewerage Treatment Plant = \$19m of reserves funding
  - Kew STP Upgrade = \$35m of reserves funding
  - Kew and Bonny Hills Reservoirs = \$11m of reserves funding

The following is a summary of Council's exposure to financial institutions that fund fossil fuels:

<b>Financial institutions funding fossil fuels</b>	<b>Purchases since 01/07/23 (\$)</b>	<b>Purchases since 01/07/23 (%)</b>	<b>Amount invested at 31/12/23 (\$)</b>	<b>Amount invested at 31/12/23 (%)</b>
Yes	35,076,760	78%	290,458,034	69%
No	10,000,000	22%	133,000,000	31%
	<b>45,076,760</b>		<b>423,458,034</b>	

Further commentary on fossil fuel investments is provided by Arlo Advisory in the attached Monthly Investment Report (Attachment 1).

When investing, Council seeks and receives multiple quotes from a range of financial institutions across the different ratings spectrum. In the instance that a bank is not lending to the fossil fuel industry, are offering the highest rate, and comply with the various Policy risk limits, Council preferences that bank, in accordance with the Investment Policy. As noted above, the investment policy is formulated with reference to Office of Local Government *Investment Policy Guidelines*.

Interest on Investments

The following table shows the interest returns as of 20 December 2023 and the portfolio performance against benchmark (bank bill Index).

<b>Item</b>	<b>Performance</b>
Interest for the Month (\$)	1,168,540
Interest YTD (\$)	6,737,111
% of Annual Budget Rec'd	67%
Portfolio Performance FYTD Actual (%)	1.46%
AusBond Bank Bill Index FYTD Actual (%)	2.15%
Performance Compared to Bank Bill Index (%)	-0.69%

As noted above, although the total portfolio performance for the financial year to date was marginally below benchmarks due to the unexpected aggressive rate hikes undertaken by the RBA, this 'underperformance' is expected be temporary only.

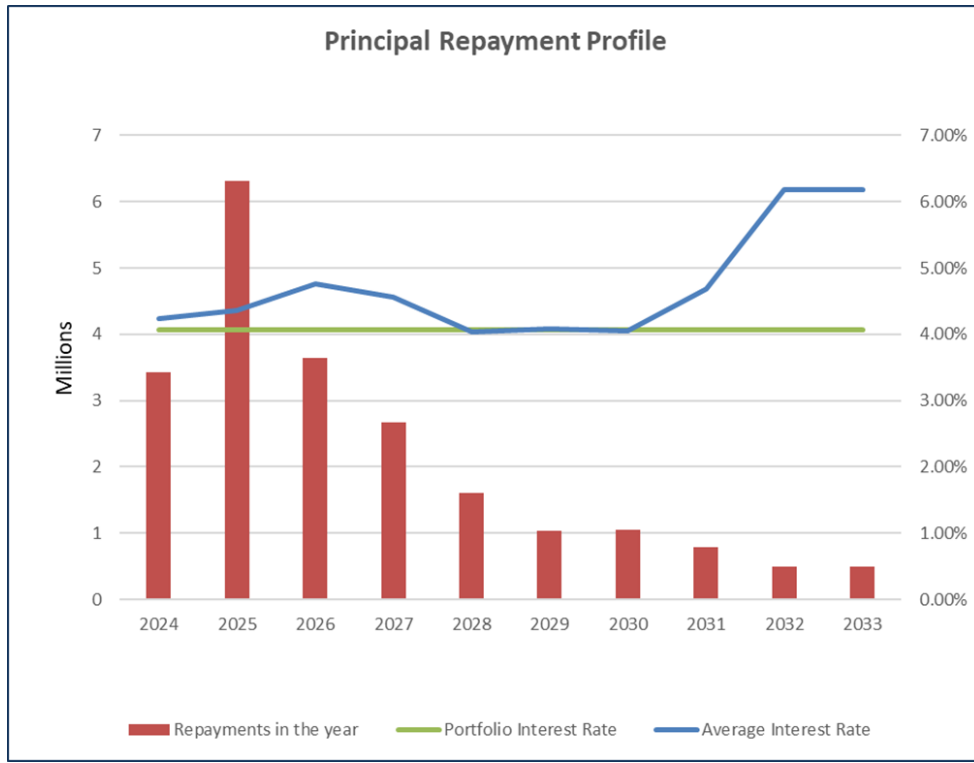
Loan Portfolio

Below are details of Council's current loan balances and interest expense for the month:

<b>Fund</b>	<b>Amount Borrowed</b>	<b>Outstanding Balance</b>	<b>Weighted Average Interest Rate</b>	<b>Accrued Interest for Month</b>	<b>Remaining Repayments FYTD</b>
General	66,144,755	21,123,430	4.50%	87,202	3,825,812
Waste	1,500,000	424,315	3.44%	1,475	89,291
<b>Total</b>	<b>67,644,755</b>	<b>21,547,745</b>		<b>88,677</b>	<b>3,915,103</b>

\*see attachment 3 for detailed listing of loan repayments for 2023/2024

The maturity profile of the loans portfolio is shown below. It details when the outstanding loan balances will be paid down and the average interest rate payable that has been attributable to those loans. The increase in the average interest rate in the 2032 and 2033 years is result of the two new loans taken up in May 2023. Additional detail on the loan portfolio is provided in an attachment to this report.



**Summary - Net Position Investments and Loans**

<b>Interest Analysis for the Month</b>	
Investment Interest Income	1,168,540
Loan Interest Expense	(88,677)
<b>Net Interest Income for the Month</b>	<b>1,079,863</b>
<b>Investments Vs Borrowings</b>	
Total Current Investment Balance	423,458,034
Total Current Loan Balance	(21,547,745)
<b>Net Position</b>	<b>401,910,289</b>

As interest rates rise, Council can invest funds at higher rates, currently locking in rates in the vicinity of 5.45%. With much of the loan portfolio locked in at average rates lower than this, Council is experiencing a positive net exposure to interest rates. It is noted however, that pressure is likely to be put on this position moving forward as future loans are expected to attract higher rates.

**Options**

This is an information report.

**Community Engagement and Internal Consultation**

Council uses the services of an independent financial advisor, on an ongoing basis with investments. Council obtains regular updates regarding market activities positions from various institutions.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

Budget levels have been met on a year-to-date basis. Returns are currently marginally below benchmark.




Council's total investment portfolio performance for the financial year to date is 0.69% below the benchmark (1.46% against 2.15%) and year to date income is 67% of the total annual budget.

Certification

I hereby certify that the investments listed within this report were made in accordance with Section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2012* and Council's Investment Policy.

Nicole Spencer  
Responsible Accounting Officer

**Attachments**

1.  Port Macquarie Hastings Council Investment Report - 31 December 2023
2.  Port Macquaire Hastings Council Portfolio Valuation - 31 December 2023
3.  Port Macquarie Hastings Council Loan Repayments - 2023-2024



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**Item: 10.10**

**Subject: INVESTMENTS AND LOANS - JANUARY 2024**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### **RECOMMENDATION**

**That Council note the Investment and Loans Report for January 2024.**

#### **Executive Summary**

- Council's investment portfolio has met compliance requirements and investment income has slightly exceeded the budget.
- Total investment portfolio performance for the financial year to date was marginally below benchmarks due to the unexpected aggressive rate hikes undertaken by the RBA. Whilst the 'underperformance' may continue in the short term, this is expected to be temporary.
- Over January, major bank deposit rates remained lower across the board compared to December 2023. Major Bank deposit rates have dropped by as much as 12bp across the shorter-tenors (3-12 months) and by around 15-20 bp across the longer-tenors (2-5 years). Interestingly, major bank deposit rates are approximately 20-40 bp lower than what they were 6 months ago (July 2023).
- Over the past 12 months the portfolio has returned 2.62% p.a. which is 1.35% lower than the benchmark (AusBond Bank Bill Index).
- Outstanding loan balances are at manageable levels to enable borrowings for capital works moving forward and significant new loans are included in the current Long Term Financial Plan.
- The loans portfolio is currently attracting average rates lower than new investments, meaning that Council is currently experiencing a positive net exposure to interest rates.

#### **Discussion**

The purpose of this report is to provide details of Council's investment and loan portfolios and to certify that all investment funds have been made in accordance with section 625 of the Local Government Act 1993.

Council has engaged Arlo Advisory to provide both an investment management platform and investment advisory service. Attachments 1 and 2 prepared by Arlo Advisory provide detailed information on the performance of Council's investment portfolio for the period.



Investment Portfolio

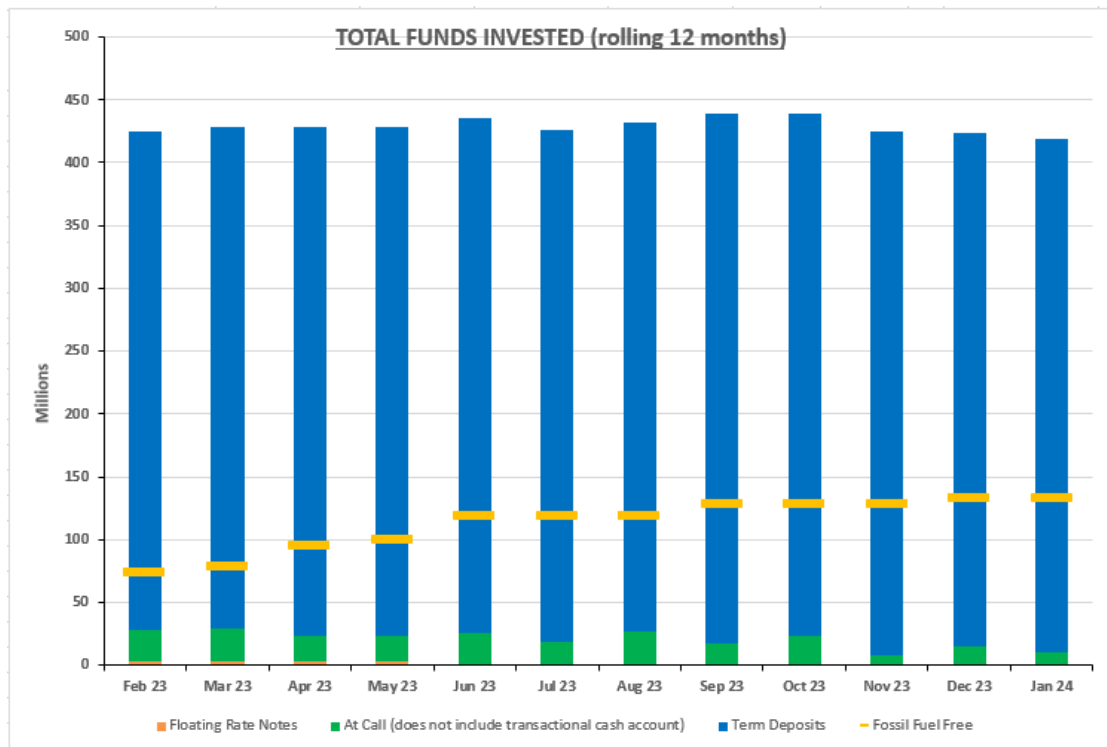
As of 29 January 2024, the investments held by Council totalled \$418,458,034.

Investment activity during the month was as follows:

Activity	Amount	Institution	Rate	Term	Funds Fossil Fuel
Withdrawal	5,000,000	Westpac	4.35%	On Demand	Yes
<b>Total Matured</b>	<b>5,000,000</b>				
<b>Total New Investments</b>	<b>0</b>				
<b>Net Investment Movement being the difference in Principal invested at end of month &amp; excluding Investment Earnings</b>	<b>-5,000,000</b>				

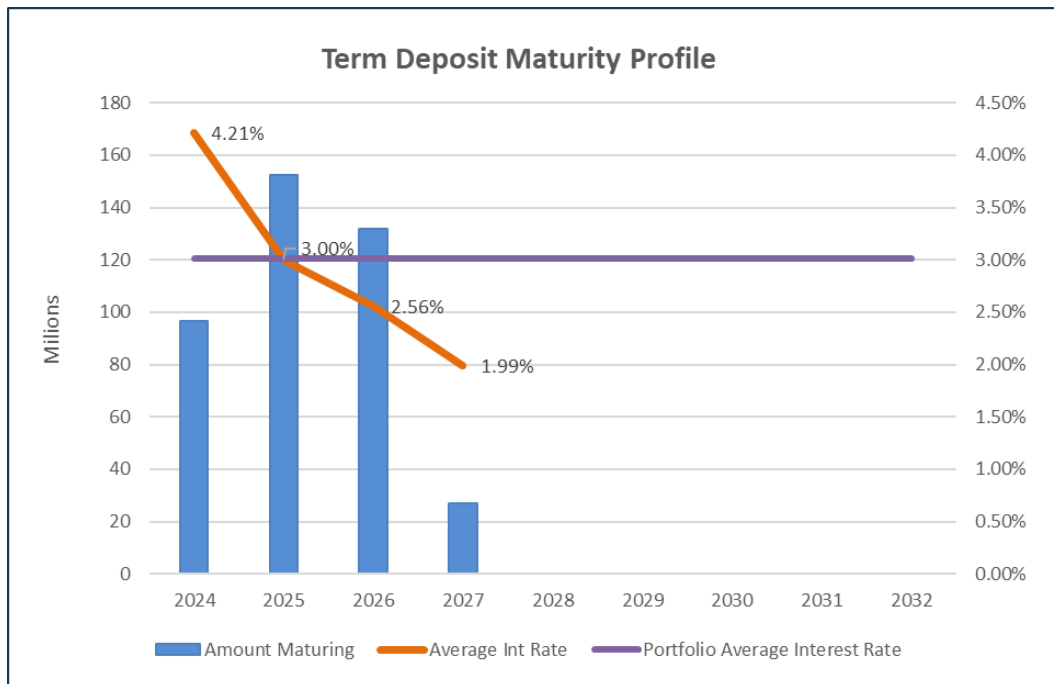
All investments are made in accordance with Council’s adopted investment policy, including policy risk limits and performance. The policy is formulated with reference to Office of Local Government Investment Policy Guidelines.

The following graph shows total investments by type on a rolling 12-month basis:



The maturity profile of the investment portfolio, (excluding the cash management account which is at call) is illustrated below and shows that maturities are well balanced across the next 3 to 5 year horizon.

The average interest rate of those falling in the current year illustrates the impact of longer-term investments made in higher rated products prior to the interest rate decline during the COVID-19 pandemic. This has meant that returns have been somewhat protected against falling rates and the portfolio performed strongly despite this. From next year, the average interest rate of maturities falls. This reflects the declining interest rates of the last two years, noting that Council protected the portfolio against even lower interest rates by taking advantage of longer term and higher rated products, thereby still maintaining average returns above industry benchmarks. Moving forward it will be important to take advantage of rising interest rates if re-investing maturing investments, whilst also balancing with a level of risk mitigation against a potential recession environment.



Council's total investment portfolio is attributed to the following funds:

Fund	Balance (\$)	Notes
General Fund	167,764,011	1
Waste Fund	28,053,427	2
Water Fund	157,365,328	2
Sewer Fund	65,275,269	2
<b>Total</b>	<b>418,458,034</b>	

Whilst the current level of investments remains high, these largely relate to funds which have legal restrictions, (for example Water and Sewer), where funds cannot be spent on general operations or works, or for funds held for specific purposes. These funds will be spent depending on the required timing of future works and the totals will fluctuate depending on the status of individual projects.

(1) The General Fund reserves include the following:

- Approximately \$75.6m are development contributions (S.711) that must be expended in relation to adopted plans to fund growth related infrastructure. They cannot be spent on existing infrastructure or on projects not listed in the relevant plans.
- At 30 June 2023, \$59m were grants for specific projects to be spent in 2023 and 2024, including for Ocean Drive (\$16.6m) and Maria River (\$10.6m).
- Remaining reserves are fully allocated to a range of projects including Ocean Drive (\$10m), additional parks maintenance (\$1m) and various airport projects. They are also allocated to fund operational needs of Council, such as replacing Plant and Equipment, with approximately \$10.4m held for security bonds which will be returned to suppliers on completion of works.

5.

(2) Much of the portfolio is held in the Water, Sewer and Waste Funds which require significant capital investment. Projects often occur cyclically, with a combination of reserves and borrowings used to fund the large infrastructure needs. The funds are fully allocated to projects over the coming years including:

- Cowarra Water Treatment / Filtration Plant - \$125m of reserves funding
- Thrumster Sewerage Treatment Plant - \$19m of reserves funding
- Kew STP Upgrade - \$35m of reserves funding
- Kew and Bonny Hills Reservoirs - \$11m of reserves funding

The following is a summary of Council’s exposure to financial institutions that fund fossil fuels:

Financial institutions funding fossil fuels	Purchases since 01/07/23 (\$)	Purchases since 01/07/23 (%)	Amount invested at 29/01/24 (\$)	Amount invested at 29/01/24 (%)
Yes	35,076,760	78%	285,458,034	68%
No	10,000,000	22%	133,000,000	32%
	<b>45,076,760</b>		<b>418,458,034</b>	

Further commentary on fossil fuel investments is provided by Arlo Advisory in the attached Monthly Investment Report (Attachment 1).

When investing, Council seeks and receives multiple quotes from a range of financial institutions across the different ratings spectrum. In the instance that a bank is not lending to the fossil fuel industry, are offering the highest rate, and comply with the various Policy risk limits, Council preferences that bank, in accordance with the Investment Policy. As noted above, the investment policy is formulated with reference to Office of Local Government *Investment Policy Guidelines*.

Interest on Investments

The following table shows the interest returns as of 29 January 2024 for the 2023-24 financial year and the portfolio performance against benchmark (bank bill Index).

Item	Performance
Interest for the Month (\$)	1,069,235
Interest YTD (\$)	7,806,346
% of Annual Budget Rec'd	78%
Portfolio Performance FYTD Actual (%)	1.46%
AusBond Bank Bill Index FYTD Actual (%)	2.50%
Performance Compared to Bank Bill Index (%)	-1.04%

As noted above, although the total portfolio performance for the financial year to date was marginally below benchmarks due to the unexpected aggressive rate hikes undertaken by the RBA, this 'underperformance' is expected to be temporary.

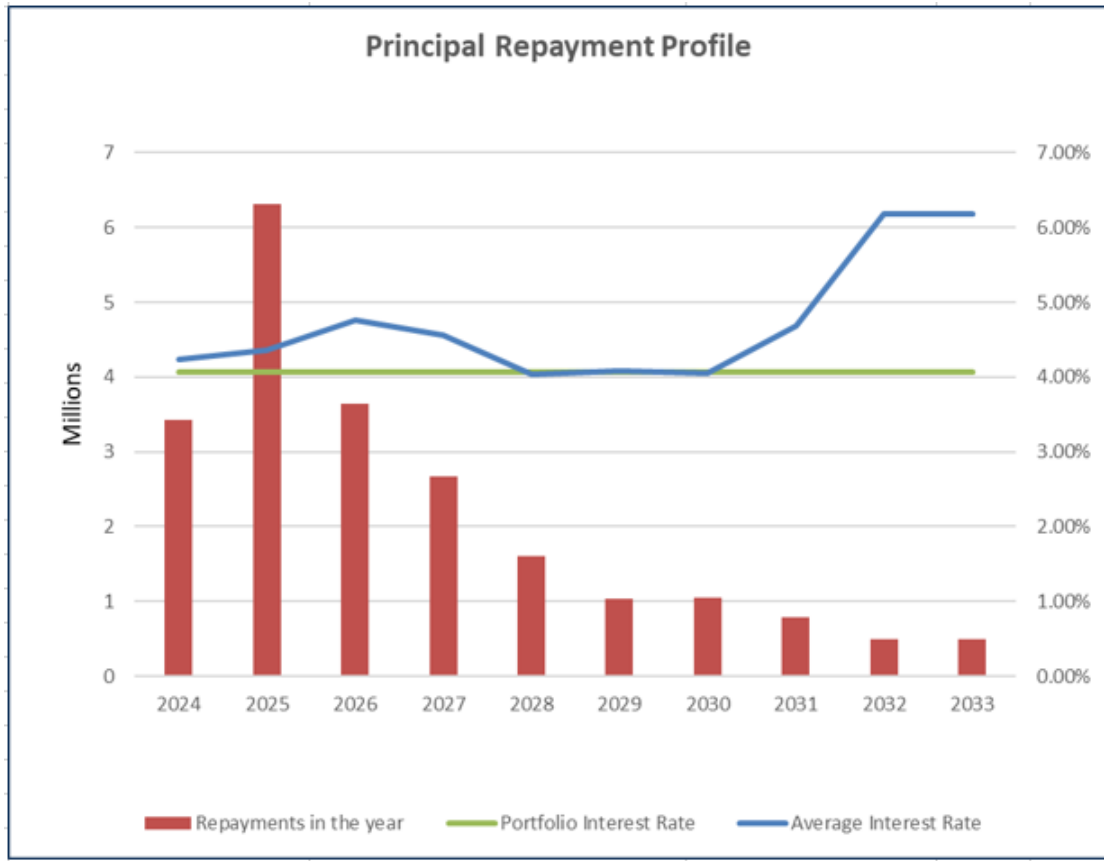
Loan Portfolio

Below are details of Council's current loan balances and interest expense for the month:

Fund	Amount Borrowed	Outstanding Balance	Weighted Average Interest Rate	Accrued Interest for Month	Remaining Repayments FYTD
General	66,144,755	21,123,430	4.49%	80,631	3,825,812
Waste	1,500,000	424,315	3.44%	1,240	89,291
<b>Total</b>	<b>67,644,755</b>	<b>21,547,745</b>		<b>81,871</b>	<b>3,915,103</b>

\*see attachment 3 for detailed listing of loan repayments for 2023/2024

The maturity profile of the loans portfolio is shown below. It details when the outstanding loan balances will be paid down and the average interest rate payable that has been attributable to those loans. The increase in the average interest rate in the 2032 and 2033 years is a result of the two new loans taken up in May 2023. Additional detail on the loan portfolio is provided in an attachment to this report.



Summary - Net Position Investments and Loans

<b>Interest Analysis for the Month</b>	
Investment Interest Income	1,069,235
Loan Interest Expense	(81,871)
<b>Net Interest Income for the Month</b>	<b>987,364</b>
<b>Investments Vs Borrowings</b>	
Total Current Investment Balance	418,458,034
Total Current Loan Balance	(21,547,745)
<b>Net Position</b>	<b>396,910,289</b>

As interest rates rise, Council can invest funds at higher rates, currently locking in rates in the vicinity of 5.45%. With much of the loan portfolio locked in at average rates lower than this, Council is experiencing a positive net exposure to interest rates. However, pressure may be put on this position moving forward as future loans are expected to attract higher rates.

**Options**

This is an information report.

**Community Engagement and Internal Consultation**



Council uses the services of an independent financial advisor, on an ongoing basis with investments. Council obtains regular updates regarding market activities positions from various institutions.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

Budget levels have been met on a year-to-date basis. Returns are currently marginally below benchmark.




Council's total investment portfolio performance for the financial year to date is 1.04% below the benchmark (1.46% against 2.50%) and year to date income is 78% of the total annual budget.

**Certification**

I hereby certify that the investments listed within this report were made in accordance with Section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2012* and Council's Investment Policy.

Nicole Spencer  
Responsible Accounting Officer

**Attachments**

1.  Port Macquarie Hastings Council Investment Report - 29 January 2024
2.  Port Macquarie Hastings Council Portfolio Valuation - 29 January 2024
3.  Port Macquarie Hastings Council Loan Repayments - 2023-2024

Item: 10.11

Subject: MONTHLY BUDGET REVIEW - JANUARY 2024

Presented by: Business and Performance, Keith Hentschke

**Alignment with Delivery Program**

1.5.1 Manage Council’s financial assets and provide accurate, timely and reliable information.

**RECOMMENDATION**

**That Council:**

1. **Adopt the adjustments in the “January 2024 Adjustments” section of the Monthly Budget Review – January 2024 report and associated attachment.**
2. **Amend the 2023-2024 Operational Plan to include all budget adjustments approved in this report.**

**Executive Summary**

This report details monthly budget adjustments recommended to be made for the month of January 2024. The Council-adopted 2023-2024 budget position at the commencement of the financial year was a balanced budget. The budget adjustments contained in this report forecast a budget surplus position of \$17,495 as at the end of January 2024. This is outlined in the table below.

Monthly Budget Review Summary

<b>Original Budget as at 1 July 2023</b>	<b>Balanced</b>	<b>\$0</b>
<i>Plus adjustments:</i>		
July Review	Balanced	\$0
August Review	Balanced	\$0
September Review	Balanced	\$0
October Review	Balanced	\$0
November Review	Surplus	\$17,495
January Review	Balanced	\$0
<b>Forecast Budget Position for 30 June 2024</b>	<b>Surplus</b>	<b>\$17,495</b>

*\* No report in December due to no Council meeting*

**Discussion**

Each month, Council’s budgets are reviewed by Group Managers and Directors with any required adjustments reported. The purpose of this report is to provide Council with an up to date view of the current actual financial position in comparison to the originally adopted 2023-2024 budget position along with the proposed movement of funds to accommodate any changes.





Any budget variations which are greater than \$50,000 and 2% of the project budget are reviewed and approved by the Executive Group in their function to oversee operational activities and approve operational actions.

#### January 2024 Adjustments

The commentary below is to be read in conjunction with the “Forecast Budget Statement for the Year Ended 30 June 2024” on page 3 of this report. Further details on individual transactions are provided in Attachment “January 2024 Budget Review”.

Grants and Contributions totalling \$908k were recognised during the month of January. These include grants for Wauchope Wastewater Treatment Plant (\$300k), Flood Recovery Embankment Works (\$100k), Coastal Hazard Assessment and Coastal Vulnerability Area Mapping (\$120k), Bushfire Support Program (\$69k), Limeburners Creek Bridge (\$100k) and the Regional Roads Block Grant (\$219k).

A Budget Variance Request was approved by Executive during the month for Stormwater Maintenance Program (\$700k).

Other adjustments are accounting entries only, or movements between projects, and have no impact on Council’s budget position.

#### Works Program Review

As part of the ongoing monitoring of the 2023-2024 Operational Plan progress, the status of capital works expenditure has been reviewed. This review has focused on the current and projected status of the projects and the latest process has identified some projects which need to be re-prioritised to next financial year. As such, projects totalling \$6,461,101 are proposed to be deferred from the 2023-2024 works program and considered for incorporation into the 2024-2025 Operational Plan. The specific projects are outlined in Attachment 1 “January 2024 Budget Review”, with further details provided in Attachment 2 “Proposed 2023-2024 Works Program Deferrals”.

Forecast Budget Statement for the Year Ended 30 June 2024

	2023-24 Original Budget ‘\$000	Carry Overs ‘\$000	Approved Adj YTD ‘\$000	Prior Month Forecast ‘\$000	Current Month Adj ‘\$000	Works Program Review ‘\$000	2023-24 Full Year Forecast ‘\$000
<b>Operating Activities Movements</b>							
<b>Income from continuing operations</b>							
Rates and Annual Charges	117,526		0	117,526			117,526
User Charges and Fees	44,396		0	44,396			44,396
Interest Received	10,456		0	10,456			10,456
Grants and Contributions	89,160	7,818	11,269	108,247	910		109,157
Other Operating Receipts	6,670		0	6,670	3		6,673
<b>Expenses from continuing operations</b>							
Employee Costs	(65,226)		(266)	(65,492)			(65,492)
Materials and Contracts	(56,421)	(1,831)	(1,445)	(59,697)	(413)	150	(59,960)
Depreciation	(54,366)		0	(54,366)			(54,366)
Interest Paid	(1,057)		0	(1,057)			(1,057)
Other Operating Payments	(18,468)		0	(18,468)			(18,468)
Loss on Disposal of Assets	(3,050)		0	(3,050)			(3,050)
<b>Operating result from continuing operations</b>	<b>69,620</b>	<b>5,987</b>	<b>9,558</b>	<b>85,165</b>	<b>500</b>	<b>150</b>	<b>85,815</b>
<b>Restricted Asset Movements</b>							
Transfer from Restricted Assets	91,273	13,842	(2,244)	102,871		(6,461)	96,410
Transfer to Restricted Assets	(60,348)		0	(60,348)			(60,348)
<b>Net Revenues (Used in)/Provided by in Restricted Assets</b>	<b>30,925</b>	<b>13,842</b>	<b>(2,244)</b>	<b>42,523</b>	<b>0</b>	<b>(6,461)</b>	<b>36,062</b>
<b>Property, Plant and Equipment Movements</b>							
Purchase of Assets	(175,994)	(19,829)	(7,297)	(203,120)	(500)	6,311	(197,309)
Developer Provided Assets	(8,000)		0	(8,000)			(8,000)
<b>Net Revenues (Used in)/Provided by Property, Plant and Equipment Activity</b>	<b>(183,994)</b>	<b>(19,829)</b>	<b>(7,297)</b>	<b>(211,120)</b>	<b>(500)</b>	<b>6,311</b>	<b>(205,309)</b>
<b>Financing Activities Movements</b>							
Proceeds from Borrowings and Advances	32,450		0	32,450			32,450
Repayments of Borrowings and Advances	(6,417)		0	(6,417)			(6,417)
<b>Net Revenues (Used in)/Provided by Financing Activity</b>	<b>26,033</b>	<b>0</b>	<b>0</b>	<b>26,033</b>	<b>0</b>	<b>0</b>	<b>26,033</b>
<b>Net Result (Incl Depreciation)</b>	<b>(57,416)</b>	<b>0</b>	<b>17</b>	<b>(57,399)</b>	<b>0</b>	<b>0</b>	<b>(57,399)</b>
Add Back: Non Cash Items	57,416		0	57,416			57,416
<b>Budget Surplus/(Shortfall)</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>

Note that ‘Other Operating Payments’ includes items such as electricity, street lighting, insurances, waste levy, emergency services levies.

Options

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

Community Engagement and Internal Consultation



Not applicable.

**Planning and Policy Implications**

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

**Financial and Economic Implications**



Attachment 1 to this report contains information of each individual budget adjustment by Division and Section. The budget movements within this report result in the budget position surplus of \$17,495.

Attachment 2 to this report contains information relating to each individual works program item that was identified for deferral.

Statement by Responsible Accounting Officer

*“The adopted original budget result for 2023-2024 was a balanced budget. As at 31 January 2024 this position is changed to a budget surplus of \$17,495 and this position is considered acceptable”.*

**Attachments**

1.  January 2024 Budget Review
2.  Proposed 2023-2024 Works Program Deferrals

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**Item: 10.12**

**Subject: QUARTERLY BUDGET REVIEW STATEMENT - DECEMBER 2023**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### **RECOMMENDATION**

**That Council note the Quarterly Budget Review Statement for the December 2023 Quarter.**

### **Executive Summary**

This report details Council's progress against the original and revised 2023-2024 budget as at the end of the second quarter being 31 December 2023.

### **Discussion**

The Quarterly Budget Review Statement (QBRS) is a statutory report prepared in accordance with sections 202 and 203 of the *Local Government (General) Regulation 2021* ('Regulations').

The QBRS presents a summary of Council's financial position at the end of the first, second and third quarter of the financial year. It is a mechanism whereby the Councillors and the community are informed of Council's progress against its current adopted budget.

Whilst the Regulations require the Council, as a minimum, to prepare quarterly revised estimates of income and expenditure through the QBRS, Port Macquarie-Hastings Council adopts budget variations on a monthly basis.

Attachment 1 to this report details the mandated components of the QBRS as prescribed in the 'NSW Local Government Code of Accounting Practice and Financial Reporting' and provides commentary on the significant variances / impacts on the financials.

Attachment 2 provides detail on consultancy engagements undertaken during the period. The Confidential Attachment 2 titled "Confidential - December 2023 Quarterly Budget Review - Consultancy Engagements" relates to information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting for proposes to conduct business. (Local Government Act 1993 - Section 10A(2)(c)).

Summary of Results for Quarter 2

	YTD Actuals \$'000	YTD Budget \$'000	YTD Actuals as a % of Budget	Projected Year End \$'000
<b>Total Income</b>	166,649	162,147	102.8%	287,295
<b>Total Expenses (Operating)</b>	92,966	96,725	96.1%	202,130
<b>Operating Result before Capital - Surplus/(Deficit)</b>	50,224	42,773	117.4%	(5,024)
<b>Capital Expenditure</b>	64,125	82,226	78.0%	210,920

The projected operating result before capital has worsened compared to the original budget, due to the impact of carry over material and contract expenditure from the previous financial year, noting that this does not impact the overall cash funding of these projects. This will need to be monitored during the year with savings identified.

Income is slightly above budget due largely to higher than expected investment returns and tipping fees. The timing of the pensioner subsidy has impacted operating grants and contributions, 54.4% under budget. This will be corrected in the third quarter as the pensioner subsidy has since been received in January 2024.

Operating expenditure is tracking under YTD budget, largely due to lower than budgeted material and contract costs. Whilst this may indicate potential savings, it is too early in the year to predict this and will depend on the spend profile of some large maintenance programs over the remainder of the year. These will continue to be monitored throughout the year.

Capital expenditure is also significantly under YTD budget by \$18.1m. The YTD underrun is largely impacted by timing of contractor payments which are likely to equalise during the second half of the year. It is noted however that when considering the overall annual capital works program, \$6.5m expenditure has been identified as requiring deferral to the following financial year, (refer to Monthly Budget Review - January 2024 report, also included in this agenda).

The return on Council’s investments as at 31 December 2023 was 1.46% which was higher than budgeted, but 0.69% below the benchmark of 2.15%. This is due to the aggressive rate hikes undertaken by the RBA. Whilst the ‘underperformance’ may continue in the short term, it is anticipated that this is temporary.

Budget variations and carry-overs adopted throughout the financial year have generally not materially impacted most of the forecasted T-Corp ratios set out in the adopted original budget, however the projected operating performance ratio, unrestricted current ratio and rates outstanding have worsened and will need monitoring during the second half of the year.

There were no unbudgeted contracts entered into during the second quarter of the financial year. There was no expenditure incurred for consultancy or legal expenses that was not budgeted for during this quarter.




Statement by Responsible Accounting Officer

Below is a statement made by Council's Responsible Accounting Officer made in pursuant to section 203(2) of the Regulations:

**Responsible Accounting Officer Statement**

It is my opinion that the Quarterly Budget Review Statement for Port Macquarie-Hastings Council for the quarter ended 31 December 2023 indicates that Council's projected financial position at 30 June 24 will be less than satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

The operating deficit will be addressed through ongoing review with budget managers to identify potential savings, as well as the development and implementation of a formal improvement plan.



**Nicole Spencer** December 31, 2023  
Responsible Accounting Officer - Port Macquarie-Hastings Council

**Options**

Council may adopt the recommendation or amend as required.

**Community Engagement & Internal Consultation**

Not applicable.

**Planning & Policy Implications**

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

**Financial & Economic Implications**

As indicated in the QBRS, the projected operating result for Council on a consolidated basis, as at 31 December 2023, is a deficit of \$5.024m. As at 31 December 2023 there was a surplus budget of \$17,495 for the 2023-2024 financial year.




Despite a surplus budget position, there are a number of factors impacting the operating deficit including:

- Councils' main revenue stream of rates and annual charges is restricted each year by a Rate Peg set by IPART. This presents challenges in meeting increased service delivery expectations from a growing community, whilst having limited revenue raising avenues, and in recent years has seen costs increase at a higher rate than the revenue has been generated;
- Global economic factors and domestic events such as natural disasters, have impacted material and resource costs, as well as supply chains, with significant cost escalations being experienced;
- Strategic increases in maintenance expenditure across core areas such as roads, drainage and parks; and
- Impact of cost shifting from other levels of government.

As noted in the development of the Operational Plan and original budget, the impacts of the above have been mitigated in the short term in part by the strategic use of Council's internal reserves. Although a negative operating result is manageable in the short-term, considering the above factors and in light of Council's overall financial position, the importance of ensuring Council's ongoing financial sustainability is recognised. On this basis, Council will continue to focus on improving the general fund operating result in particular, with the development and implementation of an improvement plan.

### **Attachments**

1.  December Quarterly Budget Review Statement - 2023-2024
2. December 2023 Quarterly Budget Review - Consultancy Engagements (Confidential)



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Item: 10.13

Subject: PAYMENT OF WATER FUND AND SEWER FUND DIVIDEND FOR THE YEAR 2022-2023

Presented by: Business and Performance, Keith Hentschke

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### Alignment with Delivery Program

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### RECOMMENDATION

#### That Council:

1. Note Council has complied with sections 4.2 and 4.3 of the Guidelines (Regulatory and Assurance Framework for Local Water Utilities) for council dividend payments for water supply or sewerage services and any direction under s.409(6)(b) of the Local Government Act.
2. Authorise the payment of a dividend of \$961,254 to the General Fund from the surplus in Water Supply operations for 2022-2023.
3. Authorise the payment of \$106,806 for tax equivalents to the General Fund from the Water Supply operations for 2022-2023.
4. Authorise the payment of a dividend of \$930,015 to the General Fund from the surplus in the Sewerage Fund for 2022-2023.
5. Authorise the payment of \$103,335 for tax equivalents to the General Fund from the Sewerage Fund for 2022-2023.
6. Note that once the information provision requirement in section 4.4 of the Guidelines is finalised, a separate report will be provided to Council outlining proposed expenditure of the dividend.

### Executive Summary

This report provides Council with information on compliance with the new Regulatory and Assurance Framework for Local Water Utilities (the Framework) and recommends that Council authorise payment of a dividend from the Water Supply and Sewerage Funds to General Fund for 2022-2023 in accordance with the Framework.

If authorised, relevant information will be provided to the NSW Department of Planning and Environment (DPE) in accordance with section 4.4 of the Framework. A subsequent report will be provided to Council recommending how the dividend should be allocated. This may include the recommendation that the dividend remain in the Water Supply and/or Sewerage funds.

**Discussion**

Under section 409(5) of the Local Government Act, Council may pay an annual dividend from its water supply and sewerage business surplus to its General Fund. The dividend is a return on investment paid to the “shareholder”, which in this case is Council as it is responsible for managing and investing in the local water utility’s water supply and sewerage functions. Dividends can be paid for each business at the end of the financial year after meeting the Guidelines (S409(7)) of the Local Government Act. The Guidelines are the Regulatory and Assurance Framework for Local Water Utilities issued by DPE.

Under the Guidelines, where a council’s water or sewerage operation has:

- An operating surplus for the year in question, and
- A sufficient cumulative operational surplus over the last three years,

it may be eligible to make a dividend payment from the surplus if it:

1. Has in place effective, evidence-based strategic planning in accordance with section 3 of the Framework
2. Obtains an unqualified financial audit report for its water supply/and or sewerage business(es)
3. Resolves at a council meeting open to the public of its decision to pay a dividend from the Water and/or Sewerage operations, and
4. Complies with the information provision requirement under Section 4.4 of the Framework.

Any dividend taken from the water and sewerage funds can be transferred to the General Fund and is unrestricted.

For 2022-2023, the surplus requirements for both the Water Supply operations and the Sewerage operations have been met.

*Regulatory and Assurance Framework for Local Water Utilities*

In July 2022, the DPE issued the Framework which includes the following requirements that Council must meet for a dividend to be paid:

1. Calculate any dividend payment in accordance with the prescribed methodology.
2. Demonstrate there is a surplus.
3. Demonstrate full cost-recovery pricing and developer charges.
4. Have in place effective, evidence-based strategic planning in accordance with the framework.
5. Demonstrate financial reports are a true and accurate reflection of the business (unqualified audit report).
6. Demonstrate that the overhead reallocation charge is a fair and reasonable cost.

Council has complied with each of these requirements. While payment of the dividend is no longer subject to approval by the NSW Government, there is a requirement to provide relevant documents to DPE under Section 4.4 of the Framework to demonstrate compliance. Following that process, a separate report will be provided to Council recommending how the dividend should be allocated. This may include the recommendation that the dividend remain in the Water Supply and/or Sewerage funds.

**Options**

Council has the option of paying a dividend and tax equivalents of \$2,101,410 from the Water Supply and Sewerage funds or it can choose not to.

**Community Engagement & Internal Consultation**

Consultation has occurred with the Water and Sewerage sections, the Executive and Independent Auditors.

**Planning & Policy Implications**

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

**Financial & Economic Implications**

A total dividend from surplus of \$1,891,269 is proposed to be paid from surpluses in Water Supply and Sewerage operations. In addition, tax equivalents of \$210,141 proposed to be paid as a dividend. These funds are unrestricted and could be spent on General Fund activities.

**Attachments**

1.  Regulatory and Assurance Framework for local water utilities

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Item: 10.14

Subject: 2023-2024 OPERATIONAL PLAN SECOND QUARTER STATUS  
REPORT AS AT 31 DECEMBER 2023

Presented by: Business and Performance, Keith Hentschke

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### Alignment with Delivery Program

1.1.4 Provide easy to understand and accessible community reporting.

### RECOMMENDATION

That Council:

1. Note the 2023-2024 Operational Plan Second Quarter Status Report as at 31 December 2023.
2. Authorise the deferral of the following Actions/Projects, with the status of 'Council approved Action Deferred / Not Progressing':
  - SR 22 Laurieton - Apex Park Playground
  - SR 23 Lake Cathie - Endeavour Park Playground Upgrade
  - SR 26 Ellenborough Reserve - Amenities Renewals
  - SR 33 Westport Park Boating Amenities
  - SR 45 Port Macquarie Breakwall - Accessible Fishing Platforms

### Executive Summary

The purpose of the 2023-2024 Operational Plan - Second Quarter Status Report is to outline progress against Actions in the Operational Plan.

Where the organisation has been required to re-scope an Action/Project to deliver a different or newly identified outcome, provide cost savings or has encountered delays due to external forces, action has been taken to either defer or not progress the Action/ Project with a resolution from Council to support the non-delivery of the Action/Project in the 2023-2024 operational year.

It should be noted that in most cases, while Council has approved non delivery of some Actions/Projects in the 2023-2024 Operational Year, work continues to progress these items with a view to completion in the 2024-2025 Operational Year.

**Delivery against the 2023-2024 Operational Plan to date is 94%.**

This status report covers the first half of the 2023-2024 Operational Plan and informs both Council and the community on progress of Actions/Projects contained in the 2023-2024 Operational Plan.

In accordance with statutory requirements, a report detailing achievements and progress against the 2022-2026 Delivery Program has been provided to Council under separate cover at this meeting.

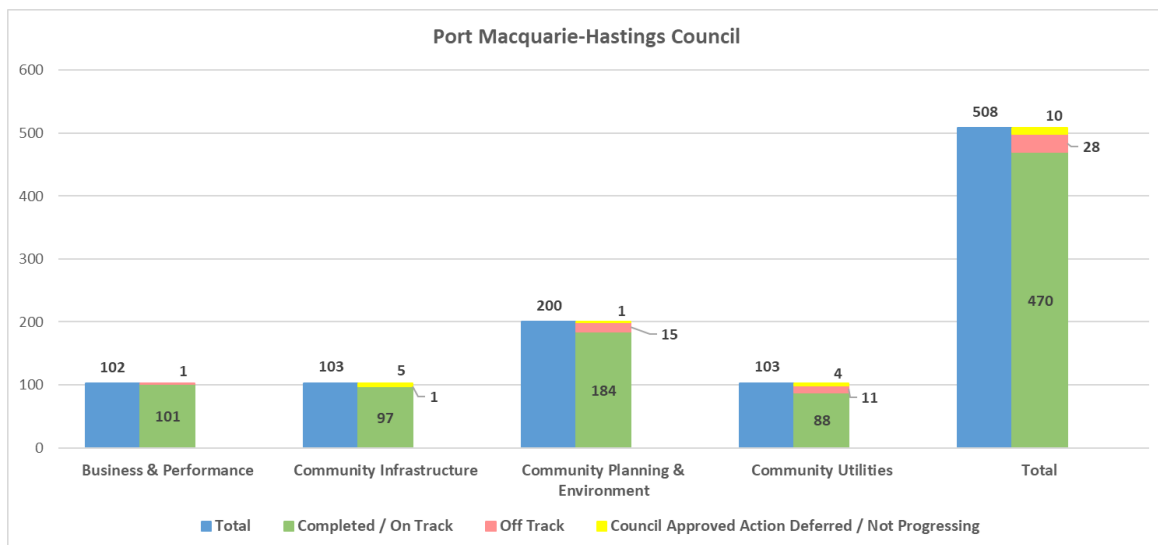
**Discussion**

Reporting for the 2023-2024 Operational Plan continues as per the Action/Project status categories and definitions in the below table.

Status		When to Report this status
✓	Completed	The Action/Project has met the Performance Measurement criteria detailed in the Operational Plan.
●	Progressing as Scheduled	The Action/Project is continuing to progress and is expected to meet the Performance Measurement criteria and timeline detailed in the Operational Plan.
●	Council approved Action Deferred / Not Progressing	The Action/Project has been deferred to outer years, or the Project will not continue.  There has been a Council Resolution to: <ul style="list-style-type: none"> <li>• defer or cease the Action/Project via a Council Report</li> <li>• inclusion in the following year's adopted Operational Plan</li> <li>• or as an approved budget carry forward request or other adjustment via a Council Report.</li> </ul>
●	Off Track	The Action/Project will not meet the Performance Measurement criteria detailed in the Operational Plan.

The 2023-2024 Operational Plan contains a total of 508 Actions/Projects with 482 Actions identified as Completed or Progressing as Scheduled and 26 Off Track.

For the purpose of this report, Operational Plan outcomes have been categorised by Directorate, with the below figure and table detailing the number of Operational Plan actions and their status by Directorate for Quarter 2 of the 2023-2024 operational year.





2023-2024 Operational Plan Summary of Action/Project Progress						
Port Macquarie-Hastings Council	Total	Completed/ On Track	Action Deferred/ Not Progressing	Off Track	Completed/ On Track %	Delivery %
Business & Performance	102	101	0	1	99%	99%
Community Infrastructure	103	97	5	1	94%	99%
Community Planning & Environment	200	184	1	15	92%	92%
Community Utilities	103	88	4	11	85%	89%
<b>Total</b>	<b>508</b>	<b>470</b>	<b>10</b>	<b>28</b>	<b>93%</b>	<b>94%</b>

Delivery % (94%) is calculated as the percentage of Completed/On Track Actions/Projects (470) against the total number of Actions/Projects (508) less Actions Deferred/Not Progressing (10).

Details of outcomes achieved against each Operational Plan Action/Project are provided in the attached 2023-2024 Operational Plan Quarterly Progress Report Quarter ended 31 December 2023.

Actions identified as either Off Track or Action Deferred/Not Progressing are detailed in the attached 2023-2024 Operational Plan Quarterly Exception Report Quarter ended 31 December 2023.

There are a total of 28 Actions/Projects identified as Off Track. In addition, there are 10 Actions/Projects that are Council approved Action Deferred/ Not Progressing.

In reporting on outcomes for Quarter 2 of the 2023-2024 Operational Plan, an additional five Actions/Projects have been identified as requiring deferral. These Actions/Projects are detailed below.

**Community, Planning & Environment**

*Sport and Recreation*

- SR 22 Laurieton - Apex Park Playground
- SR 23 Lake Cathie - Endeavour Park Playground Upgrade
- SR 26 Ellenborough Reserve - Amenities Renewals
- SR 33 Westport Park Boating Amenities
- SR 45 Port Macquarie Breakwall - Accessible Fishing Platforms

**Delivery Status of Significant Projects**

At the Ordinary Meeting held on 16 November 2023, Council requested that, given the significance of Thrumster Wastewater Treatment Plant (2023-2024 Operational Plan item S 16\_L 2.2) and Water Treatment/Filtration Plant at Cowarra Dam - Pre-Construction (2023-2024 Operational Plan item WS 30\_L 2.2) as State Significant Infrastructure Projects, Quarterly Operational Plan Status Reports and provide additional commentary in relation to the projects.



S 16\_L 2.2 Thrumster WwTP (Construction)

The Thrumster Wastewater Scheme supports the significant residential growth in the western region of Port Macquarie, encompassing Thrumster and Sancrox. The scheme aims to meet the growing demand for wastewater services, while minimising environmental impacts and promoting community health and safety. The scheme has received State Significant Infrastructure (SSI) status, highlighting its importance to regional growth.

The scheme includes the construction of a new wastewater treatment plant (WWTP), new pipelines for improved connectivity, and other essential infrastructure such as a water recycling plant in Thrumster.

## 2023-2024 Operational Plan Status

On Track.

- Environment Impact Statement investigation and studies are continuing.
- Option Evaluation is completed, preferred treatment process, site location, and discharge point have been selected.
- Concept Design works are progressing.
- Design of power supply to the treatment plant is prepared for issue to Essential Energy.
- Groundwater monitoring bores around the treatment plant site were installed and monitoring and testing of groundwater were commenced.
- Network Optimization and Sewer Diversion studies are progressing.

WS 30\_L 2.2 Water Treatment/Filtration Plant at Cowarra Dam - Pre-Construction

The Cowarra Water Supply Scheme including a new water treatment plant (WTP), clear water reservoir and trunk main to service the water reticulation systems of Sancrox, Thrumster, Port Macquarie and Camden Haven regions.

The project aims to deliver reliable filtered water for the growing population of Port Macquarie-Hastings. The Cowarra Water Supply Scheme strives to guarantee a sustainable and high-quality water supply. With an estimated current population of 86,400 projected to grow by 16.5% to approximately 100,700 by 2041, the scheme is specifically designed to provide reliable filtered water, ensuring the wellbeing of our residents well into the future.

## 2023-2024 Operational Plan Status

On Track.

- Environmental Impact Statement investigations are continuing.
- Concept Design documents received and reviewed, and design works are progressing towards completion.
- Geotechnical investigations at the treatment plant and clearwater reservoir sites were completed.
- Design Information Package for power supply to the treatment plant has been received, and preparation of design documents for



- submission to Essential Energy are expected to commence in February 2024.
- Proposals for Detail Design of Northern-Arm Trunk Main received, and detail design work commenced in January 2024.
  - Preparation of procurement document for Expression of Interest for participation in Early Contractors’ Involvement for Detail Design and Construction of the treatment plant and clearwater reservoir commenced.

In addition to the above, the following provides more detailed commentary in relation to delivery of the Ocean Road Duplication as referenced at TR 19\_C 1.1 of the 2023-2024 Operational Plan.

**TR 19\_C 1.1 Port Macquarie - Ocean Drive Duplication**

The Ocean Drive Duplication project is a large-scale priority project that is critical to the future planning of a sophisticated road network for our region.

The project will include the duplication of Ocean Drive from two lanes to four divided travel lanes from Greenmeadows Drive (south) to Matthew Flinders Drive/Emerald Drive in Port Macquarie (est. 3.4kms). It will ease traffic flow at the Pacific Drive, Crestwood Drive and Matthew Flinders Drive intersections during peak periods.

**2023-2024 Operational Plan Status**  
On Track.

- Matthew Flinders Drive to Greenmeadows Drive construction continuing per program. Works are currently progressing to completion of the northbound carriageway by mid-2024 and project completion late 2025.
- In addition to the northbound carriageway, work is also currently focusing on the major intersections along the project and will continue to do so until approximately mid-2024.

**Carry Overs and Monthly Budget Adjustments**

In addition to the 508 Actions adopted and included in the 2023-2024 Operational Plan, Council has undertaken, through Monthly Budget Reviews and Carry Overs, an additional 54 Actions/Projects with 11 completed and the remaining 43 On Track. The budget value of these additional Actions/Projects is \$26,863,225.

The following table provides an assessment of the volume and value of Actions/Projects that have been deferred by Council against new actions that have been introduced through Monthly Budget Reviews.

<b>Additional Actions/Projects assigned through Carry Overs and Monthly Budget Reviews</b>				
<b>Port Macquarie-Hastings Council</b>	<b>Action Deferred / Not Progressing</b>	<b>Budget \$</b>	<b>New Actions/ Projects</b>	<b>Budget \$</b>
Business & Performance	0	-	2	121,010



Community Infrastructure	5	3,998,000	21	10,570,275
Community Planning & Environment	1	-	20	13,001,903
Community Utilities	4	8,300,000	11	3,170,037
<b>Total</b>	<b>10</b>	<b>12,298,000</b>	<b>54</b>	<b>26,863,225</b>

Of the \$26,863,225 additional Actions/Projects identified above, \$7,584,503 relate to Actions that were deferred from the 2022-2023 Operational Plan and are now On Track.

An additional \$19,278,722 in grant funding has been received to date in the 2023-2024 operational year, \$11,912,494 to Projects delivered by Community Infrastructure and \$7,366,228 to projects delivered by Community, Planning & Environment.

New Actions/Projects assigned through Carry Overs and Monthly Budget Reviews by funding source						
Port Macquarie-Hastings Council	Reserves	Revenue	Grant	Developer Contrib.	Environment Levy	Total
Business & Performance	121,010	-	-	-	-	121,010
Community Infrastructure	242,139	55,483	12,704,281	-	-	13,001,903
Community Planning & Environment	2,034,998	110,822	8,256,333	103,069	65,053	10,570,275
Community Utilities	3,088,368	0	-	81,669	-	3,170,037
<b>Total</b>	<b>5,486,515</b>	<b>166,305</b>	<b>20,960,614</b>	<b>184,738</b>	<b>65,053</b>	<b>26,863,225</b>
<b>No. of Actions</b>	<b>19</b>	<b>3</b>	<b>29</b>	<b>2</b>	<b>1</b>	<b>54</b>

A listing of these new projects can be found in Attachment 3 to this report.

**Options**

It is a statutory requirement under Integrated Planning and Reporting legislation to report on what has been delivered against the Delivery Program on a six-monthly basis. Council considers quarterly progress reports of the Operational Plan in addition to its statutory requirements.

**Community Engagement and Internal Consultation**

Internal consultation was undertaken with:

- Chief Executive Officer, Directors, Executive and Group Managers;
- All staff reporting against the 2023-2024 Operational Plan;
- Business Performance Analyst (Corporate Reporting);
- Planning and Reporting Development Officer; and
- Planning and Reporting Officer.

**Planning and Policy Implications**




This report complies with statutory obligations in the Local Government Act and aligns with the requirements of the NSW Integrated Planning and Reporting Framework.

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

**Financial and Economic Implications**

This report has no direct financial implications. Quarterly Budget Review Statements align with the reporting period referenced in this report.

**Attachments**

1.  2023-2024 Operational Plan Quarterly Status Report as at 31 December 2023
2.  2023-2024 Operational Plan Quarterly Exception Report as at 31 December 2023
3.  2023-2024 Carry Over and Monthly Budget Adjustment Status Report as at 31 December 2023

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**Item: 10.15**

**Subject: 2022-2026 DELIVERY PROGRAM (YEAR 2) - SIX MONTH  
PROGRESS REPORT AS AT 31 DECEMBER 2023**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.1.4 Provide easy to understand and accessible community reporting.

### **RECOMMENDATION**

**That Council note the progress against the 2022-2026 Delivery Program (Year 2) for the period 1 July 2023 to 31 December 2023.**

#### **Executive Summary**

Six monthly progress reports on the Delivery Program are a legislated requirement of the NSW Government's Integrated Planning and Reporting Framework. The progress report allows Council and the community to know what action has been undertaken relative to the strategies contained within the 2022-2026 Delivery Program.

The purpose of the 2022-2026 Delivery Program (Year 2) Progress Report is to expand on the outcomes reported through the 2023-2024 Operational Plan provided under separate cover.

The Delivery Program Progress report provides connection between the outcomes reported against the 2023-2024 Operational Plan to the Strategies contained within the Delivery Program as they relate to the higher-level Objectives and Themes of the *Imagine2050* Community Strategic Plan.

Reporting against the 2022-2026 Delivery Program takes a longer-term view than that of the annual Operational Plan and, as such, Actions/Activities/Projects not yet completed may still be considered On Track as they have a multi-year component that will likely continue through the 2024-2025 operational year.

Attachment 1 provides the Delivery Program 2022-2026 (Year 2) Progress Report that serves as a reference document for Councillors and the community to easily identify outcomes and delivery across the local government area. It provides information on actions, activities and projects, and outlines achievements against the adopted Delivery Program.

#### **Discussion**

The Delivery Program represents the Council's commitments to the Port Macquarie-Hastings community during the term of an elected Council. Objectives in the Delivery Program represent the outcomes Council aims to achieve and serve as a guide in the development of the annual Operational Plan.

The Operational Plan sets out the actions, activities and projects that will be undertaken each financial year to deliver the overall objectives in the Delivery Program and ultimately contribute to achieving the vision and goals outlined in the long-term Community Strategic Plan.

In a broad context, the Delivery Program enables Council to deliver the community's aspirations for the future, as described in the *Imagine2050* Community Strategic Plan.

Six monthly reporting allows Council and the community to see the progress made in delivering outcomes to achieve the Delivery Program objectives across the life of the Program.

The six-monthly reporting process focuses on the progress that has been made against actions, activities and projects that have been undertaken by Council for year 2 of the 2022-2026 Delivery Program to 31 December 2023.

While this report takes a broader view of delivery, the status of actions, activities and projects contained in the 2023-2024 Operational Plan are detailed in the 2023-2024 Operational Plan Second Quarter Status Report as at 31 December 2023 provided under separate cover.

This report provides a current view of delivery against the Priority Areas of the 2022-2026 Delivery Program. The following is a summary of the key outcomes, with a more comprehensive Progress Report contained within Attachment 1 as referred to above.

**Priority Area: Reduced Traffic**

- Adoption of the Regional Integrated Transport Strategy.
- Walking and Cycling Review - Multi Modal Transport Investigation in collaboration with Transport for NSW to deliver joint community engagement for the Integrated Transport Plan.
- Ocean Drive Duplication works commenced November 2022 with the project continuing into 2023-2024.
- 20 kms road bitumen sealing.
- 2 kms road asphalt works.

**Priority Area: Stable Infrastructure**

- Adoption of the Infrastructure Strategy.
- Concept designs for the Port Macquarie Bulk Water Treatment Plant at Cowarra Dam.
- Pre-construction and planning for the Thrumster Sewerage Treatment Plant and upgrade of the Kew Sewerage Treatment Plant.

**Priority Area: Improved Pathways**

- A Review of the Pedestrian Access and Mobility Plan is ongoing for completion in 2023-2024.
- Maintenance and construction of footpaths and cycle ways undertaken in accordance with the Port Macquarie Hastings Bike Plan.
- Beach to Beach - Construction contract entered in October 2023 for Section D3, in the vicinity of Bay Street Dunbogan. Construction commenced on



Section D3 and on track for completion in the second half of the 2023-2024 financial year.

- Project planning of the Schools-to-Schools Shared Pathway to be completed with concept designs for remaining sections scheduled to be completed in the second half of the 2023-2024 financial year.
- New footpaths constructed at:
  - Roma Terrace, Port Macquarie - 101 lineal metres
  - Pacific Drive, Port Macquarie - 934 lineal metres
  - Burrawan / Owen Street Port Macquarie - 215 lineal metres
  - Burrawan Street Port Macquarie - 178 lineal metres
  - Elliot Way / Alban Place Port Macquarie - 113 lineal metres
  - Oxley Highway Port Macquarie - 157 lineal metres

#### **Priority Area: Environment**

- A review of the Biodiversity Strategy has been completed with redevelopment of the strategy to commence in 2023-2024.
- Koala Plans of Management have been reviewed, presented to Council in November 2023 and are on Council's website. Outstanding actions resulting from the reviews will be implemented in 2024.
- The Flood Mitigation Program has been incorporated into overall Flood Mitigation Planning activities. The Hastings River Flood Study and Camden Haven River Flood Study will be updated in 2023-2024.
- 239 properties inspected for invasive weeds.
- Controlled over 364 hectares of land for high-risk weeds such as Groundsel bush and Kudzu.
- Inspected over 1,350 kilometres of land for high-risk weeds including high risk pathways and rivers.
- Drive with Care, Be Koala Aware project hotspot road markings and speed signage installed.
- Erosion stabilisation at Illaroo Road Lake Cathie.
- 33,345 tonnes reduced from landfill (recycled).
- Installation of 4 Electronic Vehicle (EV) charging stations at Council facilities.

#### **Priority Area: Affordable Living**

- Council is undertaking further consultation with stakeholders which is expected to occur in the second half of the 2023-2024 financial year. Following consultation with stakeholders, the Draft Housing Strategy and Supporting Action Plans will be revised and reported to Council for consideration.

#### **Priority Area: Thriving Economy**

- Remplan have been engaged to provide economic analysis to support the review of the draft Economic Development Strategy.
- Place Score engaged to undertake the Liveability Index project - data gathering phase will be ongoing following community engagement.
- New destination branding fully implemented across all platforms/channels, including updating flags and banners.
- 15 Major Events have been supported.
- 29% increase in Airport regular passenger transport numbers from 2022-2023 and the introduction of Bonza Airlines regular passenger transport services to Melbourne.



**Priority Area: Inclusive Community**

- Planning has commenced for the development of a Reconciliation Action Plan. Advice from Reconciliation Australia indicates that the feedback process will take 6-12 weeks. An endorsed Reconciliation Action Plan is to be delivered as part of Reconciliation Week in May 2024.
- Two new graffiti blaster volunteer inductions have been undertaken and four anti-graffiti murals have been completed.
- Community Emergency Response Plans. Community Emergency Booklets and website Emergency Hub have been designed, reviewed, and updated to support Community Emergency Response Plans.
- The Community Volunteering Program supported:
  - The Graffiti Blaster Program
  - National Plant Tree Day
  - Two Youth community service volunteers have been inducted for graffiti removal
  - Volunteer drive for all Port Macquarie-Hastings Council volunteer opportunities

**Priority Area: Collaboration**

- The Community Engagement Strategy developed to support Integrated Planning and Reporting documents.
- The Community Inclusion Activity Program delivered Community Events including:
  - NAIDOC Week
  - National Plant Tree Day
  - Matilda's World Cup Semi-final at Amphitheatre
  - Hastings Youth Voice - Pineapple festival
  - Sim table Demonstrations
  - Harmony Haven
  - Day of persons with disability
  - Christmas Fair

**Priority Area: Transparency**

- Community Engagement Strategy developed to support Integrated Planning and Reporting documents. An overall organisational approach is also currently under development.
- 31 media releases.
- 428 posts on social media.
- 243 email campaigns with 462,921 emails sent.

**Priority Area: Quality of Life**

- Cultural Plan. Planning the delivery of the Cultural Plan has been completed. A review of the Cultural Plan has commenced in the second quarter of the 2023-2024 financial year and is ongoing.
- Recreation Action Plan adopted in March 2023. The Recreation Action Plan aims to provide Council with the necessary framework to provide for sport and recreation facilities in the short to medium term.
- Concept Designs for the Port Macquarie Aquatic Facility have been completed. Development Application submission is scheduled for February 2024.
- The Glasshouse presented its bi-annual report against the Glasshouse Plan to Council in August 2023, with the next report due in February 2024. The Glasshouse has 1,387 members, welcomed 89,073 visitors to the venue and has presented:

- 90 Theatre Performances
- 6 gallery exhibitions
- 179 events

**Options**

In accordance with the Integrated Planning and Reporting (IP&R) guidelines of the Local Government Act, Council is required to report on the progress of the principal activities detailed in the Delivery Program, at least every six months.

**Community Engagement and Internal Consultation**

Internal consultation was undertaken with:

- Chief Executive Officer, Directors, Executive and Group Managers;
- All staff reporting against the 2023-2024 Operational Plan;
- Business Performance Analyst (Corporate Reporting);
- Planning and Reporting Development Officer; and
- Statutory Reporting Officer.

**Planning and Policy Implications**

This report complies with the statutory obligations contained within Local Government Act and is in line with the requirements of the NSW Integrated Planning and Reporting Framework.

**Financial and Economic Implications**

There are no direct financial implications in relation to this report. Quarterly Budget Review Statements align with the reporting period referenced in this report.

**Attachments**

1.  Delivery Program Six Month Progress Report as at 31 December 2023

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**Item: 10.16**

**Subject: IMPACTS AND OPTIONS IN RELATION TO A PROPOSED RATE FREEZE FOR 2024-2025**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### **RECOMMENDATION**

#### **That Council:**

- 1. Note the information provided in the report below;**
- 2. Note that the draft 2024-2025 Operational Plan is being developed with a 4.6% Rate Peg included; and**
- 3. Note the risk assessment and recommendation of the Director Business and Performance that the Rate Peg be included in the 2024-2025 Draft Operational Plan at the full amount of 4.6% determined by the Independent Pricing and Regulatory Tribunal.**

### **Executive Summary**

At the 14 December 2023 Ordinary Meeting, Council requested an analysis of the impacts of freezing Ordinary and Special Rates at 2023-2024 levels for the 2024-2025 financial year, as well as an assessment of the options for mitigating these impacts.

Council's main source of revenue is rates and annual charges. The amount by which a council can increase its total rating revenue each year restricted by what is known as the Rate Peg.

The Rate Peg is a mechanism which enables councils to increase rates to offset the impacts of inflation on its expense base thereby allowing continued delivery of core services at existing levels. It is also designed to cap the rate increase to protect ratepayers from excessive rate increases but is not designed to provide additional funding for new or improved services. The Rate Peg amount for each council is independently determined annually by the Independent Pricing and Regulatory Tribunal of NSW (IPART).

The Rate Peg for Port Macquarie-Hastings Council for the 2024-2025 financial year has been set at 4.6%. This would result in an approximate increase for the full year of \$60 to \$65 for average residential rates, \$80 to \$370 for average business rates and \$100 for farmland average rates. Revenue to Council is estimated at \$2.7m for 2024-2025 with a cumulative impact of \$33m over ten years if not mitigated.

Benchmarking data from the Office of Local Government (OLG) indicates that Council's ordinary rates are relatively low in comparison to other similar councils including Regional Town / City councils across the state. This comparative result remains even with any increases through past Special Rate Variations being considered. Data also shows that across a 10-year period, the increase in Port Macquarie-Hastings Council's average rates are also relatively low compared with similar councils.

Councils and their governing bodies have a legislated obligation to ensure, as far as possible, the financial sustainability of their organisations. This is to enable them to provide important services and infrastructure to their communities into the future.

Councils more broadly experience considerable challenges in maintaining financial sustainability. This has many contributing elements including the Rate Peg not being fully reflective of inflationary impacts, the impact of cost shifting from other levels of government and increasing legislative, environmental, and business operational obligations.

Council's finances have been tested over recent years from the challenges of natural disasters and the COVID-19 pandemic, as well as global economic factors, with the General Fund experiencing losses in four out of the last six years, and further losses are forecast moving forward. We have leveraged internal reserves to mitigate this in the recent past, however this option is very limited moving forward and is not financially sustainable.

To address Council's long term financial sustainability challenges, Council has adopted the General Fund Improvement Plan which has a key focus through many initiatives on returning the General Fund operations to surplus and generating sustained, balanced budgets moving forward.

Even with the Rate Peg included, Council faces budget management challenges for 2024-2025 of over \$4m. We will have General Fund statutory labour award increases of around \$2.1m, at existing staffing levels. Additionally, we have maintenance budget decreases of over \$2m following the expiration of additional funding allocations in 2022-2023 and 2023-2024 from reserves. This is before considering the significant inflationary impacts on operational expenses.

The loss in rate revenue from a rate freeze would need to be offset by an equivalent permanent reduction in expenses to avoid a deterioration in the long term financial sustainability measures against benchmarks. This will place further pressure on Council's ability to continue delivering core services at current levels. The report notes that expense reductions will most likely need to be made in key maintenance programs including road repair (\$850k), road vegetation (\$100k), parks and gardens (\$700k), trees (\$500k) and building and heritage site maintenance (\$250k). Community activities and cultural events would also face budget reductions (\$100k) along with community grant programs (\$200k). Key corporate improvement initiatives would also face possible deferral until future funding becomes available. This would reduce the momentum of business improvement in these respective areas, where additional funding had been allocated to drive increased delivery and outcomes.

The Director Business and Performance provides an overview of key risk considerations and a summary near the end of this report and recommends that



Council resolve to include the full rate peg amount of 4.6% in the 2024-2025 Draft Operational Plan.

## Discussion

### Introduction

At the 14 December 2023 Ordinary Meeting, Council resolved as follows:

#### **10.18 NOTICE OF MOTION - RATE FREEZE**

*That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting, preceded by a Councillor Briefing, that:*

- 1. Details the financial, staffing and service delivery impacts of a proposed freezing of Ordinary and Special Rates at the 2023-2024 rates for the period 1 July 2024 to 30 June 2025.*
- 2. Articulates the cumulative potential Long Term Financial Plan impacts of an Ordinary and Special Rates freeze noted in point 1 above*
- 3. Includes an assessment of the options for mitigating the impact of a rate freeze.*
- 4. Provides a draft Community Engagement Plan to seek feedback on the proposed rate freeze.*

The purpose of this report is to address the above resolutions.

### **Background of Rates and the Rate Peg**

Councils derive income from a range of sources in order to provide a wide variety of services, infrastructure, and facilities to their communities. These sources may include user charges and fees, grants from other levels of government, infrastructure related contributions, investment revenues and borrowings. Approximately a third of the sector's revenue is derived from rates which is classified as general income.

Rates are levied under the Local Government Act 1993, ("The Act") and associated regulations, ("The Regulations"). This legislation drives how the rating structure is formed, how and when rates are levied, and when they must be paid, and includes the following provisions:

- There are four Ordinary rating categories - Residential, Business, Farmland and Mining, noting Council does not have any mining assessments.
- Councils may, at their discretion, divide these categories into further subcategories.
- Councils may also levy special rates for or towards meeting the cost of any works, services, facilities, or activities provided or undertaken within a given area.
- Rates may consist of an ad valorem amount, or a base amount to which an ad valorem amount is added.
- An ad valorem amount is a 'Rate in the Dollar' applied to the value of a parcel of land, noting that land valuations must be applied in accordance with those independently provided by the NSW Valuer General.

- The same base rate and rate in the dollar must be applied to all properties within a given sub-category.

As previously noted, the amount by which a council can increase its total rating revenue each year is restricted by what is referred to as the Rate Peg. This is a percentage that is set by IPART each year.

Councils can apply an increase to rates at any value between 0% and the Rate Peg. The Rate Peg must be applied to the total rating income of a council (i.e. individual categories and sub-categories can be increased by varying amounts, as long as the total income increase does not exceed the Rate Peg).

Councils can also apply to IPART for a Special Rate Variation (SRV) to increase total rating revenue above the rate peg. This process requires extensive community consultation and a SRV may be temporary or permanent.

IPART defines the purpose of the Rate Peg as twofold:

*1. It allows all councils to automatically increase their rates income each year to keep pace with the estimated change in the costs of providing their current services and service levels to households, businesses, and the broader community – that is, their base costs. This helps ensure that they can maintain the scope, quantity, and quality of these services over time without undermining their financial sustainability.*

*2. It also limits the impact of these automatic increases on ratepayers, by ensuring that councils cannot increase their rates income by more than the estimated change in their base costs, and that they engage with their communities if they propose a step change in their rates income to fund improvements in the scope, quantity, or quality of their services.*

The Rate Peg is an important mechanism for councils to continue providing services to the community by allowing them to keep pace with inflationary impacts on the costs of providing existing services, whilst ensuring that ratepayers do not pay more than is necessary. It is not designed to fund new or improved services and works.

#### IPART new Rate Peg calculation methodology

Over time councils have faced ongoing funding challenges, with the annual Rate Peg amounts widely being considered as insufficient to cover inflationary impacts on their core service delivery cost base. In November 2023 IPART released “Review of the rate peg methodology Final Report” outlining a new methodology for calculating the Rate Peg after significant consultation with the Local Government sector.

The key change is that the calculation of the Rate Peg is more forward looking based upon inflation forecasts rather than historical inflation results. The previous approach created a timing lag for councils being able to match revenue increases with the inflation impacted cost of delivering services to the community. The 2024-2025 year is the first year of the implementation of the new Rate Peg methodology.

The calculation of the Rate Peg by IPART is acknowledged as a very complex process, but the recent IPART report articulates that the new Rate Peg calculation



has three key considerations in determining the overall percentage for each council as noted below:

- *Employee costs (primarily wages, including superannuation guarantee) measured by the Local Government (State) Award.*
- *Asset costs measured by the Reserve Bank of Australia's (RBA's) forecast change in the Consumer Price Index (CPI), adjusted to reflect the average difference between changes in the Producer Price Index (Road and bridge construction, NSW) and changes in the CPI.*
- *All other operating costs (including administration, utility costs, insurance but excluding the Emergency Services Levy (ESL)) measured by the RBA's forecast change in the CPI.*

IPART has also more recently been tasked by the NSW Government to examine the funding model for councils including the key factors impacting a council's financial sustainability. This was announced in a media release on 30 January 2024, with a final report expected in early 2025.

***Key Point → Increases in total revenue derived from rating income are restricted by the Rate Peg. The Rate Peg is designed to assist councils in offsetting inflationary impacts on the cost of continuing to deliver existing services to their communities. It is not designed to provide additional funding for new or improved services.***

### **Rating and Financial Sustainability**

Rates contribute about 40% of Council's general revenues, so the level of rating revenue is strongly connected to the health of Council's financial sustainability.

Legislation and guidelines reference the importance of financial sustainability and the need for councils to consider whether proposed increases in services and assets are within their financial means. The NSW Treasury Corporation (TCorp) defines financial sustainability as:

*A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.*

The Act specifies that one role of the governing body is "to ensure as far as possible the financial sustainability of Council". IPART also notes that:

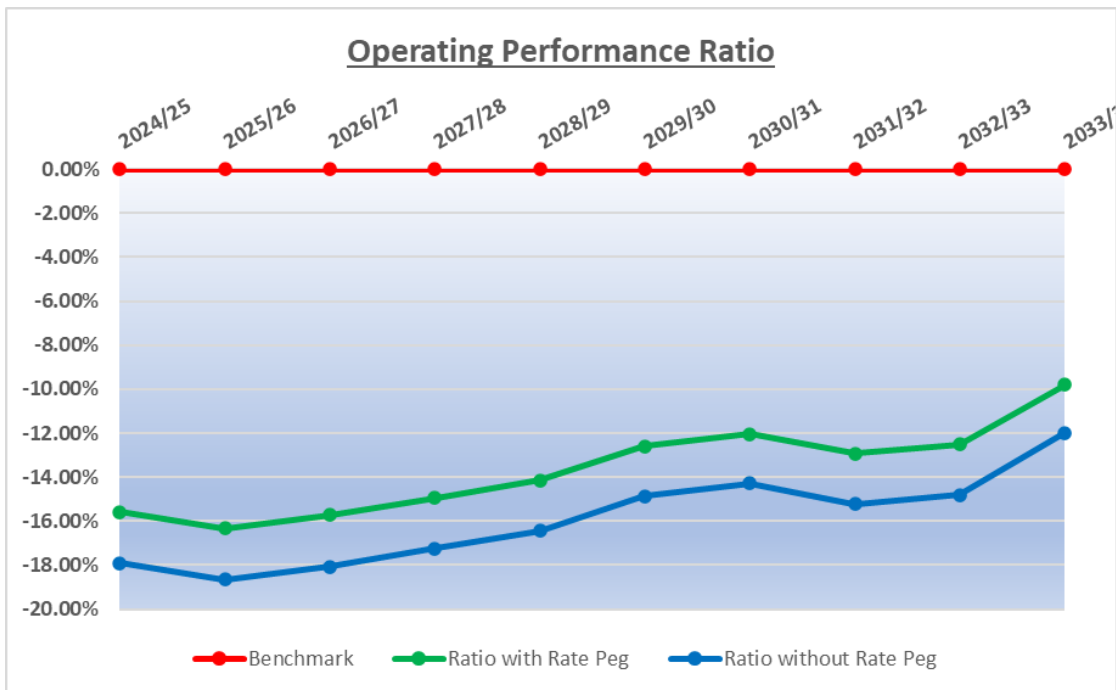
*It is in the community's interest that councils maintain their financial sustainability to provide ongoing goods, services, and facilities that their communities can afford.*

TCorp has developed a suite of ratios to measure the financial sustainability of councils. A critical ratio within this suite is the Operating Performance Ratio, which measures a council's ability to contain operating expenditure below the level of operating revenues generated. The Office of Local Government's (OLG) benchmark for this ratio is 0%, which reflects a 'breakeven' result. A positive ratio ensures that

current ratepayers are paying for community services and infrastructure they consume without leaving a burden for future ratepayers.

The following graph shows the current forecast of the General Fund Operating Performance Ratio, both with and without the inclusion of the 2024-2025 Rate Peg. The blue line without the rate peg assumes there are no mitigation actions taken should the Rate Peg be removed.

The graph also shows the Operating Performance Ratio is forecasted to be considerably below benchmark indicating that there are already financial sustainability pressures on the General Fund, even with the Rate Peg included. These pressures are being planned to be addressed through the Council adopted General Fund Improvement Plan which aims to improve the Ratio over time toward the benchmark of 0% through a suite of business improvement measures. Operational efficiencies, productivity savings, cost savings and new revenue streams are examples of measures that will need to be developed and implemented to achieve improvement in the Ratio. Should rates be frozen without any mitigating measures, this position becomes more challenging.



It is also important to note that the Operating Performance Ratio is just one of the suite of ratios developed to measure financial sustainability. Another critical consideration is the infrastructure backlog. The Operating Performance Ratio target should be above zero to provide surplus funds to invest in asset renewals and address the backlog in asset maintenance and renewals.

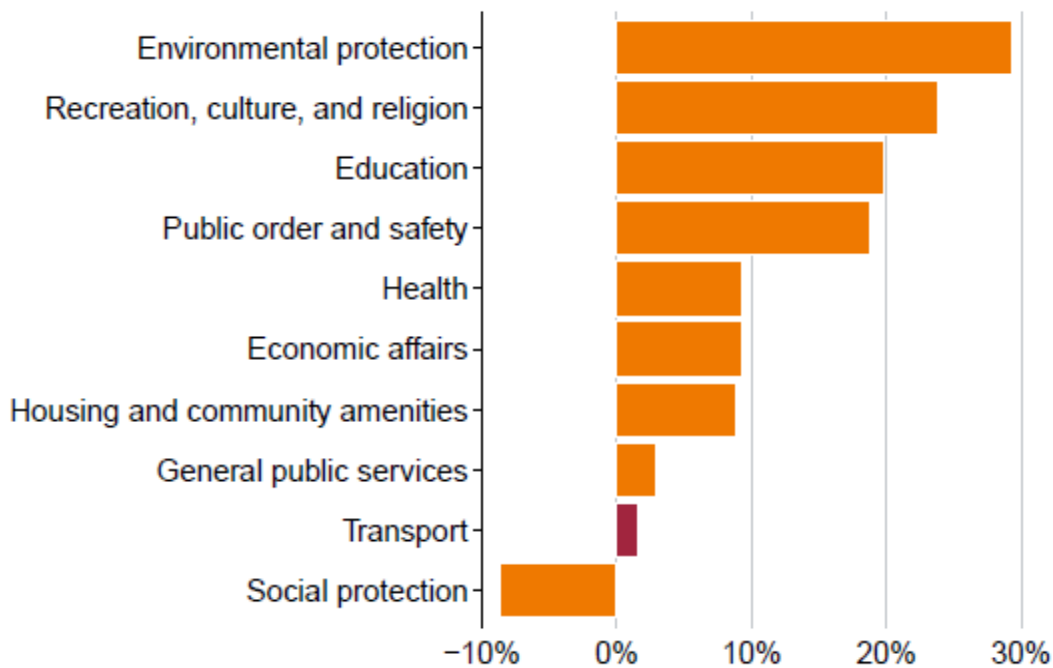
Other influences on Financial Sustainability

The financial sustainability challenges facing councils were also addressed in a report released by the Grattan Institute in November 2023 “*Potholes and Pitfalls How to fix local roads*”. This report noted the challenges faced by local councils in continuing to fund core services in the transport segment of operations. The report

and graphic below outlines that high budget growth rates from 2013 to 2022 in the areas of environmental protection, recreation culture and religion, education and public order and safety have considerably outstripped budget growth rates in the transport category. The report articulates this as a key contributing factor to road renewal and maintenance backlogs that many councils face.

**Figure 2.7: Spending on transport has grown much more slowly than on other areas**

Real growth in local government expenditure between 2013 and 2022, by category



Source: ABS 2023a.

This also highlights how council budgets over time have had to evolve and adapt to additional legislative compliance in environmental and community safety space and community desires for increased services across recreation and culture initiatives. This has challenged councils cost base and capacity to maintain delivery of core services and ultimately maintain long term financial sustainability. It also challenges councils to redefine with their communities what core services represent.

The financial sustainability of councils is also challenged by what is known as cost shifting. Please refer to the Mayoral Minute on this meeting agenda for the recently released “LGNSW Cost Shifting Report – How State Costs Eat Council Rates” which defines cost shifting as:

*“Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset, or regulatory function is imposed onto local government from a higher level of government (Commonwealth or State Government) without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity other than out of general rates.”*

The above examples of operational challenges highlight of some of the contributing factors that councils face in achieving financial sustainability and why rating revenue for many councils may not be sufficient to cover core operational costs, often leading to applications for Special Rate Variations (SRV's).

**Key Point → Financial sustainability is critical in allowing councils to provide important services to their communities into the future. The OLG measures this in part by using the Operating Performance Ratio with a target benchmark of 0%. PMHC projections indicate the General Fund is facing ongoing pressure in meeting this benchmark. Whilst the General Fund Improvement Plan is the key mechanism that PMHC has adopted to address financial sustainability challenges, a rate freeze would provide additional challenges in progressing toward achieving benchmarks.**

### Council's Current Financial Position

The economic challenges and volatility over recent years from natural disasters, the COVID-19 pandemic, and global factors, have placed pressure on Council's finances. This is reflected in the higher cost of borrowings from rising interest rates, significant cost escalations, supply chain delivery pressures and challenges in sourcing labour and contractors to deliver core services and work programs.

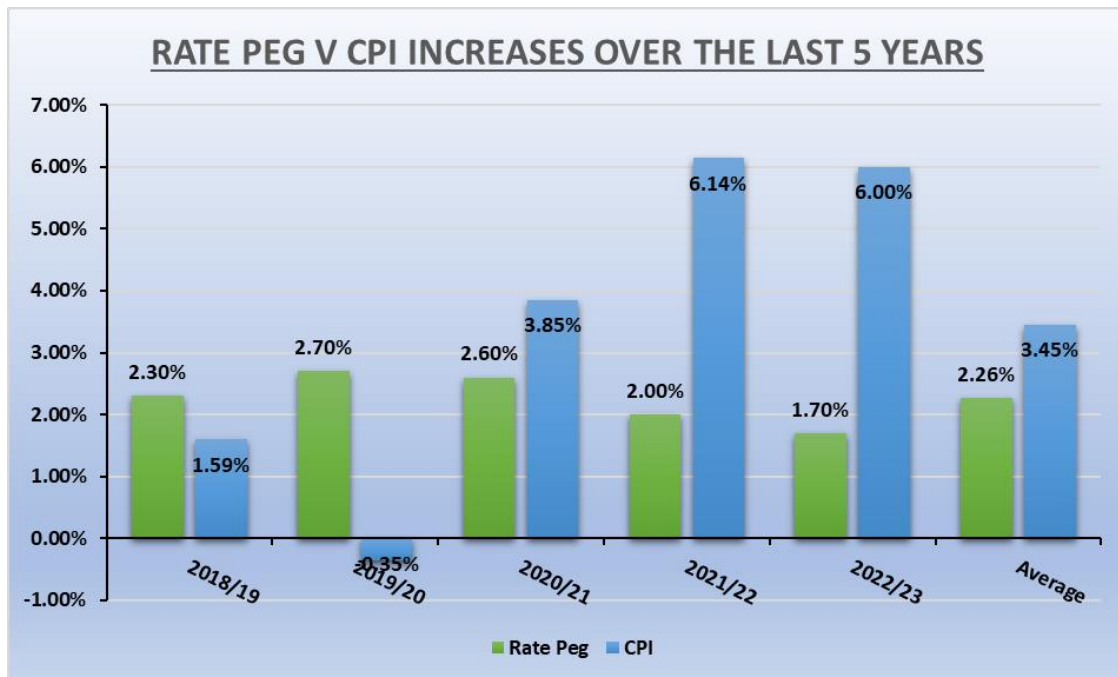
During this time, Council has been able to leverage its strong balance sheet position and strategically use internal reserves to deliver some key works. This includes additional maintenance and renewal of our roads, storm water and footpath networks and initiatives in our parks and recreation spaces. However, the remaining level of general fund reserves do not support this as a sustainable option into the future.

Council's General Fund has experienced operating losses in four out of the last six financial years. Although a negative operating result is manageable in the short-term, forward projections indicate ongoing operating losses in the General Fund as indicated by the Operating Performance Ratio graph noted earlier in this report.

Council needs to generate operating surpluses into the future to ensure that it has the financial capacity to deliver on our community's service expectations whilst ensuring our important infrastructure is adequately maintained and significant infrastructure backlog is addressed. These factors indicate a critical need to focus on financial sustainability moving forward.

Whilst intended to allow councils to keep pace with inflationary impacts on the costs of providing services, the Rate Peg cap does present challenges in enabling Council to meet current and increasing service delivery expectations from a growing community. In recent years we have seen costs increase at a higher rate than the revenue which is illustrated by the following graph which shows that, on average, CPI has increased at a greater rate than the Rate Peg. The new Rate Peg methodology is designed to address this gap going forward, but it doesn't address the backlog of maintenance work generated over time because of this gap.





In addition to the inflationary impacts of existing core operational expenditure, councils need to extend current services as populations grow. As previously noted, the Rate Peg is not intended to fund new or improved services and works.

Councils do receive additional rating revenue due to growth, (for Council approx. \$500k per annum), however a previous IPART report found that on average councils only recover approximately 60% of the costs associated with growth through this additional rating revenue.

As noted earlier in the report, Council has endorsed and implemented a comprehensive General Fund Improvement Plan to focus on returning to surplus in the General Fund operations and generating sustained balanced budgets moving forward. This plan includes a comprehensive review of long term financial planning, improved asset management planning, efficiency reviews of operational areas, enhanced technology solutions, more efficient procurement solutions and sourcing new revenue streams.

To not include the Rate Peg would create additional risk on Council’s ability to continue to provide services at existing levels and its future sustainability by not maintaining minimum maintenance levels now which could lead to more costly rectification measure being required in the future.

**Key Point → Council’s General Fund has faced pressure over recent years, and this is forecast to continue. The General Fund Improvement Plan has been adopted to move the performance of the General Fund in line with benchmarks, however the adoption of a rate freeze, without mitigation measures, would exacerbate the current challenges.**

**Reserves**

Council has maintained a strong balance sheet position, with strong investment reserves. However, these reserves largely relate to funds which have external legal restrictions, (for example Water and Sewer), where monies cannot be spent on general operations or works, or are monies held for specific purposes. Reserves will be spent depending on the required timing of future works and the totals will fluctuate depending on the delivery plans of individual projects. A breakdown of the investment reserves at 30 June 2023 was as follows:

Reserve Type	Balance as at 30 June 2023 (\$m)	% of Total Reserves	Note
Water, Sewer, Waste Funds	233	53%	1
General Funds with Legal Restrictions	148	34%	2
Council Resolutions	22	5%	3
Operational Requirements	15	3%	4
Other Legal / Contractual Obligations	10	2%	5
Specific Services and Community Asset Maintenance	4	1%	6
General Use	8	2%	
<b>TOTAL</b>	<b>440</b>	<b>100%</b>	

1. Must be spent on projects in those funds and cannot be used for general operations. These funds require significant capital investment. Projects often occur cyclically, with a combination of reserves and borrowings used to fund the large infrastructure needs. Reserves are fully allocated to projects over the coming years including Cowarra Water Treatment / Filtration Plant, Thrumster Sewerage Treatment Plant and Kew Sewerage Treatment Plant Upgrade.
2. Legally must be spent on specific projects / purposes and includes development contributions that must be expended in relation to adopted plans to fund growth-related infrastructure, as well as grants for specific projects such Ocean Drive and Maria River Road.
3. Monies allocated to various projects / purposes under Council resolution, including \$11m for Ocean Drive.
4. Amounts required to run Council operations, including employee leave entitlements, plant and equipment replacement, and IT requirements, noting this is only 3% of the total balance.
5. Amounts bound by other legal / contractual obligations, e.g. Crown Land reserves can only be spent on assets on Crown Land.
6. Fees that are collected and spent on, or revenue that is allocated to, specific services such as the ferries.

As the above demonstrates, whilst holding significant investment reserves, the majority are restricted in use, predominantly by legislated requirements. Only \$8m, or 2%, is available for general use which is held in the Working Capital Reserve. This reserve fluctuates over time and is used mainly to fund urgent or emerging priorities, (e.g. the floods emergency works like the Rawdon Island Bridge repairs). Sound financial management requires holding a level of funds in reserve for urgent or



emerging priorities and the amount held is not considered significant for a business of this size.

**Key Point → Council has leveraged internal reserves in the recent past to deliver key works to the community and address some of the maintenance backlog. However, given that most of the reserves are restricted, mainly by external legislative requirements, further utilisation of reserves is neither a viable nor sustainable option to offset the revenue impact of a rate freeze.**

**Borrowings**

Borrowings can provide a useful funding source to provide key infrastructure to the community. The focus should not necessarily be on the level of borrowings in isolation, but rather the affordability of borrowings. This is measured by a number of indicators including the Debt Service Cover Ratio which looks at the availability of operating cash to service debt including interest, principal, and lease payments.

It is important to note that borrowings should only be used to fund new capital works and not to support ongoing operational costs. Borrowings are not recommended as a viable option to replace lost revenue from a rate freeze. The impact of a rate freeze may also mean that the ability to service existing debt is compromised.

Council currently holds relatively low debt levels, however there is a significant plan for new borrowings incorporated into the Long Term Financial Plan (LTFP) over the coming years to facilitate the delivery of key infrastructure works, such as Ocean Drive, Cowarra Water Treatment / Filtration Plant, and Thrumster Sewerage Treatment Plant. The following table shows the amount of loans in the current adopted Revenue Policy which are planned to be drawn down over the periods noted in the table below.

Year	Total Borrowings (\$m)
2023-2024	32.4
2024-2025	39.2
2025-2026	21.8
2026-2027	42.7

Rising interest rates mean that the cost of debt has sharply increased over recent times. Over the coming years, the Debt Service Cover Ratio is forecast to reduce significantly to a borderline benchmark level. Future forecast budget deficit positions also mean that there is no surplus cash to cover repayments for loans over and above those already modelled in the LTFP.

Current loan allocations in the LTFP also do not include allocations for large future projects such as the Aquatic Centre, Hastings River Drive, John Oxley Drive and Lake Road, which will need significant funding sources.

**Key Point → Borrowings are not a viable option to offset the revenue reduction impact of a rate freeze. Affordability indicators show minimal borrowing capacity to offset any reduced capital program funding impacts of a rate freeze. Loans are not an appropriate funding source for ongoing operational impacts.**

**Council Rates Snapshot and Benchmarking to Peers**

Council’s Rates & Annual Charges Revenue for 2022-2023 was \$112m, approximately 40% of total revenue. Of this amount, Ordinary Rates made up \$55m as follows:

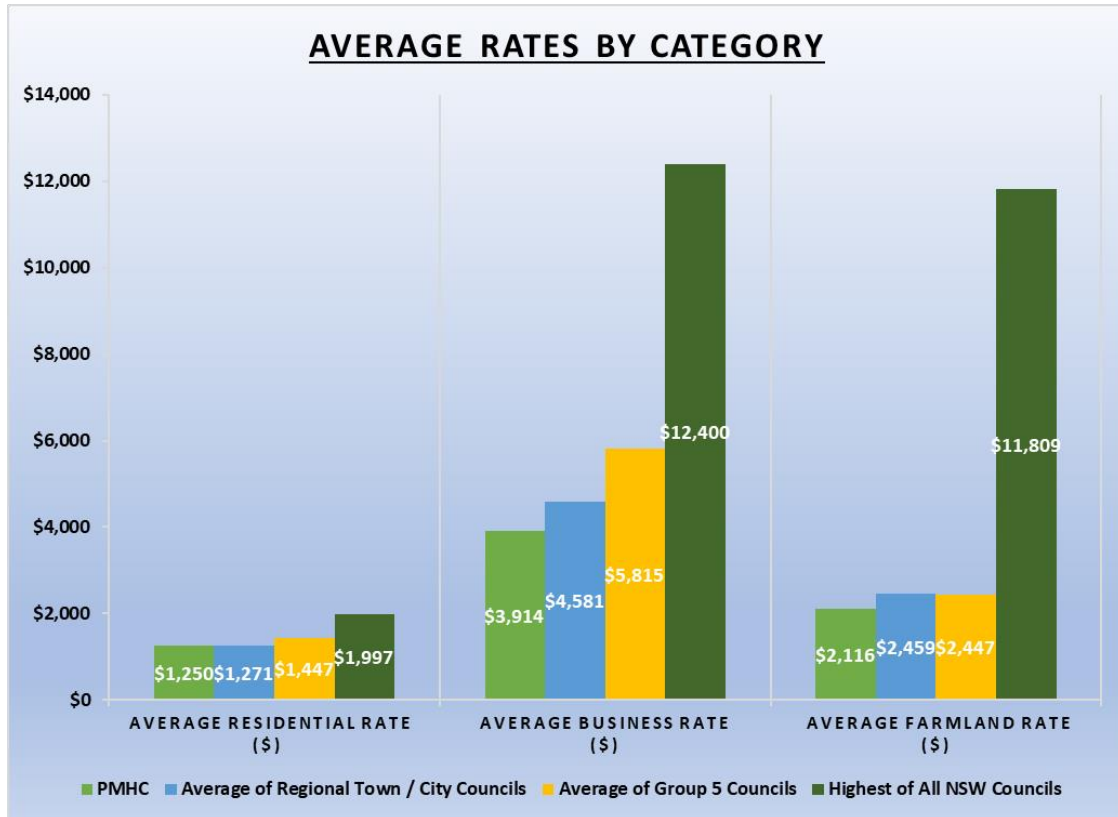
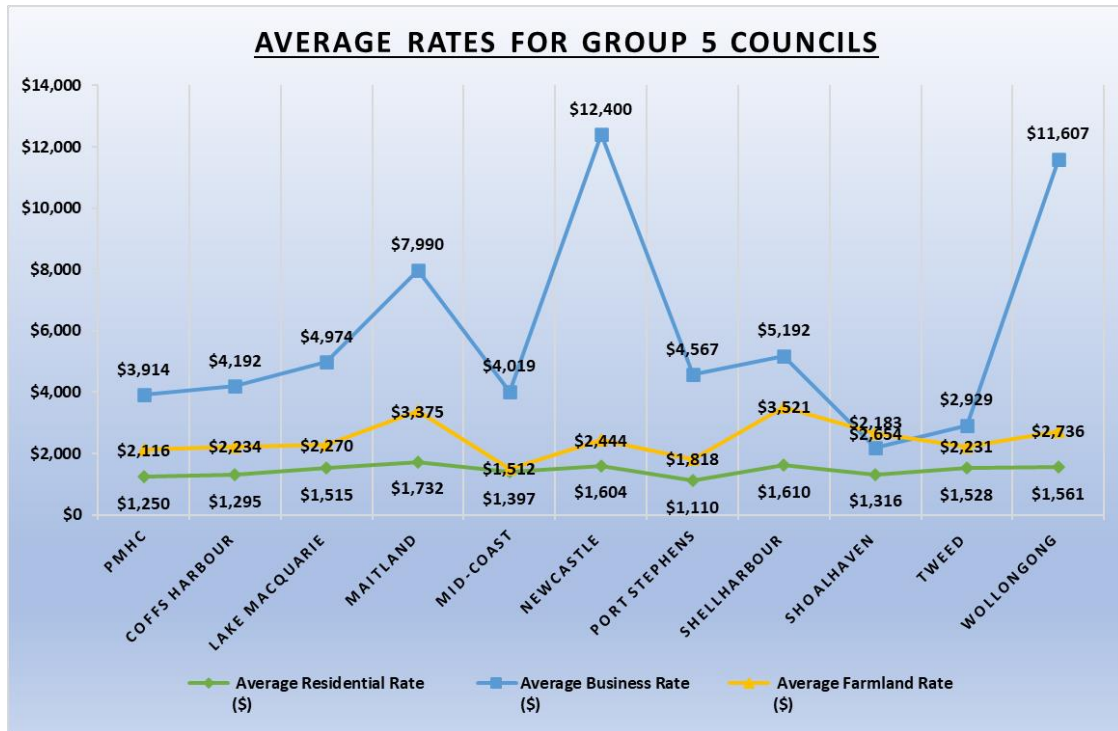
Category	Sub-Categories	Number of Assessments	Rating Revenue (\$m)
Residential	Defined Urban / Other	36,001	44.9
Business	Port Macquarie CBD / Defined Urban / Other	2,179	8.3
Farmland	Nil	1,148	2.4

The latest available benchmarking data from the Office of Local Government shows, as illustrated below, the following in relation to average ordinary rates for each category:

- Council’s average residential rate is the second lowest of the Group 5 councils;
- Council’s average business rate is the third lowest of the Group 5 councils;
- Council’s average farmland rate is the third lowest of the Group 5 councils;
- Council’s average rates are below the Group 5 average in all categories; and
- Council’s average rates are below the average for all NSW Regional Town / City councils in all categories.

*Note the figures are sourced from 2021/22 data subject to independent audit by the NSW Officer-General, with “Group 5 councils” referring to the OLG grouping for benchmarking purposes*

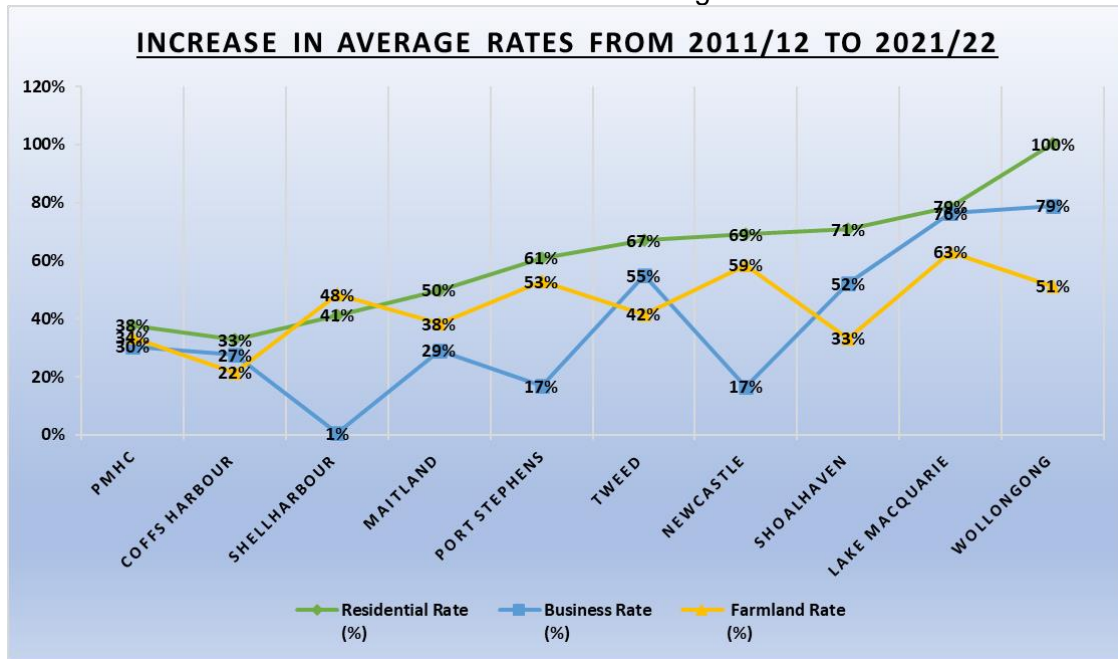
The above analysis is despite any increases through past SRVs that Council has embedded. It does not however include the impacts of SRVs taken up by the other councils in 2022-2023 and 2023-2024, noting that 108 of the 128 NSW councils have applied for and had SRVs approved during this time.



The following graph illustrates the increase in average ordinary rates across each category over a 10-year period for the Group 5 councils, (excluding Mid-Coast which was formed in 2016). It shows that:



- Council has the second lowest increase in average residential rates;
- Council has the sixth lowest increase in average business rates; and
- Council has the third lowest increase in average farmland rates.



**Key Point → Council's average rates across all categories are relatively low when benchmarked against other similar councils and NSW Regional Town / City councils as a whole. The increase in average rates in each category across a 10-year period is also relatively low when compared to other similar councils.**

**Impact of a Rate Freeze**

The Rate Peg for Council for the 2024-2025 financial year has been set at 4.6% and is being included in the Draft Operational Plan. The average impact of this on the respective rate categories is noted in the table below.

Should a rate freeze be adopted the average rate increases noted below would not occur.

Category	Sub-Categories	Impact of the 4.6% Rate Peg
Residential	Defined Urban Centres	\$61
Residential	Other	\$64
Broadwater Special Rate	N/A	\$16
Sanctuary Springs Special Rate	N/A	\$17
Business	Defined Urban Centres	\$151
Business	Port Macquarie CBD	\$370
Business	Other	\$83
Farmland	N/A	\$101





Revenue Impact

A Rate Peg of 4.6% for 2024-2025 would provide approximately \$2.7m towards keeping pace with inflationary impacts on the costs of services. The cumulative impact on revenue of the 2024-2025 Rate Peg would be approximately \$33m over 10 years if not mitigated.

1.

2024-2025 Budget Impact

As previously noted in this report, we know at existing staffing levels, that Council will incur statutory labour award increases in the General Fund of approximately \$2.1m in 2024-2025. This would leave an insufficient amount of only \$0.6m from the Rate Peg revenue increase to fund the inflationary impact of other operating expenses.

It is likely that, even with the Rate Peg included, efficiency and productivity savings will need to be made to continue the current level of services to the community.

An analysis of the Council budget indicates that approximately 69% of Council's operational costs supporting core operations are fixed and cannot readily be reduced without reducing services and / or service levels. Council's remaining variable operational cost base includes approximately 27% dedicated to parks and gardens, community infrastructure and road maintenance, which could not be reduced without impacting service delivery and the condition of Council's asset base.

Mitigation measures will be required to offset this revenue loss impact of a rate freeze to ensure Council's financial sustainability position does not deteriorate further from a position noted earlier in this report that is already challenged.

***Key Point → A rate freeze would result in a reduction in revenue of \$2.7m in 2024/25 and \$33m over 10 years. If mitigating measures were not implemented, the financial sustainability of Council and the ability to provide important services to our community into the future would be significantly impacted.***

Mitigation Measures

Measures to mitigate the impacts of a reduction in rating revenue should rates be frozen at 2023-2024 levels would have to be implemented, to avoid the otherwise significant impact on financial sustainability. Options considered are as follows:

Measure	Viable	Comment
Do nothing	No	To do nothing in response to a rate revenue reduction from a rate freeze is not viable given the negative impact on the long term financial sustainability measured by the General Fund Operating Ratio
Utilise reserves funding	No	This report has outlined that accessing reserves is not a viable option to offset the revenue impact of a rate freeze. The majority of the reserves are substantially restricted, in particular by legislative requirements. It is

		estimated that only \$8m or 2% are available for use being held in Working Capital reserve for urgent / emerging priorities.
Utilise loan funding	No	The use of borrowings for operational matters to replace lost revenue from a rate freeze would reflect poor financial management and raise numerous financial sustainability concerns. Borrowings should only be used for new capital investment and asset renewal programs.
Recoup in subsequent year	Yes	Under revised legislation, Council has the option to adjust future rate revenue increases to clawback unused Rate Peg increases from past years. This option is available for ten years after each rate peg year. Whilst this is an option to recoup past rate freezes it could impose a significant one-off impact to ratepayer. This would need to be considered in the context of potentially higher one-off Special Rate Variation increases further into the future.
Expense / Service reductions	Yes	<p>The most viable option to mitigate the impact of lost revenue from a rate freeze would be to permanently reduce the expense base by an equal amount to offset the impact of the lost revenue (\$2.7m in 2024/25 and \$33m over 10 years). This would be required to ensure that there is no deterioration to the long term financial sustainability measures.</p> <p>The most likely allocation of the expense reductions would be from the variable cost base which would include reducing services supporting transport and parks maintenance, community initiatives and possibly delaying corporate service improvement plan initiatives as program spend is spread across a broader implementation timeframe.</p>

Expense / Service reductions as the most viable option would need to permanently reduce its cost base by \$2.7m in 2024-2025 and \$33m over 10 years to fully offset the impact of a rate freeze. Our action would be to initially implement a number of short-term cost mitigations in the 2024-2025 financial year, to allow the Executive 12 months to identify permanent long term cost reductions.



Examples of the most likely expense reductions targeted for 2024-2025 are noted below:

Mitigation	Amount	Comment
1. Roll back of the sealed road repairs program	\$850,000	
2. Reduction in roadside vegetation maintenance	\$100,000	Reduced mowing and Slashing
3. Reduction in parks and gardens maintenance	\$700,000	
4. Reduction in community activities and cultural events	\$100,000	This would include withdrawing from the Arts Mid-North Coast program, no Christmas event, and a temporary reduction in community art programs like new murals.
5. Reduction to community grants being awarded	\$200,000	
6. Reduction of building and heritage site maintenance	\$250,000	
7. Reduction of tree and shrub maintenance	\$500,000	This would be subject to reversing a prior council resolution
2. Total	\$2,700,000	

Alternative measures to those noted above could include the pausing or stopping of certain one-off projects, like the Hastings River Drive Signalisation project, or reviewing some of the General Fund Improvement Plan initiatives which could be spread out over a longer implementation timeframe as part of a reduced annual budget allocation. A further review of ferry operations and revenues could also be considered.

***Key Point → Mitigating measures would need to be implemented to offset the revenue impact of a rate freeze given the negative impact on long term financial sustainability of not doing anything.***

***Utilisation of reserves and borrowings are not considered viable mitigating measures and a possibility to recoup of foregone rates in future years may not be an acceptable option from a community perspective.***

***Expense reductions to offset the \$2.7 one year and \$33m ten-year impacts would need to be implemented on a permanent basis targeting Council's variable cost base with probable staffing impacts.***

**Director of Business & Performance Risk Assessment**

Development of the draft 2024-2025 Operational Plan is currently underway and the plan is being modelled with the 4.6% Rate Peg included. The Director Business & Performance provides the following points to note and risk assessment in considering the impact should rates be frozen for 2024-2025 at 2023-2024 levels.

**Legal obligations**

- Councils are required under legislation and guidance to ensure the financial sustainability of councils.

**Financial sustainability implications**

- The purpose of the rate peg is to provide a funding mechanism for councils to offset the inflationary impact on its expense base. The reduced revenue impact of a rate freeze will need to be offset by an equivalent reduction in expenses to avoid a negative impact on the current projected financial sustainability projections which have been identified as requiring significant improvement over the longer term.

**Key expert advice**

- Previous advice from external consultants in April 2022, in relation to a rate freeze in 2022-2023, noted that whilst a one-year rate freeze could potentially be managed in the short term via use of internal reserves, rate freezes for a longer period of time were concerning and would place pressure on future financial sustainability;
- Advice from the Responsible Accounting Officer (Group Manager Financial Services) is that a rate freeze would have a significant impact on the future financial sustainability of Council and its ability to deliver key services and infrastructure;
- The voting members of Council's Audit, Risk & Improvement Committee have expressed concerns of the impact of a rate freeze on the long term financial sustainability of Council operations:

**Future funding application implications**

- Councils often rely on grants from other levels of government to be able to deliver important projects for the community. Should Council freeze rates and effectively reduce general revenue, this may have an impact of future grant applications and the assessment of whether Council could have funded the program from its own available revenue streams.
- Should Council determine in the future that a Special Rate Variation may be required to deliver defined works or projects, the assessment could consider whether Council should recoup the impact of prior rate freezes prior to a SRV application now that legislation allows this to occur over a ten-year period after the year of the rate freeze.

**Application of the Risk Appetite Statement**

- It is noted that the recent Council adopted Risk Appetite Statement articulates that Council will not tolerate:
  - o *“ongoing failures to meet key financial performance ratios without adequate resolution planning”* and

- *“long term decision making that is not open, honest, and transparent or reflects the longer-term interest of the community”*

Should a rate freeze be adopted, PMHC Executive will have no option but to offset the revenue reduction with a decrease in the expense base to ensure the key financial performance ratios are not negatively impacted.

### **Summary**

This report has highlighted why the Rate Peg exists, the importance of financial sustainability, Council's current financial position and existing budget challenges, and how Council Rates benchmark favourably against our peers.

The report also referenced the fact that Council is one of only 20 of the 128 NSW councils that have not applied for and had SRVs approved in the last few years.

The report outlines the impact of a rate freeze and the need for mitigation measures to be implemented to offset the financial impact of the future loss of revenue. It has noted that accessing reserves and borrowings are not viable mitigating options and that the only real viable mitigation option to the rate revenue reduction is to offset with permanent expense reductions.

The expense reductions will most likely need to be made against our variable expense base which will include targeting key areas that have had recent momentum. This includes impacting key maintenance budgets where we have recently been addressing the maintenance backlog through the allocation of additional funding, and in corporate programs, potentially deferring initiatives of the General Fund Improvement Plan until future funding becomes available and where we know many aspects of the program are already underfunded.

Council's Executive, in applying the Risk Appetite Statement, will have no option but to take the mitigation actions noted in this report to offset the impacts of a rate freeze on key financial performance ratios.

### **Recommendation**

***On the basis of the above summary, risk assessment and the content and analysis provided throughout this report, the Director Business & Performance does not recommend the application of a rate peg below the full amount allowable of 4.6%.***

### **Options**

Council may resolve, noting the information provided above, to:

1. Adopt the recommendation, including noting that the Draft 2024-2025 Operational Plan is being developed with a 4.6% rate peg included;
2. Adopt a recommendation to develop the Draft 2024-2025 Operational Plan with the rate peg removed; or
3. Adopt a recommendation to develop the Draft 2024-2025 Operational Plan with an alternate rate peg between 0% and 4.6% included.

**Community Engagement and Internal Consultation**

A briefing was provided to Councillors highlighting the impacts of the above on 1 February 2024. It is also noted that briefings have previously been provided to Councillors outlining the impact of rates freezing, these having included the engagement of external consultants.

A draft of a proposed Community Engagement Plan is included as an attachment.

**Planning and Policy Implications**

The information included in this report is aligned with Council's legislative obligations under the requirements of the Local Government Act 1993 and the NSW Integrated Planning and Reporting Framework.

**Financial and Economic Implications**

Refer above to 'Impact of a Rate Freeze' section.

**Attachments**

1.  Proposed Rate Freeze Community Engagement Plan

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**Item:** 10.17

**Subject:** IMPACTS AND OPTIONS IN RELATION TO THE ABOLITION OF THE TOWN CENTRE MASTER PLAN COMPONENT OF THE PORT MACQUARIE CBD ORDINARY BUSINESS RATE

**Presented by:** Business and Performance, Keith Hentschke

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### Alignment with Delivery Program

1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information.

### RECOMMENDATION

#### That Council:

1. Note the information provided in the report below;
2. Note the resolution of Council at the 12 December 2022 Ordinary Meeting that Council endorse a 32% reduction in the Town Centre Master Plan (TCMP) component of the Port Macquarie CBD ordinary business rate through to 2027 and a 45% reduction thereafter; and
3. Note that the Draft 2024-2025 Operational Plan is being developed in accordance with the decision of Council noted in 2 above.

### Executive Summary

At the 14 December 2023 Ordinary Meeting, Council requested an analysis of the impacts of abolishing the Town Centre Master Plan component of the Port Macquarie CBD Ordinary Business Rate from 1 July 2024, as well as an assessment of the options for mitigating these impacts.

Council's current Port Macquarie CBD Ordinary Business Rate is subject to a higher rate, as is commonly applied to CBD areas due to the fact that they often receive a higher level of service. In addition to this, the Port Macquarie CBD rate also incorporates a TCMP component which was introduced to facilitate the funding of a range of works specific to the Port Macquarie CBD and an even higher level of maintenance.

In 1994 a TCMP levy was introduced in conjunction with CBD stakeholders as a Port Macquarie CBD Special Rate to fund a range of capital works and maintenance. In 1999-00 this was incorporated as a component of the Port Macquarie CBD ordinary business rate, as permitted under the legislated requirements of the NSW Local Government Act 1993.

An independent external review of Council's business rating model in 2022 recommended that Council endorse an initial solution effectively reducing the TCMP component by approximately 45% and then undertake further detailed analysis in relation to a longer term solution. Council endorsed a lower reduction of 32% to 2027



to pay off of the TCMP-related loan, with a 45% reduction thereafter to fund ongoing maintenance at existing levels.

Should the TCMP Component of the Port Macquarie CBD Rate be abolished, the average Port Macquarie CBD Business Rate would reduce by approximately \$3,270, or 28%. Council's total rating income in 2024-25 would reduce by approximately \$860k, and approximately \$10m over the next 10 years unless mitigated.

To mitigate the impact, additional maintenance works currently funded by the TCMP component would be ceased, resulting in a reduction of service levels and the residual funds in the TCMP reserve would be quarantined to cover remaining repayments of the TCMP loan.

Another option to mitigate the impact on maintenance, Council could elect to redistribute the foregone revenue across other rating categories as noted in the tables on page 5. Should the foregone revenue not be distributed across other rating categories, it would be a permanent loss to rating revenue which would have negative financial sustainability implications.

## Discussion

### Introduction

At the 14 December 2023 Ordinary Meeting, Council resolved as follows:

#### **10.17 NOTICE OF MOTION - TOWN CENTRE MASTER PLAN RATE FROM 1 JULY 2024**

*That Council request the Chief Executive Officer prepare a report for the February 2024 Ordinary Council meeting which details:*

- 1. The financial, staffing and service delivery impact of a proposed abolition of the Town Centre Master Plan (TCMP) component of the Port Macquarie CBD Ordinary Business Rate from 1 July 2024.*
- 2. The potential options for mitigating the impact of the abolition.*

The purpose of this report is to address the above resolutions.



**Background of the Town Centre Master Plan (“TCMP”) Component of the Port Macquarie CBD Ordinary Business Rate (“Port Macquarie CBD Rate”)*****TCMP History***

Council’s current rating structure incorporates a Business Category that is further split into 3 sub-categories:

- Port Macquarie CBD;
- Defined Urban Centres (Bonny Hills, Camden Haven, Kew & Kendall, Lake Cathie, Port Macquarie, Thrumster, Wauchope); and
- Other Hastings.

In relation to the Port Macquarie CBD rate, it is noted that these rates are subject to a higher rate in the dollar as is commonly applied to CBD areas due to the fact that they receive a higher level of service.

In addition to this, the Port Macquarie CBD rate also incorporates a TCMP component. The TCMP component was introduced to facilitate the funding of a range of capital works specific to the Port Macquarie CBD and maintenance. The monies collected from this component of the rate were quarantined in a specific internal reserve and used each year to pay for specific works as resolved by Council, based on recommendations of the former TCMP Sub-Committee.

In 1994 a TCMP levy was introduced in conjunction with CBD stakeholders as a Port Macquarie CBD Special Rate. The Special Rate was levied from 1994 through to 1998-1999.

In 1999-00, the Special Rate was incorporated into a new permanent Port Macquarie CBD ordinary business rate. This process was undertaken as part of the legislative process for the adoption of Council’s Management Plan and Making of Rates for the 1999-00 financial year and noted that the incorporation into the new business rate would not affect the revenue raised or funds devoted to the CBD works.

The change in the rating structure was first reported to Council as part of the draft 1999-00 Management Plan in May 1999. This report provided specific detail as to the proposed Port Macquarie CBD ordinary business rate (along with other rates and charges), noting the inclusion of the previous CBD special rate. The 1999-00 Management Plan and new rating structure was adopted by Council in June / July 1999 following the statutory public exhibition period. Since that time the Port Macquarie CBD Business Rate has been increased annually by the Rate Peg which approximates CPI increases, with the exception of the 2022-23 and 2023-24 years.

***Legality of TCMP***

It is noted that the NSW Local Government Act 1993 (“the Act”) sets out the legislative process that all councils must follow in regard to the setting of rates each year. Under section 494 of the Act, councils must make and levy an ordinary rate for each year on all rateable land in its area. Council approves all rates and annual charges by formal resolution of Council and, under section 532 of the Act, cannot do so until the draft Operational Plan including those rates and charges has been placed on public exhibition and any feedback considered. The Minister for Local

Government / IPART is not required to consider or approve changes in a council's rating structure if the total rating income is within the allowable rate peg amount.

Legal advice obtained from Lindsay Taylor Lawyers in 2021 confirmed the legal validity of the Port Macquarie CBD ordinary business rate sub-category as currently levied.

### ***Independent Review of TCMP***

An independent external review of Council's business rating model was undertaken in 2022. The review specifically focussed on the TCMP component of the Port Macquarie CBD ordinary business rate, and community appetite for similar rating mechanisms to deliver improvements and enhanced maintenance in the Wauchope and Laurieton town centres. The review recommended that Council endorse an initial solution effectively reducing the TCMP component by approximately 45% and then undertake further analysis in relation to a longer term solution to determine and fund future capital works in the Port Macquarie CBD.

At the 12 December 2022 Ordinary Meeting, Council endorsed a 32% reduction in the TCMP component of the Port Macquarie CBD ordinary business rate and a 45% reduction thereafter. The 2023-2024 Operational Plan, Long Term Financial Plan and Revenue Policy were prepared on that basis. The 32% reduction in the TCMP component allowed continuation of existing maintenance service, existing related loan repayments to be funded through to 2027 and minor capital works on existing assets. It did not provide funding for new capital works. The monies collected from the TCMP component of the rate are quarantined in an internal reserve and used each year to pay for maintenance works and loan repayments.

### **Works Provided by the TCMP Component of the Port Macquarie CBD Rate**

Since 1994, \$6.1m in CBD maintenance works and \$21.7m in CBD capital works have been funded, the latter including contributions to projects such as Kooloonbung Creek, the Town Square, the Town Green Master Plan Implementation and Foreshore works.

The independent review recommended further engagement with stakeholders and the community to consider future funding options and infrastructure priorities as part of future town centre master plan development for Port Macquarie, Wauchope and Laurieton. The completion and/or update of Town Centre Master Plans is a key precedent in determining what future TCMP funded work priorities may look like.

Whilst a current master plan exists for the Port Macquarie town centre, this will likely need to be revised in the context of decisions on future CBD capital works. Until this is updated, there is uncertainty over the scope of required works, including whether the current boundary of the Port Macquarie CBD would move for this purpose.

### **Impact of Abolishing the TCMP Component of the Port Macquarie CBD Rate**

Should the TCMP Component of the Port Macquarie CBD Rate be abolished and no mitigating measures implemented, the following impacts are noted:

- The average Port Macquarie CBD Business Rate would reduce by approximately \$3,270, or 28%;
- The average Port Macquarie CBD Business Rate would still be higher than the other business rate sub-categories, as is common with CBD areas due to increased community usage;
- A reduction in Council's total rating income in 2024-25 of approximately \$860k, and approximately \$10m over the next 10 years;
- Port Macquarie CBD additional maintenance works currently funded by the TCMP component (including pavement cleaning, street sweeping, garden maintenance, tree renewals, cleaning and refurbishment of open space / street furniture etc) would be ceased, resulting in a reduction of service levels;
- The residual funds in the TCMP reserve, (projected to be \$1.3m at 30 June 2024) would be quarantined to cover remaining repayments of the TCMP loan, (approximately \$1.2m between 1 July 2024 and 30 June 2027);
- Other General Fund contributions into the TCMP Reserve would cease;
- The impact on full time staff specifically employed on CBD activities would need to be reviewed; and
- Any capital works requirements, including minor works, would continue to be assessed alongside all General Fund priorities.

**Mitigation Measures**

If Council wished to abolish the TCMP component of the Port Macquarie CBD Ordinary Business Rate, the mitigation options include:

- offsetting foregone revenue with Port Macquarie CBD maintenance reductions; or
- redistributing the financial impact of the rate reduction across other business rate sub-categories and/or residential rates

**Redistribution across other business sub-categories**

In the case of redistributing across all other business rate sub-categories, initial modelling indicates as per the table below, that this would result in an approximate 10% increase in the average business rate paid by Port Macquarie-Hastings LGA business ratepayers.

Category	2024-2025 Projected Rate in the \$	2024-2025 Projected Average Rate	New Projected Rate in the \$	New Projected Average Rate	Change in average rates (\$)
Business - Defined Urban Centre	0.39238	3,433.17	0.44319	3,788.87	355.70
Business - Other	0.31767	1,898.03	0.36530	2,094.71	196.68
Business - CBD	1.70325	11,689.09	1.33247	9,293.92	-2,395.17

**Redistribution across all other categories**

In the case of redistributing across all Council ordinary rate sub-categories, including residential and business, initial modelling indicates as per the table below, that this

would result in an approximate 1% increase in the average rate paid by Port Macquarie-Hastings LGA ratepayers.

Category	2024-2025 Projected Rate in the \$	2024-2025 Projected Average Rate	New Projected Rate in the \$	New Projected Average Rate	Change in average rates (\$)
<b>Residential - Defined Urban Centre</b>	0.17125	1,385.53	0.17613	1,405.46	19.93
<b>Residential - Other</b>	0.15992	1,458.95	0.16376	1,479.91	20.96
<b>Business - Defined Urban Centre</b>	0.39238	3,433.17	0.39942	3,482.45	49.28
<b>Business - Other</b>	0.31767	1,898.03	0.32428	1,925.33	27.30
<b>Business - CBD</b>	1.70325	11,689.09	1.21613	8,542.37	-3,146.72
<b>Farmland</b>	0.15512	2,298.03	0.15834	2,331.02	32.99

A redistribution would mean that Council’s overall rating revenue would not be impacted and overall service delivery would be less significantly impacted. Service levels would need to be reviewed, with consideration of some funding being redirected to Wauchope and Laurieton centres and some maintenance reductions in the Port Macquarie CBD. This would be considered during the finalisation of the 2024-25 Operational Plan. Residual funds in the TCMP reserve would be quarantined to cover remaining repayments of the TCMP loan.

**Options**

Council may resolve as per the recommendations of this report, amend as necessary, and/or request that further information to be provided.

**Community Engagement and Internal Consultation**

Internal consultation has occurred with the Executive Leadership Team and Legal Counsel.

Proposed rates of all categories and sub-categories will be placed on 28 days public exhibition as part of the 2024-25 Operational Plan Development process.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

Refer above to ‘Impact of Abolishing the TCMP Component of the Port Macquarie CBD Rate’ section.

**Attachments**

Nil





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**Item: 10.18**

**Subject: MID NORTH COAST JOINT ORGANISATION ANNUAL REQUEST FOR FUNDING**

**Presented by: Chief Executive Officer, Dr Clare Allen**

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### **Alignment with Delivery Program**

1.2.1 Promote Council participation and build linkages in local, state and federal initiatives, forums and opportunities to support Council's continued planning for the growth of the region.

### **RECOMMENDATION**

**That Council endorse and approve the annual request for funding of \$25,000 to continue its membership with the Mid North Coast Joint Organisation.**

### **Executive Summary**

The purpose of this report is to formally request Council's endorsement for Port Macquarie-Hastings Council's annual membership contribution to the MNCJO, following the procedure that was adopted in 2021.

### **Discussion**

#### Background:

The Mid North Coast Joint Organisation comprises the member Councils of Bellingen, Kempsey and Port Macquarie-Hastings.

Joint Organisations were created in NSW following changes to the Local Government Act 1993 (NSW) in 2017. The Mid North Coast Joint Organisation was created in 2018 and comprises the local government areas of Bellingen, Kempsey and Port Macquarie-Hastings.

Together the member councils comprise an area of 8,658 square kilometres and a population of approximately 125,000 people.

The core functions of the Mid North Coast Joint Organisation are:

- Strategic Planning and Priority Setting;
- Inter-governmental Collaboration;
- Regional Leadership and Advocacy; and
- Building efficient and effective councils.

The Mid North Coast Joint Organisation is overseen by a Board comprising the Mayors of the three member councils. The Board meets four times each year. The three Mayors are the voting members of the Board. The General Managers of Bellingen and Kempsey and Chief Executive Officer of Port Macquarie Hastings

Council also attend Board meetings. The General Managers Advisory Committee (GMAC) meets prior to each board meeting and minutes and papers from this meeting form part of the agenda of the Board meeting. Board and GMAC meetings are also attended by representatives of Regional NSW, Destination NSW, Regional Development Australia and the Office of Local Government.

The basis of this report is to adhere with the resolution that was adopted by Council at the October 2021 meeting.

1. *That the Mid North Coast Joint Organisation prepare in writing, any request for funding for the attention of the Chief Executive Officer.*
2. *Requests for funding are to be received no later than 2 months prior to funding requirements;*
3. *That the Chief Executive Officer present this request to the next appropriate Council meeting for decision by the elected body.*

In keeping with the abovementioned procedure, Council has received an invoice (Attachment 1), from the Mid North Coast Joint Organisation Executive Officer, requesting the \$25,000 member contribution for the 2023-2024 financial year.

In order to process this funding contribution, Council are now requested to endorse and approve the annual request for funding to continue its membership with the Mid North Coast Joint Organisation.

#### Current Active Projects:

Since its inception, the Mid North Coast Joint Organisation has had considerable success in attracting funds to undertake projects across the region and a summary of the active projects has been provided below for information. Further project updates and reports are available via the Mid North Coast Joint Organisation website.

#### **Towards Net Zero**

The Joint Organisation Net Zero Acceleration grant is a capacity-building pilot program established to help regional councils reduce their carbon emissions to achieve their part in the State's Net Zero target of 50 per cent reduction by 2030 and net zero by 2050.

A Project Control Group (PCG) has been established, including sustainability managers from the member councils, and a Project Management Plan developed, which has been submitted to representatives from the Officer of Energy and Climate Change (OECC) for review.

Net Zero Target templates have been created to collect emissions data from member councils to map and model how planned sustainability initiatives are likely to lead to future emissions reductions. Consultant Dr Simon Wright has been engaged by the OECC to assist the JO's. Dr Wright to assist with this modelling.

#### **Circular Economy Centre of Excellence**

The Mid North Coast Joint Organisation was successful in receiving funding through the Regional NSW Business Case and Strategy Development Fund to develop a



feasibility and business case into the development of a Circular Economy of Excellence for the Mid North Coast region.

The initial research and visioning workshop highlighted the challenges of a regional waste solution and the need for a strategy to develop a CECoE through a phased approach. The project was completed 30 December 2023.

**Simtable for Community Empowerment Project**

The Simtable was purchased with grant funds from the NSW Government's Bushfire Community Recovery and Resilience Fund (BCRRF) for the local government areas that were disaster declared in the 2019-2020 Black Summer bushfires.

Strong connections with various agencies and community groups have been established, with communities now more knowledgeable about bushfire behaviour relevant to their area, resulting in community strategies and personal Bushfire Preparedness Plans developed.

A final report on the outcomes of the Simtable for Community Empowerment project will be presented to the March JO Board meeting.

**Disaster Risk Reduction Project**

The Mid North Coast Joint Organisation was successful in receiving funding through NSW Reconstruction Authority's, Disaster Risk Reduction Fund (DRRF). The DRRF project will deliver a Mid North Coast Joint Organisation Resilience Blueprint and achieve several strategic outcomes for the Mid North Coast Joint Organisation, its member councils and the Mid North Coast region.

Data has been collected from Joint Organisation Member Councils to audit Council's Risk Assessments and Gap Analysis.

The research phase has been completed with a model for both the Disaster Risk Reduction Committee (Network) and LG Alumni drafted for confirmation and implementation. There is continuing work on the toolbox deliverable that shares the model and resources across the state JO organisations in the final stages of the project.

**Options**

Council may choose to endorse and approve the annual funding contribution of \$25,000 or resolve in another manner.

**Planning and Policy Implications**

There are no specific planning and policy implications in relation to this report, however if Port Macquarie-Hastings Council was to withdraw from the Mid North Coast Joint Organisation, then it is likely that the Mid North Coast Joint Organisation would cease to exist with only two member Councils.

**Financial and Economic Implications**

If Council resolves not to contribute any funds to the Mid North Coast Joint Organisation and if no other member Council chooses to do so and / or the NSW government do not contribute any further operational funds to the Mid North Coast Joint Organisation, then it is likely that the Mid North Coast Joint Organisation will be unable to trade and will effectively cease to exist. If this were to occur, this in itself would not have any direct financial implications for Council.

**Attachments**

Nil

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**Item: 10.19**

**Subject: GRANT APPLICATIONS BIENNIAL REPORT**

**Presented by: Community, Planning and Environment, Melissa Watkins**

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### **Alignment with Delivery Program**

1.2.1 Promote Council participation and build linkages in local, state and federal initiatives, forums and opportunities to support Council's continued planning for the growth of the region.

### **RECOMMENDATION**

**That Council note the Grant Applications Biannual Report, providing an update on grants that Council has applied for and/or obtained, for the six-months of the 2023-2024 financial year.**

### **Executive Summary**

Grants from State and Federal Government support the delivery of a range of Council services and infrastructure for our community. This report provides an update on Council's grant applications and outcomes for the period 1 July 2023 to 31 December 2023.

This report constitutes Council's biannual reporting on our Grants program for February and August each year.

Over the six-months period from 1 July 2023 to 31 December 2023 Council has applied for thirty-three grants totalling over \$10.5 million. Eight applications have resulted in successfully securing over \$5.5 million and 23 remaining applications are still being assessed.

### **Discussion**

Council plays a critical role in making our neighbourhoods and townships a great place to live and visit. Each year Council proactively seeks and applies for, or obtains, a significant number of grants to support the delivery of a range of services and infrastructure for our community. Council works closely with, and advocates to local members and representatives at all levels of government to secure grant opportunities that support the delivery of Council priorities. Every three months Council provides a report to Federal and State elected members on the status of grants sought and/or progress updates on current grant projects.

Council's grants team also support community members and groups through the grant application process by assisting with information, data, and letters of support and land-owner approval where applicable. Over the last six-months, 15 letters were issued in support of sporting clubs, event organisers and community groups. Grants acquired by community groups are not included in the report data, nor are those grants disbursed by Council to our community.

The Port Macquarie Hastings Council Grant Finder website [pmhc.grantguru.com.au](http://pmhc.grantguru.com.au) provides a free search engine for grants. It has 307 registered users, representing local community organisations sporting clubs and event managers. In the last six-months there were 1,908 emails automatically sent as requested by our registered users to alert them when specific grants open.

#### Activity over the last six-months

The Council Grants Register (Attachment 1) details all the grant applications made, successfully, unsuccessfully, or outcome unknown for the first six-months of the 2023-2024 financial year.

Successful grant funded projects that have been approved during this reporting period include:

- \$163,684 for Port Macquarie Regional Airport Screening Infrastructure via Australian Government;
- \$3,496,256 for Regional Emergency Road Repair Fund via Transport for NSW;
- \$1,896,430 for Block Grant Assistance to Council for Regional Roads via Transport for NSW; and
- \$24,500 for various small regional community activities via NSW Government. This includes \$2.5k Business Week 2023, \$8k Regional Youth Workshops Spring 2023, \$7k Seniors Week March 2024, and \$7k Regional Youth Workshops Autumn 2024.

Council staff dedicated in the order of 538 hours in the preparation of grant applications in the last six-months.

The grants team is currently monitoring and reporting on 100 active grant-funded projects to the value of \$101,504,526. The current pipeline of active grant funding reports into 29 different government grant management offices (GMOs) spread across Australia. Over the last six-months the Grants team have submitted:

- 19 Project Completion Reports with final payment claims (Acquittals); and
- 49 Milestone Reports with progress payment claims.

In addition, a further 27 online meetings were attended with a variety of state and federal GMOs.

#### Challenges

The past six-months have been a challenging funding landscape. The main challenges relate to changing priorities of the newly elected Australian Government while continuing to proactively seek appropriate future grant opportunities.

##### a) \$5million Lorne Road Upgrade

In 2019 the previous Australian Government promised \$5million towards the sealing of Lorne Road between Kew and Comboyne, with funding matched by Council. In mid-2023 the newly elected Australian Government announced an Independent Strategic Review of the Infrastructure Investment Program, to identify projects that will have their funding withdrawn. In June 2023 Council was instructed to pause the \$5million Lorne Road project and submit information for the Independent Panel to review.

On 21 November 2023, the Australian Government confirmed its commitment to providing \$5million for the Lorne Road upgrade. This is an excellent outcome for the community and for the improved safety of our transport network.

b) Bridges Renewal Program

(i) Yippin Creek Bridge, Wauchope

Council was awarded \$5million funding for bridge replacement and this was accepted with Council required to fund the remaining cost of the project as reported to Council in April 2023 with up to \$9million contribution.

(ii) Col's Bridge Redbank, Stoney Creek Bridge Redbank and Stoney Creek Bridge Pembroke

Council was awarded \$7,080,000 funding for three bridge replacements along Stoney Creek Road, via the Australian Government Bridge Renewal Program. The grant guidelines required 50% cash co-contribution. Unable to match Council's cash co-contribution with other combined grant funding, the three applications from the Bridges Renewal Program were withdrawn. The funding body encouraged Council to reapply in future rounds when the Government guidelines are updated to allow for a reduction in co-contribution from 50% down to 20%.

As an alternate option, Council was successful in gaining \$6.5m for replacement of Stoney Creek Bridge Pembroke and road re-alignment via Regional Roads and Transport Recovery Package (RRTRP). This was 100% funded with nil cash co-contribution.

The below table outlines the bridge replacement funding options.

**Table 1: Bridge Replacement Funding Options**

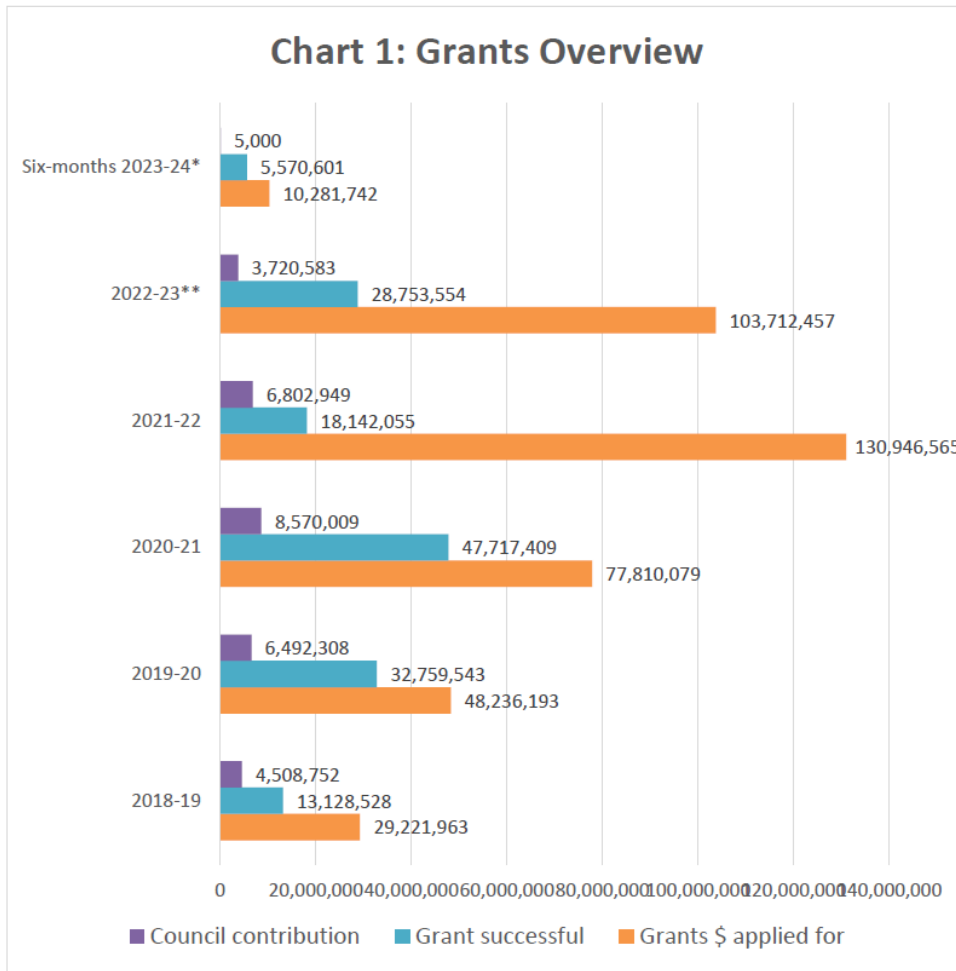
<b>Project</b>	<b>Grant Amount</b>	<b>Grant contribution of project cost</b>	<b>Outcome</b>
Yippin Creek Bridge, Wauchope	\$5,000,000	Maximum \$5m contribution Aust Govt via Bridge Renewal Program	Up to \$9m PMHC co-contribution. Accepted and Funding Agreement signed
Col's Bridge Redbank	\$1,510,000	50% Aust Govt via Bridge Renewal Program. Unable to match	Unable to match funding, project withdrawn
Stoney Creek Road Bridge Redbank	\$2,705,000	50% Aust Govt via Bridge Renewal program. Unable to match funding	Unable to match funding, project withdrawn
Stoney Creek Bridge Pembroke	\$2,865,000	50% Aust Govt via Bridge Renewal Program	Unable to match funding, project withdrawn
Stoney Creek Bridge Pembroke and road re-alignment	\$6,500,000	100% NSW + Aust Govt via Regional Roads and	Accepted and Funding Agreement signed



Project	Grant Amount	Grant contribution of project cost	Outcome
		Transport Recovery Package	

Broad trend analysis

The following chart (collated from the Grants Register) shows an overview of the last five and a half years.



2023-24\* **Six-months** and \$4,650,872 in applications still being assessed  
 2022-23\*\* \$266,725 in applications still being assessed

**Options**

This report is submitted for notation only.

**Community Engagement and Internal Consultation**

All staff developing grant applications were consulted in finalising the Grants Register at Attachment 1.





**Planning and Policy Implications**

There are no planning and policy implications directly related to this report. It is noted, however, that the timing of grants received and project implementation and delivery can have implications on Council staff resources. Council's operational program delivery, funding and capacity will be assessed at the time.

**Financial and Economic Implications**


The only direct economic implications are the staff resources utilised to prepare and manage grant applications. This involves actively seeking and submitting grant applications. Where successful Council is required to provide funding bodies with regular progress reports, during and at project completion, accounting for how the grant funds were spent.

It is noted that if successful in receiving grants, there is often a requirement for Council to provide matched funding.

Grants from various sources are an important source of funding for a wide variety of Council activities and supporting the delivery of services and infrastructure for our community. Many grant funded projects result in the use of local suppliers and contractors, which contributes significantly to local economic activity.

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

**Attachments**

1.  2023-2024 Grants Register

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Item: 10.20

Subject: GLASSHOUSE BIENNIAL REPORT AND UPDATE ON  
GLASSHOUSE PLAN 2020-2022 ACTIONS

Presented by: Business and Performance, Keith Hentschke

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### Alignment with Delivery Program

1.5.3 Develop, manage and maintain Council Business Units through effective commercial management.

### RECOMMENDATION

**That Council note the information provided in the Glasshouse Biannual Report and Update on Glasshouse Plan 2020-2022 Actions report.**

#### Executive Summary

- Operating income in the first half of 2023-2024 was \$16,520 or 2% higher than budgeted. It is also 2% higher than year to date operating income for the same period in 2022-2023.
- Operating costs are being effectively managed and actual costs in the first half of 2023-2024 were \$48,564 or 2% less than budgeted.
- The year to date operating result (before interest and depreciation) as at 31 December 2023 is a shortfall of \$1,255,342 which is \$65,084 or 5% better than budgeted.
- Two major projects in the Capital Expenditure (Acquisition of Assets) budget will commence at the Glasshouse in the third quarter of 2023-2024.
- Achievement against key performance indicators in the Glasshouse Plan 2020-2022 is on track, with year to date targets for most items being exceeded.

#### Discussion

At the Ordinary Council Meeting held on 15 February 2017, Council resolved to receive biannual reporting in February and August each year detailing key performance measures and financial information for the Glasshouse.

Accordingly, this report provides details of the Glasshouse finances for 2023-2024 as at 31 December 2023, including the updated status of Glasshouse loan balances. It also includes an update on progress achieved against the Actions identified in the Glasshouse Plan 2020–2022.

#### Glasshouse Finances

This report and the Glasshouse Financial Statements (Attachment 1), present the financial performance of the Glasshouse Venue for the second quarter (1 September 2023 to 31 December 2023) and the first half of 2023-2024.

For the purposes of this report, the annual budgeted figures for Council overheads have been used. The commentary in this report refers to the operating deficit/shortfall (before interest and depreciation).

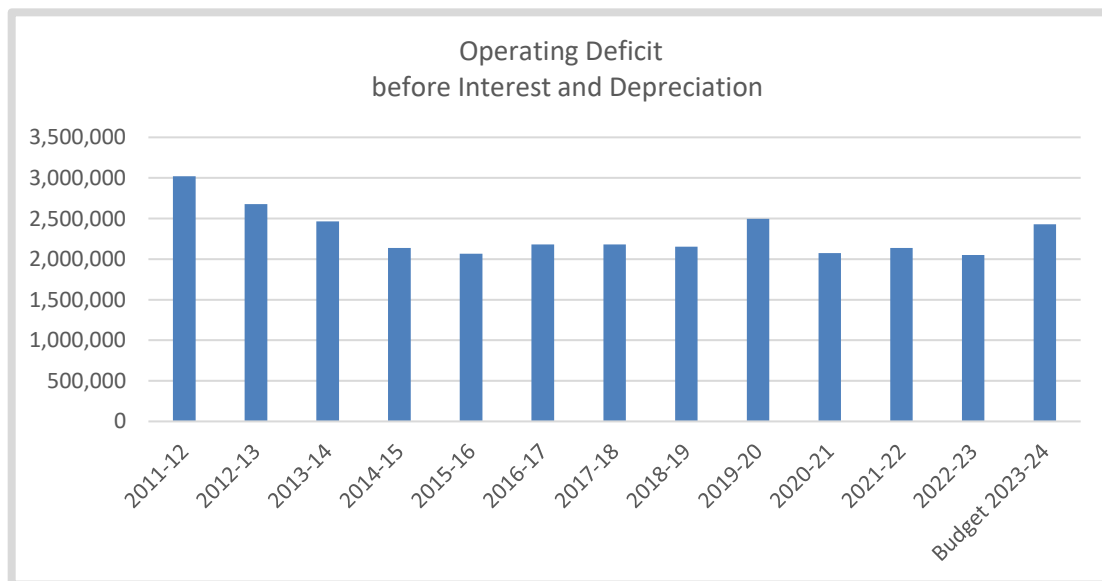
Operating income in the first half of 2023-2024 exceeded the budgeted amount by \$16,520, or 2%. Year to date, operating income is up 2% compared to the same period in 2022-2023.

Demand for entertainment and venue hire services is subject to market forces, availability of show product in the marketplace, and seasonality. Given macroeconomic headwinds and significant cost of living pressures, the first half result is reflective of the continued work by the Glasshouse management team to pursue new business opportunities whilst effectively managing expenditure.

Operating costs in 2023-2024 are budgeted to be 5% higher compared to 2022-2023, to cover significant increases in electricity, insurance and building maintenance costs. Operating costs are being effectively managed and actual costs are currently \$48,564 or 2% under budget for the first half of 2023-2024.

The overall year to date operating result (before interest and depreciation) as at 31 December 2023 is a shortfall of \$1,255,342 against a budgeted shortfall of \$1,320,426. This is \$65,084 or 5% better than budgeted. Over the full year, operating cost pressures are expected to drive the shortfall closer to budget.

By comparison, the operating deficit for the Glasshouse in 2011-2012 was \$3,020,491. The average operating deficit has generally been in the order of \$2.1 million per annum since 2014-2015, except for the COVID-19 impact in 2019-2020, which resulted in a higher deficit. However, as illustrated in the last column below, a higher deficit of \$2.4 million is budgeted for 2023-2024 to account for rising operational costs across electricity, insurance and building maintenance.



Glasshouse Capital Expenditure

Two major projects in the Capital Expenditure (Acquisition of Assets) budget will commence in the third quarter of 2023-2024. This line-item includes budgeted amounts for an upgrade to the Glasshouse Regional Gallery lighting (an infrastructure grant awarded to the Glasshouse under the Creative Capital Grant Funding) and the procurement of replacement components of the Heating, Ventilation and Air Conditioning (HVAC) system.

The gallery lighting project contract has been awarded and the project is on track to be completed in the fourth quarter of 2023-2024.

The contract has been awarded for a condition assessment report into the HVAC system. The report will provide recommendations for the procurement of an upgraded or replacement system. Once the report is finalised, a tender will be developed for the purchase and installation of the recommended system in mid-2024.

Glasshouse Loan Balances

Loan borrowings assisted in the construction of the Glasshouse. Of the total cost, \$27,975,954 was sourced through loan borrowings that are repaid through Council general revenue. Additionally, \$10,873,801 was sourced through loan borrowings that are paid from s94 funds (restricted to capital funding for community facilities).

At 31 December 2023, the outstanding balance of the borrowings repaid through general revenue is \$3,188,224. A total of approximately \$24.7 million has been repaid, with loans expected to be fully repaid by 2027.

Glasshouse Plan 2020-2022 Actions

At the Ordinary Council Meeting held on 15 July 2020, Council adopted the Glasshouse Plan 2020-2022. Progress against the key outcomes and actions identified in the plan are summarised in the attached *Update on Glasshouse Plan 2020-2022 Actions - February 2024* with some specific outcomes discussed below.

*4.7 Cultural performance measure*

The following table includes Key Performance Indicator (KPI) data associated with Glasshouse utilisation and occupancy rates reported to 31 December 2023.

<b>Performance Indicator</b>	<b>2021-22 July-Dec</b>	<b>2022-23 July-Dec</b>	<b>2023-24 July-Dec</b>	<b>2023-24 Target</b>
Visitation (Glasshouse)	31,116	87,712	89,073	>160,000
Visitation (Gallery)	6,982	16,036	17,183	>30,000
Visitation (website)	46,070	114,572	183,302	>250,000
Utilisation (%) (theatre)	13%	49%	51%	>40%
Utilisation (%) (studio)	14%	32%	34%	>35%
Utilisation (%) (meeting rooms)	14%	54%	41%	>40%
Average attendance (%) (theatre)	65%	73%	74%	>70%
Average attendance (%) (studio)	57%	82%	73%	>70%

Performance Indicator	2021-22 July-Dec	2022-23 July-Dec	2023-24 July-Dec	2023-24 Target
Number of tickets processed	4,274	35,201	33,453	>70,000
Percentage of tickets sold online	41%	59%	60%	>50%

In the first half year of the 2023-2024, the Glasshouse delivered the following:

- 187 events
- 92 Theatre performances
- 6 Gallery exhibitions
- 95 non-performance events in the conference and meeting rooms
- 1,387 Glasshouse memberships
- 3,562 students attended Education @ Glasshouse events
- 21 new venue hire clients
- 8 community events received Council support at the Glasshouse
- 81% of ticket buyers originate from the Port Macquarie-Hastings local government area (LGA)

The Glasshouse Plan will be updated in 2024 to ensure alignment with Council’s Cultural Plan 2022-2025 and continue to assist in guiding the future direction of the business. Key performance indicators reported in Attachment 2 demonstrate the continued improvement in performance following the impact of the COVID-19 pandemic.

**Options**

This is an information report.

**Community Engagement and Internal Consultation**

The information provided in this report has been reviewed by Council finance staff.



**Planning and Policy Implications**

This report is consistent with the key outcomes, actions and reporting arrangements identified in the adopted Glasshouse Plan 2020-2022.

**Financial and Economic Implications**

In summary, from a financial perspective, year to date income for the Glasshouse is 2% higher than budgeted, and operating costs are 2% lower than budgeted, resulting in a lower than budgeted year to date operating deficit as at 31 December 2023. This position is \$65,083 better than budgeted and is a positive result, noting. However, operating cost pressures are expected to drive the deficit closer to budget.

**Attachments**

1.  Glasshouse Financial Statements - Income and Expenditure to 31 December 2023
2.  Update on Glasshouse Plan 2020-2022 Actions - February 2024



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Item: 10.21

Subject: DEVELOPMENT ACTIVITY AND ASSESSMENT SYSTEM  
PERFORMANCE

Presented by: Community, Planning and Environment, Melissa Watkins

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### Alignment with Delivery Program

4.3.1 Undertake transparent and efficient development assessment in accordance with relevant legislation.

### RECOMMENDATION

**That Council note the Development Activity and Assessment System Performance report for the second quarter of 2023-2024.**

### Executive Summary

This report provides a summary of development assessment, building certification and subdivision certification activities for the October to December 2023 quarter. Data on the number of applications and processing times, together with a commentary on development trends is provided for the information of Council.

Comparative data has also been provided from the NSW Planning Portal performance dashboard to enable comparisons with Council's across the State.

Previous development activity and assessment performance reports to Council have included details of determinations made by Council staff under delegation via Clause 4.6 of the *Port Macquarie-Hastings Local Environmental Plan 2011*. However, the new s9.1 '*Ministerial Direction Exclusion of Development Standards from Variation*' commenced on 1 November 2023. Staff no longer need to report quarterly on variations approved under delegation to the elected Council. This information is being captured directly in the NSW Planning Portal. Those applications that are outside of staff delegations will continue to be reported to Council for determination.

### Discussion

Table 1 below provides data on the volume of applications received and determined over the second quarter of 2023-2024, relative to the monthly average of the preceding 3 years.

The monthly average number of Development Applications (DAs) received for the for the year to date was 70, which is down on the previous year monthly average of 83. Interestingly, planning certificates, often considered to be a lead indicator, were up on the previous year monthly average, with the current year to date monthly average of 286 certificates, compared to the previous year monthly average of 268.

Construction Certificate (CC) approvals are on par with the previous year monthly average. The year to date monthly average number of CCs issued by Council totalled was 33, compared to 34 for the previous year monthly average. The year to date monthly average number of plumbing and drainage applications determined was 76, down from the previous year monthly average of 84.



There has been a consistent high number of building and plumbing inspection numbers, with a year to date monthly average of 506 inspections, compared to a monthly average of 515 for the previous year. All in all, despite a slight softening of DAs, there is continued strong on-ground construction activity. It will be interesting to see how the remainder of the year unfolds.

Table 1 - Applications Received and Determined

Applications Received and Determined	2020-21	2021-22	2022-23	2023-24	2023-24			
	Monthly Average	Monthly Average	Monthly Average	TOTAL	Monthly Average	Oct-23	Nov-23	Dec-23
Development Application Received	99	92	83	421	70	72	82	57
Development Application Approved	90	86	77	408	68	71	63	42
Development Application Refused/Withdrawn/Rejected	5	2	4	23	4	4	0	5
DA Modifications Received	17	16	19	85	14	16	16	11
DA Modifications Determined	16	15	17	94	16	18	19	11
Complying Development Certificates Received (Council)	9	6	4	21	4	3	3	3
Complying Development Certificates Determined (Council)	5	4	3	13	2	2	4	1
Complying Development Certificates Determined (Private Certifier)	19	27	28	127	21	21	35	12
Construction Certificates - Building Work Received (Council)	48	40	35	203	34	34	40	27
Construction Certificates - Building Work Determined (Council)	43	39	34	198	33	46	32	17
Construction Certificates - Building Work Determined (Private Certifier)	22	30	38	213	36	36	37	28
Plumbing & Drainage Received	95	81	79	476	79	78	102	49
Plumbing & Drainage Determined	87	72	84	455	76	84	89	63
Subdivision Works Certificates Received	8	9	8	8	1	2	1	0
Subdivision Works Certificates Determined	8	7	6	28	5	1	3	1
Subdivision Certificates Received	7	6	7	45	8	9	6	8
Subdivision Certificates Determined	8	7	6	40	7	5	6	10
Strata Certificates Received	1	3	2	12	2	2	4	1
Strata Certificates Determined	1	3	2	12	2	2	3	4
Roads Act Applications Received	55	49	46	284	47	52	60	28
Roads Act Applications Determined	49	45	46	245	41	45	47	32
Planning Certificates Issued	277	293	268	1718	286	287	298	248
Building Inspections Undertaken	456	426	515	3037	506	511	569	368
Planning Proposals (received)		1	0	0	0	0	0	0
Building Information Certificates (received)		5	8	20	3	1	3	5
Building Information Certificates (determined)		6	4	25	4	3	4	5

Application processing data and longer-term trends for the various application types is provided in Table 2. For DAs, monthly gross average processing times for the year to date was 79 days, being a significant improvement from the previous year monthly average of 89 days. The net monthly average time for processing DAs for the year to date was 59 days compared to the previous year net monthly average of 63 days.

The monthly net average processing days for subdivision works certificates for the quarter was 204 days compared the previous year’s monthly average of 94 days. A number of long-standing applications were finalised during October 2023, negatively impacting on the average. It is anticipated that this figure will improve over the remainder of the year. Staff are continuing to work on the lodgement review process to improve the quality of applications being received. The inability to recruit a vacant development engineering position over the past 24+ months is also a factor in increased processing times. Net monthly average times for subdivision certificates for the year to date was 54 days, being the same for the monthly average of the previous year.

Table 2 - Application Processing Times

Processing Days	PMHC	PMHC	PMHC	PMHC			
	2020 - 21 Monthly Average	2021-22 Monthly Average	2022-23 Monthly Average	2023-24 Monthly Average	Oct-23	Nov-23	Dec-23
Development Application Net Median Days	41	48	53	46	46	44	43
Development Application Gross Median Days	50	61	65	58	63	53	58
Development Application Net Average Days	47	54	63	59	58	51	76
Development Application Gross Average Days	68	71	89	79	78	70	96
Complying Development Net Average Days	21	20	20	18	48	13	3
Complying Development Gross Average Days	25	37	27	40	65	87	15
Building Construction Certificate Net Average Days	14	24	27	27	33	20	19
Building Construction Certificate Gross Average Days	61	72	79	87	77	53	109
Plumbing and Drainage Net Average Days	21	38	53	65	56	63	66
Plumbing & Drainage Gross Average Days	60	83	78	72	58	65	79
Subdivision Works Certificates Net Average Days	73	74	94	204	661	84	70
Subdivision Works Certificates Gross Average Days	99	116	146	350	661	724	120
Subdivision and Strata Certificates Net Average Days	48	45	54	54	45	99	47
Subdivision and Strata Certificates Gross Average Days	94	65	60	83	186	99	74
Roads Act Net Average Days	19	21	38	42	37	26	88
Roads Act Gross Average Days	37	46	51	43	37	29	88
Single Dwelling Applications Net Average Days					55	50	31
Single Dwelling Applications Gross Average Days					74	56	43

The NSW Planning Portal has recently provided a performance dashboard to enable various comparisons with Council’s across the State - see link below:

[NSW Planning Performance Dashboard | Planning Portal - Department of Planning and Environment](#)

Within the dashboard, Council has been grouped with 38 ‘Regional City’ Councils. The average processing time for DAs across all Regional City Council’s for the year to date 2023-2024 period was 96 days. It should be noted that the Planning Portal data has Council’s gross average processing time for DAs for the year to date period (to November 2023) at 68 days compared to 79 days in Council’s system as reported (to December 2023). This new Planning Portal data is still being improved and the misalignment will be investigated by management. Notwithstanding, Table 3 below provides a comparison of selected regional city councils data from the Portal dashboard for the 2022-2023 year as well as the 2023-2024 year to date average (July to November 2023 data only available in the Portal at the time of writing).

*Table 3 - Regional Cities Application Performance Data from Planning Portal*

Council	Total DAs determined 2022-2023	Total DAs determined 2023-2024 year to date (July to November 2023)	Gross average assessment time (days) 2022-2023	Gross average assessment time (days) 2023-2024 (July to November 2023)
Port Macquarie-Hastings	970	325	85	68
Clarence	793	229	105	109
Coffs Harbour	760	283	79	68
Kempsey	292	74	61	80
Lake Macquarie	1959	672	78	85
Mid Coast	1106	474	88	84
Newcastle	1215	464	100	97
Port Stephens	791	247	49	51
Shoalhaven	1277	416	131	102
Tweed	788	209	170	194
Wollongong	1214	332	89	82

Table 4 below illustrates the total value of works approved for the quarter compared to the preceding 3 years. As evidenced in the data, there has been a significant increase in the approved value of works year on year. This increase is a result of continued high volumes of applications being received and the increased construction costs being experienced in the sector.

*Table 4 - Value of Works*

Estimated value of works	Total 2020 - 2021	Total 2021 - 2022	Total 2022 - 2023	Total 2023 - 2024	Oct-23	Nov-23	Dec-23
Development Applications	\$290,362,833	\$426,495,205	\$498,575,614	\$257,194,378	\$27,375,670	\$55,948,017	\$12,310,788
Complying Development	\$53,333,062	\$61,691,010	\$73,141,331	\$32,649,115	\$5,612,865	\$10,996,814	\$2,618,719
<b>Monthly Total</b>	<b>\$343,695,895</b>	<b>\$488,186,215</b>	<b>\$571,716,945</b>	<b>\$289,843,493</b>	<b>\$32,988,535</b>	<b>\$66,944,831</b>	<b>\$14,929,507</b>



**Options**

This is an information report.

**Community Engagement and Internal Consultation**

Development assessment statistics are discussed internally as the key indicator of system performance.

**Planning and Policy Implications**

There are no planning or policy impacts.

**Financial and Economic Implications**

This report does not have direct financial or economic implications. However, monitoring the performance of the development assessment system is an important undertaking given the role of development regulation in the broader economy and the need to minimise costs to business and the community in managing development.

**Attachments**

Nil

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**Item: 10.22**

**Subject: CONTRACTS AWARDED UNDER DELEGATION BY THE CHIEF EXECUTIVE OFFICER**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.2 Use procurement, tendering, purchasing and contract management approaches that are transparent and equitable.

### **RECOMMENDATION**

**That Council note the information provided in the Contracts Register.**

### **Executive Summary**

Attached is a Contracts Register for the quarter reporting that provides information relating to contracts that have been awarded under delegation by the Chief Executive Officer.

### **Discussion**

Under section 377 of the *Local Government Act 1993* (Act), a Council may by resolution delegate to the general manager or any other person specific functions. This includes the function to accept tenders as set out in section 178(a) of the *Local Government (General) Regulation 2021* (Regulation) and in accordance with s377(1)(i) of the Act.

### **Delegated Authority**

Under delegated authority the Chief Executive Officer may accept tenders, with the following exceptions that should be referred to Council:

- The limitation legislated in s377(1)(i) of the Act being the acceptance of tenders required under the Act to be invited by the council. For example, the acceptance of tenders to provide services currently provided by members of staff of the council.
- A recommendation made under s178(1)(b), s178(3) or s178(4) of the Regulation. For example, a recommendation to decline tenders and enter into negotiations.
- Any tender for a service or project where cost exceeds the adopted budget limit for that service or project.
- Any tender for a service or project which is not in an approved Operational Plan.



The Project Steering Group, Group Manager Procurement, the Procurement Sponsor and the Chief Executive Officer will retain discretion to refer to Council for decision any procurement outcome:

- which otherwise falls within the Chief Executive Officer's delegated authority
- which has failed to comply with the critical dates as detailed in the Procurement Calendar
- which has materially deviated from the approved Procurement and Evaluation Plan
- that has a significant level of public interest in the service
- that is contentious in nature, or
- for any other reason described in the tender evaluation report.

A report is tabled on a quarterly basis providing Council with a list of Contracts that have been awarded under delegation by the Chief Executive Officer. The attached Quarterly Report - Contracts Register - is provided for information purposes.

### **Options**

This is an information report. Council can resolve to request further information.

### **Community Engagement and Internal Consultation**

#### Internal Consultation

- Chief Executive Officer
- Director Business and Performance
- Group Manager Procurement, and
- Contracts Officer.

### **Planning and Policy Implications**

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

### **Financial and Economic Implications**

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

### **Attachments**

1.  GIPA Contracts Register - February 2024



# 2 Your Community Life

## 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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**Item:** 11.01

**Subject:** PETITION - UNSAFE CONDITION OF CAR PARK, GREENBOURNE NURSERY, HIGH STREET, WAUCHOPE

**Presented by:** Community Infrastructure, Robert Fish

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### Alignment with Delivery Program

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

### RECOMMENDATION

#### That Council:

1. Note the petition received by residents in Wauchope regarding the carpark in front of Greenbourne Nursery High Street Wauchope.
2. Respond to the organiser of the petition with the outcome of Council's consideration in the matter.

#### Discussion

A petition was been received by Council on 6 December 2023 from Kristin Glessing on behalf of residents containing 388 signatures in relation to the car park in front of Greenbourne Nursery at High St, Wauchope.

The petition requested Council to "redevelop the car park to make it safe and usable". A copy of the petition is attached.

In accordance with Council's "Petitions Policy" at the time of the petition lodgement, petitions lodged with Council containing 100 signatures or more will be included in the agenda of the next available Ordinary Council Meeting where the agenda has not already been determined with a recommendation for notation.

The site has been assessed and staff have determined the carpark is considered serviceable in its current state. For context, maintenance was recently undertaken in 2023 in accordance with Council's adopted risk management and maintenance practices.

#### Background

The petition received is related to ongoing requests to maintain and upgrade the carpark in front of Greenbourne Nursery and other businesses at 239 High Street (Oxley Highway), Wauchope. The asset is currently recognised as a Council carpark, see Figure 1 below for an overview.



Figure 1 - Overview of Roads and Council Carpark Assets

The car park provides amenity for public usage whilst also serving as a support for businesses parking requirements.

Council has been actively maintaining this carpark since 2014 with various treatments. The most recent maintenance was undertaken in December 2023 and involved heavy patching, gravel placement and compaction on the unsealed sections and resurfacing of degraded areas.

Upon inspection and consideration of the site, no future works or renewal works are proposed as the carpark is considered to now be in sound condition and serviceable. Proposed future maintenance shall be undertaken as required in accordance with our current risk management, maintenance practices and service levels.

Alternatively, should the proponents wish for an improved standard they may consider upgrading the carpark to current standards via a development application or application to undertake works within the road reserve. It is noted that the carpark to the west was constructed as part of the adjoining development.

**Options**

It is recommended that the carpark is maintained in accordance with existing maintenance budgets. This would be limited to patching and sealing of the current pavement when it is deemed required as per Council’s adopted current risk management, maintenance practices and service levels.

Council may resolve as recommended or consider the below option:

1. Undertake pavement construction and sealing, including asphalt surfacing, for the area in question to match the existing carpark to the west.

The alternative option would require additional funds that are not currently allocated in the 2023-2024 Operation Plan budget and a funding source would need to be identified.

**Community Engagement and Internal Consultation**

Consultation has been undertaken with the below teams:

- Development Assessment team
- Engineering Development team

Council staff will continue to liaise with the business owners in accordance with the advice provided and direction taken as outlined within this report.

**Planning and Policy Implications**


There are no planning and policy implications should the petition be received and noted.

**Financial and Economic Implications**

There are no financial implications beyond current maintenance allocations for the actions as recommended within this report.

Alternatively, construction of the carpark area would require an allocation to perform the works as there is no current allocation for this purpose. This would be at a cost of the order of \$150,000-200,000. A lower cost rehabilitation option may exist, however would likely have a low service life requiring regular maintenance intervention.

**Attachments**

1.  Petition - The unsafe condition of the car park in front of Greenbourne Nursery High Street Wauchope



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**Item: 11.02**

**Subject: PORT MACQUARIE-HANDA SISTER CITY WORKING GROUP**

**Presented by: Community, Planning and Environment, Melissa Watkins**

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### **Alignment with Delivery Program**

2.5.1 Support cultural activities within the community.

### **RECOMMENDATION**

#### **That Council:**

- 1. Adopt the proposed operating arrangements for the Port Macquarie-Handa Sister City Working Group Charter, as outlined in the report.**
- 2. Endorse the membership of the Port Macquarie-Hastings Sister City Working Group, as outlined in the report.**
- 3. Note the valuable contribution to the Working Group by retiring Working Group member, Chantelle Perkins.**

#### **Executive Summary**

This report recommends new operating arrangements for the Port Macquarie-Handa Sister City Working Group and seeks Council's endorse for the membership of the Working Group.

#### **Discussion**

Council resolved in February 2022 to continue with the operation of the Port Macquarie-Handa Sister City Working Group. However, with the impacts of COVID-19 prior and to-date, there has not been a formal meeting of the Working Group and only limited school exchanges.

In April 2023, resolved to decline the invitation to attend the 2023 Handa Dashi festival in October 2023, however three community representatives did attend the Festival at their own expense.

Over the past few years, Council has undergone a number of staff changes and resourcing reviews. Despite this, Council still values the work and commitment of the Working Group in maintaining our sister City relationship with Handa.

Given these circumstances, we have been considering new ways for the Working Group to continue to operate, while reducing the resourcing required to operate a Council group such as this and have now determined that with the recent interest in the group with the recent visit to the 2023 Dashi Festival, it was timely to introduce a reset of the Working Group.



**Port Macquarie-Handa Sister City Working Group Operating Arrangements:**

Listed below are the proposed new operating arrangements for the Working Group:

**Key Functions**

*The key functions of the Port Macquarie-Handa Sister City Working Group are to:*

- *Maintain a positive mutually beneficial relationship between the Sister Cities of Port Macquarie and Handa.*
- *Keep Council abreast of upcoming opportunities to foster the mutually beneficial relationship between the Sister Cities of Port Macquarie and Handa.*
- *Assist in the delivery of any Sister City projects or events, as deemed appropriate by Council. All projects and events are to be aligned with Council's suite of Integrated Planning and Reporting documents.*
- *Provide an annual report to Council, via the Mayor, on the activities of the Working Group.*

*Note: The Working Group has no delegation to make decisions or allocate or commit funding on behalf of Council. The Working Group may make recommendations to Council (via the Mayor) in relation to the abovementioned objectives, however funding can only be committed following a formal resolution of Council.*

**Meetings**

*The Port Macquarie-Handa Sister City Working Group is an informal gathering of the members.*

- *Meetings notes of matters discussed will be reflected in any updates provided to the Mayor's office.*
- *Meetings of the Working Group shall be held at the discretion of the Working Group members.*
- *Meetings of the Working Group will not be attended or supported by Council staff.*
- *Representatives of the Working Group shall meet with the Mayor every six months to provide and update on activities of the Group.*
- *Any decisions of the Working Group shall be via consensus of the Group.*
- *Membership to the Working Group is to be endorsed by formal resolution of Council.*

**Spokesperson/Media**

*Members of the Working Group are not authorised to speak on behalf of the Working Group or Port Macquarie-Hastings Council. The Mayor is the Spokesperson of the Council.*

**Conflicts of Interest**

- *Members must declare any conflict of interests at the start of each meeting or before discussion of a relevant item or topic. Details of any conflicts of interest should be appropriately noted.*
- *Where members or invitees at Working Group meetings are deemed to have a real or perceived conflict of interest, it may be appropriate that they be excused from deliberations on the issue where the conflict of interest may exist and this is to be recorded in the notes of the meeting.*

***Port Macquarie-Handa Sister City Working Group Membership:***

The existing Working Group members have been canvassed via long-standing member, Mr Bruce Hardy, as to their interest in staying on as a Working Group member; the inclusion of the three community representatives (local teachers who speak Japanese and attended the Dashi Festival in 2023) and the inclusion of two community representatives who have expressed a desire to join the Working Group.

All existing Working Group members have expressed their desire to remain on the Working Group, except one member who has made the hard decision to step-down. All are in favour of the addition of the proposed new Working Group members.

Listed below are the proposed members of the Working Group:

**Existing Working Group Members:**

- Bruce Hardy
- Corbi Wentzell
- Patricia Johnson
- Noel Hoffman
- Mitch McKay
- Leanne Bryant

**Additional Working Group Members:**

- Bronwen Harder
- Dale Hastings
- Vanessa Gray
- Roselyn Winwood-Smith
- Andrew Plowright

**Retiring Working Group Member:**

- Chantelle Perkins

**Options**

Council could determine not to adopt the new operating procedures and proposed members of the Working Group or make an alternative suggestion.

**Community Engagement and Internal Consultation**

Consultation has occurred between the Mayor, Chief Executive Officer, Director Community, Planning and Environment and representative of the Working Group, Mr Bruce Hardy, regarding the proposed Charter and Working Group members.

Mr Hardy has liaised with the current Working Group in relation to the proposed operating procedures and membership. Given the informal nature of the Working Group and the minor changes proposed broader community consultation was not considered to be warranted in this instance.

**Planning and Policy Implications**

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

The Working Group has no delegation to make decisions on behalf of Council, however may make recommendations to Council (via the Mayor).

**Financial and Economic Implications**

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

The Working Group has no delegation to allocate or commit funding on behalf of Council. The Working Group may make recommendations to Council (via the Mayor), however funding can only be committed following a formal resolution of Council.

**Attachments**

Nil

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**Item:** 11.03

**Subject:** RECOMMENDED ITEMS FROM THE DECEMBER 2023 MEETING  
OF THE PORT MACQUARIE-HASTINGS SPORTING FUND

**Presented by:** Community, Planning and Environment, Melissa Watkins

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#### **Alignment with Delivery Program**

2.3.2 Provide a range of inclusive sporting and recreational opportunities and facilities to encourage a healthy and active lifestyle.

#### **RECOMMENDATION**

**That Council note the application to Port Macquarie-Hastings Sporting Fund considered at the December 2023 Sub-Committee meeting and endorse payment from the Fund of \$250 to Samuel Young for representation at the Pasifika Youth Rugby Cup.**

#### **DISCUSSION**

Port Macquarie Hastings Sporting Fund Sub-Committee met on 8 December 2023 to consider grant applications. The submission from applicant Samuel Young was determined to have met the funding criteria. Accordingly, the Sub-Committee recommends to Council the following payment from the Fund:

- Samuel Young - \$250 for attendance at the Pasifika Youth Rugby Cup held in Sydney in November 2023. It is noted this application was received before the event took place.

#### **Attachments**

Nil

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**Item: 11.04**

**Subject: DRAFT PLACES TO PLAY PLAN**

**Presented by: Community, Planning and Environment, Melissa Watkins**

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### **Alignment with Delivery Program**

2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities.

### **RECOMMENDATION**

#### **That Council:**

- 1. Place the draft Places to Play Plan on public exhibition for a period of not less than 28 days.**
- 2. Note that a further report will be tabled at a future meeting of Council, detailing the submissions received from the public during the exhibition period.**

#### **Executive Summary**

The Places to Play Plan was identified as an immediate priority, strategic planning project in Council's Recreation Action Plan 2023-2028.

The Places to Play Plan is a comprehensive strategy composed of various smaller plans and reviews combined, forming a unified and all-encompassing approach. This report introduces the Places to Play Plan with the publishing of the first sub plan; *Play Spaces Plan*.

This report provides details of the need for this Plan to determine 10 year works program for play and recommends that the draft Plan (Attachment 1) be placed on public exhibition.

#### **Discussion**

The Places to Play Plan serves as a key tool for effectively guiding the development, implementation and sustainable management of spaces and places throughout our region.

With over 380 hectares of public open space which includes parks, reserves, beaches and sport facilities, it is essential to have a well-designed plan that outlines a hierarchy of high-quality spaces and places. This plan not only ensures a variety of opportunities for diverse experiences but also ensures an equitable distribution of places to play across the region.

Given the changes in legislation, evolving community needs and expectations, and the ongoing urbanisation of the Port Macquarie-Hastings Local Government Area (LGA), it is imperative to plan for future needs. As such, regular reviews of the Plan will be necessary to adapt and accommodate these changes effectively.



A place to play is a designated area that facilitates different forms of play, both structured and unstructured. The Places to Play Plan encompasses:

- Play Spaces
- Outdoor Courts
- Sport Field Facilities
- Indoor and Aquatic Facilities
- Skate Parks
- Outdoor Fitness Equipment
- Water Access and Fishing Areas
- Off-leash Areas and Designated Dog Parks
- Community Gardens
- Walking and Cycling Areas

As noted above, the Play Spaces Plan applies to play spaces in public parks and reserves across the LGA. It includes those play spaces that are co-located with other recreation facilities such as sports fields and may include associated facilities such as outdoor courts, bike tracks, skate parks, outdoor fitness equipment and more.

Our play space network consists of all the play spaces within the Port Macquarie-Hastings LGA based on their geographical relationships and how they are interconnected at the local, neighbourhood, and regional levels.

Understanding the significance of this network is key to our plan. Each play space within the LGA offers distinct play experiences suitable for individuals of various ages and abilities. By recognising that these play spaces are interconnected and part of a larger network spanning our suburbs and neighbourhoods, we can strive for a fair distribution of diverse and inclusive areas.

Our goal is to ensure that every community within our region has access to play spaces with high play value and amenities, promoting equity and inclusivity across the board.

### **Options**

Council has the option to:

1. Adopt the draft Places to Play Plan as recommended for public exhibition; or
2. Seek further information or amend the draft Plan prior to placing on public exhibition.

This report recommends option 1 to proceed with community engagement on the draft plan.

### **Community Engagement and Internal Consultation**

*Ongoing Internal Consultation has occurred with;*

- Group Manager Liveable Communities
- Recreation and Open Space Planner
- Parks and Open Space Coordinator
- Education Coordinator
- Recreation & Community Initiatives Coordinator
- Recreation & Community Strategy Coordinator
- Asset Officer
- Community Engagement Officer
- Parks Technical Officer
- Graduate Landscape Architect
- Future Landscape Architect

**Planning and Policy Implications**

The Places to Play Plan Asset Management data will determine 10 years works program for play.

The adoption of the Places to Play Plan will be followed by a review of the Recreation Action Plan 2023-2028 priority projects.

**Financial and Economic Implications**

Projects identified in the Plan will be investigated for delivery from 2024-2025 onward and are subject to priority review and budget endorsement through subsequent Operational Plan development, they will be identified in the 10-year Works Program.

**Attachments**

1.  Draft Places to Play Plan

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**Item: 11.05**

**Subject: NOTICE OF MOTION - AUSTRALIA DAY**

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Councillor Adam Roberts has given notice of his intention to move the following motion:

**RECOMMENDATION**

**That Council request the Chief Executive Officer consider the inclusion of resources in the draft 2024-2025 Operational Plan and budget for the establishment and operation of an Australia Day Committee to plan and deliver activities and events associated with Australia Day.**

**Attachments**

Nil

# 3 Your Business and Industry

## 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

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**Item: 12.01**

**Subject: PROGRESS REPORT- SALE OF COUNCIL-OWNED LAND, LOT 1  
LAKE INNES DRIVE, LAKE INNES**

**Presented by: Business and Performance, Keith Hentschke**

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### **Alignment with Delivery Program**

1.5.4 Identify new commercially viable revenue sources.

### **RECOMMENDATION**

**That Council note the information contained within the body of this report.**

### **Executive Summary**

The information contained within this report provides Council with an overview of the sale of Council-owned land known as Lot 1, Lake Innes Drive, Lake Innes (Lot 1, DP 0827563).

Council at its November 2023 Ordinary Meeting, resolved to offer the property for sale by public auction as Council determined that the land was surplus to requirements. A public auction was successfully conducted on 2 December 2023 and the land sold for \$143,000.00 inc GST.

### **Discussion**

For reference, the November 2023 resolution item 14.01 is provided below:

*That Council:*

1. *Offer for sale by public auction the Council owned land known as Lot 1, Lake Innes Drive, Lake Innes (Lot 1, DP 0827563) at the value determined by the independent valuer report dated 24 October 2023 as Attachment 1.*
2. *Pursuant to Section 377 of the Local Government Act, delegate authority to the Chief Executive Officer to:*
  - a) *Negotiate with the highest bidder, if the best offer for Lot 1, DP 0827563 does not reach the market value recommended by Council's independent valuer, provided that in the opinion of the Chief Executive Officer, the highest bid received represents the best return for Council and achieves a minimum of 90% of the value determined by the independent valuer report dated 24 October 2023 as Attachment 1;*
  - b) *Sign the Contract for the Sale of Land at Lot 1, DP 0827563;*
  - c) *Sign the associated sale and transfer documents.*
3. *Direct the net proceeds of the sale of the land to the Property Reserve.*
4. *Request that the Chief Executive provide a progress report on the sale of the land back to Council in February 2024.*
5. *Maintain the confidentiality of the documents and consideration in respect of this matter.*



Following the November 2023 meeting, Council engaged a local Real Estate Agent to facilitate the public auction of Lot 1, Lake Innes Drive, Lake Innes.

The highest auction bid of \$143,000 inc GST was above the valuation amount contained in the market valuation report. The auction bid price therefore satisfied the minimum sale price requirements of the Council resolution (that the price achieves a minimum of 90% of the value listed in the independent valuer report).

Sale contracts were exchanged on 2 December 2023 and settlement occurred on 20 December 2023.

The net proceeds of the sale is \$134,667.34 (inc GST) after paying marketing, transaction fees and sales commission. These funds will be paid into the property reserve fund.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

The sale proceeds will be paid into the property reserve fund. There are no other financial and economic implications in relation to this report.

**Attachments**

Nil

# 4 Your Natural and Built Environment

## 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



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**Item:** 13.01

**Subject:** ANNUAL DRINKING WATER AND RECYCLED WATER REPORTS  
2022-2023

**Presented by:** Community Utilities, Jeffery Sharp

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### Alignment with Delivery Program

4.1.1 Plan, investigate, design and construct water supply assets ensuring health, safety, environmental protection and security of supply for the future growth of the region.

### RECOMMENDATION

**That Council note the information contained within this report regarding the quality performance of drinking and recycled water supplied to the community for the reporting period 1 July 2022 to 30 June 2023.**

### Executive Summary

Port Macquarie-Hastings Council manages five (5) water supply systems, Port Macquarie-Camden Haven, Wauchope, Comboyne, Telegraph Point and Long Flat areas, which supply potable water to the majority of residents. Council also manages the Port Macquarie Recycled Water Supply system, supplying recycled water to open spaces, sporting facilities and some businesses within Port Macquarie.

To manage the quality and safety of the supplied water, Council has in place both a Drinking Water Management System and a Recycled Water Management System. The systems are based on the NSW Guidelines for Drinking Water Management Systems and NSW Guidance for Recycled Water Management to ensure they meet the requirements of Public Health Act 2010 and Public Health Regulation 2012. The NSW Drinking Water Guidelines are based on the Framework for Management of Drinking Water Quality, as outlined in the Australian Drinking Water Guidelines 2011 (ADWG), with the NSW Recycled Water Guidelines being based off the Australian Guidelines for Water Recycling 2006.

Council works closely with the Northern NSW Public Health District Environmental Health Officers to ensure high quality and safe drinking water to our community. A part of this collaboration is an annual review workshop and a detailed quality performance report.

The report has been prepared to address the guideline requirements for continuous evaluation and review of Council's Water Management Systems and provides an annual review of the performance of its water supply systems, for the reporting period 1 July 2022 to 30 June 2023.

The annual review report for both the drinking water systems and Port Macquarie Recycled Water system for the reporting period 1 July 2022 to 30 June 2023 are attached for information, with operational staff’s names having been redacted.

It is acknowledged that throughout January 2024 there has been community concern regarding water quality within the Port Macquarie-Camden Haven water supply system. This concern is due to increased levels of naturally occurring micro-organism in the Port Macquarie dam causing changes to the taste and odour of drinking water. Geosmin and Methylisoborneal (MIB) are the compounds, produced by the micro-organisms, responsible for the changes, and are being produced in higher quantities due to an increase in the air temperature - resulting in higher water temperatures in Port Macquarie Dam. The compounds are non-toxic, and present aesthetic changes only to the way water tastes and smells.

The aesthetic guideline value outlined in the Australian Drinking Water Guidelines for MIB and Geosmin is 10 nanograms per litre. The weekly recorded values of MIB in the Port Macquarie Dam from 19 December 2023 was <1, and through January 2024 on the 3<sup>rd</sup>, 9<sup>th</sup>, 16<sup>th</sup> and 23<sup>rd</sup> have respectively been 6, 23, 34 and 25 nanograms per litre.

As this increase in MIB and Geosmin has occurred outside the reporting period for this report, more information will be provided in the next quality review report.

**Discussion**

Potable Water:

Water quality performance is monitored through operational and laboratory testing. Exceptions in drinking water quality are measured as performance against the Australian Drinking Water Guideline (ADWG) limits and Critical Control Points (CCP), as listed in the management system, for each supply system that are based on the ADWG limits and outlined in the report.

The table below summarises the water quality performance for all drinking water supplies systems Council manage:

Supply System	Volume of Water Supplied (ML) and the percentage it accounts for in the entire council supply system	CCP Exceedances	ADWG Exceedances
<b>Port Macquarie - Camden Haven</b>	5338 (81%)	4	10
<b>Wauchope</b>	1188 (18%)	4	4
<b>Comboyne</b>	13.2 (0.2%)	0	0
<b>Long Flat</b>	11.6 (0.18%)	0	0
<b>Telegraph Point</b>	35.9 (0.55%)	0	0

The majority of ADWG exceedances in the Port Macquarie-Camden Haven system were due to the detection of Total Coliforms (5 exceedances), with the others being high pH (4 exceedances) and an E.coli detection (1 exceedance) . The exceedances in the Wauchope system were again due to the detection of Total Coliforms.





It should be noted that no guideline value has been set for Total Coliforms in drinking water in the ADWG. However, it is used as an indicator and based on recommendations from NSW Health, a nil detected value has been set for the Port Macquarie Hastings Systems. This allows any detection or increased concentrations to be investigated as Total Coliforms likely indicate bacteria growth in the system.

The E.coli detection was within the recitation network at Herons Creek. Whenever E.coli is detected, an investigation and resample is undertaken. The investigation determined that the chlorine residual was appropriate, the issue wasn't wide spread and the resample didn't detect any further E.coli. Therefore, it was concluded the detections were likely caused by a sampling error.

The CCP exceedances for the Port Macquarie-Camden Haven system were due to high turbidity readings and continuous low fluoride readings. The CCP exceedances for the Wauchope system were due to a period of low fluoride level readings, a low residual chlorine reading and a Hastings River raw water high turbidity reading.

Another key aspect of water quality performance monitoring is customer feedback. For the drinking water supply systems Council received 192 complaints as outlined in the below table within the reporting period, this is down from the previous reporting period of 254.

Supply System	Dirty	Air or Cloudy	Taste & Odour	Illness	Leaks	Loss of supply	Other	Annual Total
<b>Port Macquarie/Camden Haven</b>	97	1	10	2	17	18	33	178
<b>Wauchope</b>	1	1	0	0	4	3	5	14
<b>Comboyne</b>	0	0	0	0	0	0	0	0
<b>Telegraph Point</b>	0	0	0	0	0	0	0	0
<b>Long Flat</b>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>98</b>	<b>2</b>	<b>10</b>	<b>2</b>	<b>21</b>	<b>21</b>	<b>38</b>	<b>192</b>

Council experienced a total of 98 complaints for dirty water during the reporting period which accounts for majority of the complaints. Investigations were carried out for every complaint. Out of all the complaints for dirty water, most were due to reasons unknown, and the issue seems to resolve itself after a period of flushing of the mains. Some of the dirty water complaints were also due to internal plumbing, scheduled maintenance issues and following the mains cleaning program (ice pigging).

Most of the dirty water and taste and odour complaints were from the Port Macquarie - Camden Haven supply system which is an unfiltered supply. The unfiltered water at times will exceed best practice of 2 NTU for turbidity and the ADWG guidelines of 5 NTU. Sediment can accumulate over time in the reticulation system and this is managed by regular flushing and cleaning of the mains.

The construction and commissioning of the bulk water filtration water treatment plant at Cowarra Dam, which is on schedule to be completed in 2027, will result in the Port Macquarie-Camden Haven supply becoming a filtered supply. This will significantly improve the quality of water supplied and mitigate the build-up of sediment in the mains over time.





**Recycled Water:**

There are no specific guidelines which specifies the recycled water quality in the reticulation network like there is under the ADWG for drinking water. However, Council has implemented the following targets:

**Summary of Recycled Water Quality Targets for reticulation**

<b>Parameter</b>	<b>Specifically</b>	<b>Targets</b>
Bacteria	E. coli	<1 per 100 mL
	Total Coliforms	<1 per 100 mL
Indicator for Cryptosporidium	Clostridial Spores	<1 per 100 mL
Turbidity	NTU	<2 NTU
Acidity/Alkalinity	pH	6.5 – 8.5
Disinfection	Free Chlorine	Between 0.2 –0 5 mg/L at point of use (in reticulation)

Based on these quality targets, Council recorded 28 exceedances within the reticulation system, with 7 exceedances with high pH and 21 exceedances of low free chlorine readings.

There were no complaints recorded during the reporting period for the Port Macquarie Recycled Water Supply system.

Detailed quality performance information for the Drinking Water Supply systems and the Port Macquarie Recycled Water system for the 2022-2023 reporting period are included in the attached reports, with operational staff’s names having been redacted.

Overall, the reports indicate that Council supplied safe and high-quality drinking water and recycled water to our community.

**Options**

This report is for information and noting. Council may resolve to request more information as required.

**Community Engagement and Internal Consultation**

No specific community engagement or internal consultation was undertaken regarding this report.

Council staff held a workshop discussion with NSW Health, North Coast Public Health District staff on the draft water quality reports prior to their finalisation.



**Planning and Policy Implications**

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

**Financial and Economic Implications**

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

**Attachments**

1.  Drinking Water Management System Annual Report 2022 - 2023 Final
2.  Recycled Water Management System Annual Report 2022 - 2023 Final

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**Item:** 13.02

**Subject:** POLICY REVIEW - WASTE SERVICES POLICY

**Presented by:** Community Utilities, Jeffery Sharp

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### **Alignment with Delivery Program**

4.1.7 Develop and implement effective waste management strategies.

### **RECOMMENDATION**

#### **That Council:**

- 1. Place on public exhibition the draft Waste Services Policy 2024, commencing as soon as practicable for a minimum of 28 days.**
- 2. Note that a further report will be tabled at a future Ordinary Council meeting, detailing the submissions received from the public during the exhibition period.**

#### **Executive Summary**

The attached draft Waste Services Policy 2024 provides a legislative and consistent framework for provision of waste services across the Local Government Area (LGA).

This is a new Policy but includes the details of the previously adopted Developments, Public Place and Events Waste Minimisation and Management Policy. If the Draft Waste Services Policy 2024 is adopted then the Developments, Public Place and Events Waste Minimisation and Management Policy will be rescinded.

#### **Discussion**

Port Macquarie-Hastings Council (Council) does not currently have an adopted Waste Services or Waste Management Policy. The Developments, Public Place and Events Waste Minimisation and Management Policy was adopted in 2020. This current policy only covers the specific waste services relating to developments, public places and events and therefore doesn't cover the broader provision of waste service across the LGA.

Council is committed to supplying high level of services for collection and management of waste from local residential and commercial properties, as well as public places and events conducted within the LGA. Waste services apply to the majority of the LGA, and though there has been no formal Policy, the delivery of these services has been of an ongoing high standard for many years. This document provides a formally adopted position for waste staff to ensure that these measures are being consistently applied in a way that supports Council's vision and objectives in relation to waste management and minimisation.

The Policy outlines the legislative requirements for Council as well as the objectives planned to support Council in achieving the adopted vision to be the most liveable, sustainable and innovative place in Australia.

The Waste Services Policy includes collection service requirements and obligations, use of waste disposal facilities, applicable waste fees and charges, requirements for new properties and developments within the LGA and waste management requirements for events conducted within the LGA.

This Policy applies to Council activities, Council staff, ratepayers and all those in the community accessing Council's waste services and facilities.

**Options**

Council has the option to resolve in line with the recommendation and place these draft policies on public exhibition or Council can request further amendments be made prior to exhibition.

**Community Engagement and Internal Consultation****Planning and Policy Implications**

The adoption of this Policy post-exhibition would provide Council a formal policy position relating to waste services and management.

**Financial and Economic Implications**

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

**Attachments**

1.  Draft Waste Services Policy 2024

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**Item:** 13.03

**Subject:** SETTLEMENT POINT FERRY OUT OF WATER INSPECTION AND MAINTENANCE (SLIPPING)

**Presented by:** Community Infrastructure, Robert Fish

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### Alignment with Delivery Program

4.4.2 Develop and implement annual maintenance and renewal programs for transport assets.

### RECOMMENDATION

**That Council note the information in the Settlement Point Ferry Out of Water Inspection and Maintenance (Slipping) report.**

#### Executive Summary

This report provides an update following completion of the mandatory out of water inspection (slipping) and maintenance of Settlement Point Ferry undertaken between October and December 2023.

#### Discussion

At the Ordinary Council Meeting held on 16 June 2023, Council resolved the following:

*That Council:*

- 1. Note the actions planned for the Out of Water Inspection and Maintenance (Slipping) of the Settlement Point Ferry.*
- 2. Under the extenuating circumstances provision of s.55(3)(i) of the Local Government Act 1993, not invite open tenders for the Out of Water Inspections and Maintenance (Slipping) of Council's ferries due to the remoteness of locality. The reason being that a satisfactory outcome to address the inspection and maintenance programs will not be achieved as there is only one provider in the local government area with the appropriate capacity and capability.*
- 3. Undertake single select procurement processes with Birdon Pty Ltd to provide quotations to undertake the Out of Water Inspection and Maintenance (Slipping) of Council's ferries in accordance with the inspection program.*
- 4. Note that the Chief Executive Officer, under existing delegations to the General Manager, may enter into a contractor following successful negotiations with Birdon Pty Ltd Out of Water Inspection and Maintenance (Slipping) of Council's ferries and present a further report to a future meeting of Council on completion of the works for Council's information.*

This report seeks to address item 4 above.



### Contract Award and Work Delivery

Following the resolved single select procurement process with Birdon Pty Ltd (Birdon), a contract was entered into with Birdon on 1 August 2023 for the required repair and maintenance slipping. As has historically occurred, the slipping was programmed with Birdon to occur immediately following the September/October school holiday period as this typically provides favourable weather conditions to undertake the required work and to ensure the ferry was not out of service in a school holiday period.

Settlement Point Ferry was taken out of service on Tuesday 10 October 2023, and returned to service on Monday 18 December 2023. The slipping program experienced delays due to frequent unfavourable wet weather during November and early December and unforeseen maintenance issues following dismantling of the vessel requiring a significant expansion in the scope of work. It was initially anticipated the slipping program would take approximately 6 weeks to complete, which expanded to being 10 weeks. It can be difficult to predict an accurate timing schedule to complete a slipping program. Program estimates are generally based on past experience and understanding of the likely scope of works. During the slipping period, periodic updates were provided to the community on the planned return to service date.

A ferry slipping is a significant undertaking and requires considerable planning and coordination in the lead up, out of service, slipping and return to service phases to manage operations. Aside from various means of communications for the purposes of notification, during the slipping period arrangements were put in place to assist in mitigating the impacts of the Settlement Point Ferry being taken out of service. These included:

- Relocation of Hibbard Ferry to Settlement Point to operate on a 24-hour basis;
- Operation of a mini bus service during morning and afternoon periods to assist in managing access to the ferry by school children and other users who may opt to travel as pedestrians rather than using their vehicle;
- Provision of lighting and security patrols at Settlement Point to support residents choosing to leave vehicles parked and cross on the ferry as a pedestrian;
- Servicing of the Hibbard Ferry at night and while operational;
- Marine Rescue being on stand-by or in support during periods of ferry outage, including for the times the ferry was removed from service and returned to service;
- Informing emergency services of arrangements during the slipping period and providing routine updates; and
- Routine domestic garbage collection services arranged for early morning prior to higher ferry demand.

### Scope of Works

In order to obtain a renewed Certificate of Survey to continue operations, specific compliances are set by Australian Maritime Safety Authority (AMSA) that must be met and certified by an AMSA appointed Marine Surveyor. This includes hull repainting with a specification that will achieve protection for a five-year cycle. Under

legislation, out of water inspection cycles are normally twice in five years. Council holds a specific exemption which allows for a one in four-year inspection. While the exemption provides many benefits to Council and continuity for the ferry service operation, it should be noted the accelerated damage that occurs by leaving the ferry in the water for four years continuously and the additional costs this generates at the time of slipping.

In advance of the slipping program, Council's Fleet Services staff developed an initial scope of works through visual inspection and use of historical information of works that cannot be inspected until the vessel is placed on the dry dock and dismantled. The scope of works also incorporated additional works identified by an AMSA surveyor following an annual safety and compliance inspection. The total scope of works estimate was \$784,929 GST exclusive.

Under the contract, there are provisions for the scope of work to be altered and additional work added after the ferry is placed on the dry dock, pressure washed, cleaned and dismantled. Additional work occurs during every slipping program, however this differs depending on the components of the ferry that are affected. This has previously ranged in value from \$80,000 to \$300,000.

With the Settlement Point Ferry now reaching an age of 17 years (commissioned in 2007), higher than normal deterioration of many components was identified during this slipping program as many components had reached the end of their useful life requiring replacement or rehabilitation. In this instance there is little option other than to complete the works to prevent major damage that would be exposed at the next four-year inspection, or that may result in unplanned maintenance being required whilst in operation due to failure.

The additional work during this slipping period identified during dry dock inspection predominantly related to:

- Sand blasting back to bare metal and painting for the full main deck area need identified following pressure washing;
- Replacement of various connection points, plates and pins as a result of wear identified following disassembly;
- Reinstatement of galvanising on various components to address corrosion potential identified following disassembly; and
- Hydraulic component replacement following disassembly of mechanical components.

The extent of additional works as a result of corrosion, deterioration and wear subsequently increased the length and cost of the slipping program. An additional cost under the contract of \$359,232 was incurred to perform these works. Accelerated deterioration of paint applications and galvanised components around the ferry deck is believed to be caused by the 2021 flood event in which the deck was submerged for extended periods.

The additional works required under the first 2 dot points listed above impacted the planned program considerably. Sand blasting and painting of the main deck could not occur until required hot work had occurred to reattach connection points and plates across the deck area, and the additional area requiring sand blasting and painting required additional time to perform. Additionally, extended wet weather periods at a

critical phase in the program delayed sand blasting and painting applications, which require optimum conditions to be applied.

### Future Program Considerations

#### *Financial and Work Program Contingency*

Additional works are encountered during each slipping program, as the full extent of works is unknown until the vessel is taken out of the water and inspected on the dry dock. Increased cost contingencies should be considered when budget allocations are set to ensure sufficient funds are allocated for future programs. Similarly additional contingency in the work program shall be made in communications distributed, or advice provided that an indicative return to service date will not be provided until the ferry has been disassembled and inspected.

#### *Hibbard Ferry Relocation to Settlement Point*

Access to the North Shore via ferry service remained in place for the duration of the slipping program, with the exception of brief periods when removing from and returning to service, one breakdown and an occasion when the ferry could not be dislodged from the ramp. Hibbard Ferry was relocated to Settlement Point, where it operated 24/7 for the duration of the slippage. Such arrangements would continue in future.

#### *Parking and Shuttle Bus Service Provisions*

North Shore residents had the option to park their vehicles on the south side, under increased security watch and lighting to reduce traffic congestion on the ferry. This worked well with approximately 50-60 vehicles parked for the majority of the program, higher than for previous slipping periods. It is recommended to continue with this option for future programs.

A shuttle bus service was provided on the north side to predominantly assist with morning and afternoon school bus service connection. This worked well for movement of school children and for the peak commuter periods. Any use outside of those times was very low to nil. Continuation of this service during future slipping periods is planned to occur.

#### *Ferry Capacity and Downtime*

Increased community and media focus on vehicle queueing times occurred towards the end of the program. A review of service hours and statistics identified Hibbard Ferry was operational 99.4% of the time, with one electrical fault resulting in 1.5 hours of downtime and the ferry was stuck on the ramp overnight for approximately 8 hours before an incoming tide allowed for refloating of the ferry. It is noted that thorough maintenance and inspection of the Hibbard Ferry occurred prior to changeover to minimise the risk of downtime.

Traffic movements were generally busiest between 7.00am - 9.00am, with 30 instances arising where vehicles were left on bank resulting in waiting times of two return trips or more. Overall, 80% of vehicles had nil waiting time (i.e. they were serviced by the next crossing). This is considered an appropriate level of service given the circumstances and the frequency that slipping of this ferry is required.

Part of this focus also related to the time of year that slipping of the Settlement Point Ferry occurs, with suggestion provided that future slipping occur during winter months. The current October to December period is chosen so as to avoid school



holidays and to be able to perform the work during months of higher temperature and lower humidity and chance of rain. This enables the work to be performed to the highest standard (of importance given the four year slipping cycle Council operates under) and shortest duration. Undertaking the work at other times would provide for a higher risk of moisture absorption into the metal and moisture being retained under paint coatings, thereby reducing service life of the application. Due to temperature impact and management of moisture, an additional 2 weeks (approximately) would be required to perform the maintenance work during winter, lengthening the period of impact and further risking being unable to complete the work between school holiday periods. In addition, the extra time to perform the work and required docking period would result in a higher cost for each slippage period. During winter the length of day that work may be performed is also reduced due to available light. Accordingly, no change to the period of slipping is planned.

It is noted that some residents have questioned the need for a secondary/spare ferry during slipping periods to enable the two services to continue and provide for ferry access in the event of an emergency. However, this is not financially viable and is not considered necessary given the current level of service provided. Enquiry did occur with Transport for NSW with regard to a spare TfNSW ferry being available from the Hawkesbury catchment, however their spare ferry is routinely used for periods of slipping of their own ferries and provides redundancy to be brought into service during periods of any breakdowns they may have. In addition moving a ferry by ocean is an exercise of high risk and cost, and any delays would impact program. Emergency response agencies are required to put into place contingency arrangements during any unplanned outage, such as road access from the north via Maria River Road.

#### *Fare Collection*

Request was also received from within the community with respect to an additional staff member on the ferry to collect fares. For this to occur 3 staff of Council's ferry contractor would be required to be positioned on the ferry during day hours. 2 operators are required with respect to maintaining the required breadth of vision managing the safe operation of the ferry. If fares were to be collected on board an additional staff member would be required. It is noted that the contractor also requires a staff member for the hours that the shuttle bus service operates. Whilst in theory there may be merit to this proposal, it is noted that the majority of ferry users hold concessional passes so cash or card transactions are not required, meaning the actual benefit may only be very minimal. A future consideration may be that the additional staff member be put in place in December in the event a slipping program is still occurring on approach to the school holiday period given cash or card transactions are likely to increase at that time. Further consideration of this benefit shall occur prior to the next programmed slipping of the Settlement Point Ferry in 4 years.

#### **Options**

This report is provided for information only in accordance with part 4 of the resolution of Council at the June 2023 Ordinary Meeting.

#### **Community Engagement and Internal Consultation**

Initial communication to residents included a mail out to North Shore residents, flyer distribution on the ferry and Variable (Electronic) Message Sign Boards (VMS). In

addition communications were also provided to emergency management agencies through various avenues. During the slipping period, Council provided regular email updates to the Northside Progress Association, and further updates through social media platforms and via the SMS notification system to subscribed users.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

\$900,000 was allocated in Council's 2023-2024 Operational Plan for Settlement Point Ferry - Major out of water inspection. The initial cost estimate for the slipping maintenance work to be performed under the contract was \$784,929. Council staff or other material/service costs are additional costs incurred to perform the required works during the slipping period. Additional contract costs during the slipping program of \$359,232 brought the total slipping program cost to \$1,232,623. The additional costs were funded through the ferry reserve, with the budget adjustment reported to the December 2023 Ordinary Meeting of Council.

It should be noted that if the additional works were not carried out during this slipping period, it could have resulted in escalated costs during the next slipping maintenance period, with potential for the ferry to remain out of service for an extended period for the maintenance works to be performed. It would also risk the potential for unplanned outages as a result of component failure impacting the service provision.

**Attachments**

Nil



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Item: 13.04

Subject: PORT MACQUARIE HASTINGS COUNCIL KOALA ACTION PLAN  
2023

Presented by: Community, Planning and Environment, Melissa Watkins

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### Alignment with Delivery Program

4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area.

### RECOMMENDATION

#### That Council:

1. Note the information contained in the report and submissions received.
2. Adopt the Port Macquarie Hastings Koala Action Plan 2023 which replaces the Recovery Actions listed in Table 1 of the Koala Recovery Strategy 2018.

#### Executive Summary

At the Ordinary Council Meeting on 16 November 2023, Council resolved as follows:

#### *That Council:*

1. Note the Council Koala Plan of Management reviews for King Creek, Area 13 and Area 14 and their associated recommendations and actions.
2. **Endorse the draft Port Macquarie-Hastings Council Koala Action Plan 2023 for the purpose of public exhibition for a period of not less than 28 days.**
3. Write to the Minister for the Environment, the Honourable Penny Sharpe before the end of this year 2023, as a response to the details provided in this report, to advocate for:
  - i) The finalisation of State Environmental Planning Policy (Biodiversity and Conservation 2021) Chapters 3 and 4 Koala Habitat Protection into one chapter so it applies to all land and has the same koala use trees and definition of core habitat.
4. Request the Chief Executive Officer consider for inclusion in the draft 2024-2025 Operational Plan, a Virtual Fencing Trial in the Port Macquarie Hastings Local Government Area as a Hotspot Road-strike Prevention Action.
5.
  - i) Note that each of the Port Macquarie-Hastings Council Community Plans identify a value of conservation, protecting and enhancement of our natural environment.
  - ii) Request the Chief Executive Officer consider for inclusion in the draft 2024-2025 Operational Plan, the development of education material, for the purpose of a community education campaign, on the negative effects of Native Vegetation Land-clearing, including the negative impacts this is having on our koala population specifically, and of the positive benefits that can come, including any current financial incentives, from having a good understanding of the Land Management Framework and implementing sound Native Vegetation Management Practices.

6. Request the Chief Executive Officer consider for inclusion in the draft 2024-2025 Operational Plan, a collaborative joint-project between Port Macquarie-Hastings Council and Koala Conservation Australia to pursue an urban koala population survey program.

This report details the results of point 2 above and confirms that a letter was sent to the Minister of the Environment (point 3) on 14 December 2023 requesting finalisation of State Environmental Planning Policy (Biodiversity & Conservation 2021) Chapters 3 and 4 Koala Habitat Protection into one chapter.

The Draft Port Macquarie-Hastings Council Koala Action Plan 2023 (PKAP) was placed on public exhibition from 20 November 2023 until 21 December 2023 (31 days). During that time, 148 people visited the page, 81 participants downloaded the document and seven engaged in the survey. Council also received one hard copy and two email submissions during the exhibition period and one late email submission on 6 January 2024 resulting in an overall total of 11 submissions.

Key findings found that two main themes dominated submissions with:

- 73% of respondents concerned about the decline of koala habitat as a result of development, and
- 55% supporting community education initiatives.

Development of the PKAP addresses Operational Plan 2023-2024 item NRM14

ES1.1. Actions within the publicly exhibited PKAP include:

- Advocacy for the finalisation of State Environmental Planning Policy (Biodiversity and Conservation 2021) Chapters 3 and 4 Koala Habitat Protection into one chapter, so it applies to all land and has the same koala use trees and definition of core habitat;
- Further studies and monitoring within Area 13 Thrumster and Area 14 Bonny Hills - Lake Cathie study areas regarding koala populations and their movements;
- Community Education Campaign for koala protection concerning pools, dogs and road strike, as well as the installation of signage as per the KPOM requirements;
- Investigations into appropriate zoning of habitat linkages and buffers and the on-going protection of identified *Core Koala Habitat*; and
- Increased scrutiny and controls for any development or activities within or adjacent to *Core Koala Habitat* areas.

As a result of the submissions, the only change to be incorporated into the PKAP is a slight wording change regarding school education programs. This has now been clarified to ensure the on-going support of current State funded initiatives, and that Council's upcoming community education program, wherever appropriate, compliment such programs.

Having undergone corporate design and given the small wording amendment, this report recommends the adoption of the Port Macquarie-Hastings Koala Action Plan 2023 (Attachment 1).

**Discussion***Timeline of Koala Action Plan development*

At the Ordinary Council Meeting on 17 March 2022, a full review of the Koala Recovery Strategy 2018 was presented which analysed the 26 actions it contained. The review found that the majority of actions (62%) were unachievable as they were:

- a) based on the successful adoption and ratification of the Comprehensive Koala Plan of Management (CKPoM) (7 actions),
- b) beyond the scope of Council's resources (3 actions) or
- c) fell outside of Council's remit (6 actions).

As a result of the review Council resolved as follows:

*That Council:*

1. *Note the Koala Recovery Strategy Review outcomes.*
2. *Endorse the development of an updated Draft Koala Recovery Action Plan to be presented to the June 2022 Ordinary Meeting of Council.*
3. *Request the Chief Executive Officer to provide a Workshop to Councillors prior to the June 2022 Ordinary Meeting of Council.*

*NSW Koala Strategy & Private Native Forestry*

Between March and June 2022, the NSW Koala Strategy was released (14 April 2022) and the Private Native Forestry (PNF) code came into force (2 May 2022). This deferred both the workshop and development of the Koala Action Plan by Council resolution on 16 June 2022, until further information could be presented regarding the status of both.

Councillors were presented with a workshop prior to the Council Ordinary meeting on 17 November 2022 which proposed opportunities for funding through the NSW Koala Strategy regarding Road Strike Mitigation and Koala Habitat Mapping. Council's resolution of a written commitment to utilise the Koala habitat mapping in a local planning instrument resulted in \$515K of funding under Pillars 2 and 3 of the NSW Koala Strategy.

While both funding streams through the NSW Koala Strategy were initially under a media embargo, the Koala Road Strike project under one of those deeds was delivered and officially commissioned on 26 September 2023. Installed by Council, 12 Vehicle Activated Signs (VAS) are now active across six priority hotspots within our LGA, with further road strike mitigation to come. While the NSW Koala Habitat Mapping project has been initiated with expressions of interest going out in December 2023 for the Koala Advisory Committee to relative community groups and stakeholders. To date, acceptance responses have been received from local Landcare groups, Koala Conservation Australia, NPWS, Local Land Services and First Nations community.

*Council Koala Plans of Management Reviews*

In the same timeframe, Operational Plan 2022-2023 item NRM21.1\_ES 1.1 Koala Plans of Management (KPoM) Compliance - Monitoring Program was underway involving a comprehensive review of three KPoMs under Council jurisdiction. Developed as a result of planning proposals to rezone land, the Area 13 Thrumster,

Area 14 Lake Cathie / Bonny Hills and Kings Creek KPoM reviews provided critical information for inclusion into the proposed Koala Action Plan.

At the 16 November 2023 Ordinary Council Meeting the Port Macquarie-Hastings Council Draft Koala Action Plan 2023 (PKAP) was presented alongside the three formal reviews of Council controlled Koala Plans of Management (Area 13 Thrumster, Area 14 Lake Cathie / Bonny Hills and Kings Creek) in support. As a result, the PKAP was placed on public exhibition from 20 November 2023 until 21 December 2023 (31 days) and all three reviews are now available on Council's website.

Notable results from the reviews include the persistence of koalas in *Core Koala Habitat*:

- ✓ within the largest undeveloped lots across the north and south of Area 13
- ✓ adjacent to Lake Innes Nature Reserve in Area 14
- ✓ on one private lot in King Creek, indicating generational persistence of nearly 40 years.

Within Area 13 and Area 14, non-compliance centred on the provisions regarding monitoring and reporting, habitat linkages and corridors, community education and signage. While Kings Creek met the zoning provisions and buffer illustrating the importance of appropriate zoning and only requiring some new signage for compliance actions.

As such, the proposed PKAP captures and includes each non-compliance issue for delivery as part of the current Operational Plan 2023-2024 budget as well as:

- five operational actions for koala road strike including an on-going Operational Plan deliverable;
- details of nine strategic actions to deliver future proofing including Operational Plan deliverables until 2026; and
- a commitment to eight engagement and collaboration actions with an on-going community engagement plan alongside annual reporting.

### Community Engagement and Internal Consultation

Public exhibition of the PKAP was undertaken from 20 November 2023 until 21 December 2023 (31 days). Receiving 148 page visits and 81 downloads, it obtained 10 formal submissions comprising seven through "Have your Say" survey, two emails and one hard copy. In addition, Council received a late submission on 6 January 2024 which has been included within the Engagement Summary report (**Attachment 2**) for completeness, totalling 11 submissions overall.

Key findings (Table 1) from the submissions found that two main themes dominated with:

- 73% of respondents concerned about the increasing loss of koala habitat as a result of development and
- 55% supporting community education initiatives.



**Table 1: Submission Summary**

Submission	Key theme	Comment	Action
1	Education - dogs & pools	Within PKAP	noted
2	Habitat loss/development	Limited to controls within legislation	noted
3	Support - build community knowledge	Within PKAP	noted
4	Increase habitat/gene pool	Within PKAP	noted
5	Habitat loss/lack of action	Limited to controls within legislation	noted
6	Support / habitat loss / education / fencing / cats	Within PKAP	Noted / consider cats in future policy recommendations.
7	Education / signage / dogs / logging / climate change / habitat loss	Within PKAP	noted
8	Habitat loss / strategic planning	Within PKAP	noted
9	Habitat loss	Within PKAP	noted
10	School education program	Within PKAP	Minor amendment to clarify wording.
<b>Late submission</b>			
11	Lack of engagement with KCA / Corridors & linkages / endorse koala smart / monitoring & reporting / strategic planning initiatives / prioritise actions in the PKAP	Within PKAP	noted
	Review LEP / KPOM approach / review DA offsetting & Development Contributions / control PNF harvesting / form a working group.	Outside scope of PKAP	



**Planning and Policy Implications**

The PKAP is intended to replace the Recovery Actions listed in Table 1 of the Adopted Koala Recovery Strategy 2018

**Financial and Economic Implications**

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

**Attachments**

1.  Draft Koala Action Plan 2023
2.  Koala Action Plan 2023 Engagement Summary Report



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Item: 13.05

Subject: LAKE CATHIE NATURAL RESOURCE MANAGEMENT MONTHLY  
UPDATE REPORT

Presented by: Community, Planning and Environment, Melissa Watkins

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### Alignment with Delivery Program

4.2.1 Develop and implement coastal, estuary, floodplain, and bushfire management plans.

### RECOMMENDATION

**That Council note the progress of natural resource management projects/initiatives within the Lake Cathie, Lake Innes and Cathie Creek waterways and progress on the Coastal Management Program.**

### Executive Summary

This report provides an update on Lake Cathie/Lake Innes/Cathie Creek waterway natural resource management projects/initiatives and the progression of the Coastal Management Program (CMP) that have occurred since the previous report was presented to the December 2023 Ordinary Council Meeting.

Works currently being undertaken and outlined in this report include:

1. Hydrodynamic Model of Lake Innes, Lake Cathie and Cathie Creek
2. Bundella Avenue Asbestos Remediation Works
3. Sensitive Receptors - Catchment Management: Bushfire Affected Coastal Waterways Project
4. Dredging Lower Cathie Creek
5. Coastal Recreational User Needs Analysis
6. Coastal Hazard Assessment and Coastal Vulnerability Assessment Mapping Project
7. Review of the Opening Strategy
8. Invasive Weed Management
9. Development of Other CMP Chapters
10. Other Projects

### Discussion

The following provides an overview of the progress since the last monthly report detailing Council projects and initiatives within the Lake Cathie, Lake Innes and Cathie Creek waterway, as well as other projects and initiatives related to the development of the CMP.

### 1. Hydrodynamic Model of Lake Innes, Lake Cathie and Cathie Creek

Staff from Council and NSW DPE have completed a detailed review of the draft report associated with the updated Hydrodynamic model of Lake Innes, Lake Cathie and Cathie Creek. Staff from Royal HaskoningDHV are currently reviewing the feedback and preparing the final draft version of the report for staff and DPE review and acceptance.

Following finalisation of the report, Council staff and Royal HaskoningDHV representatives will prepare a detailed briefing for Councillors prior to the final results being reported to Council.

### 2. Bundella Avenue Asbestos Remediation Works

Council and NSW Crown Lands have committed to share the cost of remediating the section of embankment off Bundella Avenue known to contain illegally dumped historic Asbestos Containing Material, given the contamination has been identified across both Council and Crown Land tenure.

In January 2024, staff from NSW Crown Lands indicated to Council staff that they will share the cost of remediation, which is \$252,266 for each party. Council staff and staff from NSW Crown Lands are currently in the process of engaging Soil Conservation Services to undertake the remediation of the site. Soil Conservation Services have previously completed the first stage of the project which involved the development of safety and environmental documentation associated with undertaking the proposed remediation works at the site.

The proposed remediation works will involve the removal of the top 500mm of surface material from the embankment at the eastern end of Bundella Avenue, Lake Cathie. The material will be transferred to Cairncross Waste Management Facility. A separation layer will be installed across the works and topped with sand sourced from the berm immediately north of the works site. The area will then be landscaped and revegetated.

It is currently proposed to commence site works after Easter school holidays. Council staff will commence community engagement once Soil Conservation Services have been engaged.

### 3. Sensitive Receptors - Catchment Management: Bushfire Affected Coastal Waterways Project

Results from the report '*Assessing the Impacts of Drought and Bushfire on the Lake Innes / Cathie ICOLL*' by Soil Conservation Services (2023), as well as Rhelm's Water Quality Monitoring Plan indicated water quality impacts within the shallow embayment's of Lake Innes / Lake Cathie waterway. Accessing these shallow embayments is very difficult given the remoteness of the embayments, the lack of access by land and the shallowness of the waterway not allowing access by boat. To avoid potential health and safety impacts, Council staff have ordered a drone attachment with contributions from DPE to collect water samples. This attachment is expected to be available to Council by early 2024 and will allow Council staff to monitor these inaccessible impacted areas and allow more informed management decisions about the waterway.

#### 4. Dredging Lower Cathie Creek

Dredging of lower Cathie Creek was completed on 20 October 2023. Council staff secured an additional \$7,725 from NSW DPE (subject to a Council matching these funds) to undertake revegetation and landscaping works along the top of the nourished dune to aid retention of sand and assist in establishing a long-term dune profile. The works will include the installation of jute mesh and coir logs and planting approximately 1,500 Pig face (*Carpobrotus* Spp).

The works commenced on 29 January 2024 and are expected to be completed by early February 2024.

#### 5. Coastal Recreational User Needs Analysis

The final report associated with the Port Macquarie-Hastings Council Coastal Recreational User Needs Analysis has been completed. The report identifies coastal recreational needs and opportunities across the Port Macquarie-Hastings Council LGA based on current and future growth projections. A quantity surveyor is currently preparing a costings report which will include price estimates of the recommendations listed in the Coastal Recreational User Needs Analysis. The costings report is expected to be completed in February. It should be noted that the ability to action some recommendations made in this report relies on the approval of stakeholders such as TfNSW, Crown Lands, DPE, NSW NPWS and FCNSW to ensure strategic alignments.

#### 6. Coastal Hazard Assessment and Coastal Vulnerability Assessment Mapping Project

Bluecoast Consulting Engineers are continuing to undertake Coastal Hazard Assessment and Coastal Vulnerability Assessment Mapping. Staff from Bluecoast Consulting Engineers are currently reviewing existing reports relevant to the project to identify data gaps and refine the project methodology.

The project is expected to be completed in September 2024.

#### 7. Review of the Lake Cathie Opening Strategy

The hydrodynamic model being developed by Royal HaskoningDHV will assess various management options for the Lake Innes/Lake Cathie/Cathie Creek waterway, including the potential for a permanent opening. In line with Council's resolution of April 2022, a review of the Opening Strategy will then be possible, with consideration of the hydrodynamic model recommendations, and the recommendations put forward in the Soil Conservation Service / Southern Cross University Bushfire Affected Coastal Waterways report.

#### 8. Invasive Weed Management

Invasive weed control activities that have occurred since the December 2023 Lake Cathie Natural Resource Management Monthly Update Report included:

- Invasive weed control of immature containment priority weeds Cockspur coral (*Erythrina crista-galli*) and Groundsel bush (*Baccharis halimifolia*) amongst Paperbark forest on the edge of Cathie Creek at the Evan Street Foreshore.

- Invasive weed Inspection at Tallong Drive including the control of Sicklethorn (*Asparagus falcatus*), a notifiable eradication priority weed, and mature Coral trees (*Erythrina x sykesii*) adjacent to Kenwood Drive bridge.
- Invasive weed control of over 2.5ha at Jonathan Dickson Reserve targeting Bitou Bush, Cassia and Lantana.
- Invasive weed control of Madeira vine (*Anredera cordifolia*) of 0.84ha in the reserve immediately east of the bowling club
- Invasive weed control at Abel Tasman Reserve including 1ha of Sicklethorn (*Asparagus falcatus*), a notifiable Eradication priority weed and mature Devils Fig (*Solanum torvum*), a Containment priority weed.
- Treatment of Bitou Bush and Ground asparagus along the foreshore of Aqua Reserve
- Invasive weed control of 0.93ha of Groundsel bush in bushland at the northern end of Rainbow Beach Estate.

**9. Development of other Coastal Management Program (CMP) Chapters**

The development of CMPs is prescriptive and includes five stages. Staff are currently undertaking investigations associated with Stage 2 of the CMP development. The CMP is being developed in geographical chapters. An indicative timeframe of the progression of the CMP is presented below in Table 1.

Current Progress	CMP Stage	Expected Completion			
		Lake Cathie / Bonny Hills	Hastings River	Camden Haven	Open Coastline
✓	Stage 1	Complete			
➡	Stage 2	2021-2024	2022 - 2024	2023 - 2024	2023 - 2024
	Stage 3 - 4	2024	2024	2025	2025
	Stage 5	2024 +	2025 +	2026 +	2026 +

Table 1: Indicative CMP Timeframe

Staff are currently progressing with Stage 2 of the CMP development across the four chapters. Stage 2 of the CMP process involves undertaking detailed studies that will help Council to identify, analyse and evaluate risks, vulnerabilities, and opportunities in the study area. The studies conducted during Stage 2 are to provide information to support decision-making in the later stages of the CMP planning process. Given the complexities of these studies, this stage is the most time consuming. Ensuring high quality studies in Stage 2 will result in high quality management plans in the CMP.

**10. Other projects**

**Camden Haven River Estuary Bank and Riparian Assessment**

Fruition Environmental are currently finalising the Camden Haven River Estuary Bank and Riparian Assessment on behalf of Council. The project will provide a comprehensive understanding of the issues associated with bank and riparian land condition within the Camden Haven Estuary and will identify targeted costed actions to inform future management actions within the Camden Haven Estuary CMP.

An initial survey of the entire estuary has been completed. Staff from Council have been working with staff from Fruition Environmental to confirm priority sites for the development of concept plans for potential future restoration works. The project is expected to be completed in early 2024.





**Sea Country**

The Coast and Estuary team continues to work closely with a working group consisting of Birpai elders and community members, representatives from Birpai and Bunyah Local Aboriginal Land Councils (LALCs), and the DPI Fisheries Marine Estate Management Strategy Sea Country lead for NSW to develop a Sea Country Action Plan for incorporation into Council’s CMP.

**Options**

This report is provided for information purposes only.

**Community Engagement and Internal Consultation**

This report is provided for information purposes.

Community consultation has been undertaken in some of the abovementioned projects, as mentioned in the discussion section of this report.

**Planning and Policy Implications**

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

**Financial and Economic Implications**

There are no financial and economic implications in relation to this report. An updated status of adopted projects is provided below.

<b>Project</b>	<b>Grant Funding (\$)</b>	<b>Council Contribution (\$)</b>	<b>Total Estimated Project Cost (\$)</b>
<b>Lake Cathie / Lake Innes / Cathie Creek</b>			
Hydrodynamic Model	300,000	150,000	450,000
Bushfire Affected Coastal Waterways Program	265,000	30,000	295,000
Dredging Lower Cathie Creek	235,004	235,004	470,010
Bundella Avenue Asbestos Remediation Project	252,266	252,266	250,000
<b>SUB TOTAL</b>	<b>1,052,270</b>	<b>667,270</b>	<b>1,719,540</b>
<b>Open Coast</b>			
Coastal Recreational User Needs Analysis (LGA wide)	82,414	41,206	123,620
Coastal Hazard Assessment & Coastal Vulnerability Assessment	108,000	54,000	162,000
<b>SUB TOTAL</b>	<b>190,414</b>	<b>95,206</b>	<b>285,620</b>
<b>Camden Haven Estuary</b>			
Camden Haven Estuary Bank & Riparian Assessment	66,667 (DPE) 30,000 (DPI-Fisheries)	33,333	130,000
<b>SUB TOTAL</b>	<b>96,667</b>	<b>33,333</b>	<b>130,000</b>
<b>TOTAL</b>	<b>1,339,351</b>	<b>795,809</b>	<b>2,135,160</b>

**Attachments**

Nil



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Item: 13.06

Subject: **SANCROX EMPLOYMENT LAND ENVIRONMENTAL LANDS AND SERVICES PLANNING AGREEMENT ASSESSMENT REPORT**  
**APPLICANT: KING AND CAMPBELL**  
**LANDOWNER: EXPRESSWAY SPARES PTY LIMITED AND JAMES JOHN DUNN AND CATHERINE BRIGETTE DUNN**

Presented by: **Community, Planning and Environment, Melissa Watkins**

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### Alignment with Delivery Program

4.5.2 Plan for infrastructure that supports population growth.

### RECOMMENDATION

#### That Council:

1. **Publicly exhibit the draft amended Second Deed of Variation to Sancrox Employment Land Environmental Lands and Services Planning Agreement for a period of not less than 28 days.**
2. **Receive a further report following the public exhibition period on any submissions received.**

### Executive Summary

Council has received an offer to amend the Voluntary Planning Agreement (VPA) known as the First Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement (existing VPA) which was executed on 16 January 2017 between Council and Expressway Spares Pty Limited and James John Dunn and Catherine Brigitte Dunn.

This letter of offer to amend the existing VPA has been reviewed in consultation with Council's legal advisors. A draft amended PA, to be known as the draft amended Second Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement (draft amended PA) has been prepared for consideration by Council and it is recommended that this draft amended PA, as provided within Attachment 2, be endorsed by Council, and placed on public exhibition for a minimum period of 28 days in accordance with Council's Planning Agreements Policy, clause 6.2.6.

### Background

The existing VPA relates to the staged acquisition of offset environmental land in conjunction with an industrial subdivision at Sancrox. It was agreed that Council acquire the environmental offset land in stages due to complexities with the current property title and the need to extinguish easements over part of the environmental offset land. This existing VPA was entered into, to modify the timing for the construction of water supply work to serve the development. This existing VPA

updated and replaced the Sancrox Employment Land Environmental Lands Services Planning Agreement which was entered into on 15 July 2011.

A report was presented to the Ordinary Council Meeting of 15 September 2022 (Attachment 3), in relation to the infrastructure works. The resolution from that meeting was:

*“That Council request a report to the October 2022 Ordinary Council Meeting providing further information and clarification regarding the current situation regarding administration of the VPA and relative costs, benefits and risks of each of the options outlined.”*

At the Ordinary Council Meeting of 22 October 2022 (Attachment 4), a further report provided additional detail on the administration of the VPA, the costs and risks associated with the recommendation and the other considered options. The report specifically related to the three linked VPAs being the:

- Sancrox Employment Land Environmental Lands and Services Planning Agreement.
- Sancrox Employment Lands and Services McMullen Land Planning Agreement
- Fernbank Park Planning Agreement

The resolution from that meeting was:

*“That Council:*

- 1. In accordance with Voluntary Planning Agreement (VPA) First Deed of Variation Sancrox Employment Land Environmental Lands and Services Planning Agreement dated 16 January 2017, delegate to the Chief Executive Officer authority to make payment to the initial developer the agreed cost of the works outlined in this report less funds collected by Council for that purpose to date as outlined in the VPA.*
- 2. That release of payment will not be made until the administrative amendments to the associated VPA's are complete and agreed between the parties.*
- 3. Note that the amount required to be paid to the initial developer is to be funded from Council's Water and Sewer funds.”*

To enable the release of payment to the initial developer, the existing VPA requires some minor amendments.

### **Discussion**

Council has received an offer to amend the existing VPA to enable the release of payment to the initial developer to acknowledge:

- A lump sum payment to the initial developer;
- Include the agreed cost of construction of the works, not known at the time of the First Deed of Variation; and
- That the works have been completed and the initial developer is now known.

The key provisions of this existing VPA include the following:

- Construction of the required water and sewer infrastructure. If Council constructs the required infrastructure, the developer is to pay contributions. If constructed by the developer, Council is to reimburse construction costs.
- Establishment and maintenance of environmental lands. Option for Council to compulsory acquire the environmental land.

This VPA is proposed to be amended as follows:

- Removal of the definitions and clauses in relation to the payment of water supply and sewer contributions, as this infrastructure has been constructed. Contributions to be collected through the Development Services Plan (DSP) for future development.
- Changes to clearly articulate who the initial developer is and when the Council is to pay them the contribution for the construction of the water supply and sewer infrastructure.
- Clarification on what infrastructure comprises water supply and sewer work and the known construction costs.

The changes proposed to the various definitions, clauses, and schedules of the VPA are as follows:

<b>Clauses</b>	<b>Changes proposed to draft amended VPA</b>
Various clauses	Various clauses have been amended to reflect the sections in the new <i>Environmental Planning and Assessment Act 1979 (Act)</i> .
Definition - Deed of Variation	Definition deleted as no longer required, as replaced by first deed of variation.
Definition - Dunn Land	Definition amended to reflect the correct land.
Definition - Expressway Spares land	Definition amended to reflect the correct land.
Definition - First Deed of Variation	New definition provided for first deed of variation.
Definition - Initial Developer Sewerage Service Work	Definition amended to clarify who the initial developer is.
Definition - Initial Developer Water Supply Work	Definition amended to clarify who the initial developer is.
Definition - Payment Trigger Date	New definition to clarify when Council is to pay the initial developer the contributions for the water supply and sewer infrastructure.
Definition - Second Deed of Variation	New definition to reflect the draft amended VPA.
Definition - Sewerage Services Contribution	Deletion of this condition as no longer required, as contributions will be collected through the DSP.
Definition - Sewerage Services Contribution Reduction	Definition amended to reflect contribution for infrastructure.

Definition - Water Supply Contribution	Deletion of this condition as no longer required, as contributions will be collected through the DSP.
Definition - Water Supply Contribution Reduction	Definition amended to reflect contribution for infrastructure.
Definition - Water Supply Work	Definition amended to reflect the infrastructure to be constructed.
Clause 8	Clause deleted as this infrastructure has been constructed. Contributions to be collected through the DSP.
Clause 9	Clause amended to clarify who the initial development is and when Council is to pay the contributions for the infrastructure construction.
Clause 10	Clause deleted as this infrastructure has been constructed. Contributions to be collected through the DSP.
Clause 11	Clause amended to clarify who the initial development is and when Council is to pay the contributions for the infrastructure construction.

The current executed First Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement is included here as Attachment 1. The amended draft amended PA is included here as Attachment 2.

If supported, this new agreement will revoke and replace the previous First Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement entered into between Council and Expressway Spares Pty Limited and James John Dunn and Catherine Brigette Dunn on 16 January 2017.

**Options**

Council has the options to:

1. Endorse the draft amended Second Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement for public exhibition; or
2. Request further amendments to this draft amended VPA, noting this would delay exhibition; or
3. Not support the recommendation and resolve in some other fashion.

This report recommends Option 1, endorsement of the draft amended PA for the purposes of public exhibition. This approach is consistent with Council’s VPA Policy.

**Community Engagement and Internal Consultation**

Community Engagement

It is recommended that this draft amended VPA be placed on public exhibition for not less than 28 days.

Internal Consultation

Internal consultation was considered necessary prior to public exhibition with consultation undertaken with Council’s Utilities Planning and Design Team.



**Planning and Policy Implications**

The draft amended PA conforms with Council's Voluntary Planning Agreement Policy.

**Financial and Economic Implications**

It is anticipated that there will be positive financial and economic implications in relation to the draft amended Second Deed of Variation to Sancrox Employment Land Environmental Lands Services Planning Agreement through the orderly coordination of infrastructure to serve the development and the locality of Sancrox.

**Attachments**

1.  Sancrox Employment Environmental Lands & Services (Expressway Spares) Executed 160117
2.  Draft Amended Sancrox Employment Environmental Lands & Services (Expressway Spares) Planning Agreement
3.  Council Report 15 September 2022
4.  Council Report 22 October 2022



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**Item:** 13.07

**Subject:** POST EXHIBITION REPORT - RAINBOW BEACH CENTRAL  
CORRIDOR PLANNING AGREEMENT  
APPLICANT: KING AND CAMPBELL  
LANDOWNER: ST VINCENT'S FOUNDATION PTY LTD

**Presented by:** Community, Planning and Environment, Melissa Watkins

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#### **Alignment with Delivery Program**

4.5.2 Plan for infrastructure that supports population growth.

#### **RECOMMENDATION**

##### **That Council:**

- 1. Revoke the previous Rainbow Beach Central Corridor Voluntary Planning Agreement 2017 entered into between Council and St Vincent's Foundation Pty Ltd on 5 March 2018**
- 2. Enter into and execute the amended Rainbow Beach Central Corridor Planning Agreement (Attachment 2).**
- 3. Note the post exhibition Engagement Summary Report which provides details of the number of persons who accessed the public exhibition material on Council's Have Your Say page.**

#### **Executive Summary**

At the Ordinary Council Meeting held on 16 November 2023, Council resolved to place the draft amended Rainbow Beach Central Corridor Planning Agreement (draft Planning Agreement) on public exhibition.

The draft Planning Agreement was subsequently placed on public exhibition from 23 November 2023 to 25 January 2024, for a period of 42 days. The period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition. No submissions were received from the public during this exhibition period.

The purpose of this report is to provide details of the activity on Council's Have Your Say page during the public exhibition of the draft Planning Agreement as no submissions were received.

It is recommended that Council revoke and replace the previous Rainbow Beach Central Corridor Voluntary Planning Agreement 2017 entered into between Council and St Vincent's Foundation Pty Ltd on 5 March 2018 and endorse the new Planning Agreement (Attachment 2), as exhibited, to enable execution by both parties.

## Background

The Rainbow Beach Central Corridor Planning Agreement 2017 (Attachment 1) has specific provisions related to the maintenance of environmental land; provision of sporting fields and local open space; and payment of development contributions for roads and open space. This Planning Agreement is associated with Development Application 2016/465 for the subdivision of the St Vincent's Foundation land adjacent to Ocean Drive at Lake Cathie. This Planning Agreement updated and replaced the Rainbow Beach Central Corridor Planning Agreement entered into in 2011 which was associated with an approved Part 3A Concept Plan (MP 06\_0085) (development application) for a 702 lot residential with associated infrastructure.

## Discussion

At the Ordinary Council Meeting held on 16 November 2023, Council resolved as follows:

*"That Council:*

- 1. Publicly exhibit the draft amended Rainbow Beach Central Corridor Planning Agreement for a period of not less than 28 days.*
- 2. Receive a further report following the public exhibition period on any submissions received."*

Following Council's resolution on 16 November 2023, the draft Planning Agreement was placed on public exhibition on Council's Have Your Say Page for a period of 42 days, from 23 November 2023 to 25 January 2024. In accordance with the *Environmental Planning and Assessment Act 1979*, Schedule 1, Division 3, section 16, the period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition. During the exhibition period, no submissions were received from the public. An Engagement Summary Report for the exhibition of the draft Planning Agreement is provided within Attachment 3. A summary of the outcomes of the public exhibition process are discussed below:

- There were a total of 206 total visits to Council's Have Your Say engagement website page. With 80 informed visitors who downloaded a total of 118 documents (noting that there were three documents that could be downloaded); and
- No surveys or submissions were received.

The 16 November 2023 Council report included details of the proposed amendments to the draft Planning Agreement and reasons for those proposed changes. These amendments are summarised below:

- Change to community park and district sporting fields offset definitions, clarifying the Deed date;
- Changes to provide for an alternative nominated "charge land" site;
- Incorporation of relevant definitions and clauses to manage the delivery of the design, construction and dedication of the lead-in access road enabling public access to the already dedicated sporting fields with offsets to road contribution;

- Incorporation of relevant definitions and clauses to address sewer contribution offsets for the new sewer pump station and rising main serving the catchment area;
- Incorporation of a schedule identifying the sewer infrastructure work design and specification;
- Incorporation of relevant definitions and clauses to design and construct the following contribution funded intersections required as part of Development Application 2016/465 with offsets to road contributions:
  - a. Ocean Drive and Main Street intersection; and
  6. b. Ocean Drive and Solomon Drive intersection; and
- Amendment to the definitions of “community park offset - land” and “district sporting field offset - land” to include CPI from the date of the original 2011 VPlanning Agreement.

If supported, this new agreement will revoke and replace the previous Rainbow Beach Central Corridor Planning Agreement 2017 entered into between Council and St Vincent’s Foundation Pty Ltd on 5 March 2018.

### **Options**

Council has the options to:

1. Endorse the amended Rainbow Beach Central Corridor Planning Agreement to enable execution between the two parties; or
2. Request further amendments to this draft amended Planning Agreement, noting this would delay endorsement; or
3. Not support the recommendation and resolve in some other fashion.

This report recommends Option 1, endorsement of the amended Planning Agreement to enable execution between the two parties.

### **Community Engagement and Internal Consultation**

#### Community Engagement

Following public exhibition of the draft Planning Agreement on Council’s Have Your Say webpage, no submissions were received.

#### Internal Consultation

Internal consultation was undertaken prior to public exhibition with Council’s Recreation and Development Engineering teams.

### **Planning and Policy Implications**




The amended Planning Agreement conforms with Council’s Planning Agreement Policy.

### **Financial and Economic Implications**

It is anticipated that there will be positive financial and economic implications in relation to the Planning Agreement through the orderly coordination of infrastructure, such as the dedication of roads, water and sewer and recreation facilities to serve the development and the locality of Lake Cathie / Bonny Hills.

Council will be burdened by the ongoing administration costs through the implementation of the Planning Agreement, as well as the maintenance of the various dedicated infrastructure and the payment of offsets to the developer if they construct certain infrastructure, such as roads, boardwalks, beach access and recreation areas. The infrastructure delivered under the Planning Agreement is designed to cater for the growing needs of the Lake Cathie community and the Planning Agreement is considered the most efficient way to ensure delivery of this infrastructure.

**Attachments**

1.  Current Rainbow Beach Central Corridor Planning Agreement 2017 Executed Version 050318
2.  Draft Amended Rainbow Beach Central Corridor Planning Agreement
3.  Have Your Say Engagement Summary Report

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Item: 13.08

Subject: **POST EXHIBITION REPORT - 2023 HOUSEKEEPING &  
AGRITOURISM AMENDMENT - PORT MACQUARIE-HASTINGS  
DEVELOPMENT CONTROL PLAN 2013**

Presented by: **Community, Planning and Environment, Melissa Watkins**

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### Alignment with Delivery Program

4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area.

### RECOMMENDATION

That Council:

1. **Approve the draft Development Control Plan 2013 (Agritourism and Housekeeping Amendment No. 16) with the alterations described in the report and contained in Attachments 1 and 2.**
2. **Within 28 days of adoption:**
  - a. **Publish a public notice of Council's decision to approve the Development Control Plan 2013 (Agritourism and Housekeeping Amendment No. 16 on its website, in accordance with Clause 14(2) of the *Environmental Planning and Assessment Regulation 2021*.**
  - b. **Upload a copy of the Plan on the NSW Planning Portal for the attention of the NSW Planning Secretary.**
3. **The draft Development Control Plan 2013 (Agritourism and Housekeeping Amendment No. 16) will commence on 1 April 2024.**
4. **Delegate authority to the Director Community, Planning and Environment to make any inconsequential amendments, if required, in preparation for the commencement of Development Control Plan 2013 (Agritourism and Housekeeping Amendment No. 16).**
5. **Notify all persons who lodged a submission of Council's decision.**

### Executive Summary

At the Ordinary Council Meeting held on 16 November 2023, Council resolved to place the draft Development Control Plan Development Control Plan 2013 (Agritourism and Housekeeping Amendment No. 16) (draft Development Control Plan) on public exhibition.

The draft Development Control Plan was subsequently placed on public exhibition from 23 November 2023 to 25 January 2024, for a period of 42 days. The period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition. During this exhibition period, two community members provided feedback on the proposed amendments.



The purpose of this report is to consider the feedback received during the public exhibition of the draft Development Control Plan and determine whether any amendments are required.

It is recommended that Council adopt the draft Development Control Plan (Attachments 1 and 2), as exhibited, and commence the changes to the Development Control Plan 2013 commence on 1 April 2024. The changes will also be published on Council's website and the NSW Planning Portal.

### Discussion

At the Ordinary Council Meeting held on 16 November 2023, Council resolved as follows:

*"That Council:*

- 1. Note the NSW Government reforms for Agritourism described in this report.*
- 2. Endorse for public exhibition the proposed amendments to the Port Macquarie-Hastings Development Control Plan 2013 as contained in Attachment 2 and 3 (Agritourism and Housekeeping Amendment) of this report.*
- 3. Place on public exhibition for 28 days the Draft 'Port Macquarie-Hastings Development Control Plan 2013 (Agritourism and Housekeeping Amendment)' pursuant to Clause 13 of the Environmental Planning and Assessment Regulation 2021.*
- 4. Delegate authority to the Director Community, Planning and Environment to make necessary and or inconsequential amendments to the Draft Development Control Plan in preparation for public exhibition.*
- 5. Receive a Post Exhibition report on the outcomes of the public exhibition and any submissions received."*

Following Council's resolution on 16 November 2023, the draft Development Control Plan was placed on public exhibition on Council's Have Your Say Page for a period of 42 days, from 23 November 2023 to 25 January 2024. In accordance with the *Environmental Planning and Assessment Act 1979*, Schedule 1, Division 3, section 16, the period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition. Two community members provided feedback on the proposed amendments during the exhibition period. An Engagement Summary Report for the exhibition of the draft Development Control Plan is provided within Attachment 3. A summary of the outcomes of the public exhibition process are discussed below:

- There were a total of 170 total visits to Council's Have Your Say engagement website page; and
- A total of two community submissions were received providing feedback on the proposed amendments. Details of this feedback is provided further within this report in the Community Engagement and Internal Consultation section.

The 16 November 2023 Council report included details of the key changes to the Development Control Plan and reasons for those proposed changes (refer to Attachment 4). In summary, the administrative changes to the Development Control

Plan if endorsed, will introduce a new Part C6 in response to recent Department of Planning, Housing and Industry (DPHI) reforms allowing agritourism development as a form of agriculture in rural zones, and amend Part 2B (Environmental Management) to achieve consistency with amended state legislation and to correct implementation issues raised by Council’s Natural Resource Management and Development Assessment staff.

The proposed amendment, recommends changes to Council planning policy (ie the Development Control Plan) to ensure the Development Control Plan is aligned with recent DPHI business and planning reforms, clarify the development controls around tree preservation, and to achieve consistency with amended legislation.

A copy of the feedback will be provided to Councillors under separate cover.

**Options**

Council has the options to:

1. Endorse the draft Development Control Plan as exhibited; or
2. Request further amendments to this draft Development Control Plan, noting this would delay endorsement; or
3. Not support the recommendation and resolve in some other fashion.

This report recommends Option 1, endorsement of the draft Development Control Plan as exhibited.

**Community Engagement and Internal Consultation**

Internal Consultation

Internal consultation was undertaken with the Council’s Natural Resource Management and Development Assessment staff.

Community Engagement

Following public exhibition of the draft Development Control Plan on Council’s Have Your Say webpage for a period of 42 days, two submissions were received, as summarised below:

<b>Submission</b>	<b>Issue Raised</b>	<b>Council’s Response</b>
1.	Tree Management Private land 11. Objective	
	Point 3 - retain all trees, change from "are a local native species" to "includes native and non-native species". As a variety of non-native species perform and contribute well to the urban canopy.	The draft objective covers native and non-native trees which are important to the local amenity and aesthetic value. No change is required.
	Point 5 - remove the restriction of only being	The aim of these objectives is to emphasise the importance of native

	able to plant native species from the North Coast Bioregion, change to "To replace the above with suitable species to make a positive contribution..."	vegetation. This dot point is to remain as amended.
	Point 6 - Change from "To retain viable native trees" to "retain trees and vegetation"	This comment is noted and change has been made to provide clarity to this objective.
	Development Provisions	
	b) change from "removal of a tree listed in Table 1" to "removal of a tree must be accompanied by an arborist report..."	The aim of this provision is to protect koala food trees. This development provisions are to remain.
	c) retain the 2:1 replacements for trees listed in table 1 and include a replacement planting ratio of 1:1 for all other removals, this will ensure minimum loss of urban canopy.	The emphasis of this development provision, is koala food trees. This development provisions is to remain.
	f) Change to include trees located on any neighbouring land including private, local, state and federal land. Proposed change - where a development is proposed adjoining any land, the plans must identify and include an Arboricultural Impact Assessment for all trees within 6.0m of the property boundary.	The development provision has been amended to refer to any adjoining land, not just government controlled land.
2.	10. Objective – Development Provisions (a) - I see no reason to include Norfolk Island Pine in this list of prescribed trees. If Norfolk Island Pine is a prescribed tree then so should Cook Pine which is grown in similar situations and also further away from the coast.	The Norfolk Pines have been included due to their historical importance to the local area. No change is required.
	Development Provisions (b) - I am surprised to see mention still of Core Koala	Core Koala Habitat was included within a previous amendment to the Development Control Plan pending finalisation of the Koala Plan of

	<p>Habitat which is not defined or mapped in any PMH Council Planning Instruments particularly the LEP. Of course I welcome the inclusion of core koala habitat in the LEP and anticipate this will happen once the impending koala habitat surveys funded by the State Government are completed.</p>	<p>Management. This is to be retained pending future work on core koala habitat.</p>
	<p>12. Public land – Development Provisions (d) - In relation to bushland reserves this provision should only apply to any native tree, as Landcare Groups and Council's NRM team have a program of removal of exotic trees such as privet and camphor laurel. If such removal produces a gap which could be filled, it is always with a native tree.</p>	<p>This development provision has been amended to include native tree requiring approval. Therefore, an exotic species can be removed without approval.</p>
	<p>Table 1 Koala Food Trees - This list of koala food trees is confusing and does not accord with the list of trees from "Koala Habitat Information Base Technical Guide (North Coast Region) 2019" which is referenced as the source of the koala food tree list. See Table A4 pp 50 and 51 of the Technical Guide. The draft Tree Management list includes species that do not occur naturally on the North Coast (Lemon Scented Gum and Mugga Ironbark) and excludes several that are in the Technical Guide. In addition to the latter list, I would add Angophora subvelutina which is listed as a koala use tree in the Technical Guide for the Northern tablelands region,</p>	<p>This comment has been reviewed by Council's NRM team and an amended updated list has been included which incorporates tree species listed as per the guidance.</p>



	but in fact also occurs in parts of the Port Macquarie-Hastings LGA (Vegetation of the Port Macquarie-Hastings LGA 2012	
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The amendments proposed as part of the feedback, indicated above, are highlighted in yellow within Attachment 2.





**Planning and Policy Implications**

In adopting the recommended changes to the draft Development Control Plan, the proposed amendment will be incorporated into the Development Control Plan and will ensure alignment with recent DPHI planning reforms and clarify the development controls around tree preservation, as well as achieve consistency with amended legislation.

**Financial and Economic Implications**

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

**Attachments**

1.  Schedule of Proposed Integration of Model DCP Clauses to Port Macquarie-Hastings Development Control Plan 2013
2.  Part 2B Tree Management Amendments
3.  Have Your Say Engagement Report
4.  Item 13.05 House Keeping Amendment - DCP Agritourism & Trees Council Report 161123





**Subject: CONFIDENTIAL SESSION**

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**RECOMMENDATION**

1. That Council move into Confidential Session to receive and consider the following items:

**Item 14.01 Budget and Reporting Application**

This item is considered confidential under Section 10A(2)(c) of the Local Government Act 1993, as it contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

2. That pursuant to Section 10A subsections 2 & 3 and 10B of the Local Government Act 1993 (as amended), the press and public be excluded from the proceedings of the Confidential Session of Council on the basis that the items to be considered are of a confidential nature.
3. That the resolutions made by Council in Confidential Session be made public as soon as practicable after the conclusion of the Confidential Session and such resolutions be recorded in the Minutes of the Council Meeting.