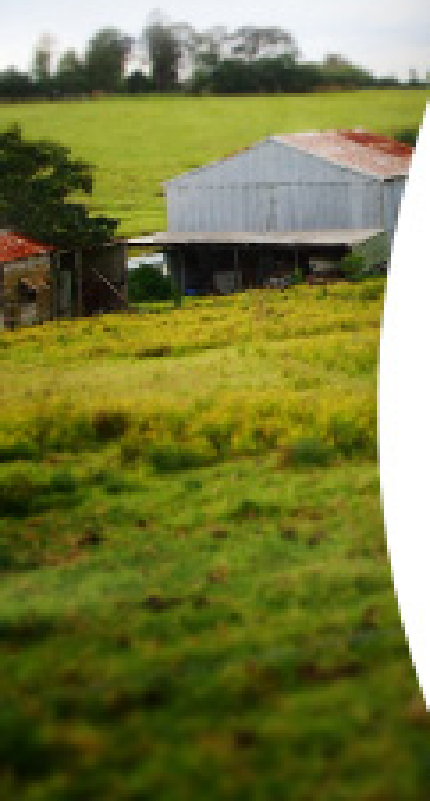


PORT STEPHENS  
COUNCIL

6

MONTHLY REPORT  
JULY – DECEMBER 2014



The Six-Monthly Report July to December 2014 has been prepared in accordance with the requirements of Section 404(5) of the Local Government Act, 1993.

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## General Manager's Message

I am pleased to present my first six monthly report as General Manager of Port Stephens Council.



The Local Government sector has entered a time of great change with the NSW Government pushing ahead with its 'Fit for the Future' reform package. It's a time in which all Councils need to ask critical questions of themselves, even those coming from a position of relative strength.

I am pleased to report that Port Stephens Council has been identified as financially sustainable into the future, with the scale and capacity to meet community service needs, thanks in no small part to the rolling program of business sustainability reviews that commenced in 2011. As a result, our Council is well positioned with no changes to our boundaries proposed. However with the State election coming up we are all conscious of the fact that things can, and may change.

As an organisation, our purpose is to deliver services valued by our community in the best possible way. Looking back on the past six months, we have seen the finalisation of a number of key initiatives:

- The completion of a three year, \$6-million rehabilitation of a 4.5 kilometre stretch of Lemon Tree Passage Road in time for the start of the holiday season;
- The creation of a dedicated Community Development and Engagement unit to enhance our community engagement activity, ensuring residents are better informed about the delivery of infrastructure and services relevant to their needs;
- The construction of two new car parks in the Nelson Bay CBD, creating 125 new spaces to replace the 114 lost in the forced closure of the Donald Street multi-storey car park. Decisions regarding the future of the Donald Street car park have not been finalised with options to be considered during 2015;
- The launch of Port Stephens Treescape Camping and Accommodation at One Mile Beach, providing an affordable holiday destination on the former Samurai Beach Resort site;
- The launch of Thou Walla Sunset Retreat at Soldiers Point, a high quality product offering and culturally respectful repositioning of Soldiers Point Holiday Park completed in consultation with the Worimi Aboriginal Land Council;
- The adoption of a master plan for Boomerang Park, the end result of which will be a state of the art facility for the Raymond Terrace community; and
- Completion of the new Wallalong skate park.

Other key achievements from the last six months include:

- The appointment of Carmel Foster to the position of Group Manager Corporate Services, following an exhaustive national recruitment process;
- An overall result of 63% in our annual staff engagement survey, an increase of 11% on 2013, which saw scores increase across the majority of the organisation;
- The achievement of an 87% community satisfaction rating in our annual survey of residents;
- Acknowledgement of high standards of service across the business, with award wins recorded in Development & Building Assessment and Holiday Parks, and award nominations in Human Resources and Visitor Information services.

Over the next six months, our Executive Team and Councillors will focus on three key areas:

## **1. Building a resilient and responsive organisation**

We will further enhance leadership and customer service across the organisation. Our financial focus will be on increasing non-rate revenue and enhanced asset management. We will develop people with the right capabilities, capacity and personal resilience, and we will manage risks to ensure public safety, with advanced disaster management and business continuity plans in place. We will also actively engage in regional networks and professional affiliations.

## **2. Making business with PSC simple and convenient**

We will continue to focus on service delivery, ensuring value for money, with quality delivered in a responsive and convenient way to our community. We will continue our work to install greater online capability for development applications, customer requests and general information. We will also continue our technology enhancements including mobile computing. Our customer service charter will also be revised to ensure that we are creating a genuine service culture.

## **3. Delivering community value**

We will continue our programmed review of services and business improvement programs for relevancy to community needs, ensuring necessary infrastructure and services are being delivered. Our new Community Engagement team will continue its work to advocate and build stronger relations with our community and government agencies.

Some of the major projects set for commencement or completion in 2015 include:

- Raymond Terrace Men's Shed planning;
- Regional playground at Boomerang Park, Raymond Terrace;
- Extensions to Peppertree Road, Medowie;
- Designs for Yacaaba Street, Nelson Bay;
- Rehabilitation of a further two kilometres of East Seaham Road;
- A refresh of Council's brand and logo and renewal of gateway signage across the LGA;
- Development of property holdings including undertaking civil works to deliver 33 residential allotments at Salamander Bay;
- Ferodale Sports Complex master plan;
- Leisure centre management and development
- ICT improvements, including online services via e-planning and website redevelopment; and
- New Development Control Plan and land use planning strategies for Williamtown, Medowie, Raymond Terrace and Heatherbrae.

I would like to take this opportunity to thank Councillors, staff and volunteers for their individual efforts during the past six months.

While acknowledging the positives that have occurred in 2014, the new year provides the opportunity to continue to improve service delivery and build on our purpose of delivering services valued by the community in the best possible way. No matter what the local government landscape looks like post the 2015 State election, we can confidently say we are ready to tackle whatever challenges come our way.

I am looking forward to working with the community to ensure that we continue to enjoy a great lifestyle in a treasured environment.

**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 report which follows this table.

Legend:





	Target Exceeded
	Target Achieved or on Track to be Achieved
	Target Not Achieved
	Data Not Available at Time of Report

Table 1: Key Result Areas Snapshot

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	

## Six-Monthly Report July – December 2014

### 1. Business Improvement Program

This program comprises 10 projects with 42 sub-projects to be implemented over four (4) years to June 2016. There were 11 projects or sub-projects due for completion on or before 31 December 2014 and of those nine (9) were completed and one is almost completed. All projects for the six months are on or under budget. The project that is overdue – Review of Tablet Configuration – is a minor project and will be completed to be reported on in June 2016.

### 2. Community Strategic Plan/Operational Plan Delivery

**Target: 90%** of Community Strategic Plan/Operational Plan achieved. **Actual: 98.2%**. Of the 170 actions in the Operational Plan 2014-1015, seven (7) were not due to be achieved until the end of the next reporting period; one (1) was deferred pending consideration by Council of the Gleeson review of post-secondary education provision in the LGA. Two (2) were not achieved: the Housing Forum proposal was determined not to be a priority action due to the changes in the social planning area as a result of the Sustainability Review of that service and its incorporation into the Strategic Planning Unit. The Community Engagement Panel was disbanded as there is now a Community Development and Engagement Unit of Council (part of the Communications Section) which has taken over the oversight of engagement activities of Council.

### 3. Capital Works Delivery

The tables which follow provide details of completed capital works projects and works in progress as at 31 December 2014.

#### (a) Completed Projects

Council completed 26 projects, of which 84.6% were on or under budget and all were completed on or before the due date. Capital expenditure totalled \$2,329,703 which was 81% of budget.

Table 2: Completed Capital Works

Name of Project	Expenditure \$	Budget \$	Date Completed	Comments
Car park Construction Marine Drive, Fingal Bay	\$82,981	\$166,688	14/11/2014	
Clarence Town Road Seg 280-290 Tumbledown	\$245,175	\$247,515	8/09/2014	
Corlette Hall Sewer Upgrade	\$5,010	\$6,250	15/9/014	

Name of Project	Expenditure \$	Budget \$	Date Completed	Comments
Cycleway Tomaree Sports Complex	\$259,320	\$259,907	8/10/2014	
Fairands Road, Mallabula	\$210,292	\$393,171	7/11/2014	
Ferodale Road Medowie: Waropara to Public School	\$584,400	\$584,728	10/10/2014	Construction completed. Awaiting minor street lighting adjustments.
Government Road, Nelson Bay: Temporary Car Park Construction	\$113,643	\$147,600	19/12/2014	
Griffiths Road, Medowie	\$95,272	\$135,000	29/07/2014	
Kirrang Drive, Medowie: Cycleway from Ferodale Road to Yulong Oval	\$75,889	\$67,261	8/08/2014	
Lakeside Leisure Centre: replace chemical controllers	\$18,227	\$22,500	1/07/2014	
Lakeside Leisure Centre: replace leisure pool recirculation pump	\$10,140	\$11,250	10/07/2014	
Lakeside Leisure Centre: replace main controllers	\$33,972	\$37,500	15/07/2014	
One Mile Beach Public Amenities: renovation	\$35,950	\$43,750	24/12/2014	Major renovation works completed. Site works and septic tank repairs to be completed February 2015.
Salt Ash Hall External Repainting	\$4,303	\$4,303	1/11/2014	
Salt Ash Tennis Courts repainting - external & internal	\$4,134	\$6,250	1/11/2014	
Seaham Boat Ramp Feasibility Study	\$3,747	\$25,000	12/12/2014	
Stuart Park - repaint grandstand	\$13,461	\$18,750	12/11/2014	
Tilligerry Aquatic Centre: replace recirculation pump	\$14,550	\$9,375	1/07/2014	
Tomaree Aquatic Centre Solar Heating	\$236	\$236	10/12/2014	



Name of Project	Expenditure \$	Budget \$	Date Completed	Comments
Tomaree Aquatic Centre: replace expansion joints in both pools	\$39,455	\$43,750	4/08/2014	
Wallalong Skate Park Construction	\$101,958	\$120,000	19/12/2014	Skate park complete, clean up and installation of sun shelters and vehicle barriers in progress.
William Street, Raymond Terrace Seg 90	\$184,428	\$200,000	2/10/2014	
Yaccaba Street, Nelson Bay: Temporary Car Park Construction	\$137,979	\$147,600	19/12/2014	
Tomaree Road, Shoal Bay rehabilitation	\$55,181	\$153,393	15/07/2014	

(b) Capital Expenditure – Fleet

Table 3: Fleet Capital Expenditure

Name of Project	Expenditure \$	YTD Budget \$	Comment
Major Plant Replacement	\$625,649	\$789,000	Includes commitments of \$115,122.
Utes and Light Truck Replacement	\$758,500	\$589,500	
Sundry Plant Replacement	\$28,458	\$150,000	

Note: there was no budget or expenditure on passenger vehicles as Council moved to a novated lease system, and all existing fleet assets in this category will be disposed of by 30 June 2015.

(c) Capital Projects Commenced/Continued

Table 4 lists capital works projects that were underway at the commencement of the period, or which were begun between 1 July and 31 December 2014. *Note: projects listed as "execution completed" does not mean that the project has been finalised as it will require to be formally closed and all assessments and financial data completed.*

Table 4: Capital Projects Commenced

Name of Project	Expended \$	Budget \$	Status	Comments
Fish Table Shelters installation	\$5,085	\$5,085	Initiation Completed	
Boomerang Park Playground Upgrade	\$25,699	\$300,000	Initiation Completed	Tenders received and currently being assessed.
Clarence Town Road: Carmichaels Creek top corner	\$727,401	\$1,250,000	Planning Completed	Construction underway. Expected completion in February 2015.
Clarence Town Road RR301 SEG 190 River Flat	\$623	\$961,427	Initiation Completed	Planning underway. Construction to commence in February 2015.
Corlette Playground - The Anchorage	\$0	\$75,000	Initiation Completed	
Country Passenger Transport Infrastructure Grants Scheme	\$9,020	\$174,100	Planning Completed	
Don Waring Floodlight installation	\$0	\$100,000	Initiation Completed	Project completion scheduled for April 2015.
East Seaham Road: Gravel Rd Sealing Stage 1	\$7,946	\$600,000	Initiation Completed	Design underway
Elizabeth Street, Hinton	\$156	\$60,000	Planning Completed	Planning completed. Construction to commence mid-April 2015.

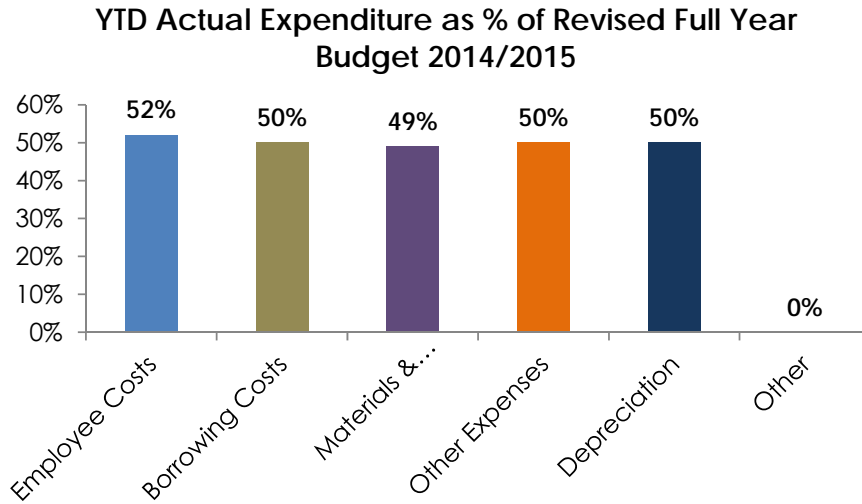
Name of Project	Expended \$	Budget \$	Status	Comments
Energy efficiency projects for Swimming Pools	\$0	\$5,500	Initiation Completed	Project scheduled for completion in pool shutdown period in June 2015.
Fishermen's Bay: replace Public Amenities	\$11,426	\$193,750	Execution Completed	Final clean up in progress.
Foreshore Drive, Corlette - Shared Path & Culvert Extension	\$3,675	\$165,000	Initiation Completed	Design commenced. Environmental approval process commenced.
Georges Reserves Amenities - renovate & replace switchboard	\$0	\$25,000	Execution Completed	Project to be completed in January 2015.
Grahamstown Road, Medowie: black spot remediation	\$5,886	\$190,000	Initiation Completed	Design commenced.
Hinton Road: Shiraz Road to Swan Road	\$11,421	\$485,000	Initiation Completed	Design underway.
Karuah Wharf Substructure Replacement	\$350	\$15,000	Planning Completed	Project scheduled for completion in March 2015.
Lakeside 50m Pool Solar	\$0	\$50,000	Execution Completed	Project to be completed January 2015.
Lakeside Leisure Pool Solar	\$0	\$45,000	Execution Completed	Project to be completed January 2015.
Newline Road SEG 30	\$5,510	\$190,000	Planning Completed	
Newline Road SEG 60	\$0	\$180,000	Planning Completed	

Name of Project	Expended \$	Budget \$	Status	Comments
Oasis Close Pedestrian Footbridge Construction	\$69,691	\$86,000	Initiation Completed	
Salamander Wharf Substructure Replacement	\$0	\$37,500	Initiation Completed	Project scheduled for completion in March 2015.
Salt Ash Hall Improvements	\$4,303	\$40,000	Initiation Completed	Project scheduled for completion in May 2015.
SEG 20 Paterson Road - Rehabilitation	\$5,624	\$230,000	Initiation Completed	This budget is from SEG 50. Project may be deferred due to works schedule.
Soldiers Point Hall Internal Fit Out	\$0	\$41,250	Initiation completed	Scope of works being confirmed, completion expected end of March 2015.
Tanilba Bay Foreshore revetment	\$0	\$250,000	Initiation completed	Planning commenced prior to tendering the works.
The Hub RT Modify Parking Area	\$17,008	\$151,853	Planning Completed	Design finalising for construction in February/March 2015.
Tomaree Street, Nelson Bay footpath construction	\$0	\$20,000	Initiation Completed	

#### 4. Financial Sustainability Program

Income **target percentage YTD = 50%**. Actual YTD = **75%**.  
 Expenditure **target YTD = 50%**. Actual = **50%**.

Figure 1: Expenditure Summary



- Note: Depreciation is not calculated until year end once all assets are capitalised. Therefore depreciation is assumed to be 50%.
- Employee costs are slightly up on budget due to the retention bonus that is paid before year 31 December but for budget purposes will be consumed over the full year.

#### 5. Workforce Strategy Implementation

Staff engagement **target = >65%**. Actual (August 2014) = 41% moderately engaged; 22% highly engaged. Combined, the percentage of engaged staff is **63%**.

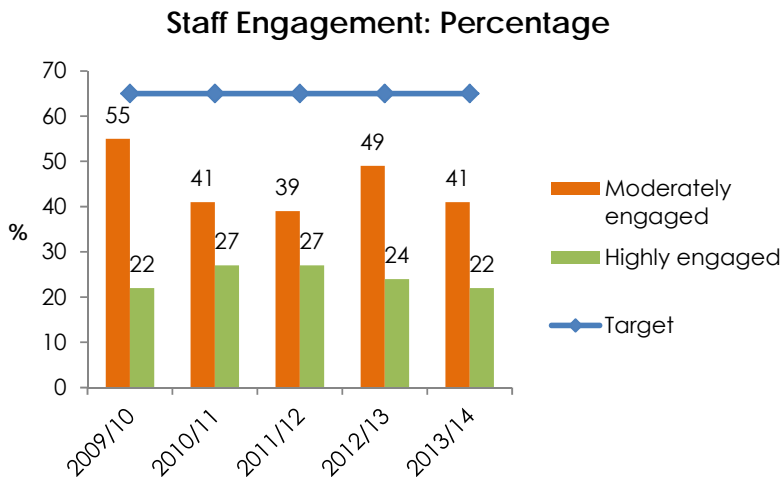


Figure 2: Staff Engagement

Staff voluntary turnover for the period was 2.7% against a YTD target of 5%.

## **6. Infrastructure Planning**

Work on developing an infrastructure plan for Port Stephens has progressed but the project is not yet complete. Staff have identified an opportunity to create integration between this work and the existing Strategic Asset Management Plan. This approach will greatly enhance how Council plans for and manages both current and future assets. As a result, a new target date of December 2015 has been set for this project.

## **7. Technology Improvement Program**

There are eight (8) major information and communication technology projects comprising 62 sub-projects all to be completed by 30 June 2016. Of these 17 were due to be completed by 31 December 2014 and eleven were completed on time and on budget. Of those that were not completed two (2) had deadlines changed to better suit workflows: the CAMMS project was deferred to February 2015 and the hardware roll out – which has largely been completed – will be finalised by 31 January 2015.

There were six (6) spatial systems improvement projects due for completion by 31 December 2014 and all were completed on time and under budget.

## **8. Land Use Strategy Development**

Council has continued to progress with review and development of a range of land use strategies across the LGA. The key projects progressed since July include the review of the Medowie Strategy, preparation of the Williamstown Land Use Strategy and compilation of the Raymond Terrace Heatherbrae Strategy. These three strategic land use planning documents are priorities within the Strategic Planning Unit work program for completion in early 2015. The key aspects of these strategies include:

- Medowie: re-engagement with the Medowie Strategy Review Panel through two meetings of this community reference group to present and agree on the work program for the strategy review and provide regular opportunities for involvement and feedback on this process. The Strategy review is divided into a number of work packages including the development of a master plan for the Medowie Town Centre, an audit of current infrastructure provisions, the development of a revised structure plan to guide future development in Medowie and identification of associated infrastructure to support expected growth. These work packages will be integrated into the revised strategy document that will be presented to the Panel in February 2015 for review prior to reporting to Council for its consideration and endorsement. Importantly the revision of the Medowie Strategy aligns with infrastructure development undertaken across Council, in particular aligning with Council's planned extension of Peppertree Road. In addition, Council officers are continuing to progress the review in consultation with key stakeholders including Department of Planning and Environment and also Hunter Water Corporation.
- Williamstown Land Use Strategy: this Strategy has continued to be developed in consultation with a Project Control Group, chaired by the Mayor, and consisting of key stakeholders including Department of Planning and Environment, Department of Defence, Hunter Water Corporation,

NSW Department of Trade and Investment, Office of Environment and Heritage, Newcastle Airport and the Hunter Business Chamber. The key aspects of this study have been the investigation of potential economic land uses that both complement and integrate with the Airport and RAAF base, as well as responding to the key locational advantages such as major arterial roads. This review has been undertaken in the context of broader commercial land supply across the LGA. In addition, extensive drainage studies have been undertaken to identify the drainage management requirements that would be necessary to support development in this area. A structure plan has also been developed to collate these studies to identify potential developable land within this area, inform potential lot sizing and arrangements and identify likely infrastructure provision requirements (roads, drainage and services). The draft structure plan was presented to the project control group in December 2014. This will be further progressed in Quarter 1 2015 for reporting to Council.

- Raymond Terrace Heatherbrae Strategy: further compilation of this strategy has occurred in late 2014 to integrate the range of studies completed on the future land use within Raymond Terrace and Heatherbrae. This will integrate with Council's infrastructure development within this area including William Street upgrades and will provide additional guidance for future development within this area, with a key focus on commercial / service development and guiding future population growth. The draft reporting will be completed in early 2015 followed by further consultation with Councillors.

In addition to the progression of the above key projects, Council have also requested the preparation of key land use studies relating to Rural Lands and Development in Flood affected areas of the LGA. These key strategies have commenced in late 2014, following a two way with Councillors in September 2014. These strategies will continue to be progressed through to reporting to Council planned for June 2015.

Key Policy Development: Council also obtained endorsement from Council on the draft Comprehensive Development Control Plan in November 2014. The comprehensive DCP is an essential planning tool that provides further guidance on the implementation and application of Council's principal Local Environmental Plan which was gazetted in early 2014. The draft Comprehensive Development Control Plan required extensive revision and redevelopment of the existing DCP as well as ongoing internal and Councillor feedback and input. The draft Comprehensive Development Control Plan will be placed on public exhibition in February 2015 with Council officers undertaking additional consultation with key stakeholders groups during this time to ensure the capture of feedback on this key land use control policy.

## 9. Flood and Drainage Study Implementation

During the year to June 2015 Council scheduled for completion the following studies and the percentage completed is shown as at 31 December 2014:

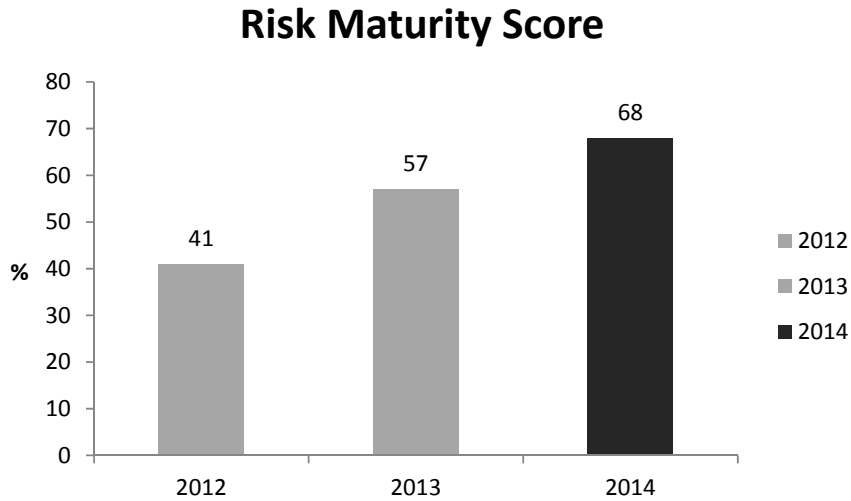
Table 5: Drainage and Flood Studies

Study	% complete
Medowie flood study	80
Williamstown – Fullerton Cover drainage study	85
Francis Avenue, Lemon Tree Passage flood study	90
Williamstown-Salt Ash Flood Risk Management study	20
Hinton Road flood study	100

## 10. Integrated Risk Management Program

Risk Maturity Score<sup>1</sup> Target: >65%. Actual = 68%.

Figure 3: Risk Maturity Score



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



## 11. Community Engagement and Customer Focus Initiatives

The General Manager instituted a review of the community engagement framework, including Council's policy and procedures, which is in process and a report is due to Council in the next quarter.

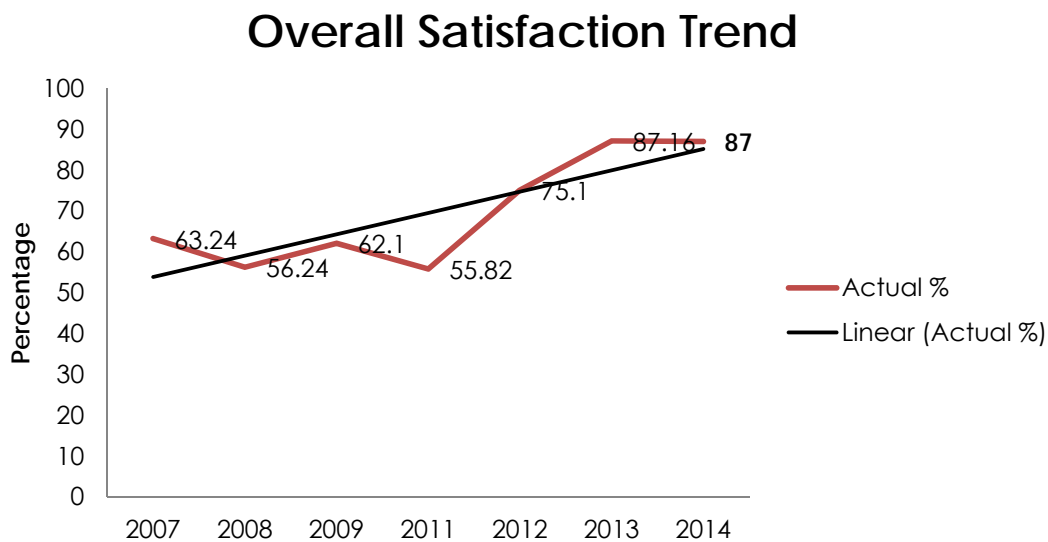
A Sustainability Review of social planning led to the creation of the new Community Development and Engagement unit within the Communications Section, with specific emphasis on expansion of the community engagement role. This initiative was further expanded with Facilities & Services Group adding a new position to the unit to focus specifically on the interface with our community through that Group's operations.

Specific projects undertaken during the period include the potential gazettal of the Aboriginal Place at Soldiers Point; and the new initiative in one-on-one consultations around the Soldiers Point Marina expansion development application, and this improved process attracted community approval regardless of the eventual outcome of the engagement.

In October the General Manager invited Mr Glenn King, CEO of Services NSW to workshop customer focus initiatives with the Combined Leadership Team and concepts embraced by staff included 'bringing the customer inside' the organisation as an active partner in designing services and service delivery.

In August the Customer Satisfaction Survey outcomes were reported to Council and are shown in Figure 3 below.

Figure 4: Customer Satisfaction



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