

MINUTES ORDINARY COUNCIL - 23 AUGUST 2016

ITEM NO. 6

FILE NO: 16/376284
RM8 REF NO: PSC2011-02657

SIX MONTHLY REPORT JANUARY TO JUNE 2016 AGAINST COUNCIL'S DELIVERY PROGRAM

REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the Six Monthly Report January to June 2016 on progress of Council's Delivery Program 2013-2017.
-

ORDINARY COUNCIL MEETING - 23 AUGUST 2016 MOTION

| | |
|-----|--|
| 243 | Councillor John Morello Councillor Sally Dover It was resolved that Council adopt the Six Monthly Report January to June 2016 on progress of Council's Delivery Program 2013-2017. |
|-----|--|

BACKGROUND

The purpose of this report is to provide to Council and the community an update of the progress of Council against the objectives 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 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.

MINUTES ORDINARY COUNCIL - 23 AUGUST 2016

| 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 NSW 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 2016 in breach of legislation leading to reputational loss. | Low | Council will adopt 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 2016.

MERGER PROPOSAL IMPLICATIONS

There are no merger implications. This is a statutory report.

CONSULTATION

The Six Monthly Report January to June 2016 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 2016.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.



The Six-Monthly Report January to June 2016 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."

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General Manager's Report

Proposed mergers

As I reported in the first six monthly report to 31 December 2015, on 18 December 2015 the State government announced that it intended to pursue a process which could lead to the amalgamation of Port Stephens Council with the Newcastle City Council. This announcement was a complete surprise to our Councillors and staff as the government's own processes had led to a recommendation by the Independent Pricing and Regulatory Tribunal (IPART) to the government that Port Stephens Council was 'fit for the future' and should stand alone. This finding by IPART confirmed those of the NSW Treasury, the Independent Local Government Review Panel and the government itself. As a result of this announcement Council has been formally in a 'merger period' until a final determination has been made by the Minister for Local Government after review by the Boundaries Commission. This 'merger period' is in many respects similar to a 'caretaker mode' where only decisions that would not adversely impact the proposed merger may be taken.



Council's position remains that it should stand alone as a sustainable council. However should the Minister determine that a merger of Port Stephens Council should go ahead, we have actively pursued an alternative proposal, to merge with Dungog Shire Council.

Throughout the period Council's resources have been deployed in public information and engagement campaigns to seek the views of residents of Port Stephens and of Dungog. The formal merger process involved the appointed Delegate holding a series of public inquiries and writing a recommendation to the Minister via the Boundaries Commission. Notwithstanding that 93% of the public of Port Stephens were against the merger with Newcastle, and 18,000 people signed a petition to the Parliament to that effect, the Delegate supported the Minister's proposal for a merger with Newcastle City Council. The Minister for Local Government has put this proposed merger on hold pending the resolution of Council's alternate proposal of a merger with Dungog. The Chief Executive of the Office of Local Government appointed another Delegate, Peter Peppin to hold an inquiry into the Port Stephens/Dungog merger proposal. The Delegate's public inquiries concluded on 26 June 2016 and his report to the Boundaries Commission and subsequently referral to the Minister for decision.

There had already been considerable evidence of support from the Dungog community to join with Port Stephens and this was further consolidated during the public inquiry process. The proposed merger makes financial sense, is less costly than a merger with Newcastle and the communities of interest are demonstrably favourable to this merger. The full details of both of Council's submissions are available at the home page of Council's web site.

Whilst Council has been in the 'merger period' for more than six months, no new senior appointments can be made in any council; consequently we have had a number of staff acting in roles to enable the position of Group Manager Facilities & Services to continue to function and I thank those staff who have taken on additional responsibility.

Whilst there is considerable opposition to the Newcastle merger, the reality is that if it is announced that it is to go ahead the new entity would come into effect immediately. Unlike Dungog, the two councils are very different and this merger would be large and complex. I have been working with the Interim Chief Executive Officer of Newcastle Council and we have put together a team of staff to make plans for what is to happen on day one, week one etc should this outcome eventuate. This planning work is also available for a Dungog merger. Staff have undertaken this work in addition to their other duties and at a time of stress as the future has been uncertain now for a considerable period of time.

Aboriginal Place Declaration

After considerable representation from the Worimi Local Aboriginal Land Council and Port Stephens Council, the NSW Government has declared 5.9 hectares at Soldiers Point in Port Stephens an Aboriginal Place, recognising its special significance to the Worimi Aboriginal community. The declaration, at the beginning of NAIDOC Week, recognises the special cultural, spiritual, social and historic Aboriginal significance of Soldiers Point. The nomination received broad community support following extensive consultation.

An Aboriginal Place is afforded legal protection for its Aboriginal cultural heritage and this Declaration is also evidence of the Worimi people's traditional use of the area and the importance of the land and sea environments to Worimi culture.

Citizens

There were three citizenship ceremonies conducted in these six months, with 73 conferees welcomed as Australian citizens.

Financial

Council achieved revenue of \$121 million compared to the revised budget of \$113.5 million. This allowed for expenditure in addition to the budget of \$105.7 million. The graphs and table in the report which follows details the financial sustainability performance for the year. Many factors contributed to this positive result including Council's continued safety improvements that contained workers compensation premiums to \$663,467 compared to \$1.8 million three years ago.

The development and sale of 33 residential allotments in Salamander Bay also contributed with a profit back to Council of \$2.96 million.

In the last six months we have completed \$9,226,310 in capital works, focused predominantly on rehabilitation of our road network. This planned work was achieved in addition to dealing with damage from the January 2016 flood.

We have been very successful this year in obtaining grant funding in excess of expectations, with an additional \$2.5 million for recreation assets works, and \$4.5 million additional funding for work on civil assets, notably the road network.

Council's risk management staff successfully negotiated insurance coverage with a significant saving in cost of \$150,000 p.a. and the inclusion of a new policy covering Environmental Impairment Liability.

Council owns and manages a commercial property portfolio in order to generate non-rate revenue. Council currently owns a number of commercial buildings across the Newcastle and Port Stephens local government areas, including four blue chip properties that have recently had the leases renewed on favourable terms.

Council's Holiday Parks continue to operate successfully with this year's financial performance exceeding budget forecasts. In addition to continuing business growth, the businesses have commenced a program of improvements that will realise cost efficiencies in areas such as procurement without affecting service levels.

Council registered another 997 bio-banking credits for its property at 100 Salamander Way, Salamander Bay. Council owns another site at Karuah and these bio-banking credits can be sold on the open market generating additional non-rate revenue for Council.

Awards

Port Stephens Council has been recognised once again by taking out the *Employer of the Year* title at the annual Career Development Association of Australia awards.

This national award acknowledges the implementation of a unique Career Development Program across the organisation. The program is part of Council's Talent Management Strategy and provides staff with a range of assessment tools and support to establish career directions. It is also designed to support Council to meet current and future workforce requirements, ensuring the organisation achieves its aim of having the right people in the right roles to maximise its overall performance.

The career development program is about creating an environment where continuous learning is valued. We realise that our ability to attract, engage, develop and retain key staff is critical to our ongoing success and we wanted a workplace that would foster those ideals. The program is also about empowering our staff to take ownership over their career development - helping them to identify their aspirations, recognise their strengths and develop plans to enable better performance and growth.

In April 2016 Council took out one of the top prizes at the NSW Local Government Excellence Awards. The annual awards celebrate outstanding achievement in local government, with a focus on innovation and excellence within the sector.

Port Stephens was recognised as the most outstanding nomination in the inaugural *Operational and Management Effectiveness Award*. The award recognises organisations taking an evidence-based approach to prioritise change, achieving overall business improvement. Council's Human Resource Information System (HRIS) Improvement Project identified software options to deliver better services and data reporting for the total employee lifecycle in an efficient, integrated and effective way. This has resulted in ongoing annual savings of \$275,000 pa.

Council is again a finalist in the Australian HR awards for its use of technology with the winner to be announced in September 2016.

Development and Economy

During the last six months Council processed development applications valued at \$127.8 million and approved 46 subdivisions. Staff also managed the construction certificate process for more than 500 applications.

The volume of planning and building advice given either face to face at the counter or over the phone/email has been steadily growing. The role of duty surveyor/planner has increased significantly due to the increased volume of enquiries.

Council staff issued in excess of 3,000 Section 149 certificates, an indicator of economic activity across the local government area.

A plethora of events ranging from action sports to music and heritage festivals had an estimated \$800,000 economic impact on the Port Stephens economy during May.

The area played host to events including the Colour Ya World Fun Run, Port to Port Mountain Bike Challenge, Port Stephens Triathlon, Guns and Hoses Surfing Competition, Karuah Lost Highway Bluegrass Music Festival and the King Street Heritage Festival.

Some of NSW's finest rising sports talent competed in the Knights Cup carnival for 13- to 15-year-old rugby league players, the NSW AFL State Combined High School Championships and NSW Soccer State Combined High School Championships.

Illegal Dumping

Residents have made representations through the customer satisfaction survey expressing annoyance at incidents of illegal dumping of waste across the local government area. Council has been active in investigating this menace and in the last quarter undertook 49 successful investigations, where the offenders were identified and held accountable, and the waste cleaned up at no cost to Council.

Plans and Planning

In May 2016 Council adopted the Ageing Strategy, and the Integrated Plans and Resource Strategy for 2016-2026.

Of the 185 actions in the Operational Plan 2015-2016, more than 97% were completed within budget and on time. This performance was against a target to

achieve >90%, which was set before the onset of the work associated with merger proposals and staff are to be congratulated for ensuring that what was agreed with the community was actually done.

I am also pleased to advise that seven of the 10 actions in the Crime Prevention Plan were funded and completed. Further, 43 of the 46 actions in the Disability Inclusion Action Plan were also completed, with the remaining three waiting for additional external funding.

Williamtown Contamination Investigation

There are concerns for the community affected by the contamination investigation ongoing for some time from the Williamtown RAAF base. The problem and resolution does not appear to be imminent. Council continues to work with the State and Federal governments to find a solution for affected residents.

Volunteers

Port Stephens Council is fortunate to have more than 770 volunteers who undertake a variety of works on Council's behalf – work which could not otherwise be resourced and which contributes significantly to the amenity of the local government area.

Volunteers undertake management of cemeteries, community halls and sporting facilities; work on removal of noxious weeds and bushland regeneration; parks and gardens, beaches and foreshores; at libraries; and the Ngioka Horticultural Therapy Centre. Volunteers continue to be very much appreciated and on behalf of Council I thank them for their service to the community of Port Stephens.

I am immensely proud of the achievements during this period that has led to increased satisfaction with Council's services and facilities across our operations. Our overall satisfaction has risen to 86.5% from 79% in 2015 – these are exceptionally strong outcomes rarely achieved in the local government sector. To deliver on a large body of work and projects whilst operating in such uncertainty is a credit to the professionalism and dedication of our people.

Thank you to my Executive Team colleagues and all the staff of Port Stephens Council for dedication and teamwork to achieve so much in very difficult and unsettling times.





I would like to thank the Mayor and Councillors for their leadership and support in what has been a very challenging six months; and the people of Port Stephens for their strongly expressed support for Port Stephens Council and its achievements together with their confidence in the future.

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 Time of Report

| 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 is made up of 16 major projects, all of which are aimed at increasing organisational efficiencies through improved use of technology. In addition, the Business Improvement team supports organisation-wide process reviews using the PDSA methodology.

During the last six months of this financial year there have been some significant improvements to how we use SharePoint to automate our processes. This includes ensuring integration of our corporate systems to provide seamless use of data.

Council has a scheduled program of service reviews to ensure that every service:

- delivers what our customers require;
- is delivered at a level that customers need and are happy to pay for; and
- is delivered in the most effective way.

We have a four-year program that results in all 52 service packages being reviewed thoroughly. As of June 2016 the previous four-year program of work was completed and Council has finalised the program for 2016-2019.

2. Community Strategic Plan/Operational Plan Delivery

The target is to complete >90% of the actions due for completion in this six months.
Actual = 97.84% of actions due to be completed by 30 June 2016.

3. Capital Works Delivery

(a) Capital Works – Roads – Completed Projects

| Project Description | Cost |
|--|-------------|
| Foreshore Drive, Salamander Bay – Widening of Mambo Wetland outlet and shared path link | \$43,702 |
| Shoal Bay Road – SEG 170, Nelson Bay Road. Pavement Rehabilitation from Dixon Drive to Gowrie Avenue | \$22,748 |
| Daniel Crescent – Lemon Tree Passage Road to Gibbers Drive. Reconstruction including replacement of pipes and kerb and guttering | \$188,221 |
| Bus Shelter Rehabilitation – The Summerhouse, Caswell Crescent, Tanilba Bay | \$23,214 |
| Brandy Hill Drive – SEG 100, Brandy Hill Pavement Rehabilitation from Clarence Town Road to 102 Brandy Hill Drive | \$419,315 |
| Fullerton Cove Road – SEG 90 to 130, Fullerton Cove. Pavement Rehabilitation | \$305,033 |

| Project Description | Cost |
|---|-------------|
| Blanch Street – SEG 60, Boat Harbour. Pavement Rehabilitation from 11 Blanch Street to 47 Blanch Street | \$225,207 |
| East Seaham Road, East Seaham – Gravel road sealing STAGE 2 | \$1,086,111 |
| Government Road, Nelson Bay – Retaining Wall replacement from 32 Government Road to Nelson Street | \$61,865 |
| Brandy Hill Drive, Brandy Hill – Warrigal Close to 33 Brandy Hill Drive. Guardrail Construction | \$803 |
| Traffic Project – Raised Pedestrian crossing, Benjamin Lee Drive, Raymond Terrace | \$9,192 |
| Future designs, planning and easements Tomaree, Tilligerry and Raymond Terrace | \$16,630 |
| Clemenceau Crescent, Tanilba Bay. Pavement Reconstruction including kerb and guttering from Tanilba Avenue to Poilus Parade | \$103,108 |
| Hinton Road, Hinton. Pavement Reconstruction from Shiraz Close to Swan Street | \$1,487,824 |
| The Bucketts Way, Twelve Mile Creek. Pavement Rehabilitation from 4.05-4.72km from Pacific Highway | \$264,460 |
| Clarence Town Road Upgrade, SEG 190 South of Timber Tops Road | \$80,805 |
| Pedestrian crossing, Victoria Parade, Nelson Bay | \$396,784 |
| Shoulder widening – Port Stephens Drive, Taylor's Beach | \$300,562 |
| Raised pedestrian crossing, Soldiers Point Road, Salamander Bay | \$167,200 |
| Raised Pedestrian Crossing, Irrawang Street, Raymond Terrace | \$79,838 |
| Shoulder widening, Masonite Road, Tomago | \$274,766 |
| Shoulder widening and Intersection upgrade, Fairlands Road, Mallabula | \$215,078 |
| Gan Gan Road, Anna Bay – North of Frost Road- Design Only | \$46,382 |
| Shoulder widening, Butterwick Road, Woodville | \$608,247 |
| Traffic Signals, Shoal Bay Road and Government Road, Shoal Bay | \$191,590 |
| Shoal Bay public domain plan (including pedestrian crossing design) | \$52,013 |
| Shared path behavioural signage – various across the LGA | \$22,531 |
| Sandy Point Road, Corlette Headland shared path design | \$21,981 |

(b) Community & Recreation – Completed Projects

| Project Description | Cost |
|--|-------------|
| Shoal Bay Foreshore – Boat Ramp Precinct and Path to Wharf | \$125,298 |
| Barry Park – Fingal Bay – Public Amenities | \$150,000 |
| Fingal Foreshore – Dog Fence | \$15,000 |
| Medowie Dog Fence | \$12,000 |
| Boomerang Park Playground | \$273,002 |
| Fern Bay Playground | \$80,000 |
| Tanilba Bay Playground | \$120,000 |
| The Deck – Insurance repairs | \$76,000 |
| Wallalong Child Care – Insurance repairs | \$60,000 |
| Raymond Terrace Netball Club – Insurance repairs | \$30,000 |
| Tanilba Bay Foreshore Revetment | \$380,000 |
| Hinton Pontoon Replacement | \$125,000 |
| Karuah Wharf Repairs | \$91,000 |
| Raymond Terrace Community Centre – replace roof access | \$20,000 |
| Nelson Bay Skate Park Upgrade | \$108,800 |
| Salt Ash Playground | \$80,000 |
| Raymond Terrace Library Insurance Repairs | \$170,000 |
| Raymond Terrace Library – Replace Box Gutters | \$35,000 |
| Raymond Terrace Library – Compliance Works | \$50,000 |
| Raymond Terrace Community Care Centre Roof Access | \$20,000 |
| Corlette Point Park Playground | \$150,000 |
| Tomaree Library and Community Centre - Energy Efficiency Upgrade | \$110,000 |
| Lakeside Leisure Centre - 50m pool re grout and expansion joints | \$130,000 |
| Tilligerry Aquatic Centre - Pool liner repair | \$55,000 |
| Tilligerry Aquatic Centre - Solar Hot Water | \$20,000 |

| Project Description | Cost |
|---|-------------|
| Tomaree Aquatic Centre - Program pool liner replacement | \$25,000 |

(c) Capital Works – Roads – Projects Commenced

| Project Description | Estimated Cost |
|---------------------------------------|-----------------------|
| Paterson Road, Woodville | \$32,932 |
| Elizabeth Street - Hinton Road to end | \$49,844 |
| Hinton Road guardrail | \$57,400 |
| Bus Stops – Anna Bay | \$23,951 |

(d) Community & Recreation – Projects Commenced

| Project Description | Estimated Cost |
|---|-----------------------|
| Fern Bay Hall Replacement | \$800,000 |
| Lemon Tree Passage Aquatic Infrastructure Upgrade | \$1,300,000 |
| Medowie Sports Club | \$3,800,000 |
| Raymond Terrace Men's Shed | \$748,000 |
| Karuah Hall Footing Repairs and Roof Reglaze | \$65,000 |
| Lakeside Irrigation Upgrade | \$100,000 |
| Seaham Boat Ramp Upgrade | \$300,000 |
| One Mile Lifeguard Facilities | \$600,000 |

4. Financial Sustainability Program

Please note that the financial information presented in this 6 monthly report is unaudited and revised budget does not take into account funds received late in the year from NSW Roads and Maritime Services, although actual revenue includes these funds for works which were expended in June 2016.

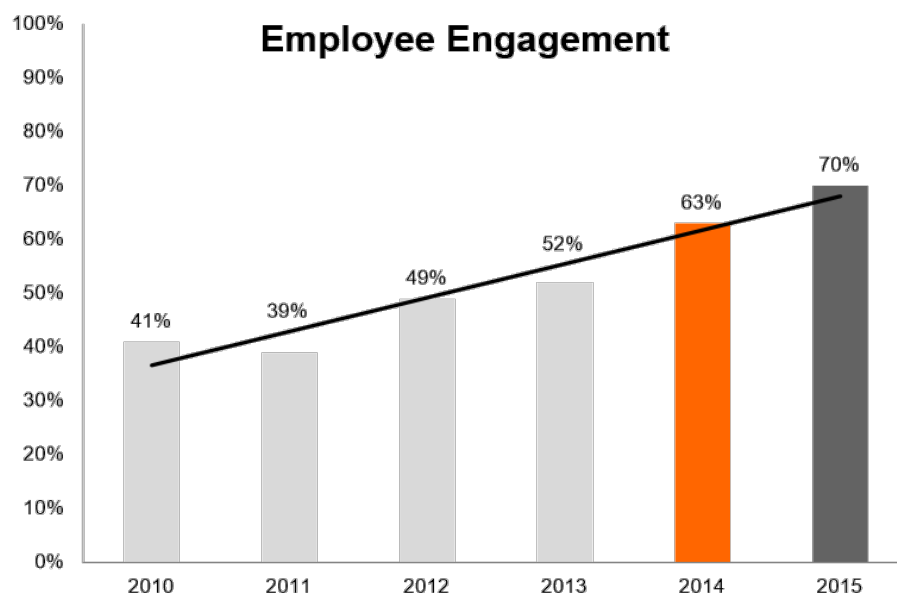
These figures are preliminary and may differ from the final, audited financial statements that will be provided in Council's annual report.

Figures in the table below exclude Newcastle Airport.

| | Annual Revised Budget | 2016 Actual |
|--|--------------------------------------|--------------------|
| Operating Revenues | | |
| Rates & Annual Charges | 51,553,000 | 51,749,285 |
| User Charges & Fees | 27,846,000 | 29,984,028 |
| Interest and investment revenue | 1,285,000 | 795,878 |
| Grants & Contributions - Operating | 13,027,000 | 13,729,850 |
| Grants & Contributions - Capital | 8,876,000 | 8,588,443 |
| Other revenue | 9,200,000 | 13,458,377 |
| Gain/(Loss) on Disposal of Property | 1,500,000 | (236,124) |
| Gain/(Loss) on Disposal of Real Estate Assets Held | - | 2,679,240 |
| Gain/(Loss) on Disposal of Plant & Equipment | 250,000 | 464,310 |
| Total Revenue | 113,537,000 | 121,213,287 |
| Operating Expenses | | |
| Employee Costs | 34,993,000 | 38,157,819 |
| Borrowing costs expensed | 565,000 | 577,888 |
| Materials and contracts | 40,119,000 | 47,117,769 |
| Other expenses from continuing operations | 12,202,000 | 7,016,761 |
| Depreciation, amortisation and impairment | 13,503,000 | 12,901,891 |
| Total Expenditure | 101,382,000 | 105,772,128 |
| Net Profit | 12,155,000 | 15,441,159 |

5. Workforce Strategy Implementation

Staff engagement target = >65%. Actual (August 2015) = 70%



6. Infrastructure Planning

A detailed Strategic Asset Management Plan was developed to include long term infrastructure planning. This Plan was adopted by Council at its meeting on 24 May 2016.

7. Technology Improvement Program

The Information Communication Technology (ICT) Program of Work is made up of 14 projects and associated tasks aimed at improving the security, accessibility, connectivity and asset management of our ICT systems, hardware and infrastructure. These are all progressing well. This includes the Asset Management requirements now being included in the organisation's Strategic Asset Management Plan; a security strategy has been implemented; Council's ICT systems have been tested during a number of planned and unplanned outages and have proved stable; and all ICT processes have been mapped.

The Records Management Program of Work is aimed at improving the way Council manages its records. It is made up of nine key improvement projects and tasks. This includes a significant body of work to reduce and manage physical records as well as a number of activities to improve electronic records management. Processes are also being reviewed and updated accordingly. In recent months Council has

upgraded its records management system to Records Manager 8.2. This will provide a much stronger platform for integration of records management with core corporate systems.

8. Land Use Strategy Development

During the last six months:

- the Raymond Terrace Heatherbrae Strategy was completed.
- the Draft Medowie Strategy exhibition period was completed in April 2016. The finalised strategy will be completed by late 2016.
- the Draft Rural Residential Strategy was endorsed by Council and the public exhibition completed. The finalised strategy will be completed by late 2016.

9. Flood and Drainage Study Implementation

The drainage and flood studies for Paterson River and Nelson Bay, and Port Stephens Flood Risk Management Study are in progress. The Paterson River study is being managed by Maitland Council and is progressing. The Nelson Bay and Port Stephens Risk Management Study is managed by Great Lakes Council, though the funding has been withdrawn with other priorities taking its place.

The Assets Section was tasked with providing drainage/flooding investigation, planning and design services for Council's capital works program. The 2016 works program is now documented and shows all proposed future works and studies for drainage and flooding studies. Given the recent storms and newly identified problem areas, the volume of works has grown. While most of these works are being undertaken under general maintenance/minor works, the capital works projects have also grown substantially.

10. Integrated Risk Management Program



Risk Maturity Score¹ Target: >65%. Actual = 74%.

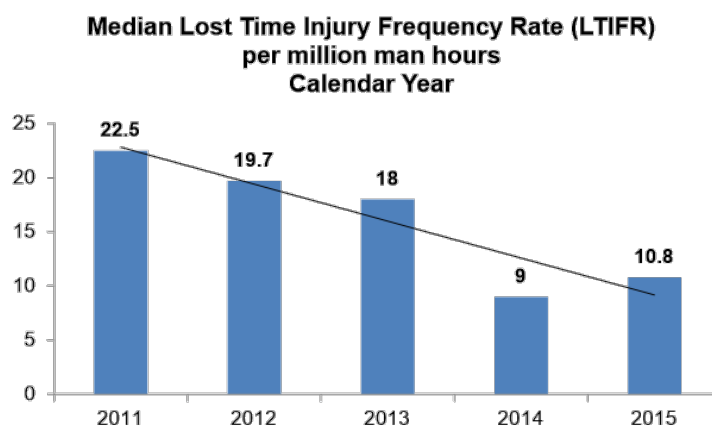
Implementation of our Integrated Risk Management Framework has resulted in a significant decrease in the level of risk across Council. In 2015-2016 there were no risks assessed as extreme due to the implementation of a number of controls. This indicates a higher level of attention is being given to implementing controls by the due date. The Corporate Risk Register and all Group Risk Registers are being reviewed on a quarterly basis.

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

Workplace Health & Safety

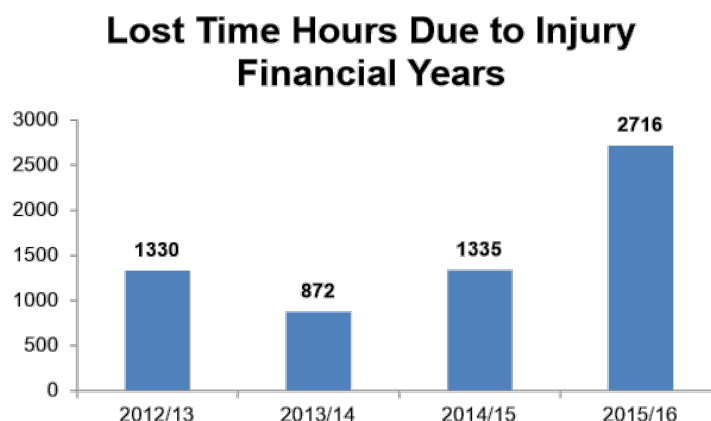
Lost Time Injury Frequency Rate:

The graph below compares the lost time injury frequency rate for workers compensation injuries. The rate is expressed as a median of the calendar months in each calendar year to December 2015.



Lost Time Hours Due to Injury:

The graph below provides a comparison of the total lost time hours as a result of workers compensation injuries. Overall there has been a 50% increase in the hours lost for 2015-2016 compared to last year. This is consistent with the nature and severity of injuries sustained as there were several significant and complex claims.

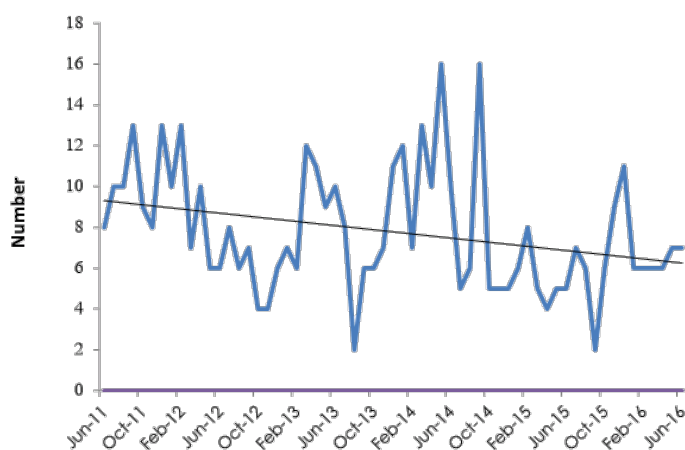


Other Risk Categories:

Motor Vehicle Incidents:

The total of motor vehicle incidents for 2015-2016 was 75, only two (2) less than 2014-2015. This is disappointing given the reduction in the overall number of vehicles in the fleet.

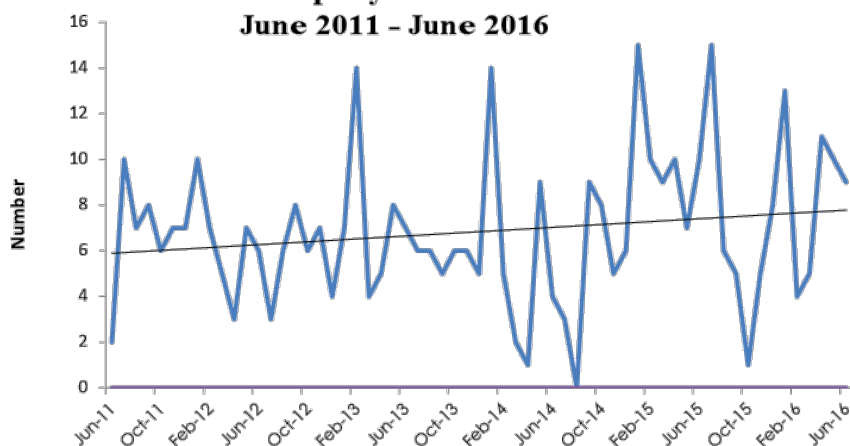
**Motor Vehicle Incidents
June 2011 - June 2016**



Property Incidents:

The total of reported property incidents for 2015-2016 is 92, the same number as 2014-2015 but an increase over 2013-2014 and 2012-2013.

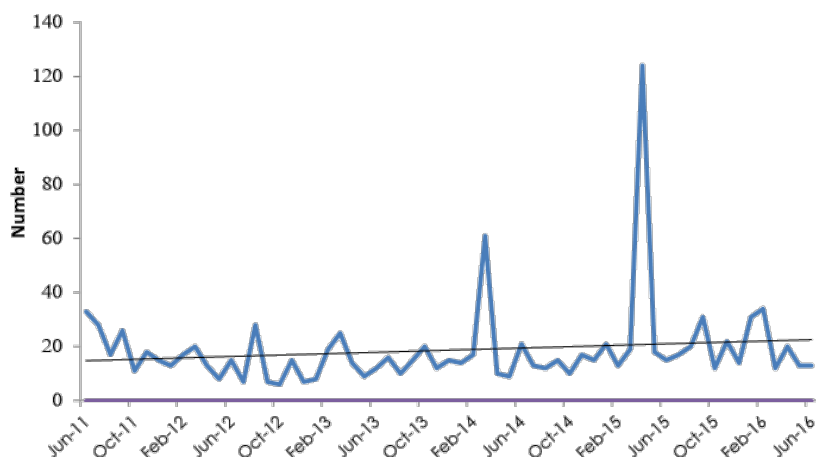
**Property Incidents
June 2011 - June 2016**



Professional Indemnity and Public Liability Incidents:

There was a total of 238 reported incidents for 2015-2016. This total is less than 2014-2015, due largely to the April 2015 storm, but is higher than 2013-2014 and 2012-2013.

**Professional Indemnity/Public Liability
June 2011 - June 2016**

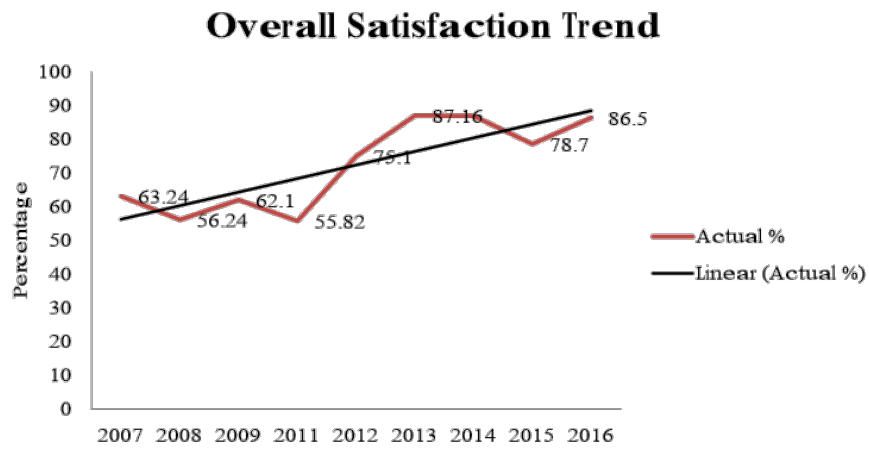


11. Community Engagement and Customer Focus Initiatives

A large part of the engagement and customer focus in the last six months has been delivered through the Communications Section's coordination of Council's response to the State Government's local government reforms and Port Stephens' status as the proposed merger partner with Newcastle and subsequently Dungog.

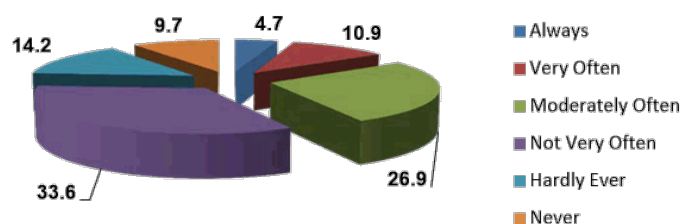
Since 18 December 2015 the Section has organised petitions, surveys and public rallies; and internally all staff emails, posters and intranet posts. The community of Port Stephens overwhelmingly rejected the proposed Newcastle merger (93% against) and more than 18,000 people signed a petition to State Parliament reflecting the community's views against the merger.

In April and May 2016 Council conducted its annual customer satisfaction survey, and a report is scheduled to be provided to the Council's 9 August 2016 meeting. The satisfaction level was recorded at 86.5% – a very high figure for a local government entity and above the target of 75% satisfaction.

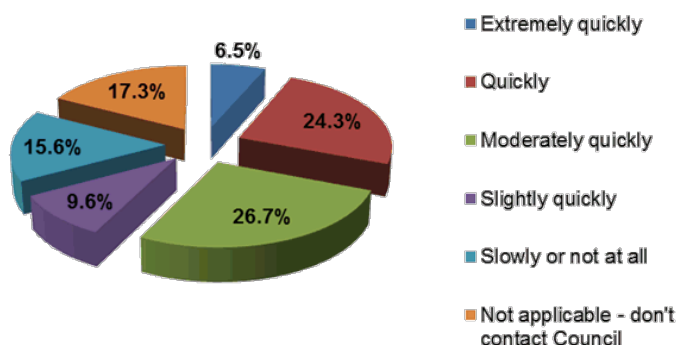


As part of the survey Council sought feedback from the community on their perceptions of inputs to decision making at Council. The result showed a marked improvement in engagement over 2015 as measured by the question:

Do you feel you have opportunities to have genuine input to Council's decision-making?



The survey also demonstrated that there has been an improvement in responsiveness to customers' questions and issues:



ITEM NO. 7**FILE NO: 16/388273
RM8 REF NO: PSC2016-00178****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. West Ward Funds – Raymond Terrace Little Athletics Club – Donation towards purchase of a golf buggy, installation of power to new equipment shed - \$5,767.

**ORDINARY COUNCIL MEETING - 23 AUGUST 2016
COMMITTEE OF THE WHOLE RECOMMENDATION**

| | |
|--|---|
| | RECOMMENDATION: That the recommendation be adopted. |
|--|---|

**ORDINARY COUNCIL MEETING - 23 AUGUST 2016
MOTION**

| | |
|------------|--|
| 244 | Councillor Peter Kafer Councillor Ken Jordan It was resolved that Council approves provision of financial assistance under Section 356 of the <i>Local Government Act 1993</i> from Ward Funds to the following:- <ol style="list-style-type: none">a. West Ward Funds – Raymond Terrace Little Athletics Club – Donation towards purchase of a golf buggy, installation of power to new equipment shed - \$5,767. |
|------------|--|

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.

MINUTES ORDINARY COUNCIL - 23 AUGUST 2016

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

| | | |
|---------------------------------------|--|---------|
| Raymond Terrace Little Athletics Club | Donation towards purchase of a golf buggy, installation of power to new equipment shed | \$5,767 |
|---------------------------------------|--|---------|

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 | 5,767 | 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 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.

MERGER PROPOSAL IMPLICATIONS

There are no merger implications.

CONSULTATION

Consultation with key stakeholders has been undertaken by the General Managers Unit.

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

Internal

- 1) Mayor
- 2) Councillors

External

- 1) Port Stephens Community

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.

ITEM NO. 8**FILE NO: 16/387087
RM8 REF NO: PSC2015-02145****PROPOSED FEES AND CHARGES 2016-2017 - HOLIDAY PARKS****REPORT OF: WAYNE WALLIS - GENERAL MANAGER
GROUP: GENERAL MANAGER'S OFFICE****RECOMMENDATION IS THAT COUNCIL:**

- 1) Place the proposed fees and charges for Fingal Bay and Shoal Bay Holiday Parks accommodation noted in **(ATTACHMENT 1)** on public exhibition for a period of 28 days and invite submissions from the public.
- 2) Should no submissions be received adopt the proposed fees and charges noted in **(ATTACHMENT 1)** without a further report to Council.

**ORDINARY COUNCIL MEETING - 23 AUGUST 2016
MOTION**

| | |
|------------|--|
| 245 | Councillor Ken Jordan Councillor John Nell It was resolved that Council: <ol style="list-style-type: none">1) Place the proposed fees and charges for Fingal Bay and Shoal Bay Holiday Parks accommodation noted in (ATTACHMENT 1) on public exhibition for a period of 28 days and invite submissions from the public.2) Should no submissions be received adopt the proposed fees and charges noted in (ATTACHMENT 1) without a further report to Council. |
|------------|--|

BACKGROUND

The purpose of this report is to seek Council's support to place proposed fees and charges for 'The Beach House' at Shoal Bay Holiday Park and 'The Surf House' at Fingal Bay Holiday Park on public exhibition for a period of 28 days and should no submissions be received apply the fees from Thursday 29 September 2016.

Subsequent to the adoption of the current Fees and Charges 2016-2017, the Managers' residences located at Shoal Bay and Fingal Bay Holiday Parks have been vacated. The premises will now be rebranded as 'The Beach House' at Shoal Bay Holiday Park and 'The Surf House' at Fingal Bay Holiday Park and made available for

MINUTES ORDINARY COUNCIL - 23 AUGUST 2016

accommodation bookings in line with the respective Holiday Park accommodation tariffs.

COMMUNITY STRATEGIC PLAN

| Strategic Direction | Delivery Program 2013-2017 |
|------------------------|---|
| A Sustainable Council. | Council will maintain its underlying financial performance to budget at break even or better. Council will increase its revenue from non-rates sources. Manage risks across Council. Attract, retain and develop staff to meet current and future workforce needs. Provide enabling business support services for Council's operations. |

FINANCIAL/RESOURCE IMPLICATIONS

The proposed fees and charges will be placed on public exhibition by way of Council's notices page in the Port Stephens Examiner.

| Source of Funds | Yes/No | Funding (\$) | Comment |
|-----------------|--------|--------------|---------------------------------|
| Existing budget | Yes | | From within existing resources. |
| Reserve Funds | No | | |
| Section 94 | No | | |
| External Grants | No | | |
| Other | No | | |

LEGAL, POLICY AND RISK IMPLICATIONS

These fees are required to be placed on public exhibition under Section 610F of the *Local Government Act 1993* for a period of 28 days. The proposed fees comply with Council's Pricing Policy.

| Risk | <u>Risk Ranking</u> | Proposed Treatments | Within Existing Resources? |
|--|----------------------------|----------------------------|-----------------------------------|
| There is a risk that if the fees are not in place Council will incur a decrease in revenue. | Medium | Adopt the recommendations. | Yes |
| There is a risk that if the fees are not scheduled into the fees and charges 2016-2017, they will be omitted during the next review of fees and charges. | Medium | Adopt the recommendations. | Yes |

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council derives around a third of its revenue from fees and charges so it is important that the proposed fees are adopted to form part of the Holiday Parks' accommodation tariffs.

MERGER PROPOSAL IMPLICATIONS

Should either a Port Stephens Council/Dungog Shire Council or Port Stephens Council/Newcastle City Council merger proposal proceed, the fees and charges would apply until the new entity undertook a review and harmonised fees and charges. Should a merger proposal not proceed, the adopted fees and charges will apply for the 2016-2017 financial year.

CONSULTATION

Responsible officers within Council's Corporate Services Group have reviewed the proposed fees and charges schedule.

Internal

The Corporate Services Group Manager and Business Development Manager were consulted in relation to the correct calculation of the proposed fees and charges for 2016-2017.

External

In accordance with local government legislation the proposed Holiday Parks' fees and charges for 2016-2017 will go on public exhibition for 28 days from 1 September 2016 to 28 September 2016.

OPTIONS

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

ATTACHMENTS

- 1) Proposed Holiday Parks Fees and Charges 2016-2017.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 8 - ATTACHMENT 1 PROPOSED HOLIDAY PARKS FEES AND CHARGES 2016-2017.

PROPOSED FEES AND CHARGES 2016-2017

| Fee Name | Fee description | GST \$ | Fee Amount Incl. GST | Fee Unit | Pricing Policy |
|--|----------------------|---------|----------------------|-----------|----------------|
| HOLIDAY PARKS | | | | | |
| Shoal Bay: Accommodation Tariffs MAXIMUM nightly rates | | | | | |
| *Minimum night stay conditions apply in low season. | | | | | |
| The Beach House | Weekend nightly rate | \$40.91 | \$450.00 | Per night | Market Pricing |
| Shoal Bay: Accommodation Tariffs MINIMUM nightly rates | | | | | |
| *Minimum night stay conditions apply in low season. | | | | | |
| The Beach House | Weekday nightly rate | \$15.00 | \$165.00 | Per night | Market Pricing |
| Fingal Bay: Accommodation Tariffs MAXIMUM nightly rates | | | | | |
| *Minimum night stay conditions apply in low season. | | | | | |
| The Surf House | Weekend nightly rate | \$40.91 | \$450.00 | Per night | Market Pricing |
| Fingal Bay: Accommodation Tariffs MINIMUM nightly rates | | | | | |
| *Minimum night stay conditions apply in low season. | | | | | |
| The Surf House | Weekday nightly rate | \$15.00 | \$165.00 | Per night | Market Pricing |

ITEM NO. 9**FILE NO: 16/384323
RM8 REF NO: PSC2016-00015****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 23 August 2016.

| No: | Report Title | Page: |
|------------|--|--------------|
| 1 | Cash and Investments held as at 31 July 2016 | 178 |

**ORDINARY COUNCIL MEETING - 23 AUGUST 2016
MOTION**

| | |
|------------|--|
| 246 | Councillor John Morello Councillor Chris Doohan It was resolved that Council receives and notes the Information Papers listed below being presented to Council on 23 August 2016. <hr/> No: Report Title 1 Cash and Investments held as at 31 July 2016 |
|------------|--|

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 16/378623
RM8 REF NO: PSC2006-6531**

CASH AND INVESTMENTS HELD AS AT 31 JULY 2016

REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES

BACKGROUND

The purpose of this report is to present Council's schedule of cash and investments held at 31 July 2016.

MERGER PROPOSAL IMPLICATIONS

There are no merger proposal implications as this is a legislative requirement.

ATTACHMENTS

- 1) Cash and Investments held at 31 July 2016.
- 2) Monthly cash and investments balance July 2015 to July 2016.
- 3) Monthly Australian term deposit index July 2015 to July 2016.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

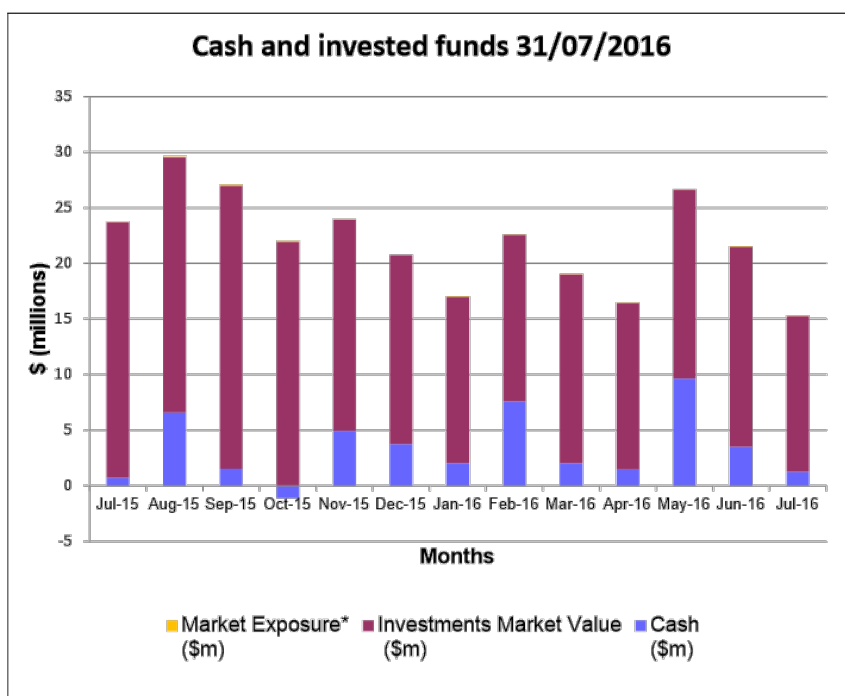
Nil.

ITEM 1 - ATTACHMENT 1 CASH AND INVESTMENTS HELD AT 31 JULY 2016.
CASH AND INVESTMENTS HELD AS AT 31 JULY 2016

| ISSUER | BROKER | RATING* | DESC. | YIELD % | TERM DAYS | MATURITY | AMOUNT INVESTED | MARKET VALUE |
|--|-------------|---------|-------|---------|-----------|-----------|-----------------|--------------|
| TERM DEPOSITS | | | | | | | | |
| SUNCORP BANK | SUNCORP | A+ | TD | 3.10% | 196 | 21-Sep-16 | 2,000,000 | 2,000,000 |
| COMMONWEALTH BANK | CBA | AA- | TD | 2.78% | 125 | 5-Oct-16 | 2,000,000 | 2,000,000 |
| ARAB BANK AUSTRALIA | RIM | NR | TD | 3.00% | 147 | 19-Oct-16 | 1,000,000 | 1,000,000 |
| BANK OF QUEENSLAND | BOQ | A- | TD | 3.00% | 168 | 2-Nov-16 | 2,000,000 | 2,000,000 |
| BANK OF SYDNEY | CURVE | NR | TD | 3.15% | 259 | 16-Nov-16 | 2,000,000 | 2,000,000 |
| BANK OF QUEENSLAND | BOQ | A+ | TD | 3.00% | 195 | 14-Dec-16 | 1,000,000 | 1,000,000 |
| POLICE CREDIT UNION LTD (SA) | FARQUHARSON | NR | TD | 3.05% | 231 | 11-Jan-17 | 1,000,000 | 1,000,000 |
| AMP BANK | FARQUHARSON | A+ | TD | 3.00% | 364 | 17-May-17 | 2,000,000 | 2,000,000 |
| SUB TOTAL (\$) | | | | | | | 13,000,000 | 13,000,000 |
| OTHER INVESTMENTS | | | | | | | | |
| ANZ ZERO COUPON BOND | ANZ | AA- | BOND | 0.00% | 9yrs | 1-Jun-17 | 1,017,877 | 997,977 |
| SUB TOTAL (\$) | | | | | | | 1,017,877 | 997,977 |
| INVESTMENTS TOTAL (\$) | | | | | | | 14,017,877 | 13,997,977 |
| CASH AT BANK (\$) | | | | | | | 1,276,558 | 1,276,558 |
| TOTAL CASH AND INVESTMENTS (\$) | | | | | | | 15,294,434 | 15,274,535 |
| CASH AT BANK INTEREST RATE | | | | 2.15% | | | | |
| BBSW FOR PREVIOUS 3 MONTHS | | | | 2.03% | | | | |
| AVG. INVESTMENT RATE OF RETURN | | | | 2.79% | | | | |
| TD = TERM DEPOSIT | | | | | | | | |
| *STANDARD AND POORS LONG TERM RATING | | | | | | | | |
| CERTIFICATE OF RESPONSIBLE ACCOUNTING OFFICER | | | | | | | | |
| I HEREBY CERTIFY THAT THE INVESTMENTS LISTED ABOVE HAVE BEEN MADE IN ACCORDANCE WITH SECTION 625 OF THE LOCAL GOVERNMENT ACT 1993, CLAUSE 212 OF THE LOCAL GOVERNMENT (GENERAL) REGULATION 2005 AND COUNCIL'S CASH INVESTMENT POLICY | | | | | | | | |
| T HAZELL | | | | | | | | |

**ITEM 1 - ATTACHMENT 2 MONTHLY CASH AND INVESTMENTS BALANCE
JULY 2015 TO JULY 2016.**
CASH AND INVESTMENTS BALANCE

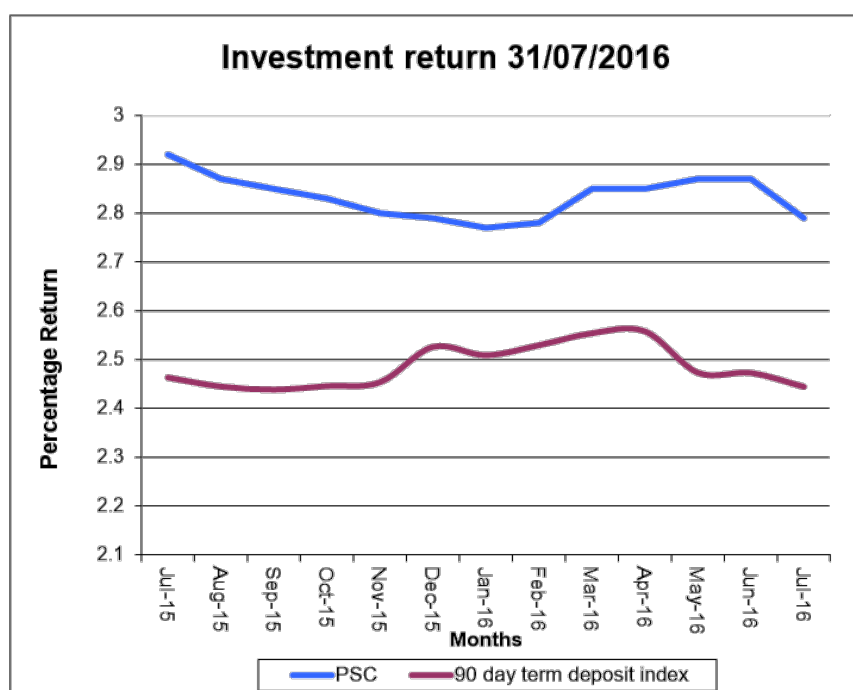
| Date | Cash (\$m) | Investments Market Value (\$m) | Market Exposure* (\$m) | Total Funds (\$m) |
|--------|---------------|--------------------------------------|------------------------------|----------------------|
| Jul-15 | 0.727 | 22.968 | 0.050 | 23.745 |
| Aug-15 | 6.590 | 22.968 | 0.050 | 29.608 |
| Sep-15 | 1.542 | 25.468 | 0.050 | 27.060 |
| Oct-15 | 1.092 | 21.968 | 0.050 | 20.926 |
| Nov-15 | 4.959 | 18.989 | 0.029 | 23.977 |
| Dec-15 | 3.759 | 16.989 | 0.029 | 20.776 |
| Jan-16 | 2.043 | 14.989 | 0.029 | 17.061 |
| Feb-16 | 7.589 | 14.989 | 0.029 | 22.607 |
| Mar-16 | 2.038 | 16.984 | 0.034 | 19.055 |
| Apr-16 | 1.469 | 14.990 | 0.028 | 16.487 |
| May-16 | 9.650 | 16.990 | 0.028 | 26.668 |
| Jun-16 | 3.526 | 17.990 | 0.028 | 21.544 |
| Jul-16 | 1.277 | 13.998 | 0.020 | 15.294 |



*Market exposure is the difference between the face value of an investment and its current market value.

**ITEM 1 - ATTACHMENT 3 MONTHLY AUSTRALIAN TERM DEPOSIT INDEX
JULY 2015 TO JULY 2016.**
AUSTRALIAN TERM DEPOSIT ACCUMULATION INDEX

| Date | 90 day term deposit index | PSC |
|-------------|--------------------------------------|------------|
| Jul-15 | 2.4632 | 2.92 |
| Aug-15 | 2.4447 | 2.87 |
| Sep-15 | 2.4384 | 2.85 |
| Oct-15 | 2.4458 | 2.83 |
| Nov-15 | 2.4535 | 2.80 |
| Dec-15 | 2.5259 | 2.79 |
| Jan-16 | 2.5089 | 2.77 |
| Feb-16 | 2.5293 | 2.78 |
| Mar-16 | 2.5539 | 2.85 |
| Apr-16 | 2.5578 | 2.85 |
| May-16 | 2.4730 | 2.87 |
| Jun-16 | 2.4727 | 2.87 |
| Jul-16 | 2.4442 | 2.79 |



CONFIDENTIAL ITEMS

In accordance with Section 10A, of the Local Government Act 1993, Council can close part of a meeting to the public to consider matters involving personnel, personal ratepayer hardship, commercial information, nature and location of a place or item of Aboriginal significance on community land, matters affecting the security of council, councillors, staff or council property and matters that could be prejudice to the maintenance of law.

Further information on any item that is listed for consideration as a confidential item can be sought by contacting Council.

ORDINARY COUNCIL MEETING – 23 AUGUST 2016 MOTION

| | |
|------------|--|
| 247 | Councillor John Nell Councillor Sally Dover It was resolved that Council Move into confidential session. |
|------------|--|

The following Council officers were present for the Confidential Session:

Communications Section Manager
Strategy and Environment Section Manager
ICT Maintenance and Support Coordinator
Public Relations and Marketing Officer

CONFIDENTIAL

ITEM NO. 1

**FILE NO: 16/366765
RM8 REF NO: PSC2009-01623**

ACQUISITION OF EASEMENT FOR CAMPVALE DRAIN - 77 ABUNDANCE ROAD, MEDOWIE

REPORT OF: GLENN BUNNY - PROPERTY SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES

**ORDINARY COUNCIL MEETING - 23 AUGUST 2016
MOTION**

| | |
|------------|--|
| 248 | Councillor John Nell Councillor Sally Dover It was resolved that Council: 1) Endorses the payment of compensation for the amount contained within the body of the report for the acquisition of an Easement to Drain Water over part of 77 Abundance Road, Medowie. 2) Authorises the Mayor and the General Manager to sign and affix the seal of Council to any legal documentation required for the process. |
|------------|--|

**ORDINARY COUNCIL MEETING – 23 AUGUST 2016
MOTION**

| | |
|------------|--|
| 249 | Councillor Ken Jordan Councillor Chris Doohan It was resolved that Council Move out of confidential session. |
|------------|--|

There being no further business the meeting closed at 5.49pm.