

# DRAFT

## MINUTES – 19 JANUARY 2016



# PORT STEPHENS COUNCIL

Minutes of ExtraOrdinary meeting of the Port Stephens Council held in the Council Chambers, Raymond Terrace on – 19 January 2016, commencing at 5.30pm.

**PRESENT:**

Mayor B MacKenzie, Councillors C. Doohan, S. Dover, K. Jordan, P. Kafer, P. Le Mottee, J Nell, S. Tucker, General Manager, Corporate Services Group Manager, Acting Facilities and Services Group Manager, Development Services Group Manager and Governance Manager.

001	<p><b>Councillor Ken Jordan</b> <b>Councillor Paul Le Mottee</b></p> <p>It was resolved that the apologies from Cr Geoff Dingle and Cr John Morello be received and noted.</p>
	<p>There were no Declaration of Interest received.</p>

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SUBJECT

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# COUNCIL REPORTS

**ITEM NO. 1****FILE NO: 16/253257  
RM8 REF NO: PSC2015-00402****MERGER PROPOSAL - NEWCASTLE CITY COUNCIL AND PORT STEPHENS COUNCIL****REPORT OF: WAYNE WALLIS - GENERAL MANAGER  
GROUP: GENERAL MANAGER'S OFFICE**

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**RECOMMENDATION IS THAT COUNCIL:**

- 1) Allocate an amount of \$150,000 in the 2015-2016 budget for costs associated with the merger proposal between Newcastle City Council and Port Stephens Council, including the conduct of a public information campaign.
  - 2) Engage Morrison Low to assist with the preparation of Council's submission related to the merger proposal between Newcastle City Council and Port Stephens Council.
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**EXTRAORDINARY COUNCIL MEETING - 19 JANUARY 2016  
MOTION**

<b>002</b>	<b>Mayor Bruce MacKenzie Councillor Ken Jordan</b>  It was resolved that Council move into Committee of the Whole.
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**COMMITTEE OF THE WHOLE RECOMMENDATION**

	<b>Mayor Bruce MacKenzie Councillor Paul Le Mottee</b>  That Council: <ol style="list-style-type: none"><li>1) Allocate up to \$200,000 in the 2015-2016 budget for costs associated with the merger proposal between Newcastle City Council and Port Stephens Council, including the conduct of a public information campaign.</li><li>2) Engage Morrison Low to assist with the preparation of Council's submission related to the merger proposal between Newcastle City Council and Port Stephens Council.</li></ol>
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Councillor Steve Tucker entered to the meeting at 05:44pm, during Item1 in Committee of the Whole.

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003	<b>Councillor Ken Jordan</b> <b>Councillor Chris Doohan</b>  It was resolved that Council move out of Committee of the Whole.
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### EXTRAORDINARY COUNCIL MEETING - 19 JANUARY 2016 MOTION

004	<b>Councillor Chris Doohan</b> <b>Councillor Steve Tucker</b>  It was resolved that Council:  1) Allocate up to \$200,000 in the 2015-2016 budget for costs associated with the merger proposal between Newcastle City Council and Port Stephens Council, including the conduct of a public information campaign.  2) Engage Morrison Low to assist with the preparation of Council's submission related to the merger proposal between Newcastle City Council and Port Stephens Council.
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### EXTRAORDINARY COUNCIL MEETING - 19 JANUARY 2016 MOTION

	<b>Councillor John Nell</b> <b>Councillor Steve Tucker</b>  Called for a division.  Those for the Motion: Mayor Bruce MacKenzie, Crs Chris Doohan, Sally Dover, Ken Jordan, Peter Kafer, Paul Le Mottee, John Nell and Steve Tucker.  Those against the Motion: Nil.
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### BACKGROUND

The State government has released a ten-step process (**ATTACHMENT 1**) of which the Step 3 is the opportunity for Council to make a comprehensive submission for consideration by the Chief Executive of the Office of Local Government's delegate in relation to the proposed merger.

The purpose of this report is to obtain Council's approval to provide a budget allocation for costs associated with the merger proposal, including the conduct of a

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public information campaign for Port Stephens residents; and to engage Morrison Low to assist in the preparation of Council's submission on the proposed merger. The submission is due on 28 February 2016.

The need for a public information campaign is to provide to the community of Port Stephens relevant information and data on the impacts of the proposed merger and the process for making submissions, including timeframes, etc.

The need for external assistance in the preparation of Council's submission is because:

- The comprehensive nature of Council's proposed response and gathering of community inputs to inform the submission mean that Council's internal resources would not be sufficient to meet the very short timeframe for submissions;
- The opportunity to provide to the submission process an arms' length assessment of the validity or otherwise of the proposed merger to inform the State government's next decision-making process.

The firm Morrison Low has been selected due to its familiarity with Port Stephens Council having undertaken a number of improvement projects in recent years across various sections of Council. Morrison Low is specifically nominated in the State government's Fit for the Future list of resources available to councils. Morrison Low has conducted a number of assessments of proposals stemming from the initial Independent Local Government Review Panel's recommendations; the State government's initial response to those recommendations; and the IPART assessment of the proposals from the individual councils. This firm has the capacity and capability to undertake the project with assistance that will be provided through the Office of the General Manager.

### COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2015-2019
Port Stephens has strong 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

As a proposed merger was not previously anticipated in the preparation of the Quarterly Budget Review there was no provision made for undertaking a public information campaign or preparing further submissions.

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Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	No	Up to 150,000	To be allocated from the underlying surplus.
Reserve Funds	No		
Section 94	No		
External Grants	No		
Other	No		

**LEGAL, POLICY AND RISK IMPLICATIONS**

Section 23A of the Local Government Act Guidelines, presented to General Managers on 6 January 2016; provide that councils undertaking a public information campaign should have the matter "approved at an open council meeting". There are no legal or policy implications associated with the appointment of Morrison Low that can be identified. The proposed appointment of Morrison Low complies with all relevant procurement requirements.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that despite assistance from within Council the assessment does not meet the submission deadlines.	Low	A project team headed by Corporate Strategy & Planning Manager will coordinate and ensure all assistance and data are available in a timely manner.	Yes

**SUSTAINABILITY IMPLICATIONS**

Includes Social, Economic and Environmental Implications

The proposed assessment to inform the Council's submission will address all social, economic and environmental aspects, including service delivery, communities of interest, financial impacts or organisations and rate payers and electors, and viability of the proposed merger to meet the State government's stated aims.

**CONSULTATION**

- 1) The proposal to seek the appointment of Morrison Low for assistance in preparation of Council's submission was canvassed with the Executive Team and the Senior Leadership Team, after discussion with Mayor MacKenzie.

**OPTIONS**

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

**ATTACHMENTS**

- 1) State government merger proposal process.

**COUNCILLORS ROOM**

Nil.

**TABLED DOCUMENTS**

Nil.



**ATTACHMENT 1: State government merger proposal process**

- Step 1: January 2016 – Minister for Local Government refers merger proposals to the Chief Executive of the Office of Local Government for examination and report under the Local Government Act 1993 (NSW). Proposals will explain the impacts and benefits of a proposed merger.
- Step 2: January 2016 – Chief Executive of the Office of Local Government delegates the examination of merger proposals under the Local Government Act 1993 (NSW) to Delegates.
- Step 3: January/February 2016 – Communities will have a chance to have their say during a public inquiry process for merger proposals, including submissions and public hearings.
- Step 4 – Local Government Boundaries Commission membership is confirmed.
- Step 5: March/April 2016 – Delegates examine proposals, including reviewing public submissions, and after having regard to the factors listed in the Local Government Act 1993 provide a report to the Minister.
- Step 6: March/April 2016 – Delegates will also provide their reports to the Boundaries Commission who will review and comment on the reports.
- Step 7: March/April 2016 – Boundaries Commission provides its comments on the Delegates' reports to the Minister for Local Government.
- Step 8: May/June 2016 – Minister for Local Government considers the reports from the Delegates and comments on those reports from the Boundaries Commission, and makes a decision for each proposal.
- Step 9: May/June 2016 – The Minister may or may not recommend to the Governor of NSW that the proposed merger be implemented.
- Step 10: Mid-year 2016 – New councils commence.

There being no further business the meeting closed at 6.35pm.