

ITEM NO. 11**FILE NO: 17/102505
RM8 REF NO: PSC2005-3572****355(C) COMMITTEES 2016 FINANCIAL STATEMENTS**

REPORT OF: STEVEN BERNASCONI - COMMUNITY SERVICES SECTION
MANAGER
GROUP: FACILITIES & SERVICES

RECOMMENDATION IS THAT COUNCIL:

- 1) Receive the 355(c) Committees Annual Financial Statements for the period 1 January 2016 to 31 December 2016.
 - 2) Note that all but three 355(c) committees and sports councils have received the annual operating subsidy.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Morello Councillor John Nell That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

171	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council: <ol style="list-style-type: none">1) Receive the 355(c) Committees Annual Financial Statements for the period 1 January 2016 to 31 December 2016.2) Note that all but three 355(c) committees and sports councils have received the annual operating subsidy.
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BACKGROUND

The purpose of this report is to recommend to Council the receipt of the 355(c) Committees Annual Financial Statements for 2016 and to note the disbursement of the annual operating subsidies to eligible committees and sports councils.

(ATTACHMENT 1) is a summary of opening and closing balances (1 January to 31 December 2016) of all committees, and also indicates payment of the 2017 annual operating subsidy to eligible committees. **(ATTACHMENT 2)** shows the detailed financial statements of committee cash books for the same period.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Community Planning and Partnerships.	Council will engage its citizens in developing plans for the future of the Port Stephens local government area.

FINANCIAL/RESOURCE IMPLICATIONS

The total amount of funds held by the 42 committees and sports councils as at 31 December 2016 was \$977,140.83 an increase of \$51,287.83 from 31 December 2015 **(ATTACHMENT 1)**.

- 14 committees held over \$20,000 (total value of \$742,484.71) of which the sports councils and Salt Ash Sports Ground Committee held a total of \$463,474.82.
- 9 committees held between \$10,000 and \$20,000 (total value of \$128,018.79).
- 19 committees held less than \$10,000 (total value of \$104,796.43).

Payment of the annual operating subsidies to eligible committees and sports councils was made early in July 2017. The 2017 annual operating subsidy payment was not made to three committees as these committees did not fulfil their 2016 financial record keeping and reporting requirements within the appropriate timeframe (Karuah Landcare Group, Port Stephens Sister Cities Committee and Tomaree Cemeteries Committee).

The use of committee funds should be in line with Council's strategic directions and be committed to the objectives of each committee's constitution. A focus on maintenance, renewal and rehabilitation of facilities and reserves will ensure the long-term sustainability of these community assets.

Council's Assets Section works with committees and sports councils to allocate committee funds to projects that assist in maintaining or upgrading Council's assets. For example, in the past year the following large investments by committees include:

Tomaree Sports Council:

- \$7,500 - Dick Burwell Oval internal repairs.
- \$7,500 - Fingal Bay Oval maintenance repairs.
- \$2,600 - installation of new storage shed at Nelson Bay Croquet.
- \$6,000 - installation and fabrication of new stainless bench in Nelson Bay Hockey Canteen.

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- \$15,000 - resurface of training cricket pitches at Salamander Sports Complex and topping the wicket at Tomaree Sports Complex.
- \$15,000 - upgrade of amenities at Dick Burwell Oval (women/men's shower cubicles).
- \$5,000 - 50% contribution to the Bill Strong fence replacement.
- \$12,000 - (approx.) for over sow program on fields at Tomaree Sports Complex and Salamander Sports Complex.

Tilligerry Sports Council:

- \$7,500 - contribution over sow program on rugby league and soccer fields.
- \$5,000 - contribution to soccer club awning.
- \$10,000 - player dugouts for main league field.
- \$5,000 - Tilligerry tennis club facility improvements.

Medowie Sports Council:

- 10 tables purchased for Ferodale meeting room (cost not provided).
- \$15,000 - Medowie Cricket Club storage shed Ferodale (works yet to be completed).
- \$3,569 - Security gates for Kindlebark athletics building.

West Ward Sports Council:

- \$5,785 - purchase of generator for Wallalong Pony Club.
- \$10,000 - towards works for upgrades at Karuah Lionel Morten Oval.
- 10 tables purchased for King Park Function Room (cost not provided).

Other:

- \$15,000 - Corlette Headland and Hall Committee Hall - contribution to new playground.
- \$15,000 - Hinton School of Arts Parks & Foreshore Committee - kitchen upgrade in hall.
- \$13,288 - Lemon Tree Passage Old School Centre Committee - contribution to air conditioning and disabled access.
- \$3,500 - Medowie Community hall Committee - contribution to front paver replacement.
- \$6,000 - Nelson Bay Community Hall Committee - air conditioning in hall.
- \$20,900 - Salt Ash Sports Ground Committee - sand arena, rainwater tank and fencing.
- \$4,180 - Shoal Bay Beach Preservation Committee - community bike rack.
- \$10,000 - Raymond Terrace Senior Citizens Hall Management Committee - contribution to exhaust fan and griddle plate installation.
- \$6,350 - Williamstown Hall Committee - contribution to internal painting.

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Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes	76,500.00	Total cost of the Operational Subsidy for 355(c) committees & sports councils from the 2017/18 budget.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	Yes	977,140.83	Funds held in individual bank accounts by 355(c) Committees & Sports Councils as at 31/12/16.

LEGAL, POLICY AND RISK IMPLICATIONS

Section 355(c) of the *Local Government Act 1993* allows Council to delegate certain functions. A Section 355(c) committee is an entity of Port Stephens Council and as such is subject to the same legislation, accountability and probity requirements as Council.

All funds and assets held by the committee belong to Council. The committee is responsible for the care and control of these funds. Funds administered by 355(c) committees must meet Council's standards of compliance, management and transparency and committees are required to comply with standard record keeping practices, including submission of reports by due dates.

355(c) committees use a cashbook style financial record keeping system (format supplied by Council in the form of a carbonised book or Excel spreadsheet). The cash book is completed each month and the totals of each month are entered into the Annual Summary Reporting page, which is forwarded to Council annually.

This system was developed in line with recommendations/requirements of Council's auditors to provide a uniform format and transparent auditing of committee financial transactions, which meet the requirements for accountability and GST reporting. The system provides committees with a simplified financial process and staff support.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that funds held in 355(c) Committee bank accounts may be subject to fraudulent acts resulting in legal, financial and reputation damage.	Medium	This risk will be reduced by ensuring Council is noted on individual bank account names, and ensuring two Council staff signatories to enable access to committee accounts. The 355(c)	Yes

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		Committee Terms of Reference and Appendix clearly outlines committee responsibilities with regard to recording and reporting on committee funds. Additional information has been provided to committees, is available on Council's website, and includes meeting guidelines and templates, financial record keeping guide, purchasing guide. Financial training is also offered to relevant committee executive members.	
There is a risk that funds held in 355(c) committee bank accounts are not used to contribute to cost of asset renewal resulting in greater drain on ratepayer revenue.	Low	This risk will be reduced as staff work with committees to combine asset and community input to develop asset management plans with agreed funding contributions from the facility income.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Social Implications

Council establishes community committees to provide a link between Council and the community, and to assist in the management of parks and reserves, halls and facilities, and delivery of community services and events. This is part of Council's commitment to community partnerships and provides opportunities for the community to be involved with the management of the facilities they use.

Volunteers provide strong social and community benefits including an avenue for communication, planning, strategic planning, community consultation as well as community capacity building and strong social networks for the community. A community with a high rate of participation in community activities is an indicator of a well-functioning community.

Council is required to ensure that the delivery of facilities and services to the community is sustainable and undertaken in the best possible manner. The previous Volunteer Strategy Sustainability Review, adopted by Council on 11 December, 2012, resolved to:

- Continue to work with all volunteers to create an environment where volunteering is easy, safe, adds value and complies with legislation.
- Review 355(c) committees to assess sustainability of these important voluntary groups and their ability to manage current requirements with the skills and manpower to meet their commitments and ongoing viability.

Economic Implications

Committees and volunteers of Port Stephens Council provide assistance often where funding is not available. Their activities are value adding with a large number of the facilities and services provided in the local government area enhanced through the direct involvement of volunteers.

The role that volunteers play should not be underestimated. The PSC Merger Submission states Council estimates that *"volunteer work on the 355c committees saves the council \$5.2 million per year"*.

The provision of financial support to Council committees is provided within current resources. The annual operating subsidy is a direct budget item (\$76,500 in 2017/18).

Environmental Implications

Volunteers operate under direction from Council staff to ensure their activities are performed in accordance with recognised environmental practices. Projects and activities relating to the environment are encouraged and supported and often provide long term benefits to the environment

CONSULTATION

Consultation with key stakeholders has been undertaken by the Community Services Section to ensure the provision of relevant and accurate information.

Internal

- Executive Leadership Team.
- Volunteers Coordinator.
- Community and Recreation Assets Coordinator.
- Finance Officer – Organisational Support.
- Facilities and Services Projects Officer.

External

- 355(c) committees and sports councils

OPTIONS

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

ATTACHMENTS

- 1) 355c Committees Annual Financial Statement Summary - 2016.
- 2) 355c Committees Annual Financial Statement Spreadsheet - 2016.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 11 - ATTACHMENT 1 355C COMMITTEES ANNUAL FINANCIAL STATEMENT SUMMARY - 2016.
ATTACHMENT 1
**355(c) Committees Annual Financial Statement Summary
for period 1 January to 31 December 2016**

355(c) Committee	Opening Balance including Investments 01/01/2016	Closing Balance including Investments 31/12/2016	Annual Operating Subsidy to be paid in 2017
Anna Bay/Birubi Community Hall & Landcare Group	7,113.51	11,383.43	1,500.00
Boat Harbour Parks & Reserves Committee	7,534.34	9,997.45	1,500.00
Bobs Farm Hall Committee	8,103.38	8,230.00	1,000.00
Community Choir Committee	4,320.77	5,691.28	1,000.00
Corlette Headland & Hall Committee	17,732.88	23,711.14	1,500.00
Corlette Parks, Reserves & Landcare Group	2,037.96	1,770.75	1,500.00
Fern Bay Hall Committee	7,869.15	10,351.71	1,500.00
Fingal Bay Parks & Reserves Committee	5,855.21	7,063.12	1,500.00
Hinton School of Arts, Parks and Foreshore Committee	16,979.53	27,709.83	1,000.00
Karuah Community Hall Committee	8,941.87	9,032.70	1,000.00
Karuah Landcare Group ¹	11,189.96	14,840.18	-
Lemon Tree Passage Old School Centre Committee	14,457.98	22,373.64	1,000.00
Lemon Tree Passage Parks, Reserves & Tidy Towns Committee	5,428.78	3,222.12	1,500.00
Mallabula Community Centre Committee	34,564.12	37,985.49	1,000.00
Mallabula Parks & Reserves Committee	3,644.33	3,152.23	1,500.00
Mambo Wanda Wetlands, Reserves & Landcare 355(c) Committee	8,108.10	8,640.01	1,500.00
Medowie Community Centre Committee	37,689.51	43,581.82	1,000.00
Medowie Sports Council	52,198.38	62,915.36	9,000.00
Medowie Tidy Towns Committee	5,219.30	5,516.57	1,500.00
Nelson Bay Australia Day 355(c) (Sub) Committee ²	19,307.01	15,069.66	-
Nelson Bay Community Hall Committee	34,046.31	32,893.50	1,000.00
Nelson Bay West Landcare Committee	9,289.45	4,427.61	1,500.00
Port Stephens Native Flora Garden Committee	3,664.41	2,169.00	1,500.00
Port Stephens Sister Cities Committee ³	19,031.46	20,748.69	-
Raymond Terrace Parks, Reserves & Tidy Towns Committee	19,809.37	20,390.16	1,500.00
Raymond Terrace Senior Citizens Hall Management Committee	51,461.58	51,456.52	1,000.00

ATTACHEMENT 1 - 355(c) Committees Annual Financial Statement Summary - 2016

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Salt Ash Community Hall, Park & Reserve Committee	4,768.10	9,516.35	1,500.00
Salt Ash Sports Ground Committee	87,278.60	81,380.54	1,000.00
Seaham Park and Wetlands Committee	14,384.20	14,915.90	1,500.00
Seaham School of Arts and Community Hall Committee ⁴	12,327.34	0.00	-
Shoal Bay Beach Preservation Committee	4,154.80	4,612.58	1,500.00
Soldiers Point / Salamander Bay Landcare Group	6,969.68	6,898.79	1,500.00
Tanilba Bay Parks, Reserves and Hall Committee	16,115.51	11,067.77	1,500.00
Tilligerry Landcare Group	9,616.45	14,531.15	1,500.00
Tilligerry Sports Council	42,590.03	23,095.02	9,000.00
Tomaree Cemeteries Committee ⁵	4,012.42	4,012.42	-
Tomaree Education Complex Multi-Purpose Centre Committee ⁶	26,843.41	19,020.22	-
Tomaree Sports Council	200,055.95	230,707.57	9,000.00
West Ward Cemeteries Committee	6,422.46	7,370.65	1,000.00
West Ward Sports Council	55,140.46	65,376.33	9,000.00
WW - sub-committee Karuah Columbarium ⁷	3,472.80	3,472.80	-
Williamtown Public Hall Committee	15,848.08	16,838.77	1,000.00
Totals	\$925,598.94	\$977,140.83	\$76,500.00

Notes

1. Karuah Landcare Group has not fulfilled their 2016 financial reporting requirements, and as such will not be paid the annual operating subsidy in July 2017.
2. Nelson Bay Australia Day is a Sub Committee of the Port Stephens Australia Day Committee and receives funding from Council via alternate means.
3. Port Stephens Sister Cities Committee has not fulfilled their 2016 financial reporting requirements, and as such will not be paid the annual operating subsidy in July 2017.
4. Seaham School of Arts and Community Hall Committee has not been operational since December 2015, and will be formally dissolved when Council considers nominating delegates to committees at the first meeting of the new Council.
5. Tomaree Cemeteries Committee has not fulfilled their 2016 financial reporting requirements, and as such will not be paid the annual operating subsidy in July 2017.
6. Tomaree Education Complex Multi-Purpose Centre Committee is not paid the annual operating subsidy.
7. "WW – sub-committee Karuah Columbarium" is not actually a 355(c) committee or sub-committee of the West Ward Cemeteries Committee, nor has it been formally set up as such. No council monies were used for the building of the columbarium wall or for the interment of ashes, and it is managed by members of the local community. As such, this group does not need to provide financial records to Council, have not provided any records for 2016, and will be removed from this list of committees.

ATTACHEMENT 1 - 355(c) Committees Annual Financial Statement Summary - 2016

ATTACHMENT 2 – 355(c) Committees Annual Financial Statement Spreadsheet for year ending 31 December 2016

Committee Name	Opening Balance	Income					Expenses						Closing Balance	Less Outstanding Deposits	Plus Un-presented Cheques	Adjusted Balance	Investment Accounts					TOTAL FUNDS HELD
		General Income	Grants (Other than from Council)	Interest	Funds from Council	GST	Costs	Payments to Council	Bank Charges	Project Costs / Capital	Other Expenses	GST					Opening Balance	Plus New Funds Invested	Plus Interest Received	Less Funds Withdrawn	Investments as at 31st December	
Anna Bay/Birubi Community Hall & Landcare Group	7,113.51	3,919.73	-	1.15	1,500.00	205.61	1,150.96	-	-	-	-	70.37	11,383.43	-	-	11,383.43						11,383.43
Boat Harbour Parks & Reserves Committee	7,534.34	-	750.00	43.42	15,132.00	-	12,299.35	1,162.96	-	-	-	1,036.04	9,997.45	-	-	9,997.45						9,997.45
Bobs Farm Hall Committee	8,103.38	216.00	-	-	1,000.00	19.64	903.68	-	185.70	-	-	82.15	8,230.00	-	-	8,230.00						8,230.00
Community Choir Committee	4,320.77	2,304.10	-	0.37	1,000.00	209.31	1,883.96	-	-	-	50.00	148.86	5,691.28	-	-	5,691.28						5,691.28
Corlette Headland & Hall Committee	7,430.80	17,454.58	-	123.02	1,500.00	630.50	2,699.73	97.53	-	-	-	206.58	23,711.14	-	-	23,711.14	10,302.08	-	121.39	10,423.47	-	23,711.14
Corlette Parks, Reserves & Landcare Group	2,037.96	-	-	0.12	5,740.00	-	-	2,301.24	0.50	2,768.53	937.06	242.52	1,770.75	-	-	1,770.75						1,770.75
Fern Bay Hall Committee	7,869.15	12,091.12	-	0.73	1,500.00	139.55	1,391.08	-	-	-	9,718.21	124.73	10,351.71	-	-	10,351.71						10,351.71
Fingal Bay Parks & Reserves Committee	5,855.21	-	-	-	1,500.00	-	53.00	-	2.00	237.09	-	26.37	7,063.12	-	-	7,063.12						7,063.12
Hinton School of Arts, Parks & Foreshore Committee	16,979.53	754.00	-	8.35	17,000.00	50.36	7,032.05	-	-	-	-	639.27	27,709.83	-	-	27,709.83						27,709.83
Karuah Community Hall Committee	8,941.87	4,993.60	-	2.52	1,138.78	451.02	4,550.27	-	-	1,493.80	-	539.66	9,032.70	-	-	9,032.70						9,032.70
Karuah Landcare Group	5,644.40	5,695.78	-	-	3,500.00	-	-	-	-	-	-	-	14,840.18	-	-	14,840.18	5,545.56	-	150.22	5,695.78	-	14,840.18
Lemon Tree Passage Old School Centre Cmte	10,783.52	8,309.40	-	5.16	6,500.00	754.71	3,080.90	454.11	-	3,456.00	-	155.80	18,607.07	-	-	18,607.07	3,674.46	-	92.11	-	3,766.57	22,373.64
Lemon Tree Passage Parks Reserves & TT Cmte	5,428.78	-	-	0.47	5,500.00	-	5,230.45	117.93	-	-	2,358.75	496.60	3,222.12	-	-	3,222.12	-					3,222.12
Mallabula Community Centre Committee	23,430.63	1,422.00	-	9.73	2,500.00	129.28	644.36	-	-	-	200.00	58.57	26,518.00	-	-	26,518.00	11,133.49	-	334.00	-	11,467.49	37,985.49
Mallabula Parks & Reserves Committee	3,644.33	-	-	-	2,500.00	-	49.00	1,900.00	-	-	1,043.10	83.92	3,152.23	-	-	3,152.23						3,152.23
Mambo Wanda Wetlands, Reserves & Landcare 355(b) Committee	8,108.10	-	-	1.79	1,500.00	-	513.25	-	-	-	456.63	75.75	8,640.01	-	-	8,640.01						8,640.01
Medowie Community Centre Committee	37,689.51	44,426.09	-	40.59	1,000.00	3,189.38	28,858.62	1,550.75	-	7,900.00	1,265.00	2,210.06	43,581.82	-	-	43,581.82						43,581.82
Medowie Sports Council	26,242.58	24,121.08	-	15.70	9,450.00	983.12	38.20	15,903.21	-	-	7,608.40	691.67	36,279.55	-	-	36,279.55	25,955.80	-	680.01	-	26,635.81	62,915.36
Medowie Tidy Towns Committee	5,219.30	-	-	-	1,920.00	-	-	378.00	-	814.00	430.73	77.68	5,516.57	-	-	5,516.57						5,516.57
Nelson Bay Australia Day 355(c) Sub Committee	19,307.01	940.00	-	2.36	13,978.00	-	16,607.06	-	-	1,866.95	683.70	1,463.99	15,069.66	-	-	15,069.66						15,069.66
Nelson Bay Community Hall Committee	12,212.70	30,201.53	-	-	1,000.00	1,542.92	16,421.65	9,099.08	-	-	-	877.09	17,893.50	-	-	17,893.50	21,833.61	-	591.12	7,424.73	15,000.00	32,893.50
Nelson Bay West Landcare Committee	9,289.45	-	-	0.66	1,500.00	-	-	5,776.16	-	-	586.34	30.16	4,427.61	-	-	4,427.61						4,427.61
Port Stephens Native Flora Garden Committee	3,664.41	-	-	-	1,500.00	-	459.05	2,536.36	-	-	-	24.75	2,169.00	-	-	2,169.00						2,169.00
Port Stephens Sister Cities Committee	161.58	825.00	-	-	3,750.00	-	2,853.37	-	4.40	-	-	-	1,878.81	-	-	1,878.81	18,869.88				18,869.88	20,748.69
Raymond Terrace Parks, Reserves & TT Cmte	19,809.37	-	-	31.89	1,500.00	-	550.00	-	-	-	401.10	27.95	20,390.16	-	-	20,390.16						20,390.16
Raymond Terrace Senior Citizens Hall Mgt Cmte	13,132.51	19,108.45	-	-	1,000.00	982.40	19,441.39	802.00	-	-	837.00	1,142.56	12,160.57	-	244.00	12,404.57	38,329.07	-	966.88	-	39,295.95	51,456.52
Salt Ash Community Hall, Park & Reserve Cmte	4,768.10	10,278.05	-	-	5,500.00	881.82	10,366.91	264.39	88.50	-	310.00	916.19	9,516.35	-	-	9,516.35						9,516.35
Salt Ash Sports Ground Committee	87,278.60	15,045.00	-	40.66	1,000.00	1,367.74	21,926.72	57.00	-	-	-	1,948.04	81,380.54	-	-	81,380.54						81,380.54
Seaham Park and Wetlands Committee	14,384.20	-	200.00	1.13	4,155.00	-	155.00	22.80	10.00	3,636.63	-	330.87	14,915.90	-	-	14,915.90						14,915.90
Seaham School of Arts and Community Hall Committee (not functional)	12,327.34	3,903.70	-	2.42	1,000.00	295.72	5,044.42	631.68	-	-	11,557.36	322.12	-	-	-	-						-
Shoal Bay Beach Preservation Committee	4,154.80	-	-	-	3,480.50	-	247.18	299.64	5.00	2,470.90	-	201.16	4,612.58	-	-	4,612.58						4,612.58
Soldiers Point/Salamander Bay Landcare Group	6,969.68	-	-	0.89	1,500.00	-	1,571.78	-	-	-	5,000.00	77.57	1,898.79	-	189.35	2,088.14	-	5,000.00	-	-	5,000.00	6,898.79
Tanilba Bay Parks, Reserves & Hall Committee	16,115.51	3,744.90	-	3.24	4,280.00	330.15	13,021.52	45.36	9.00	-	-	1,003.87	11,067.77	-	-	11,067.77						11,067.77
Tomaree Cemeteries Committee	4,012.42	-	-	-	-	-	-	-	-	-	-	-	4,012.42			4,012.42						4,012.42
Tomaree Education Complex MPC Committee	26,843.41	4,050.00	-	75.32	-	-	11,448.51	-	-	-	500.00	-	19,020.22	-	-	19,020.22						19,020.22
Tilligerry Sports Council	42,590.03	4,338.22	-	13.88	9,000.00	-	67.28	9,072.17	-	23,707.66	-	-	23,095.02	-	-	23,095.02						23,095.02
Tomaree Sports Council	91,276.69	84,606.79	-	50.98	9,170.00	-	20,856.72	33,076.83	-	8,308.50	2,775.00	-	120,087.41	-	-	120,087.41	108,779.26	-	1,840.90	-	110,620.16	230,707.57
Tilligerry Landcare Group	9,616.45	342.00	-	3.70	5,272.00	-	6.00	-	-	44.00	653.00	17.28	14,531.15	-	-	14,531.15						14,531.15
West Ward Cemeteries Committee	6,422.46	350.00	-	0.94	1,000.00	-	402.75	-	-	-	-	-	7,370.65	-	-	7,370.65						7,370.65
West Ward Sports Council	55,140.46	144,387.35	-	25.06	18,000.00	1,986.77	-	10,343.64	-	19,300.00	122,532.90	-	65,376.33	-	-	65,376.33						65,376.33
WW-subcommittee Karuah Columbarium	3,472.80	-	-	-	-	-	-	-	-	-	-	-	3,472.80			3,472.80						3,472.80
Williamtown Public Hall Committee	15,848.08	12,391.63	838,117.75*	-	1,000.00	538.56	10,907.26	838,222.80	-	-	1,388.63	841.91	16,838.77	-	-	16,838.77						16,838.77
Total	681,175.73	460,220.10	839,067.75	506.25	169,966.28	14,688.56	222,733.43	934,115.64	305.10	76,004.06	171,292.91	16,192.11	746,484.97	-	433.35	746,918.32	244,423.21	5,000.00	4,776.63	23,543.98	230,655.86	977,140.83

*Note – Payment in error made by Office of Local Government to Williamtown Hall Committee account after they incorrectly updated the banking details for Council within their system as a result of a hall booking by the OLG.

ITEM NO. 12**FILE NO: 17/122684
RM8 REF NO: PSC2011-02657****SIX-MONTHLY REPORT JANUARY - JUNE 2017 AGAINST PORT STEPHENS
COUNCIL DELIVERY PROGRAM 2013-2017****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE**

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Six-Monthly Report January to June 2017 on progress of Council's Delivery Program 2013-2017.
-

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Nell Councillor Ken Jordan That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

172	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council adopt the Six-Monthly Report January to June 2017 on progress of Council's Delivery Program 2013-2017.
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BACKGROUND

The purpose of this report is to provide to Council and the community an update of the progress of Council against the objectives of its Delivery Program 2013-2017.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Governance and Civic Leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations

MINUTES ORDINARY COUNCIL - 11 JULY 2017

and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

This Six-Monthly Report is generated from a combination of Council's Interplan software and data provided from across Council's operations. There are no financial or resource implications.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Section 404(5) of the *Local Government Act 1993* requires this report: "The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months."

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council will not adopt the Six-Monthly Report January to June 2017 in breach of legislation leading to reputational loss.	Low	Council adopts the Report.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council's Delivery Program has been formulated according to principles of access, equity and social justice to contribute to the Community Strategic Plan, which has goals for the community of Port Stephens encompassing social, economic and environmental implications. Details of Council's performance in key areas determined by Council as indicators of progress are contained in the Six-Monthly Report January to June 2017.

CONSULTATION

The Six-Monthly Report January to June 2017 has been compiled from data provided across Council's operations and reviewed by the Executive Leadership Team of Council.

OPTIONS

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

ATTACHMENTS

- 1) Six monthly report January to June 2017.

COUNCILLORS ROOM

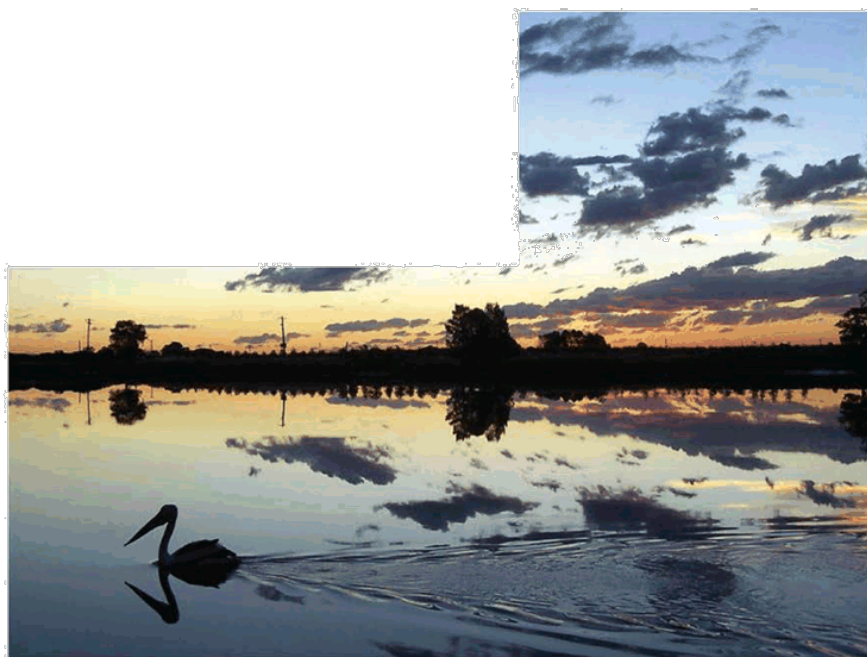
Nil.

TABLED DOCUMENTS

Nil.



SIX-MONTHLY REPORT
JANUARY TO JUNE 2017



ITEM 12 - ATTACHMENT 1 SIX MONTHLY REPORT JANUARY TO JUNE 2017.

The Six-Monthly Report January to June 2017 has been prepared in accordance with the requirements of Section 404(5) of the *Local Government Act 1993*:

"The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months."

© Port Stephens Council 2017

General Manager's Report

Proposed mergers

In January 2017 the State government announced that mergers proposed for regional councils would not go ahead. Port Stephens Council remains a stand-alone council however at its meeting on 28 February 2017 Council voted to approach Dungog Shire Council to seek a voluntary merger. During May 2017 Dungog Shire Council considered our proposal but in the end voted not to proceed at this time.



Financial sustainability

The financial results to 30 June 2017, whilst not yet subject to audit, continue to support the findings of the Independent Pricing and Regulatory Tribunal (IPART) that Council remains financially sustainable into the future. The estimated results reflect an underlying operating surplus of **\$1.5 million** that continues to allow Council to address its decreasing infrastructure backlog and add valued service delivery to its community in line with the Long Term Financial Plan.

Since January 2017 Council has also been awarded \$24,000 as part of the NSW Government's heritage grants program, as well as continuation of funding for major road initiatives such as Black Spot funding.

Community survey results

The Port Stephens community has once again given Port Stephens Council its endorsement delivering an overall community satisfaction rating of 79% for 2017.

Council conducted its annual survey over April and May of this year, with the end result representing a slight decrease compared to 2016 but still relatively high for a local government organisation.

The wide-ranging survey comprised community appraisals on general facilities, libraries, communications, development services, holiday parks and children's services.

The results are indicative of the focus placed on business improvement across the organisation. This is a journey we've been taking as a team for a number of years, improving the way we do business to ultimately provide better service to our residents.

Capital works

During the six months to 30 June 2017 Council has commenced or completed capital works totaling \$10.4 million, making an annual capital works delivery valued at more than \$23 million.

Major roadwork projects have included:

- East Seaham Road reconstruction and seal - \$1,600,000
- Abundance Road reconstruction - \$830,000
- Medowie Road Williamtown - \$273,000
- Morpeth Street Wallalong - \$114,000
- Pedestrian ramps Medowie - \$142,000
- Clarence Town Road at Glen Oak road reconstruction - \$548,000
- Shoal Bay traffic light installation - \$1,150,000
- Shoal Bay Road Nelson Bay - \$312,000
- Rigney Street Shoal Bay - \$41,000
- Reseals various roads - \$1,500,000

Major Community and Recreation projects have included:

- Midden protection Ridgeway Avenue Soldiers Point - \$85,000
- Playground replacement Corlette Hall - \$70,000
- Various park shade sails - \$130,000
- Boat ramp upgrade East Seaham - \$255,000
- Upgrade Lionel Morten Oval Karuah - \$85,000
- Carpark reseal Yulong Oval - \$51,500
- Playground replacement Gwen Parade Raymond Terrace - \$60,000
- Public amenities Boomerang Park - \$140,000
- Tilligerry Rural Fire Service building - \$1,070,000
- Raymond Terrace Men's Shed - \$900,000

Awards

In April 2017 Port Stephens Council was announced the winner of the NSW Local Government Excellence Awards in the Community Partnerships and Collaboration category for councils with a population over 15,000. Port Stephens competed with five other councils and six other projects.

The award acknowledged the declaration of Soldiers Point as an Aboriginal Place in June 2016, a process that resulted in the understanding of the non-aboriginal community about what aboriginal places are and what it means to manage them.

In the last five years, the aboriginal community and the non-aboriginal community were able to work out a way to manage the cultural values in what is a highly developed, modern landscape.

ITEM 12 - ATTACHMENT 1 SIX MONTHLY REPORT JANUARY TO JUNE 2017.

Council now has a clear process of ensuring that Aboriginal cultural values are at the forefront of every decision made at Soldiers Point.

Our Waste Services team were runners up at the 2017 Australian Landfill and Transfer Stations Innovation and Excellence Awards in Sydney for the Salamander Bay Waste Transfer facility.

The efforts of the team turned around what was an operating deficit of some \$600,000 per annum into a modest annual surplus, as well as greatly improving local environmental issues.

Council consistently performs well across its operations.

- Winner – Career Development Association of Australia – Employer of the Year.
- Winner – Reece Arday, Overall Trainee of the Year, Hunter Region Training Awards.
- Winner – Reece Arday, Business Administration Trainee of the Year, Hunter Region Training Awards.
- Finalist – Australian HR Awards in the Employer of Choice Category.
- Silver – NSW Tourism Awards Unique Accommodation – Throu Walla Sunset Retreat.
- Second – Workplace Health and Safety Award at the StateCover WHS Excellence Awards.
- Bronze – Pacific Coast Tourism Awards – Halifax Holiday Park.
- Finalist – NSW Tourism Awards – Halifax Holiday Park/Fingal Bay Holiday Park.
- Finalist – National HR Awards – Best Use of Technology, Human Resources Information System.
- Finalist – Local Government Awards.
- Finalist – Work Health and Safety Business of the Year in the Hunter Safety Awards.
- Fingal Bay Holiday Park is on the NSW Caravan Holiday Parks Gold List Star Ratings Australia in March 2016 for exceeding guest expectations from online reviews.
- Lakeside Leisure Centre was ranked as the best facility in a state-wide audit of safety amongst 77 aquatic centres by the Royal Life Saving Society NSW. Tomaree Aquatic Centre ranked third out of 77 and Tilligerry Aquatic Centre ranked 11th.

People





I take this opportunity to thank our staff and volunteers for our ongoing strong performance in the six months to 30 June 2017.


Wayne Wallis
General Manager

Key Result Areas: A Snapshot

The table below is a snapshot of Council's performance against a set of measures agreed between the Council and the General Manager to be significant priorities for the period. Full details are provided in the section which follows this table.

Legend:

-  Target exceeded
-  Target achieved or on track to be achieved
-  Target not achieved
-  Data not available at the time of reporting

Key Result Area	Status
1. Business Improvement Program	
2. Community Strategic Plan/Operational Plan Delivery	
3. Capital Works Delivery	
4. Financial Sustainability Program	
5. Workforce Strategy Implementation	
6. Infrastructure Planning	
7. Technology Improvement Program	
8. Land Use Strategy Development	
9. Flood and Drainage Study Implementation	
10. Integrated Risk Management Program	
11. Community Engagement and Customer Focus Initiatives	

1. Business Improvement Program

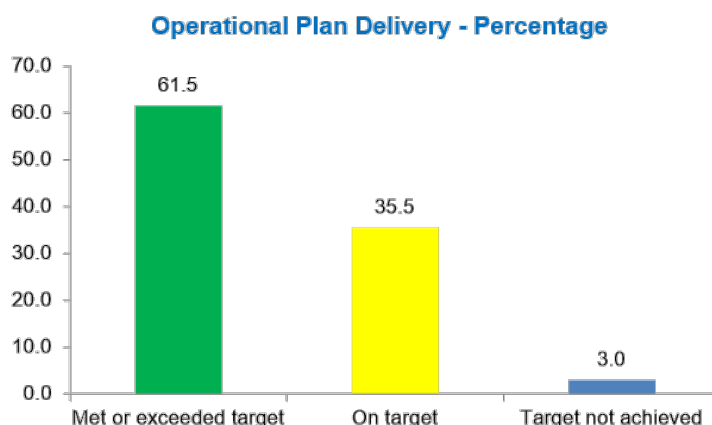
The Business Improvement Program of Work has been developed to bring together a whole of Council approach to improvement initiatives.

Once the proposed merger was quashed there has been a concentrated effort to review and re-prioritise the Program of Work. The primary focus from January 2017 to June 2017 has been to improve the organisation's approach to data management. This coupled with refining the way we use our corporate systems, means that the organisation is now better placed to progress key e'services and mobile working initiatives.

All actions which have been scheduled to progress are on track.

2. Community Strategic Plan/Operational Plan Delivery

The target is to complete >90% of the actions due for completion or in progress in this six months. Actual comprises 35.5% in progress and 65.5% ahead of schedule or completed, being **97%** as at 30 June 2017.



3. Capital Works Delivery

Road works projects

Project	Cost
Abundance Road, Medowie	\$830,000
Morpeth Street, Wallalong	\$114,000
Medowie Road, Williamtown	\$273,000
East Seaham Road, East Seaham	\$1,610,000
Pedestrian ramps, Medowie	\$142,000
Pedestrian ramps Benjamin lee Drive, Raymond Terrace	\$10,000
Pedestrian refuge Swan Street, Raymond Terrace	\$27,000
Pedestrian refuge Sturgeon Street, Raymond Terrace	\$10,000
Pedestrian refuge Sandy Point Road, Corlette	\$32,000
Pedestrian refuge Kindlebark Drive, Medowie	\$18,000
Pedestrian refuge William Bailey Street, Raymond Terrace	\$40,000
Pedestrian Access and Mobility Plan review	\$44,000
Clarence Town Road, Glen Oak	\$548,000
Salamander Way, Salamander Bay	\$260,000
Shoal Bay Road and Government Road, Shoal Bay	\$1,123,000
Boulder Bay Road, Fingal Bay	\$56,000
Shoal Bay Road, Nelson Bay	\$312,000
Drainage Study - Shoal Bay	\$6,000
Drainage Study - Patterson River Flood	\$15,000
Rigney Street, Shoal Bay	\$41,000
MR108 Nelson Bay Rd Seg60 Reseal	\$7,182
MR108 Nelson Bay Rd Seg500 Reseal	\$8,133
MR104 Richardson Rd Seg135 Reseal	\$27,265
MR108 Nelson Bay Rd Segment 200 Reseal	\$51,919
MR108 Nelson Bay Rd Segment 210 Reseal	\$38,161
MR 108 Nelson Bay Rd Drainage - Letterbox Pits*	\$69,826
MR302 Tomago Rd SCRIM AC correction*	\$26,859
MR 108 Nelson Bay Rd Lemon Tree Passage Roundabout Resurfacing*	\$223,159
MR 108 Nelson Bay Rd Heavy Patching*	\$50,000
MR 302 Tomago Rd Asphalt Overlay*	\$360,509

* Not yet completed. Note that the Lemon Tree Passage Roundabout will be done over two years, with approximately \$100,000 expended in 2016-2017.

ITEM 12 - ATTACHMENT 1 SIX MONTHLY REPORT JANUARY TO JUNE 2017.**Community and Recreation projects**

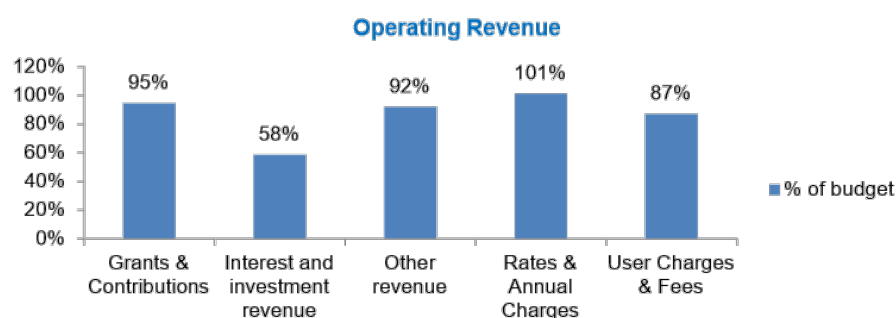
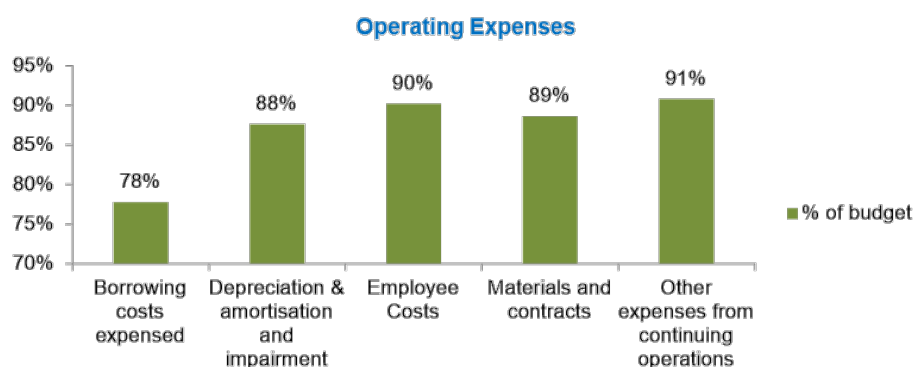
Project	Cost
Midden Protection and Retaining Wall – Car parking area, Ridgeway Avenue, Soldiers Point	\$85,000
Playground Replacement – Corlette Hall	\$70,000
Playground Upgrade – Dutchies Beach, Nelson Bay	\$15,000
Shade Sails and Landscaping – Boomerang Park Playground, Raymond Terrace, Henderson Park Playground, Lemon Tree Passage and Fern Bay Playground, Rankin Road, Fern Bay	\$130,000
Boat Ramp Upgrade – Torrence Street, Seaham	\$255,000
Seating, Fencing and Access Upgrade – Lionel Morten Oval, Karuah	\$85,000
Carpark Reseal – Yulong Oval, Medowie	\$51,500
Disabled Access Upgrade – Old School Site, Lemon Tree Passage	\$20,000
Playground Replacement – Gwen Parade, Raymond Terrace	\$60,000
New Public Amenities – Boomerang Park, Raymond Terrace	\$140,000
Tilligerry Rural Fire Service Building	\$1,070,000
Raymond Terrace Men's Shed	\$900,000
One Mile Surf Lifesaving Facility - Under construction. Due for completion late September 2017.	\$1,000,000
Lakeside Skate Park, Raymond Terrace. Due for completion August 2017.	\$80,000
Boomerang Park Skate Park, Raymond Terrace. Due for completion August 2017.	\$200,000

4. Financial Sustainability Program

The underlying operating surplus is projected to be \$1.5 million as at 30 June 2017. This projection is an estimate and the final results (audited financial statements) will be in the Council's annual report due in November 2017.

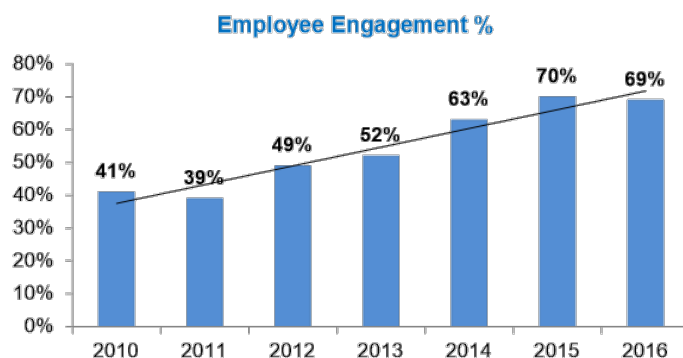
- All Fit for the Future indicators were achieved.
- Financial Statements - Note 13 indicators exceeded benchmarks.
- \$112,884.84 rebate from StateCover - Mutual Performance Rebate Distribution.
- 2016-2017 WHS Financial Incentive from StateCover - \$100,000 (maximum rebate).
- \$57,603.60 rebate from Statewide as a special distribution because of better performance of the scheme.
- A further distribution of \$31,451 has been received in the liquidation of Lehman Brothers Australia bringing total investment recoupments to \$1,474,367.
- Property sales achieved \$6.998 million and a lease income of \$130,000 p.a.

The Operating Expenses and Revenue outcomes in the graphs below are estimates and the final results will be reflected in the Council's annual report.



5. Workforce Strategy Implementation

Staff engagement **target** = >65%. Actual (August 2016) = **69%**



The Employee Engagement Survey was conducted during November 2016 with a 69% engagement score reported being only a 1% decrease from the 2015 score. This is an excellent result given the uncertainty produced through the pending amalgamation issues. Key areas for improvement have been identified around brand, senior leadership, career opportunities and rewards and recognition. The combined leadership team has been briefed by AON Hewitt and is now working to improve engagement in their individual areas.

Work experience places are continually provided throughout Council. Year to date we have placed 23 students across various areas including customer relations, environmental, engineering, planning, libraries, information services, human resources, surveying and event management.

Recruitment of another seven apprentice, trainee and cadets is finalised and the successful applicants of the positions below have commenced work with Council.

- Building and Development Cadet
- School Based Trainee – Tourism
- Customer Relations Administration Trainee
- Apprentice Boilermaker
- Business Systems Support Trainee
- Property Services Cadet
- Graduate Engineer or Student Engineer

Work has continued on the implementation of Cornerstone with a significant number of new elements rolled out this year. A comprehensive work program of improvements using the Cornerstone product has been developed for 2016-2017 which will see continuing productivity savings across Council as these initiatives are rolled out.

Management of Council's employer brand continues. Since December 2015, whilst we have been dealing with the uncertainty around a potential amalgamation, we have been able to maintain relatively high application rates for positions and our turnover for the 2016-2017 is currently sitting at 7% with our overall target of 11.6% for 2016-2017. According to the Local Government Operational and Management Effectiveness report for FY15 the survey revealed a low overall median staff turnover rate of 13.1%. This shows that our brand is still strong in the market irrespective of the uncertainty around our future status.

6. Infrastructure Planning

A review of the Strategic Asset Management Plan (SAMP) was undertaken in October and November 2016 in accordance with Section 403 of the *Local Government Act 1993*. A revised Strategic Asset Management Plan with associated Works Program was adopted by Council together with the revised Long Term Financial Plan at its meeting on 13 June 2017.

- Implemented ICT Asset Management and long term replacement program.
- Replacement of eco tents at Thou Walla Sunset Retreat.
- Approved DA for eight lot townhouse development at 14 Bagnall Avenue, Soldiers Point.
- The Department of Planning has issued a Gateway determination to reclassify surplus Council land at 9B Diemars Road, Salamander Bay from community to operational.
- Development applications have now been lodged by both Woolworths and ALDI for their respective developments within the 155 Salamander Road shopping centre extension.
- Civil construction underway for a seven lot subdivision of commercial land at 155 Salamander Way, Salamander Bay.

7. Technology Improvement Program

The ICT Program of Work has been developed to support a whole of Council approach to ICT improvement initiatives. This includes a structured ICT Asset Management program; the implementation of new server and storage infrastructure; and the preparation for a new integrated telephone system. All actions which have been scheduled to progress are on track.

A Spatial Services Program of Work has been developed. Underpinning this is a Spatial Data Catalogue. There are a number of projects within the Program of Work, all aimed at improving the system including: bringing in webmap layers; improving and mapping processes; providing training; moving data to SQL; and improving reporting solutions. The Program is on track.

8. Land Use Strategy Development

From January to June 2017, Council will have produced close to 1,700 certificates, which represents an increase of 6% or 49 certificates over the previous six month period.

During this same period, a monthly average of \$193,351 of development contributions were collected, which is below the forecast. This fluctuation can be attributed to the variation in payment schedules for haulage levies, as well as the sporadic nature of payment of development contributions.

Council adopted the Aircraft Noise Policy, Rural Residential Policy, Crime Prevention Plan and the completion of the exhibition period for the Discussion Paper: A Review of the Nelson Bay Town Centre & Foreshore Strategy. Council also made significant progress on other major projects, such as the review of the Port Stephens Development Contributions Plan and the Disability Inclusion Action Plan.

We are more effectively monitoring the implementation of statutory tools, including the Port Stephens Development Control Plan 2014. This commenced by reviewing the Officer Assessment Reports for a number of Development Applications for dual occupancies. This review identified four key matters that will be addressed through the review of the Housekeeping DCP, being site coverage, upper storey setbacks, lodgement requirements and balconies.

9. Flood and Drainage Study Implementation

Flood and drainage studies for Anna Bay/Lemon Tree Passage:

The draft Anna Bay and Tilligerry Creek Flood Study (which encompasses Lemon Tree Passage) was received by Council at the end of May 2017. Council and the Office of Environment and Heritage (OEH) will review the report and provide feedback to the consultant. A meeting of the Floodplain Advisory Panel is being arranged. The meeting will see Councillors, representatives from Hunter Water Corporation (HWC), State Emergency Services, OEH and the community as well as Council officers and the consultant discuss the draft Anna Bay and Tilligerry Creek Flood Study.

Flood and drainage studies for Tanilba Bay and Mallabula:

Tanilba Bay is part of the Anna Bay and Tilligerry Creek Flood Study. Mallabula was part of the Flood Study that was administered by the (then) Great Lakes Council with our Council assisting with data. This project has been postponed by the new MidCoast Council.

Drainage and flood studies for the Paterson River and Port Stephens Flood Risk Management Study:

The Paterson River Flood Study is being managed by Maitland City Council (MCC). The Study represents the first stage of the floodplain management process which will provide a comprehensive flood management approach for the three Councils of Dungog, Port Stephens and Maitland. The Flood Study will be brought before MCC for adoption in June 2017.

10. Integrated Risk Management Program

Risk Maturity Score¹ Target: >65%. Actual = 83%.



Port Stephens Council's Risk Management Framework is reviewed and updated on an annual basis, the most recent review having taken place in May and June 2017.

The Corporate Risk Management Framework provides a comprehensive overview of Council's risk management approach, systems and processes to help all employees manage risk and it is aligned to the risk management standard AS/NZS ISO 31000:2009.

How we approach risk management is a reflection of our commitment to our success and our own safety and that of the community and is the lens through which we will be judged as custodians of the municipality.

The corporate and group risk registers are reviewed by risk owners and the Audit Committee on a quarterly basis and presented to the Executive Leadership team on a regular basis.

¹ Risk Maturity Score is assessed independently by an expert panel against AS/NZS ISO 31000:2009 *Risk Management*.

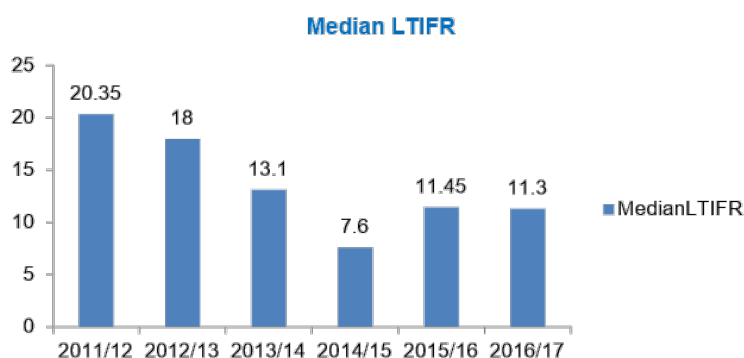
ITEM 12 - ATTACHMENT 1 SIX MONTHLY REPORT JANUARY TO JUNE 2017.

Risk management is part of the Port Stephens Council culture and is integrated into corporate and business plans and everyday activities, rather than being viewed or run as a separate program. The effectiveness of the risk management practices across the organisation is evident in the latest risk maturity score of 83% compared to a previous score of 75%.

Workplace Health & Safety

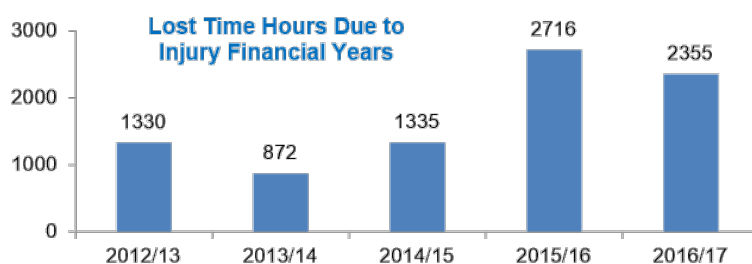
Lost Time Injury Frequency Rate

The graph below compares the lost time injury frequency rate for workers compensation injuries. The rate is expressed as a median for each financial year until May 2017.



Lost Time Hours Due to Injury

The graph below provides a comparison of the total lost time hours as a result of workers compensation claim injuries. The 2016-2017 financial year up until May 2017 is tracking below 2015-2016 but remains above the three previous financial years. This is due to the nature and complexity of claims, most notably in the second half of the financial year.



The rolling number of claims for the second half of the 2016-2017 financial year has consistently remained below the number of claims for the same period last year.

As of the end of May 2017 the workers compensation premium was tracking at \$625,560, which is below the 2016-2017 deposit premium of \$675,336. Based on current claims it is expected that the premium for 2016-2017 will remain below \$700,000.

Port Stephens Council came second for Work Health & Safety at the StateCover Awards and were finalists for Work Health and Safety Business of the Year at the Hunter Safety Awards.

StateCover declared Port Stephens Council to be the best performing Council in the scheme this year and issued Council with \$112,884 rebate from the Mutual Performance Rebate Distribution. Council also received the maximum \$100,000 rebate from the StateCover 2016-2017 Work Health & Safety Financial Incentive.

11. Community Engagement and Customer Focus Initiatives

Council continues to support the Port Stephens Youth Advisory Panel (YAP), including regular Facebook posts and meetings. The YAP made a two-way presentation to Councillors in May 2017 to summarise their activities for the financial year. A Council report documenting a mid-term update on activities against the actions outlined in the Port Stephens Youth Strategy went to Council's meeting on 27 June 2017.

Some of the highlights included:

- Delivery of the 'Next Step' Youth Mental Health Forum in March 2017 attended by 70 students from all seven local high schools.
- Delivery of Youth Week 2017 events in April 2017 which included the Port Stephens 24 Challenge, Light up the Library event, and hosting, with other community groups, a well-attended skate and scooter competition in Nelson Bay.

There were meetings of the 355c Aboriginal Strategic Committee in February and May 2017. A further meeting with representatives from this committee was held on 30 May 2017 to assess the Aboriginal Projects Fund applications received. These recommendations went to Council's meeting on 27 June 2017.

Similarly, Council met with the 355c Strategic Arts Committee in late May 2017 to assess the Cultural Projects fund applications received. These recommendations went to Council's meeting on 27 June 2017.

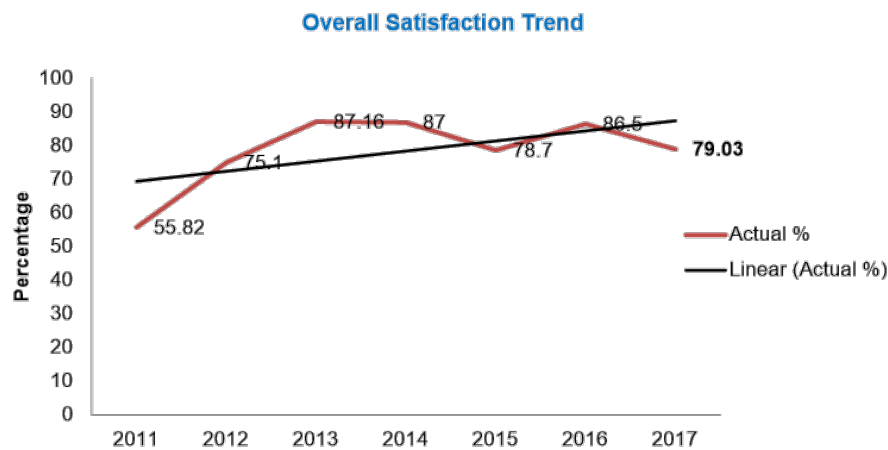
Council's trial project to help host a pop-up shop to showcase locally made art featuring photography, paintings, sculpture and ceramics at Magnus Street, Nelson Bay is scheduled to end 31 August 2017. This trial project which began in October 2016 has enabled a number of local artists to learn the local business culture and to provide experience in developing their own businesses into the future.

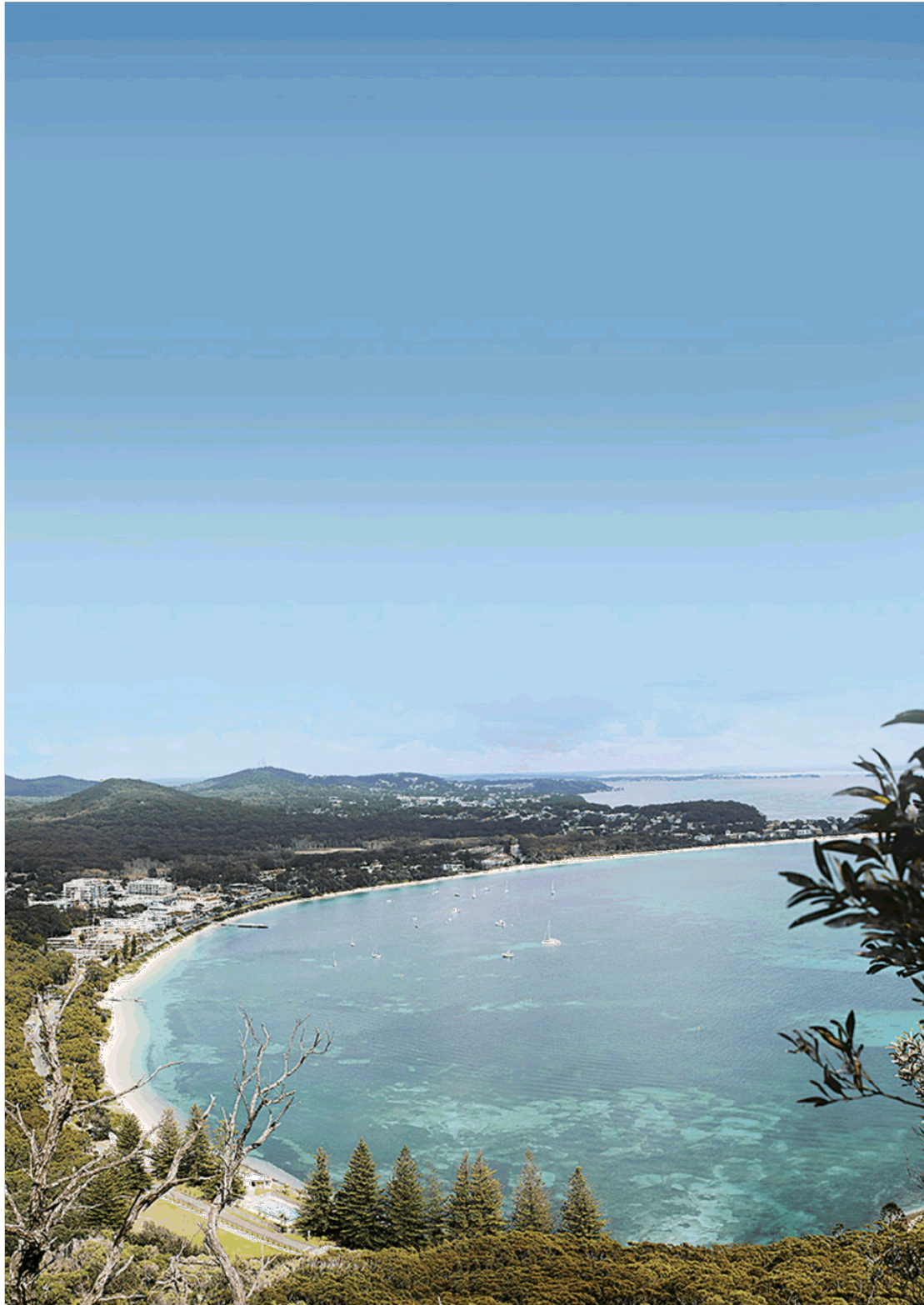
ITEM 12 - ATTACHMENT 1 SIX MONTHLY REPORT JANUARY TO JUNE 2017.

This project was a whole-of-Council approach and was supported by the Property Services section.

Port Stephens Council's Community Development and Engagement unit are looking at ways to improve their customer focus and one of these ways is to provide an easy to use interactive engagement platform for our residents who can 'have their say'.

The use of the online engagement platform has grown significantly over the last six months with a number of key projects such as the Nelson Bay CBD and Foreshore Strategy Discussion Paper and the Birubi Point Aboriginal Place Management Plan driving interest. The number of visitors to this site during the last six months was 3,900 with 139 new registrations.





Port Stephens Council Six Monthly Report January to June 2017

ITEM NO. 13**FILE NO: 17/119476
RM8 REF NO: PSC2017-00063****PORT STEPHENS COUNCIL COMMUNITY SATISFACTION SURVEY 2017
REPORT****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE**

RECOMMENDATION IS THAT COUNCIL:

- 1) Receive the Port Stephens Council Community Satisfaction Survey 2017
(ATTACHMENT 1).
-

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Morello Councillor Paul Le Mottee That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

173	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council receive the Port Stephens Council Community Satisfaction Survey 2017 (ATTACHMENT 1).
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BACKGROUND

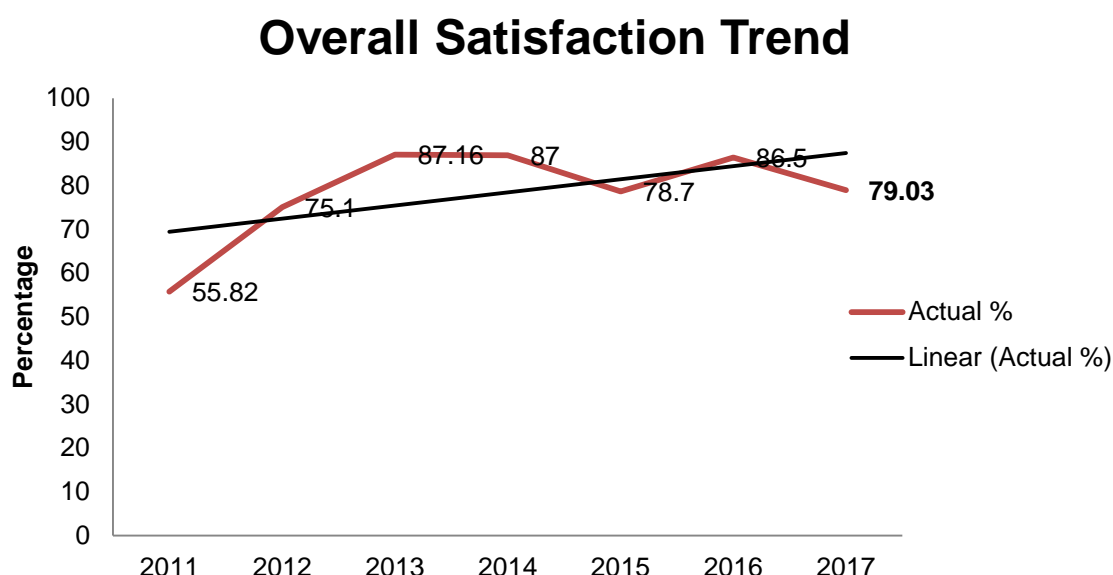
The purpose of this report is to provide to Council the outcomes of the survey of a sample of residents of the Port Stephens local government area (LGA) pertaining to facilities, services and general perceptions of Port Stephens Council's performance.

The survey comprised general facilities, services and communications instrument, a library services instrument targeting active library users resident in the LGA, users of children's services, holiday parks continue surveys and development application customers' periodic survey. The overall target was to achieve 964 responses across all surveys, and the actual responses were 1,491.

There was a skew towards older residents and this age skew reflects that younger demographics may not have participated as the social media campaign was not implemented until later in the survey period.

The overall sample of 801 respondents who answered geo-demographic questions was **numerically** statistically representative however there was a skew towards those residing in the east of the Local Government Area (LGA). This geographical skew continues a long- established trend for more responses from more densely settled areas of the LGA, as Raymond Terrace and Medowie responses are relatively statistically representative.

The overall satisfaction with Council's performance was 79%, which though down on the previous year, is still high in terms of local government more widely across the State. Average satisfaction with regional councils has been measured at 64.4% and 66.2% for all of NSW councils. Trend details are shown in the graph below.



COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Governance and Civic Leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

The surveys were designed and implemented in-house using existing resources.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Although customer satisfaction surveys are not mandated by legislation, the Office of Local Government recommends in its Integrated Planning and Reporting Manual (page 32) such surveys as a valuable tool to gauge the community's views on how councils are performing in such areas as service delivery of facilities and governance.

Port Stephens Council commenced formal community satisfaction surveys in 2007 using external providers, until 2011 when as a result of the sustainability review process the decision was made to continue the survey but to conduct it in-house. Since then the survey methodology has been enhanced to expand the reach of the survey.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the statistical sample could be inadequate to support the findings in the Report of the Survey.	Low	The National Statistical Service recommended response rate for the Port Stephens population should be 964 with a confidence level of 95% - the actual response was 1,491.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Port Stephens Council conducts its operations across the spectrum of social, economic and environmental indicators. The 2017 Community Satisfaction Survey was designed to ensure that Council is aware of the level of community satisfaction with all aspects of its operations. The Report (**ATTACHMENT 1**) demonstrates overall satisfaction but also where there are opportunities to enhance Council's operations and service delivery.

CONSULTATION

To ensure that the opportunity to participate was afforded to the largest number of residents and/or service users the following channels were employed:

- email out to >8,000 residents;
- email out to >5,000 active library users;
- email to all users of children's services;
- Facebook and Twitter;
- Telephone survey of development application service customers;
- on-going holiday park customer polls aggregated across all parks;
- Advertisements in the Port Stephens Examiners;
- Council's website "Have your say"
- Promotion in libraries;
- Hard copies of survey instruments provided on request.

Survey design was reviewed prior to commencement and questions related to communications were refined to elicit better understanding of how residents interact with Council and how they obtain information about Council, its services and facilities.

OPTIONS

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

ATTACHMENTS

- 1) Community Satisfaction Survey 2017. (Provided under separate cover)

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 14**FILE NO: 17/99133
RM8 REF NO: PSC2017-00669****INDEPENDENT EXTERNAL AUDIT COMMITTEE MEMBERSHIP****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE**

RECOMMENDATION IS THAT COUNCIL:

- 1) Appoint Ben Niland as an independent external representative to the Audit Committee until 30 June 2020.
 - 2) Appoint Frank Cordingley as an independent external representative to the Audit Committee until 30 June 2020.
 - 3) Appoint Shaun Mahony as an independent external representative to the Audit Committee until 30 June 2020.
 - 4) Acknowledge the contribution given by David Wheeler over the past seven years as an independent external Audit Committee member.
-

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Nell Councillor Sally Dover That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

174	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council: <ol style="list-style-type: none">1) Appoint Ben Niland as an independent external representative to the Audit Committee until 30 June 2020.2) Appoint Frank Cordingley as an independent external representative to the Audit Committee until 30 June 2020.3) Appoint Shaun Mahony as an independent external representative to the Audit Committee until 30 June 2020.4) Acknowledge the contribution given by David Wheeler over the past seven years as an independent external Audit Committee member.
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BACKGROUND

The purpose of this report is to recommend to Council the preferred candidates for appointment as the three (3) independent external representatives to the Audit Committee.

The current independent external Audit Committee representatives' term expired on 30 June 2017. As a result expressions of interest (EOI) were invited from members of the public with appropriate skills and experience.

A total of seven (7) EOIs were received with three candidates interviewed during June 2017.

The selection panel comprising Councillor Ken Jordan, Councillor Chris Doohan, General Manager and Governance Manager recommend to Council the following preferred candidates for appointment as the three (3) independent external representatives to the Audit Committee.

- Ben Niland
- Frank Cordingley
- Shaun Mahony

Mr Ben Niland has over 13 years' experience in large government organisations working within processes and systems which are risk based. Ben's background in government organisation provides a great understanding of the legislative framework Council operates within. Ben has been an independent external member of Council's Audit Committee for four years demonstrating a high level of practical and conceptual financial and management accounting skill with knowledge of internal controls, policies and procedures.

Mr Frank Cordingley has over 20 years' experience working in both the private and public sectors. He offers unique experiences that would provide value to the committee and balance the experience of the other members through providing experience in general management, financial management, risk management, WH&S and improvement opportunities from an operational, as well as a financial perspective. As Director Corporate Services for Hunter Health, Frank also held the position as an independent member on the Audit and Risk Management Committee of Health Support Services for a period of three years. In addition, Frank was also a Director on the Board of Newcastle Airport Ltd and a member of their Audit and Risk Management Committee.

Mr Shaun Mahony has over 20 years' experience in professional accounting firms providing audit, accounting and business advice to a broad range of clients including public companies, government organisations, not for profit entities and private companies. Shaun has also held senior finance roles overseeing finance, information technology and communications, human resources and administration functions.

MINUTES ORDINARY COUNCIL - 11 JULY 2017

Shaun demonstrates a high level of understanding and knowledge of business and operational processes, governance and risk management practices.

A copy of the candidates resumes have been circulated to Councillors under separate cover.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Governance and Civic Leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

A meeting attendance allowance of \$500 per meeting will be paid to each independent external representative of the Audit Committee.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		Within existing budget.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The Audit Committee Charter is consistent with all relevant legislative requirements and Office of Local Government guidelines.

The independent external members will be required to execute confidentiality agreements, complete pecuniary interest returns and comply with Council's Code of Conduct.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council would not comply with the Office of Local Government Guidelines if	Low	Adopt the recommendations.	Yes

MINUTES ORDINARY COUNCIL - 11 JULY 2017

independent external members are not appointed.			
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SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

It is considered that the Audit Committee will add significant rigour to Council's governance framework, risk control, compliance and financial reporting and will enhance Council's reputation, operations and financial sustainability.

CONSULTATION

Consultation with key stakeholders has been undertaken by the General Manager's Office.

Internal

- General Manager
- Governance Manager

External

- Councillor Ken Jordan
- Councillor Chris Doohan

OPTIONS

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

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 15**FILE NO: 17/119044
RM8 REF NO: PSC2009-02488****POLICY REVIEW: FRAUD AND CORRUPTION CONTROL****REPORT OF: TONY WICKHAM - GOVERNANCE MANAGER
GROUP: GENERAL MANAGER'S OFFICE**

RECOMMENDATION IS THAT COUNCIL:

- 1) Endorse the revised Fraud and Corruption Control policy shown at **(ATTACHMENT 1)**.
 - 2) Place the Fraud and Corruption Control policy, as amended on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted as amended, without a further report to Council.
 - 3) Revoke the Fraud and Corruption Control policy dated 14 April 2015, Min No. 088 **(ATTACHMENT 2)**, should no submissions be received.
-

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Nell Councillor Paul Le Mottee That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

175	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council: <ol style="list-style-type: none">1) Endorse the revised Fraud and Corruption Control policy shown at (ATTACHMENT 1).2) Place the Fraud and Corruption Control policy, as amended on public exhibition for a period of 28 days and should no submissions be received, the policy be adopted as amended, without a further report to Council.3) Revoke the Fraud and Corruption Control policy dated 14 April 2015, Min No. 088 (ATTACHMENT 2), should no submissions be received.
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BACKGROUND

The purpose of this report is to recommend the amendments to the Fraud and Corruption Control Policy, **(ATTACHMENT 1)** which represents Council's commitment to effective fraud and corruption risk management and prevention. The policy has been reviewed and endorsed by the Audit Committee at its meeting of 25 May 2017.

Port Stephens Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected Councillors or its own employees, to gain by deceit, financial or other benefits. The policy (and a supporting management directive) has been developed to protect public funds and other assets, protect the integrity, security and reputation of Council and its employees, and assist in maintaining high levels of service to the community.

This Policy draws together Council's fraud and corruption prevention and detection initiatives into one document. It forms part of Council's Risk Management Framework and has three major components:

Prevention – initiatives to deter and minimise the opportunities of fraud and corruption;

Detection – initiatives to detect fraud and corruption as soon as possible after it occurs; and

Response – initiatives to deal with detected or suspected fraud and corruption.

The desired outcome of this Policy is the elimination of fraud and corruption against Council.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Governance and Civic Leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

All costs associated with the development and implementation of the Policy are within the existing 2016-2017 Budget.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		

MINUTES ORDINARY COUNCIL - 11 JULY 2017

Source of Funds	Yes/No	Funding (\$)	Comment
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

All information received by Council in relation to suspected fraudulent or corrupt conduct will be collected, classified and handled appropriately having regard to privacy, confidentiality, legal professional privilege and the requirements of natural justice.

The Policy has been developed in accordance with Australian Standard AS8001:2008 Fraud and Corruption Control.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that fraudulent activity could occur within Council which is a risk of any business. The key to managing the exposure to fraudulent activity is to ensure appropriate controls are in place.	Low	Adopt the recommendation.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The Fraud and Corruption Control Policy provides the community with assurance of the integrity in the Local Government system and of Port Stephens Council. Related policies provide confidence to those who identify potential fraud or corruption to come forward.

Fraud and corruption cost the organisation because they detract from its financial performance and its ability to provide and enhance facilities and services to its community. This policy addresses this risk.

By putting in place mechanisms to detect corruption it allows for a 'level playing field' for promoters of economic development opportunities and the enhanced reputation of Council will underpin other strategies for economic growth in the LGA.

By preventing fraud and corruption, this Policy allows for those other controls and conditions that are in place to protect the environment from being subverted.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Governance and Legal Services Unit.

Internal

The policy has been reviewed with consultation and endorsement of the Audit Committee.

Council's Executive Team has also endorsed the policy review.

External

Council is required to publicly exhibit the policy for a period of 28 days, seeking public comment.

In accordance with local government legislation the draft Fraud and Corruption Control policy will go on public exhibition from 20 July 2017 to 17 August 2017 for 28 days.

OPTIONS

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

ATTACHMENTS

- 1) Revised Fraud and Corruption Control policy.
- 2) Current Fraud and Corruption Control policy.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.**Policy****FILE NO: PSC2009-02488****TITLE: FRAUD AND CORRUPTION CONTROL POLICY****POLICY OWNER: GOVERNANCE MANAGER****PURPOSE:**

Port Stephens Council (Council) recognises that it has a responsibility to develop, encourage and implement sound financial, legal and ethical decision-making and organisational practices.

Port Stephens Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected Councillors or its own employees, to gain by deceit, financial or other benefits. This policy is designed to protect public funds and other assets, protect the integrity, security and reputation of Council and its employees and assist in maintaining high levels of service to the community.

This Fraud and corruption control policy represents Council's commitment to effective fraud and corruption risk management and prevention. The desired outcome of this commitment is to minimise the potential for fraud and corruption against Council.

This policy draws together Council's fraud and corruption prevention and detection initiatives into one document. It forms part of Council's risk management framework and has three major components:

- Prevention – initiatives to deter and minimise the opportunities of fraud and corruption;
- Detection – initiatives to detect fraud and corruption as soon as possible if it occurs; and
- Response – initiatives to deal with detected or suspected fraud and corruption.

The desired outcome of this policy is the elimination of fraud and corruption against Council involving employees and other persons external to Council. While the elimination of all instances of fraud and corruption may not realistically be achievable, it remains Council's ultimate fraud and corruption prevention objective.

CONTEXT/BACKGROUND:

The policy was developed in 2011 as part of Council's review of fraud and corruption control. The policy framework provides Council's position with respect to the overall management of fraud and corruption.

This Fraud and corruption control policy represents the commitment of the Council to effective fraud and corruption risk management. It also requires the commitment, co-operation and

Policy

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ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.**Policy**

involvement of all Councillors, staff, contractors and the public in preventing, detecting and responding to all instances of fraud and corruption.

SCOPE:**1 Attitude to fraud and corruption**

- a) The Council has a zero tolerance to fraud and corruption.
- b) Council is committed to minimising the incidence of fraud and corruption through the development, implementation and regular review of fraud and corruption prevention, detection and response strategies.

2 Council's approach to fraud and corruption control

- a) Council will ensure that Council officials are aware of the fraud and corruption reporting procedures and are actively encouraged to report suspected fraud and corruption through the appropriate channels.
- b) Council has adopted a clear framework and approach to fraud and corruption detection and prevention. This approach is based on the Australian standard for fraud and corruption control AS 8001:2008. In particular, the following fraud and corruption control strategies are pursued by Council:

Prevention Strategies	Detection Strategies
<ul style="list-style-type: none"> ▪ Integrity framework – Code of conduct 	<ul style="list-style-type: none"> ▪ Council and external agency reviews
<ul style="list-style-type: none"> ▪ Fraud and corruption control management directive (including allocation of fraud and corruption prevention responsibilities) 	<ul style="list-style-type: none"> ▪ Management reports and internal audit reviews
<ul style="list-style-type: none"> ▪ Fraud and corruption awareness training 	<ul style="list-style-type: none"> ▪ Staff induction and fraud and corruption awareness training sessions
<ul style="list-style-type: none"> ▪ Fraud and corruption risk assessments 	<ul style="list-style-type: none"> ▪ Clear reporting channels and internal audit reviews
<ul style="list-style-type: none"> ▪ Robust internal controls 	<ul style="list-style-type: none"> ▪ Public Interest disclosures and internal reporting
<ul style="list-style-type: none"> ▪ Pre-employment screening 	<ul style="list-style-type: none"> ▪ Police checks and references

- c) All information received by Council in relation to suspected fraudulent or corrupt conduct will be collected, classified and handled appropriately having regard to privacy, confidentiality, legal professional privilege and the requirements of natural justice.

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ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.

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- d) If fraud or corruption against Council is detected, the General Manager will make all decisions on the appropriate communications protocol by nominating one person to be the authorised spokesperson. Any communications relating to a fraud or corrupt incident by a person other than the General Manager or authorised spokesperson will be considered a breach of this policy. Any breach of any policy is dealt with under the provisions of the Enterprise agreement and/or the terms of contract; and/or the Code of conduct.

3 Reporting

Under the Code of Conduct there is an obligation for each Council official to report any improper conduct, which includes suspected fraudulent or corrupt behaviour. An individual may report the matter either internally or externally as outlined below.

Council officials should report any suspicions to only those people who absolutely need to know. This protects people from allegations that may not be proven and prevents the possible destruction of evidence.

3.1 Internally

Councillors, Council officials and delegates of Council must report as soon as possible any suspected fraudulent or corrupt behaviour to:

- Governance Manager;
- General Manager; or
- Mayor.

Supervisors and managers or the internal auditors have an obligation to immediately pass on the reports of suspected fraudulent or corrupt behaviour or breaches of the policy to the General Manager.

The only exception to this is where the General Manager is suspected of conduct relating to fraud or corruption, in which case the matter should be reported to the:

- Mayor;
- Governance Manager; or
- The relevant external agency. (See 3.2 below)

Council's Public Interest Disclosure Internal Reporting Policy provides protection to council officials who report fraudulent or corrupt behaviour.

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ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.

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3.2 External Agencies

Matters relating to suspected fraudulent or corrupt activities can also be reported to the following external agencies:

- Independent Commission Against Corruption (ICAC) – telephone 1800 463 909 (in the case of allegations of fraud or corruption);
- Office of Local Government – telephone 4428 4100 (in the case of allegations relating to pecuniary interests);
- NSW Police – telephone 4983 7599 (in the case of allegations relating to fraud); and
- NSW Electoral Commission – telephone 1300 135 736 (in the case of allegations relating to election fraud).

4 Responsibilities

Council will ensure that:

- Relevant exposure of significant risks to the Council are identified. The evaluation of risk is a critical determinant in Council's approach to fraud and corruption prevention and detection;
- Relevant legal obligations are monitored to ensure that operating procedures and conditions meet these obligations;
- The Code of Conduct and associated policies and procedures are developed and publicised;
- Appropriate fraud and corruption prevention and detection controls are incorporated when developing and maintaining computer and/or other systems;
- Employees are properly trained and understand relevant Council policies and the legislative requirements of protection for informants under the *Public Interest Disclosures Act 1994*;
- An environment exists in which fraud and corruption related activity is discouraged; and
- Effective investigations of allegations are undertaken, and notified to the NSW Police, the ICAC, the NSW Electoral Commission and/or the Office of Local Government, for investigation and/or prosecution as required.

There are a number of specific responsibilities associated with the prevention of fraud and corruption related activity. These specific responsibilities are to be included in the Fraud and Corruption Control management directive.

5 Record keeping, confidentiality and privacy

Council will maintain effective record keeping systems to demonstrate due process has been followed for all actions and decisions arising out of the implementation of this policy. All investigative documentation will comply with relevant legislative provisions, will remain strictly

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confidential and will be retained in accordance with the *State Records Act 1998* and Council's Access to Information policy.

DEFINITIONS:

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

Council officials Means Port Stephens Council employees, consultants and contractors

Corruption For the purpose of this management directive, corruption and corrupt conduct will have the same meanings as defined in the Independent Commission Against Corruption (ICAC) Act 1988, which is set out in Appendix B.

In summary, corrupt conduct means any conduct, which could affect the honest or impartial exercise of official functions, may be a breach of trust, or may involve the misuse of any Council information by any Council official.

Council Means Port Stephens Council

Fraud Fraud is defined in Australian Standard AS 8001: 2008 as:

"Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position."

For the purpose of this management directive, fraud is not restricted to tangible benefits only and includes intangibles such as information, which may not be in documentary form.

ICAC Independent Commission Against Corruption.

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ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.

Policy



POLICY STATEMENT:

Council is committed to:

- 1) Adopting measures to minimise risk;
- 2) Serving, representing and promoting community needs, interests and aspirations;
- 3) Protecting community assets and resources; and
- 4) Exercising its powers and engage in initiatives that add value to and capitalise on the community's assets and resources.

To achieve its fraud and corruption prevention objectives Council will:

- 1) Identify fraud and corruption risks and regularly review and update the Fraud and corruption control policy;
- 2) Provide fraud and corruption awareness training to those staff who are identified as being in positions that require fraud and corruption awareness training;
- 3) Ensure all Councillors, staff, contractors and the public are aware of Council's fraud and corruption control policy;
- 4) Encourage and promote professional and ethical business practice;
- 5) Identify any weaknesses in Council's control processes through regular review of Council's operations;
- 6) Clearly communicate how suspected instances of fraud and corruption can be reported;
- 7) Investigate alleged or suspected instances of fraud or corruption using professionals with experience in investigation techniques;
- 8) Take appropriate action to deal with instances of actual, suspected or alleged fraud or corruption, including by recommending prosecution of persons and/or organisations for fraud or corruption offences where and when appropriate; and
- 9) Use all practicable avenues to recover money or property lost through fraudulent or corrupt activity.

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ITEM 15 - ATTACHMENT 1 REVISED FRAUD AND CORRUPTION CONTROL POLICY.

Policy



POLICY RESPONSIBILITIES:

- 1) The General Manager, Group Managers and Governance Manager is responsible for implementing, complying with the policy.
- 2) The Governance Manager is responsible for monitoring, evaluating, reviewing and providing advice on the policy.
- 3) Council officials are required to comply with the policy.

RELATED DOCUMENTS:

- *Local Government Act 1993 and Local Government (General) Regulations 2005;*
- *Environmental Planning and Assessment Act 1979*
- *Independent Commission Against Corruption Act 1988*
- *Public Interest Disclosures Act 1994*
- *Crimes Act 1990*
- *State Records Act 1998*
- Australian Standard AS8001:2008
- Code of conduct;
- Public Interest disclosures internal reporting policy;
- Grievance and dispute resolution process; and
- Access to information policy.

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CONTROLLED DOCUMENT INFORMATION:

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RM8 container No	PSC2009-02488	RM8 record No	
Audience	Council officials		
Process owner	Governance Manager		
Author	Governance Manager		
Review timeframe	Two years	Next review date	
Adoption date			

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	12 April 2011	Corporate Services Group Manager	Original version adopted by Council.	111
2.0	26 November 2013	Executive Officer	Review completed and adopted by Council.	346
3.0	14 April 2015	Governance Manager	Review completed and adopted by Council.	088
4.0	XXXX	Governance Manager	Transferred the policy into the new template. Reviewed the policy. Updated contact telephone numbers.	

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ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

Port Stephens
C·O·U·N·C·I·L

POLICY

Adopted: 12 April 2011
Minute No: 111
Amended: 26 November 2013
Minute No: 346
Amended: 14 April 2015
Minute No: 088

FILE NO: **PSC2009-02488**

TITLE: **FRAUD AND CORRUPTION CONTROL POLICY**

REPORT OF: **GOVERNANCE MANAGER**

BACKGROUND

Port Stephens Council (Council) recognises that it has a responsibility to develop, encourage and implement sound financial, legal and ethical decision-making and organisational practices.

This Fraud and corruption control policy represents Council's commitment to effective fraud and corruption risk management and prevention. The desired outcome of this commitment is to minimise the potential for fraud and corruption against Council.

This policy draws together Council's fraud and corruption prevention and detection initiatives into one document. It forms part of Council's risk management framework and has three major components:

- Prevention – initiatives to deter and minimise the opportunities of fraud and corruption;
- Detection – initiatives to detect fraud and corruption as soon as possible if it occurs; and
- Response – initiatives to deal with detected or suspected fraud and corruption.

For the purpose of this policy the term "Council officials" refers to all employees, consultants and contractors engaged by Council.

The desired outcome of this policy is the elimination of fraud and corruption against Council involving employees and other persons external to Council. While the

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

elimination of all instances of fraud and corruption may not realistically be achievable, it remains Council's ultimate fraud and corruption prevention objective.

OBJECTIVE

To achieve its fraud and corruption prevention objectives Council will:

- 1) Identify fraud and corruption risks and regularly review and update the Fraud and corruption control policy;
- 2) Provide fraud and corruption awareness training to those staff who are identified as being in positions that require fraud and corruption awareness training;
- 3) Ensure all Councillors, staff, contractors and the public are aware of Council's fraud and corruption control policy;
- 4) Encourage and promote professional and ethical business practice;
- 5) Identify any weaknesses in Council's control processes through regular review of Council's operations;
- 6) Clearly communicate how suspected instances of fraud and corruption can be reported;
- 7) Investigate alleged or suspected instances of fraud or corruption using professionals with experience in investigation techniques;
- 8) Take appropriate action to deal with instances of actual, suspected or alleged fraud or corruption, including by recommending prosecution of persons and/or organisations for fraud or corruption offences where and when appropriate; and
- 9) Use all practicable avenues to recover money or property lost through fraudulent or corrupt activity.

PRINCIPLES

Council is committed to:

- 1) Adopting measures to minimise risk;
- 2) Serving, representing and promoting community needs, interests and aspirations;
- 3) Protecting community assets and resources; and
- 4) Exercising its powers and engage in initiatives that add value to and capitalise on the community's assets and resources.

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.**POLICY STATEMENT****1 Overview**

This Fraud and corruption control policy represents the commitment of the Council to effective fraud and corruption risk management. It also requires the commitment, co-operation and involvement of all Councillors, staff, contractors and the public in preventing, detecting and responding to all instances of fraud and corruption.

2 Purpose

Port Stephens Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected Councillors or its own employees, to gain by deceit, financial or other benefits. This policy is designed to protect public funds and other assets, protect the integrity, security and reputation of Council and its employees and assist in maintaining high levels of service to the community.

3 Attitude to fraud and corruption

- a) The Council has a zero tolerance to fraud and corruption.
- b) Council is committed to minimising the incidence of fraud and corruption through the development, implementation and regular review of fraud and corruption prevention, detection and response strategies.

4 Council's approach to fraud and corruption control

- (a) Council will ensure that Council officials are aware of the fraud and corruption reporting procedures and are actively encouraged to report suspected fraud and corruption through the appropriate channels.
- (b) Council has adopted a clear framework and approach to fraud and corruption detection and prevention. This approach is based on the Australian standard for fraud and corruption control AS 8001:2008. In particular, the following fraud and corruption control strategies are pursued by Council:

Prevention Strategies	Detection Strategies
<ul style="list-style-type: none">▪ Integrity framework – Code of conduct	<ul style="list-style-type: none">▪ Council and external agency reviews
<ul style="list-style-type: none">▪ Fraud and corruption control management directive (including allocation of fraud and corruption prevention responsibilities)	<ul style="list-style-type: none">▪ Management reports and internal audit reviews
<ul style="list-style-type: none">▪ Fraud and corruption awareness	<ul style="list-style-type: none">▪ Staff induction and fraud and

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

training	corruption awareness training sessions
▪ Fraud and corruption risk assessments	▪ Clear reporting channels and internal audit reviews
▪ Robust internal controls	▪ Public Interest disclosures and internal reporting
▪ Pre-employment screening	▪ Police checks and references

- c) All information received by Council in relation to suspected fraudulent or corrupt conduct will be collected, classified and handled appropriately having regard to privacy, confidentiality, legal professional privilege and the requirements of natural justice.
- d) If fraud or corruption against Council is detected, the General Manager will make all decisions on the appropriate communications protocol by nominating one person to be the authorised spokesperson. Any communications relating to a fraud or corrupt incident by a person other than the General Manager or authorised spokesperson will be considered a breach of this policy. Any breach of any policy is dealt with under the provisions of the Enterprise agreement and/or the terms of contract; and/or the Code of conduct.

5 Reporting

Under the Code of conduct there is an obligation for each Council official to report any improper conduct, which includes suspected fraudulent or corrupt behaviour. An individual may report the matter either internally or externally as outlined below.

Council officials should report any suspicions to only those people who absolutely need to know. This protects people from allegations that may not be proven and prevents the possible destruction of evidence.

5.1 Internally

Councillors, Council officials and delegates of Council must report as soon as possible any suspected fraudulent or corrupt behaviour to:

- Governance Manager;
- General Manager; or
- Mayor.

Supervisors and managers or the internal auditors have an obligation to immediately pass on the reports of suspected fraudulent or corrupt behaviour or breaches of the policy to the General Manager.

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

The only exception to this is where the General Manager is suspected of conduct relating to fraud or corruption, in which case the matter should be reported to the:

- Mayor;
- Governance Manager; or
- The relevant external agency. (See 5.2 below)

Council's *Public Interest Disclosure Internal Reporting Policy* provides protection to council officials who report fraudulent or corrupt behaviour.

5.2 External Agencies

Matters relating to suspected fraudulent or corrupt activities can also be reported to the following external agencies:

- The Independent Commission Against Corruption (ICAC) – telephone 8281 5999 or 1800 463 909 (in the case of allegations of fraud or corruption);
- The Office of Local Government – telephone 4428 4100 (in the case of allegations relating to pecuniary interests);
- NSW Police – telephone 4983 7599 (in the case of allegations relating to fraud); and
- NSW Electoral Commission – telephone 9290 5999 (in the case of allegations relating to election fraud).

6 Responsibilities

Council will ensure that:

- Relevant exposure of significant risks to the Council are identified. The evaluation of risk is a critical determinant in Council's approach to fraud and corruption prevention and detection;
- Relevant legal obligations are monitored to ensure that operating procedures and conditions meet these obligations;
- The Code of conduct and associated policies and procedures are developed and publicised;
- Appropriate fraud and corruption prevention and detection controls are incorporated when developing and maintaining computer and/or other systems;
- Employees are properly trained and understand relevant Council policies and the legislative requirements of protection for informants under the Public Interest Disclosures Act 1994;
- An environment exists in which fraud and corruption related activity is discouraged; and

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

- Effective investigations of allegations are undertaken, and notified to the NSW Police, the ICAC, the NSW Electoral Commission and/or the Office of Local Government, for investigation and/or prosecution as required.

There are a number of specific responsibilities associated with the prevention of fraud and corruption related activity. These specific responsibilities are to be included in the Fraud and Corruption Control Management Directive.

7 Record keeping, confidentiality and privacy

Council will maintain effective record keeping systems to demonstrate due process has been followed for all actions and decisions arising out of the implementation of this policy. All investigative documentation will comply with relevant legislative provisions, will remain strictly confidential and will be retained in accordance with the *State Records Act 1998* and Council's Access to information policy.

RELATED POLICIES

This policy supports existing Council procedures in place to ensure that employees have access to suitable processes to deal with grievances or the decisions of supervisors and provided with safe and healthy working conditions. Refer also to the following key Council documents:

- Code of conduct;
- Public Interest disclosures internal reporting policy;
- Grievance and dispute resolution process; and
- Access to information policy.

SUSTAINABILITY IMPLICATIONS**SOCIAL IMPLICATIONS**

The Fraud and corruption control policy provides the community with assurance of the integrity in the local government system and of Port Stephens Council. Related policies provide confidence to those who identify potential fraud or corruption to come forward.

ECONOMIC IMPLICATIONS

Fraud and corruption cost the organisation because they detract from its financial performance and its ability to provide and enhance facilities and services to its community. This policy addresses this risk.

By putting in place mechanisms to detect corruption it allows for a 'level playing field' for promoters of economic development opportunities and the enhanced reputation of Council will underpin other strategies for economic growth in the LGA.

ENVIRONMENTAL IMPLICATIONS

ITEM 15 - ATTACHMENT 2 CURRENT FRAUD AND CORRUPTION CONTROL POLICY.

By preventing fraud and corruption, this policy allows for those other controls and conditions that are in place to protect the environment from being subverted.

RELEVANT LEGISLATIVE PROVISIONS

Local Government Act 1993 and Local Government (General) Regulations 2005;
Environmental Planning and Assessment Act 1979
Independent Commission against Corruption Act 1988
Public Interest Disclosures Act 1994
Crimes Act 1990
State Records Act 1998
Australian Standard AS8001:2008

IMPLEMENTATION RESPONSIBILITY

Governance Manager

REVIEW DATE

February 2017

ITEM NO. 16**FILE NO: 17/125137
RM8 REF NO: PSC2017-03945****REQUEST FOR FINANCIAL ASSISTANCE****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE****RECOMMENDATION IS THAT COUNCIL:**

- 1) Approves provision of financial assistance under Section 356 of the *Local Government Act 1993* from the respective Mayor and Ward Funds to the following:-
 - a. Mayoral Funds – \$1,000 Karuah Oyster & Timber Festival Inc. – donation towards venue hire.
 - b. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Scout Group, donation towards purchase of equipment.
 - c. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Guides, donation towards the upgrade of existing essential equipment.
 - d. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Tidy Towns, donation towards the purchase and installation of seating along the Medowie Grahamstown cycleway.
 - e. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Tidy Towns, donation towards the purchase of shrubs and plants for a landscape mound at the Grahamstown and Richardson Road intersection.

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor John Nell Councillor John Morello That the recommendation be adopted.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

176	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council approve provision of financial assistance under Section 356 of the <i>Local Government Act 1993</i> from the respective Mayor and Ward Funds to the following:-
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MINUTES ORDINARY COUNCIL - 11 JULY 2017

	<ul style="list-style-type: none">a. Mayoral Funds – \$1,000 Karuah Oyster & Timber Festival Inc. – donation towards venue hire.b. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Scout Group, donation towards purchase of equipment.c. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Guides, donation towards the upgrade of existing essential equipment.d. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Tidy Towns, donation towards the purchase and installation of seating along the Medowie Grahamstown cycleway.e. Central Ward – Cr Dingle Rapid Response - \$500 Medowie Tidy Towns, donation towards the purchase of shrubs and plants for a landscape mound at the Grahamstown and Richardson Road intersection.
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BACKGROUND

The purpose of this report is to determine and, where required, authorise payment of financial assistance to recipients judged by Councillors as deserving of public funding. The Financial Assistance Policy gives Councillors a wide discretion either to grant or to refuse any requests.

Council's Financial Assistance Policy provides the community and Councillors with a number of options when seeking financial assistance from Council. Those options being:

1. Mayoral Funds
2. Rapid Response
3. Community Financial Assistance Grants – (bi-annually)
4. Community Capacity Building

Council is unable to grant approval of financial assistance to individuals unless it is performed in accordance with the *Local Government Act 1993*. This would mean that the financial assistance would need to be included in the Operational Plan or Council would need to advertise for 28 days of its intent to grant approval. Council can make donations to community groups.

The requests for financial assistance are shown below:-

WEST WARD – Councillors Jordan, Kafer & Le Mottee

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CENTRAL WARD – Councillors Dingle, Doohan & Tucker

Medowie Scout Group	Donation towards purchase of equipment.	\$500
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MINUTES ORDINARY COUNCIL - 11 JULY 2017

Medowie Guides	Donation towards the upgrade of existing essential equipment.	\$500
Medowie Tidy Towns	Donation towards the purchase and installation of seating along the Medowie Grahamstown cycleway.	\$500
Medowie Tidy Towns	Donation towards the purchase of shrubs and plants for a landscape mound at the Grahamstown and Richardson Road intersection.	\$500

EAST WARD – Councillors Dover, Morello & Nell

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MAYORAL FUNDS – Mayor MacKenzie

Karuah Oyster & Timber Festival Inc.	Donation towards venue hire.	\$1,000
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COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2013-2017
Governance and Civic Leadership.	Manage the civic leadership and governance functions of Council. Manage relationships with all levels of government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		Within existing budget.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

LEGAL AND POLICY IMPLICATIONS

To qualify for assistance under Section 356(1) of the *Local Government Act 1993*, the purpose must assist the Council in the exercise of its functions. Functions under the

MINUTES ORDINARY COUNCIL - 11 JULY 2017

Act include the provision of community, culture, health, sport and recreation services and facilities.

The policy interpretation required is whether the Council believes that:

- a) applicants are carrying out a function, which it, the Council, would otherwise undertake;
- b) the funding will directly benefit the community of Port Stephens;
- c) applicants do not act for private gain.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council may set a precedent when allocating funds to the community and an expectation those funds will always be available.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

CONSULTATION

Consultation with key stakeholders has been undertaken by the General Manager's Office.

Consultation has been taken with the key stakeholders to ensure budget requirements are met and approved.

OPTIONS

- 1) Accept the recommendation.
- 2) Vary the dollar amount before granting each or any request.
- 3) Decline to fund all the requests.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

MINUTES ORDINARY COUNCIL - 11 JULY 2017**ITEM NO. 17****FILE NO: 17/127752
RM8 REF NO: PSC2017-00015****INFORMATION PAPERS****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE****RECOMMENDATION IS THAT THAT COUNCIL:**

Receives and notes the Information Papers listed below being presented to Council on 11 July 2017.

No:	Report Title	Page:
1	Council Meeting Dates	207
2	Designated Persons' Return	209

**ORDINARY COUNCIL MEETING - 11 JULY 2017
COMMITTEE OF THE WHOLE RECOMMENDATION**

	Councillor Paul Le Mottee Councillor Ken Jordan That the recommendation be adopted.
177	Councillor Ken Jordan Councillor Steve Tucker It was resolved that Council move out of Committee of the Whole.

**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

178	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council receive and notes the Information Papers listed below being presented to Council on 11 July 2017. ----- No: Report Title
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MINUTES ORDINARY COUNCIL - 11 JULY 2017
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	1	Council Meeting Dates
	2	Designated Persons' Return

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 17/121790
RM8 REF NO: A2004-0372**

COUNCIL MEETING DATES

REPORT OF: TONY WICKHAM - GOVERNANCE MANAGER
GROUP: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to advise Council of the caretaker period during the local government election period and Council meetings during this period.

The Port Stephens local government election will be held on Saturday, 9 September 2017. The caretaker period is from 11 August 2017 until 9 September 2017.

During the caretaker period, Clause 393B of the *Local Government (General) Regulation 2005* limits Council's ability to exercise some of its functions in the four weeks preceding the local government election. The clause is as follows:

- Councils are expected to assume a “caretaker” role during election periods to ensure that major decisions are not made which would limit the actions of an incoming council.
- Councils, the general manager or any other delegate of the council (other than a Joint Regional Planning Panel or the Central Sydney Planning Committee) must not exercise the following functions during the caretaker period:
 - Entering into any contract or undertaking involving an expenditure or receipt by the council of an amount equal to or greater than \$150,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger);
 - Determining a “controversial development application”, except where a failure to make such a determination would give rise to a deemed refusal, or such a deemed refusal arose before the commencement of the caretaker period;
 - Appointing or reappointing the council's general manager (except for temporary appointments).
- In certain circumstances, these functions may be exercised with the approval of the Minister.

The definition for a “controversial development application” means a development application under the *Environmental Planning and Assessment Act 1979* for which at least 25 persons have made submissions under section 79(5) of that Act by way of objection.

As such, it is proposed that the last Council meeting of this Council term will be held on Tuesday 25 July 2017. Therefore no further Council meetings will be held until the election of the new Council, unless Council resolves otherwise.

Should a matter of urgency arise, the legislation permits a Council meeting to be called.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 2

**FILE NO: 17/123680
RM8 REF NO: PSC2016-00018**

DESIGNATED PERSONS' RETURN

REPORT OF: TONY WICKHAM - GOVERNANCE MANAGER
GROUP: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to advise Council of new Council staff who have submitted their Designated Persons' Return/s (Return).

In accordance with Section 450A of the *Local Government Act 1993*, all new staff are required to lodge a Return within three (3) months of commencement. These Returns are to be tabled at the first Council meeting after the lodgement date.

The following is a list of position/s who has submitted Return/s:

- Capital Works Section Manager (PSC733).

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Designated Persons' Return.

NOTICES OF MOTION

NOTICE OF MOTION

ITEM NO. 1

FILE NO: 17/123273

RM8 REF NO: PSC2017-00019

MEDOWIE COMMUNITY PRESCHOOL

COUNCILLOR: CHRIS DOOHAN

THAT COUNCIL:

- 1) Fund the preparation and lodgement of a development application to subdivide 42 Kindlebark Drive, Medowie (lot 58, DP 730472) and 40 Kindlebark Drive, Medowie (part lot 59, DP 730472) to create one lot to encompass the building and playground areas of the preschool facility which enables a ground lease to be negotiated with Medowie Community Preschool Incorporated (ABN 366 477 688 40) and therefore remove the need for the current licence agreement.

Councillor Peter Kafer left the meeting at 8:13pm in open Council and did not return to the meeting.

ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION

179	<p>Councillor Chris Doohan Councillor Paul Le Mottee</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Fund the preparation and lodgement of a development application to subdivide 42 Kindlebark Drive, Medowie (lot 58, DP 730472) and 40 Kindlebark Drive, Medowie (part lot 59, DP 730472) to create one lot to encompass the building and playground areas of the preschool facility which enables a ground lease to be negotiated with Medowie Community Preschool Incorporated (ABN 366 477 688 40) and therefore remove the need for the current licence agreement.2) Refund all back payments of lease fees for the original lease agreement.
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BACKGROUND REPORT OF: STEVEN BERNASCONI – COMMUNITY SERVICES SECTION MANAGER

BACKGROUND

Council owns the land and improvements on 42 Kindlebark Drive, Medowie (lot 58, DP 730472) and 40 Kindlebark Drive, Medowie (part lot 59, DP 730472) known as Medowie Community Preschool. The land is classified as community land and Lot 58 is managed in the Urban Parks Generic Plan of Management. Lot 59 is not included in any current plan of management.

Council executed a licence agreement with Medowie Community Preschool Incorporated (ABN 366 477 688 40) on 17 May 2017. The licence is a 10 year agreement with an option to renew for a further 10 years in favour of Medowie Community Preschool Incorporated.

Preparation and lodgement of a development application for a subdivision of this nature is estimated to cost approximately \$5,000. This includes survey, legal costs, DA fees and lodgement with Land and Property Information.

The negotiation of a ground only lease will result in a new lease arrangement which, if generally under the terms and conditions of the current licence agreement, will be required to be registered on title. The cost of this is approximately \$300. Valuation and legal costs of creating the ground lease will cost approximately \$3,500.

The Medowie Community Preschool has confirmed that it is agreeable to taking full ownership of all current and future improvements on the land for the duration of a ground only lease.

The approximate total cost, excluding staff time is \$8,800.

ATTACHMENTS

Nil.

NOTICE OF MOTION

ITEM NO. 2

FILE NO: 17/128500

RM8 REF NO: PSC2017-00019

MEDOWIE COMMUNITY PRE-SCHOOL - 42 KINDLEBARK DRIVE, MEDOWIE

COUNCILLOR: GEOFF DINGLE

THAT COUNCIL:

- 1) Transfer the ownership and lease holding of the Medowie Pre-school at its current site of 42 Kindlebark Drive, Medowie back to the Medowie community and the school community management committee.
 - 2) That the current lease be extinguished and fees paid to Council be returned to the Medowie pre-school.
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**ORDINARY COUNCIL MEETING - 11 JULY 2017
MOTION**

	The Notice of Motion was withdrawn from the agenda with the consent of the Chair.
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**BACKGROUND REPORT OF: STEVEN BERNASCONI – COMMUNITY SERVICES
SECTION MANAGER**

BACKGROUND

Council owns the land and improvements on 42 Kindlebark Drive, Medowie (lot 58, DP 730472) and 40 Kindlebark Drive, Medowie (part lot 59, DP 730472) known as Medowie Community Preschool. The land is classified as community land and Lot 58 is managed in the Urban Parks Generic Plan of Management. Lot 59 is not included in any current plan of management.

Council executed a licence agreement with Medowie Community Preschool Incorporated (ABN 366 477 688 40) on 17 May 2017. The licence is a 10 year agreement with an option to renew for a further 10 years in favour of Medowie Community Preschool Incorporated.

Transferring the ownership and title of the land and improvements to Medowie Community Pre-school will require a planning proposal to reclassify the land from community land to operational land and require a subdivision to create one lot from

two. This process is a regulated process that requires Ministerial consent and takes approximately two years to complete. The cost to undertake the planning proposal is estimated at \$60,000.

The *Local Government Act 1993* clause 47D prohibits the exclusive use of community land by any person other than by way of a lease or licence. Extinguishing the current licence agreement with Medowie Community Pre-school will result in the preschool occupying the facility unlawfully and would expose Council to a breach of the *Local Government Act 1993*. This also has implications for the preschool's compliance with the *Education and Care Services National Regulation* specifically regulation 32 which states that "A service approval for a centre-based service is granted subject to the condition that the service continues to be entitled to occupy the education and care service premises"

ATTACHMENTS

Nil.

There being no further business the meeting closed at 8.32pm.