

DRAFT

MINUTES – 14 NOVEMBER 2017



PORT STEPHENS COUNCIL

Minutes of Ordinary meeting of the Port Stephens Council held in the Council Chambers, Raymond Terrace on – 14 November 2017, commencing at 5:38pm.

PRESENT:

Councillors J Abbott, G Arnott, C. Doohan (Chair), G Dunkley, K. Jordan, P. Le Mottee, S Smith, S. Tucker, General Manager, Corporate Services Group Manager, Facilities and Services Group Manager, Development Services Group Manager and Executive Administration Coordinator.

270	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council grant Mayor Ryan Palmer leave of absence from 9 November 2017 to 19 November 2017 and that an apology from Cr John Nell be received and noted.
271	Councillor Steve Tucker Councillor Jaimie Abbott It was resolved that the Minutes of the Ordinary Meeting of Port Stephens Council Ordinary Council held on 24 October 2017 be confirmed.
	There were no declarations of interest received.

INDEX

SUBJECT

PAGE NO

MOTIONS TO CLOSE 3

1. MOTION TO CLOSE.....4

COUNCIL REPORTS..... 5

1. 2016-2017 ANNUAL FINANCIAL REPORTS.....6
2. QUARTERLY BUDGET REVIEW AS AT 30 SEPTEMBER 201710
3. REQUEST FOR FINANCIAL ASSISTANCE30
4. INFORMATION PAPERS34

INFORMATION PAPERS 35

1. PETITION: RETAIN TOILET AMENITIES IN BOOMERANG PARK.....36
2. PETITION: REQUEST FOR TIDAL POOL TO BE BUILT AT
SOUTHERN END OF FINGAL BAY BEACH40
3. DESIGNATED PERSONS' RETURN.....45

NOTICES OF MOTION 46

1. RURAL RESIDENTIAL POLICY47

CONFIDENTIAL 56

1. ACQUISITION OF AN EASEMENT OVER 38 FERODALE ROAD,
MEDOWIE FOR THE CAMPVALE DRAIN PROJECT57

MOTIONS TO CLOSE

ITEM NO. 1

FILE NO: 17/214090
RM8 REF NO: PSC2017-00180

MOTION TO CLOSE

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

RECOMMENDATION:

- 1) That pursuant to section 10A(2) (c) of the *Local Government Act 1993*, the Committee and Council resolve to close to the public that part of its meetings to discuss Confidential Item 1 on the Ordinary agenda namely ***Acquisition of an easement over 38 Ferodale Road, Medowie for the Campvale Drain project.***
- 2) That the reasons for closing the meeting to the public to consider this item is that the discussion will include information containing:
 - information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
- 3) That the report remain confidential and the minute be released in accordance with Council's resolution.

ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION

272	<p>Councillor Steve Tucker Councillor Paul Le Mottee</p> <p>It was resolved:</p> <ol style="list-style-type: none">1) That pursuant to section 10A(2) (c) of the <i>Local Government Act 1993</i>, the Committee and Council resolve to close to the public that part of its meetings to discuss Confidential Item 1 on the Ordinary agenda namely <i>Acquisition of an easement over 38 Ferodale Road, Medowie for the Campvale Drain project.</i>2) That the reasons for closing the meeting to the public to consider this item is that the discussion will include information containing:<ul style="list-style-type: none">• information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.3) That the report remain confidential and the minute be released in accordance with Council's resolution.
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COUNCIL REPORTS

ITEM NO. 1

**FILE NO: 17/192801
RM8 REF NO: PSC2005-4217**

2016-2017 ANNUAL FINANCIAL REPORTS

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

RECOMMENDATION IS THAT COUNCIL:

- 1) Adopt the 2016-2017 Annual Financial Reports and accept the Auditor's Reports, as submitted by The Audit Office of New South Wales.
 - 2) Place the audited Annual Financial Reports for the year ended 30 June 2017, together with the Auditor's reports, on public exhibition for the prescribed period of time.
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**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

273	<p>Councillor Ken Jordan Councillor Paul Le Mottee</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Adopt the 2016-2017 Annual Financial Reports and accept the Auditor's Reports, as submitted by The Audit Office of New South Wales.2) Place the audited Annual Financial Reports for the year ended 30 June 2017, together with the Auditor's reports, on public exhibition for the prescribed period of time.
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BACKGROUND

The purpose of this report is to advise Council that Council Officers have prepared the 2016-2017 Annual Financial Reports in accordance with Australian Accounting Standards, the *Local Government Act 1993* (NSW) (The Local Government Act) and associated regulations and the *Local Government Code of Accounting Practice*.

The Annual Financial Reports have been reviewed by Council's Auditors (The Audit Office of New South Wales) and the Audit Committee. This report is to formally present Council's Annual Financial Reports for the year ended 30 June 2017, together with the Auditor's report, to the public in accordance with section 419 of The Local Government Act.

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

Public notice of the presentation of the audited Annual Financial Reports was advertised in the Port Stephens Examiner from 2 November 2017 to 15 November 2017 and copies of the Annual Financial Reports have been made available at the Customer Service Desk, Raymond Terrace Library, Tomaree Library, Mobile Library and on Council's website.

The Annual Financial Reports, including the Audit reports, have been circulated separately to Councillors for their information and a Two Way Conversation was also held with a representative from Pitcher Partners and The Audit Office of New South Wales to discuss the reports in attendance.

Included with the Annual Financial Reports is a Holiday Parks and Investments Property Report which shows the financial result for all Holiday Parks operated by Council, together with the financial result for Council's Investment Property Portfolio and the Newcastle Airport.

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

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

There are no known legal or policy implications. The risk implications are listed in the table below.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the Annual Financial Reports are not submitted to the Office of Local Government within the statutory timeframe.	Low	The Annual Financial Reports have been submitted to the Office of Local Government.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Completion of the Annual Financial Reports provides Council with the information needed to facilitate prudent financial management decision making which will have a positive impact on the community.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Financial Services Section.

Internal

- Executive Leadership Team.
- Audit Committee.

External

- The Audit Office of New South Wales.
- Audit Committee.

In accordance with Local Government legislation the audited 2016-2017 Annual Financial Reports will go on public exhibition from the date of public notice 2 November 2017 to one day after the meeting 15 November 2017.

OPTIONS

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

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) 2016-2017 Annual Financial Statements, including Holiday Parks and Investment Property Report.

ITEM NO. 2**FILE NO: 17/200994
RM8 REF NO: A2004-0242****QUARTERLY BUDGET REVIEW AS AT 30 SEPTEMBER 2017****REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES****RECOMMENDATION IS THAT COUNCIL:**

- 1) Approve the discretionary changes to the adopted budget as detailed in **(ATTACHMENT 1)** presented as the 2017-2018 Quarterly Budget Review Statement – September 2017.

**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

274	Councillor Ken Jordan Councillor Jaimie Abbott It was resolved that Council approve the discretionary changes to the adopted budget as detailed in (ATTACHMENT 1) presented as the 2017-2018 Quarterly Budget Review Statement – September 2017.
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BACKGROUND

The purpose of this report is to amend the budget by bringing to Council's attention the proposals and issues that have an impact on the 2017-2018 budget that are detailed in the Quarterly Budget Review Statement – September 2017. This statement sets out the details of variations between Council's original budget and the proposed budget as part of the September 2017 Quarterly Budget Review.

Council considered its Integrated Strategic Plans on 13 June 2017 (Minute No. 128) and these plans include the budget estimates for the 2017-2018 financial year.

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.

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

	Attract, retain and develop staff to meet current and future workforce needs. Provide enabling business support services for Council's operations.
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FINANCIAL/RESOURCE IMPLICATIONS

Council's anticipated underlying result is as follows:

	Surplus (\$)	Deficit
Budget 2017-2018	497,000	
September Review	1,351,000	
December Review		
March Review		

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

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that the underlying operating result may return to a deficit.	Medium	Long Term Financial Plan established to reach break-even point.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Council's budget is fundamental for operational sustainability and to the provision of facilities and services to the community.

CONSULTATION

Consultation with key stakeholders has been undertaken by the Finance Section to discuss the overall financial result for the quarter.

Internal

- Group Managers via email/meetings in October 2017 to provide an update on the overall financial result for the quarter.
- Executive Leadership Team and Executive Team during formal meetings in October 2017 to discuss the overall financial result for the quarter.

Formal communication and meetings have been held and the recommendation to submit to Council for formal adoption was accepted.

OPTIONS

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

ATTACHMENTS

- 1) 2017-2018 Quarterly Budget Review Statement - September 2017.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.



"A great lifestyle in a treasured environment"

2017 – 2018
Quarterly Budget Review Statement
September 2017

**ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.****TABLE OF CONTENTS**

1. EXECUTIVE SUMMARY	1
2. INTRODUCTION	3
3. RESPONSIBLE ACCOUNTING OFFICER'S STATEMENT	4
4. INCOME & EXPENSES BUDGET REVIEW STATEMENT	5
5. CAPITAL BUDGET REVIEW STATEMENT	9
6. CASH FLOW STATEMENT & ANALYSIS	13
7. BUDGET REVIEW CONTRACTS AND OTHER EXPENSES	14

**ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.****1) Executive Summary**

Categorising the changes by Group:

Corporate Services: The operating budget change in this Group was \$2.650M (Unfavourable). The operating budget change mainly relates to the reduction in the Federal Assistance Grant (FAG) expected in 2018 by \$2.5M. This is due to the amount being paid in advance last financial year. In order to normalise the operating result the advance payment has now been factored in as an underlying adjustment. In addition to this, expenditure from other Groups has been reallocated to Corporate Services as a result of changes in purchasing responsibilities and staff changes.

Capital budget changes relate to the reforecasting of the works plan for the holiday parks and commercial properties as a result of the revotes and carry forwards from the prior year.

Development Services: Operating budget changes for this Group were \$89k favourable and relate to additional grant income being forecasted in the Natural Resources section.

Facilities & Services: The operating budget change in this Group was \$571k (Unfavourable). This is mainly due to the reduction in the roads portion of the Federal Assistance Grant in 2018 due to the advance payment in 2017.

Changes in the capital budget were \$6.9M (Favourable) which consists of an increase in capital grants by \$1.3M and net decrease in capital expenditure by \$5.6M. The capital expenditure adjustments relate to the reforecasting of the capital works program as a result of the rollovers from the prior financial year.

General Manager's Office: The operating budget changes in this Group were \$150k (Favourable). This was as a result of the reallocation of expenditure out of the Group to Corporate Services. The expected dividend from the Newcastle Airport Partnership has also been increased which is recognised as part of Council's underlying surplus.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 1 of 15

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW STATEMENT - SEPTEMBER 2017.

Operating Budget	2018 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2018 Revised Budget	2018 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Services	38,007	-	(2,650)	-	-	35,357	35,605
Development Services	(7,470)	-	89	-	-	(7,381)	(1,775)
General Manager's Office	(3,204)	(35)	150	-	-	(3,089)	(741)
Facilities & Services	(27,621)	-	(571)	-	-	(28,192)	4,748
Newcastle Airport	2,330	-	-	-	-	2,330	-
Operating Surplus/(Deficit) before capital grants	2,042	(35)	(2,982)	-	-	(975)	37,837
Less: Gain on sale	(250)	-	-	-	-	(250)	-
Less: Fair value (gains) / losses	(615)	-	-	-	-	(615)	-
Less: Newcastle Airport	(2,330)	-	-	-	-	(2,330)	-
Add: Advance FAG 2017	-	-	3,218	-	-	3,218	3,218
Add: Local election costs	400	-	-	-	-	400	25
Add: NAP Dividend	1,250	-	653	-	-	1,903	-
Underlying Operating Surplus/(Deficit)	497	(35)	889	-	-	1,351	41,080

Capital Budget	2018 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2018 Revised Budget	2018 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Services	(1,929)	(6,991)	1,024	-	-	(7,895)	(1,773)
Development Services	3,000	-	-	-	-	3,000	2,502
Facilities & Services	(21,752)	(13,109)	6,968	-	-	(27,894)	(5,333)
Total	(20,681)	(20,100)	7,992	-	-	(32,789)	(4,604)

Note - + = inflow () = outflow

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 2 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

2) Introduction

Clause 203(1) of the *Local Government (General) Regulation 2005* requires Council's responsible accounting officer to prepare and submit a Quarterly Budget Review Statement (QBRS) to Council. The QBRS must show, by reference to the estimated income & expenditure that is set out in the operational plan, a revised estimate of income and expenditure for the year.

It also requires the QBRS to include a report by the responsible accounting officer as to whether or not the statement indicates Council to be in a satisfactory financial position, with regard to Council's original budget.

Council's operational plan sets out the achievements, goals and revenue policy, including estimates of income and expenditure. The QBRS plays an important role in monitoring Council's progress against the plan and ongoing management of the annual budget.

The QBRS is the mechanism whereby Councillors and the community are informed of Council's progress against the operational plan (original budget) and the recommended changes and reasons for major variances.

The QBRS is composed of the following components:

- Responsible Accounting Officer Statement.
- Income & Expenses Budget Review Statement.
- Capital Budget Review Statement.
- Cash Flow Statement Review.
- Budget Review Contracts and Other Expenses.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRS.

Page 3 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

3) Responsible Accounting Officer's Statement

The Regulations require that a budget review statement must include or be accompanied by a report as to whether or not the Responsible Accounting Officer (RAO) believes that the QBRs indicates that Council's financial position is satisfactory, having regard to the original estimate of income and expenditure. If Council's financial position is considered by the RAO to be unsatisfactory, then recommendations for remedial action must be included.

The following statement is made in accordance with clause 203(2) of the *Local Government (General) Regulations 2005*.

It is my opinion that the Quarterly Budget Review Statement for Port Stephens Council for the quarter end 30/09/2017 indicates that Council's projected financial position will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Name: Tim Hazell

Responsible Accounting Officer, Port Stephens Council

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 4 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

4) Income & Expenses Budget Review Statement

Consolidated	2018 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2018 Revised Budget	2018 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates and Annual Charges	54,709	-	-	-	-	54,709	54,946
User Charges & Fees Income	38,984	-	(1,187)	-	-	37,797	4,817
Interest & Investment Income	1,322	-	-	-	-	1,322	251
Other Income	5,989	-	327	-	-	6,316	1,285
Grants and Cont.	12,023	-	(2,312)	-	-	9,711	2,490
Grants and Cont. (Capital)	5,703	-	1,327	-	-	7,030	2,547
Gain on Sale	250	-	-	-	-	250	-
Total Revenue	118,980	-	(1,845)	-	-	117,135	66,336
Employee Costs	42,123	-	952	-	-	43,075	10,855
Borrowing Costs	903	-	-	-	-	903	93
Materials & Contracts	39,940	-	(1,077)	-	-	38,863	8,578
Other Expenses	13,034	35	(65)	-	-	13,004	3,141
Depreciation & Impairment	15,235	-	-	-	-	15,235	3,285
Total Expenditure	111,235	35	(190)	-	-	111,080	25,952
Operating Surplus/(Deficit) after capital grants	7,745	(35)	(1,655)	-	-	6,055	40,384
Operating Surplus/(Deficit) before capital grants	2,042	(35)	(2,982)	-	-	(975)	37,837
Less: Gain on sale	(250)	-	-	-	-	(250)	-
Less: Fair value (gains) / losses	(615)	-	-	-	-	(615)	-
Less: Newcastle Airport	(2,330)	-	-	-	-	(2,330)	-
Add: Advance FAG 2017	-	-	3,218	-	-	3,218	3,218
Add: Local election costs	400	-	-	-	-	400	25
Add: NAP Dividend	1,250	-	653	-	-	1,903	-
Operating Surplus/(Deficit)	497	(35)	889	-	-	1,351	41,080

Notes:

1. Revised Budget = Original Budget +/- approved budget changes in previous quarters.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

Council's original operating budget for 2017-2018 was incorporated as part of the Integrated Plans and was adopted by Council on 13 June 2017.

This statement sets out the details of variations between Council's original operating budget and the revised budget as part of the March Quarterly Budget Review. There are a number of budgetary changes proposed across the Council budget which have delivered Council's Underlying Operating result. This has altered from an original projected surplus of \$497,000 to a projected surplus of \$1,351,000.

Note that for budgetary changes: **F** = favourable budget change, **U** = unfavourable budget change.

REVENUE	Budget Change \$'000	F/U
Rates and Annual Charges	-	-
No Change		
User Charges and Fees	1,187	U
User charges have decreased as a result of a reclassification to grant income and other revenues.		
Grants and Contributions provided for Operating Purposes	2,312	U
Grant income has decreased due to the advance payment of the Federal Assistance Grant last financial year to the value of 3.2M. This has been offset by the reclassification of income from user charges.		
Interest and Investment Revenue	-	-
No Change		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 6 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

Other Revenues	327	F
Other revenue has increased due a reclassification of income from user charges.		
Grants and Contributions provided for Capital Purposes	1,327	F
Capital income has an increase as a result of the following:		
1. \$500k from the RFS for new facilities at Fingal Bay		
2. \$826k for road and recreational projects		
Net Gains from the Disposal of Assets	.	.
No Change		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 7 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

EXPENDITURE	\$'000	Budget Change F/U
Borrowing Costs	-	-
No Change		
Depreciation, Amortisation and Impairment	-	-
No Change		
Employee Benefits and On-Costs	952	U
Employee benefits have increased mainly as a result of reclassification from materials and contracts		
Materials and Contracts	1,077	F
Materials and contracts have decreased as a result of reclassification to employment costs.		
Other Expenses	65	F
Other expenses have been reduced as a result of reclassification to employment costs		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRS.

Page 8 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

5) Capital Budget Review Statement

Consolidated	2018 Original Budget	Budget revotes & carry forwards	Budget Revision Sept Qtr	Budget Revision Dec Qtr	Budget Revision Mar Qtr	2018 Revised Budget	2018 YTD Actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Cont. (Capital)	5,703	-	1,327	-	-	7,030	2,547
Total Receipts	5,703	-	1,327	-	-	7,030	2,547
Capital Equipment & Contracts	26,384	16,393	(6,370)	-	-	36,407	5,967
Property Acquisition & Development	-	3,707	(295)	-	-	3,412	1,184
Total Payments	26,384	20,100	(6,665)	-	-	39,819	7,151
Capital Surplus/(Deficit)	(20,681)	(20,100)	7,992	-	-	(32,789)	(4,604)

This statement sets out the details of variations between Council's original capital budget and revised capital budget. There are budgetary changes proposed which result in a net decrease in the capital program to the value of \$7.9M.

Note that for budgetary changes: **F** = favourable budget change, **U** = unfavourable budget change.

	\$'000	Budget Change F/U
INCOME		
Capital Grants	1,327	F
Capital income has an increase as a result of the following:		
1. \$500k from the RFS for new facilities at Fingal		
2. \$826k for road and recreational projects		

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

EXPENDITURE	\$'000	Budget Change F/U
Property Acquisition and Development	295	F
The property development expenditure has been reduced as a result of a reforecast in the works plan due to rollovers from the prior financial year.		
Capital Materials and Contracts	6,370	F
Capital materials and contracts was a net decrease due to a reforecast of the capital works plan due to rollovers from the prior financial year. Major projects for the year include:		
<ol style="list-style-type: none"> 1. 155 Salamander Way development - \$3M 2. Medowie multipurpose facility - \$3.3M 3. Fern Bay hall and recreational facility - \$1.5M 4. LGA road pavement rehabilitations - \$9.5M 5. Recreational and waterway projects - \$2M 6. LGA drainage works - \$1.5M 7. Waste facility capping - \$1.8M 8. Local roads resealing - \$1.6M 9. Yaccaba street extensions - \$1.5M 10. Public hall projects - \$1.1M 11. Fingal Bay RFS Station - \$500k 		

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 10 of 15

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW STATEMENT - SEPTEMBER 2017.

The capital works program by section is as follows:

	2018 Original Budget \$'000	Budget revotes & carry forwards \$'000	Budget Revision Sept Qtr \$'000	Budget Revision Dec Qtr \$'000	Budget Revision Mar Qtr \$'000	2018 Revised Budget \$'000	2018 YTD Actuals \$'000
Capital Funding							
Capital Grants & Contributions	5,703	-	1,327	-	-	7,030	2,547
Total Capital Funding	5,703	-	1,327	-	-	7,030	2,547
Capital Expenditure							
Corporate Services Group							
Commercial Property							
Fingal Bay Holiday Park	200	996	(818)	-	-	378	83
Halifax Holiday Park	150	623	138	-	-	911	140
Shoal Bay Holiday park	409	409	(452)	-	-	366	24
Thou Walla Sunset Retreat	150	161	(31)	-	-	280	11
TreEscape	-	297	(197)	-	-	100	3
Office and Chambers	250	-	-	-	-	250	-
Property Development	-	3,707	(295)	-	-	3,412	1,184
Property Section Manager	-	-	100	-	-	100	26
Property Investments	-	138	216	-	-	354	44
Commercial Property Total	1,159	6,331	(1,339)	-	-	6,151	1,515
Business Improvement Technology	770	660	315	-	-	1,744	258
Corporate Services Group Total	1,929	6,991	(1,024)	-	-	7,895	1,773

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

Page 11 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

	2018 Original Budget \$'000	Budget revotes & carry forwards \$'000	Budget Revision Sept Qtr \$'000	Budget Revision Dec Qtr \$'000	Budget Revision Mar Qtr \$'000	2018 Revised Budget \$'000	2018 YTD Actuals \$'000
Facilities and Services							
Civil Assets							
Fleet Maintenance	1,161	333	1,705	-	-	3,199	368
Drainage	-	125	-	-	-	125	-
Civil Assets Total	1,161	458	1,705	-	-	3,324	368
Community and Recreation							
Domestic Waste Management	-	1,986	-	-	-	1,986	144
Community Services	-	-	-	-	-	-	3
Library Services	250	199	-	-	-	449	11
Community and Recreation Total	250	2,186	-	-	-	2,436	158
Capital Works							
Capital Works Construction	23,044	10,379	(7,346)	-	-	26,077	4,853
Capital Works Total	23,044	10,379	(7,346)	-	-	26,077	4,853
Public Domain and Services							
Depots	-	86	-	-	-	86	-
Public Domain and Services Total	-	86	-	-	-	86	-
Facilities and Services Total	24,455	13,109	(5,641)	-	-	31,923	5,379
Total Capital Expenditure	26,384	20,100	(6,665)	-	-	39,819	7,152
Net Outlay	20,681	20,100	(7,992)	-	-	32,789	4,605

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

6) Cash Flow Statement (Consolidated)	Original Budget	Revotes & Carried Forward	Budget Revision Sept	Budget Revision Dec	Budget Revision Mar	Revised Budget
Cash Flows from Operating Activities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receipts:						
Rates and Annual Charges	54,333	-	-	-	-	54,333
User Charges & Fees Income	38,984	-	(1,187)	-	-	37,797
Interest & Investment Revenue Received	1,322	-	-	-	-	1,322
Other	5,373	-	327	-	-	5,700
Grants and Contributions	15,726	-	(985)	-	-	14,741
Payments:						
Employee Benefits & On-Costs	(42,290)	-	(952)	-	-	(43,242)
Borrowing Costs	(903)	-	-	-	-	(903)
Materials & Contracts	(39,595)	-	1,077	-	-	(38,518)
Other	(8,388)	(35)	65	-	-	(8,358)
Net Cash provided (or used in) Operating Activities	24,562	(35)	(1,655)	-	-	22,872
Cash Flows from Investing Activities						
Receipts:						
Proceeds from disposal of Property Plant & Equipment	250	-	-	-	-	250
Proceeds from development	-	-	6,980	-	-	6,980
Payments:						
Purchase of Infrastructure, Property Plant & Equipment	(26,384)	(20,100)	6,665	-	-	(39,819)
Net Cash provided (or used in) Investing Activities	(26,134)	(20,100)	13,645	-	-	(32,589)
Cash Flows from Financing Activities						
Receipts:						
Proceeds from borrowings	6,000	1,000	-	-	-	7,000
Payments:						
Repayment of Borrowings & Advances	(2,808)	-	-	-	-	(2,808)
Net Cash provided (or used in) Financing Activities	3,192	1,000	-	-	-	4,192
Net Increase/(Decrease) in Cash & Cash Equivalents	1,620	(19,135)	11,990	-	-	(5,525)
plus: Cash & Investments - beginning of year (*)	39,688	-	9,038	-	-	48,726
Cash & Investments - end of the year	41,308	(19,135)	21,028	-	-	43,201

* - opening balance adjustment made to reflect 30 June 2017 actual closing balance

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRs.

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

Cash Flow Statement Funding Reconciliation

The 'Recommended Changes to Budget' in the September QBR constitute an overall decrease in Council's Cash Flow position by \$5.5M after rollovers and external funding sources are factored in.

PSC is clearly solvent based on the current and estimated cash position from the September review changes. PSC's current cash position as per the October investment report was \$32.8M.

7) Budget Review Contracts and Other Expenses

Councillors are currently made aware of tenders of \$150,000 or more in accordance with legislation. However, Councillors should be made aware of other material contracts entered into by Council and details of other expenses that are of particular interest. To this end a contract listing and details of legal fees and consultancy expenses are included in the QBRs.

Part A lists contracts (other than employment contracts and contracts entered into from Council's preferred suppliers list) that:

- Were entered into during the quarter ending 30/09/2017; and
- Have a value equal to or more than \$50,000.

Part B of the report shows expenditure as at 30/09/2017 for:

- Consultancies
- Legal fees

For the purposes of this report, a consultancy is defined as a person or organisation engaged under contract on a temporary basis to provide recommendation or high level specialist or professional advice to assist decision-making by management.

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/09/2017 and should be read in conjunction with other documents in the QBRs.

Page 14 of 15

ITEM 2 - ATTACHMENT 1 2017-2018 QUARTERLY BUDGET REVIEW
STATEMENT - SEPTEMBER 2017.

**Part A
Contracts Listing**

Contractor	Contract Details and Purpose	Contract Value (\$)	Commencement date	Duration of contract (weeks)	Contract end date	Contract Status
HUB Australasia Pty Limited	Street lighting - Lights and Poles Yacaaba Street, NELSON BAY	51,047	28/09/2017	Ongoing	31/01/2018	In Progress
HAY Enterprises (NSW) Pty Ltd	Demolition of 106 Magnus Street, NELSON BAY	69,436	28/09/2017	Ongoing	31/01/2018	In Progress

**Part B
Consultancy & Legal Expenses**

Expense	Annual Budget (\$)	Expenditure YTD (\$)	Budgeted (Y/N)
Consultancies	449,154	266,382	Y
Legal Fees	579,835	89,298	Y

This document forms part of Port Stephens Council's Quarterly Budget Review Statement for the quarter ended 30/9/2017 and should be read in conjunction with other documents in the QBRS.

Page 15 of 15

ITEM NO. 3

**FILE NO: 17/207723
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. Salvation Army – Rapid Response Cr Nell - \$500 donation towards 2017 Carols by Candlelight Fly Point.
 - b. Salvation Army – East Ward Councillors - \$2,000 donation towards 2017 Carols by Candlelight Fly Point.
 - c. Surfing NSW – Mayoral Funds - \$2,200 donation towards the 2017 Port Stephens NSW Pro Surfing event.
 - d. Caring for Our Port Stephens Youth (COPSY) Inc – Mayoral Funds - \$2,730 donation towards operational costs.

**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

275	<p>Councillor Sarah Smith Councillor Steve Tucker</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Approves 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:-<ol style="list-style-type: none">a. Salvation Army – Rapid Response Cr Nell - \$500 donation towards 2017 Carols by Candlelight Fly Point.b. Salvation Army – East Ward Councillors - \$2,000 donation towards 2017 Carols by Candlelight Fly Point.c. Surfing NSW – Mayoral Funds - \$2,200 donation towards the 2017 Port Stephens NSW Pro Surfing event.d. Caring for Our Port Stephens Youth (COPSY) Inc – Mayoral Funds - \$2,730 donation towards operational costs.
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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:-

EAST WARD – Councillors Abbott, Dunkley and Nell

Salvation Army	Donation towards 2017 Carols by Candlelight Fly Point.	\$500
Salvation Army	Donation towards 2017 Carols by Candlelight Fly Point.	\$2,000

MAYORAL FUNDS – Mayor Palmer

Surfing NSW	Donation towards the 2017 Port Stephens NSW Pro Surfing event.	\$2,200
Caring for Our Port Stephens Youth (COPSY) Inc.	Donation towards operational costs.	\$2,730

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

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

government, stakeholder organisations and Hunter Councils Inc.

FINANCIAL/RESOURCE IMPLICATIONS

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

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.

ITEM NO. 4**FILE NO: 17/214083
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 14 November 2017.

No:	Report Title	Page:
1	Petition: Retain toilet amenities in Boomerang Park	36
2	Petition: Request for tidal pool to be built at southern end of Fingal Bay Beach	40
3	Designated Persons' Return	45

**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

276	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council receives and notes the Information Papers listed below being presented to Council on 14 November 2017. <table><tr><th>No:</th><th>Report Title</th></tr><tr><td>1</td><td>Petition: Retain toilet amenities in Boomerang Park</td></tr><tr><td>2</td><td>Petition: Request for tidal pool to be built at southern end of Fingal Bay Beach</td></tr><tr><td>3</td><td>Designated Persons' Return</td></tr></table>	No:	Report Title	1	Petition: Retain toilet amenities in Boomerang Park	2	Petition: Request for tidal pool to be built at southern end of Fingal Bay Beach	3	Designated Persons' Return
No:	Report Title								
1	Petition: Retain toilet amenities in Boomerang Park								
2	Petition: Request for tidal pool to be built at southern end of Fingal Bay Beach								
3	Designated Persons' Return								

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 17/199959
RM8 REF NO: PSC2015-03017**

PETITION: RETAIN TOILET AMENITIES IN BOOMERANG PARK

REPORT OF: JOHN MARETICH - ASSET SECTION MANAGER
GROUP: FACILITIES & SERVICES

BACKGROUND

The purpose of this report is to advise Councillors that a petition containing 364 signatures has been received by the General Manager with regards to retaining the toilet block amenities in Boomerang Park.

On the 10 October 2017 Council resolved under Minute No. 237 to retain the public toilet block in Boomerang Park. This resolution is aligned with the petition.

ATTACHMENTS

- 1) Petition To Retain Toilet Amenities in Boomerang Park.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

Nil.

ITEM 1 - ATTACHMENT 1
BOOMERANG PARK.

PETITION TO RETAIN TOILET AMENITIES IN

policy

PORT STEPHENS

ATTACHMENT 1

PETITION

This petition cover sheet or similar format should be included with any petition lodged with Council.
The principal petitioner will be the contact person Council will communicate with concerning the petition.

PRINCIPAL PETITIONER

Name: _____ Signature: _____

Address: _____

Postcode: _____

Email: _____ Telephone: _____

100+

**ITEM 1 - ATTACHMENT 1 PETITION TO RETAIN TOILET AMENITIES IN
BOOMERANG PARK.**

PETITION TO RETAIN TOILET AMENITIES IN BOOMERANG PARK

To the Mayor and Councillors of Port Stephens Council of NSW

The Petition of residents and ratepayers of Port Stephens Electorate, brings to the attention of Port Stephens Council, that the petitioners oppose Council's plan to demolish the well maintained toilet amenities located near the water tower in Boomerang Park. These toilets are providing a valued community service to the increasing numbers of visitors attending the Park. The new toilet facilities in the playground will not meet the demands of patrons visiting this Park especially during times of events which often occur in this vicinity. The undersigned petitioners therefore request that Council retain the existing toilet amenities in Boomerang Park for the benefit of its growing Community.

**ITEM 1 - ATTACHMENT 1 PETITION TO RETAIN TOILET AMENITIES IN
BOOMERANG PARK.**

PETITION TO RETAIN TOILET AMENITIES IN BOOMERANG PARK

The undersigned petitioners therefore request that Council retain the existing toilet amenities in Boomerang Park for the benefit of its growing Community.

ITEM NO. 2

**FILE NO: 17/207586
RM8 REF NO: PSC2015-03017**

PETITION: REQUEST FOR TIDAL POOL TO BE BUILT AT SOUTHERN END OF FINGAL BAY BEACH

REPORT OF: JOHN MARETICH - ASSET SECTION MANAGER
GROUP: FACILITIES & SERVICES

BACKGROUND

The purpose of this report is to advise Councillors that a petition containing 64 signatures has been received by the General Manager with regards to building a tidal swimming pool on the southern end of Fingal Bay Beach.

This issue was initially presented to Council on 13 December 2016 'Community Request for an Ocean Pool/Baths at Fingal' that was instigated by a Community petition request. This request was also made by the community group called the Fingal Bay Beach Pool Committee. The group had requested construction of an ocean pool/baths at the southern end of Fingal Bay Beach. This location is colloquially known as 'Kiddies Corner'. The desired outcome from the group is to provide a 50 metre by 30 metre ocean pool/baths for people to swim in the ocean that is free of rips and sharks.

Following the above noted information paper, a Notice of Motion was raised to further investigate the feasibility of constructing the rock pool at the southern headland of Fingal Bay beach. As this proposed project is not a Council sanctioned project in Council's Community Strategic Plan, Long Term Financial Plan or 10 Year Capital Works Program, no detailed planning has been undertaken outside of preliminary investigation.

Information in response to this Notice of Motion was provided to Council on 14 February 2017. This information noted that The Department of Primary Industries has provided preliminary initial advice that suggests that there are significant environmental constraints to deliver such a proposal. At a minimum the following environmental assessments would be required in the initial planning phase:

- Policy and guidelines for fish habitat conservation and management – update 2013.
- *Marine Estate Management Act 2014* No72.
- Marine Estate Management Regulation 2009.
- Marine Estate Management (Management Rules) Regulations 1999.

Given the environmental sensitivity of the location of the proposed pool, the initial environmental assessment would no doubt trigger a separate Environmental Impact Statement. As the scope of the Environmental Impact Statement is determined after the initial environmental assessments are completed, the costs to complete the

MINUTES ORDINARY COUNCIL - 14 NOVEMBER 2017

Environmental Impact Statement are unknown but anecdotal costs would be well in excess of a \$100,000. The timeframe to complete all of the environmental assessments would be measured in years to capture all of the required data.

In addition to the environmental issues, consideration would also need to be given to the mixed use of water craft and swimmers at this location adjacent to the existing boat ramp.

This petition (**ATTACHMENT 1**) has requested that the pool be constructed.

For this proposed pool project to proceed would require the Councillors to place this project in the Strategic Asset Management Plan before any Council funds can be allocated for the planning, investigation and environmental assessments to be completed.

ATTACHMENTS

- 1) Petition for Tidal Pool to be Built at Fingal Bay Beach.

COUNCILLORS ROOM

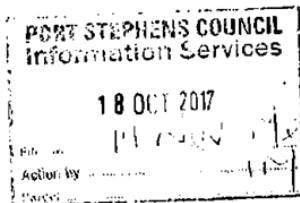
Nil.

TABLED DOCUMENTS

Nil.

ITEM 2 - ATTACHMENT 1

PETITION FOR TIDAL POOL TO BE BUILT AT FINGAL BAY BEACH.



11th October, 2017

The Mayor,

Port Stephens Council,

Ryan PALMER.

Application to have a tidal pool built at southern end of Fingal Bay beach.

Your Reference: File Number: PSC2011-023112v3

Dear sir,

First of all may we congratulate you on becoming Mayor.

We the Committee wish to apply to have a saltwater tidal swimming pool, situate on the southern end of Fingal Bay beach, commonly called "kiddies corner".

We consider the project will consist of a rock pool with small openings to allow the pool water to be refreshed by the tidal flow, the shallow end will join the natural sand of the beach.

The area requested is sheltered by a small cliff at the northern end of Barry Park.

We consider the pool will make a safe area for children to swim, free of rips and sharks found along the beach.

We wish to mention that building the pool will be carried out in a way to reduce any damage to marine life by using natural rock lined inside with concrete.

We require the pool to be 50 metres in length X 30 metres in width and consider the pool will enhance the beauty and use of the area.

A large number of residents and visitors have informed us that they come to this area to swim in salt water and if they wanted to swim in fresh water they would go to an inland area.

ITEM 2 - ATTACHMENT 1 PETITION FOR TIDAL POOL TO BE BUILT AT FINGAL BAY BEACH.

-2-

We noted that there was a general fear of attack by sharks by the people spoken to, this is reinforced by the shark sightings this year and reported by the Port Stephens Examiner, copies are Attached.

From the shark sightings seen we feel that it is not a question of if but a question of when.

I have also conferred with the and he informed me that the members of that club were very keen on the idea of swimming in salt water again since their baths at Nelson Bay had been demolished to make way for the marina.

It is unfortunate that the highly populated area of Nelson Bay, Shoal Bay and Fingal Bay did not have a saltwater ocean baths.

If allowed we intend that all work carried out on the pool will be in accordance with the Environmental Planning and Assessment Act, 1979.


Seventy people have signed a petition for the pool to be built, copies are attached.

If your approval is forthcoming, please forward to me any requirements necessary to the below address.

It might be noted that a previous application was submitted to the Council on 10th November, 2016 and differed and apparently put into the too hard basket

Yours faithfully,

ITEM 2 - ATTACHMENT 1 PETITION FOR TIDAL POOL TO BE BUILT AT FINGAL BAY BEACH.

struction of a tidal pool to be built at the southern end of Fingal Bay Beach.		
names listed below are in support of the above request.		
NAME	ADDRESS	SIGNATURE 

ITEM NO. 3

**FILE NO: 17/212430
RM8 REF NO: PSC2017-01523**

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:

- Councillor Glen Dunkley.

ATTACHMENTS

Nil.

COUNCILLORS ROOM

Nil.

TABLED DOCUMENTS

- 1) Designated Persons' Return.

NOTICES OF MOTION

NOTICE OF MOTION

ITEM NO. 1

FILE NO: 17/220376

RM8 REF NO: PSC2017-00019

RURAL RESIDENTIAL POLICY

COUNCILLOR: KEN JORDAN

THAT COUNCIL:

- 1) Modify the Rural Residential policy to allow development a minimum of 500 metres from existing chicken sheds or the boundary of the lot containing existing chicken sheds.
 - 2) Update the mapping to include the modifications.
-

**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

277	<p>Councillor Ken Jordan Councillor Steve Tucker</p> <p>It was resolved that Council:</p> <ol style="list-style-type: none">1) Place on public exhibition a proposal to modify the Rural Residential policy to allow development a minimum of 500 metres from existing chicken sheds or the boundary of the lot containing existing chicken sheds.2) Update the mapping to include the modifications.
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In accordance with Section 375 (A) of the *Local Government Act 1993*, a division is required for this item.

Those for the Motion: Crs Jaimie Abbott, Chris Doohan, Glen Dunkley, Ken Jordan, Paul Le Mottee, Sarah Smith and Steve Tucker.

Those against the Motion: Cr Giacomo Arnott.

BACKGROUND REPORT OF: JEFFREY BRETAG – STRATEGIC PLANNING COORDINATOR

BACKGROUND

The Port Stephens Rural Residential Policy was established to provide a framework to enable Council to assess the appropriateness of rural residential development planning proposals in the absence of any firm position on this matter from the Department of Planning and Environment.

The Policy provides a range of residential assessment criteria which is used to guide and assess the appropriateness of rural residential development proposals.

The criteria includes a recommended 1km buffer zone for residential development around poultry farms, however if a lesser set back is proposed (i.e. 500 metres) expert reports are required to establish that the setback from the chicken sheds is appropriate. The expert reports may be required to address issues such as odour, noise, visual amenity and biosecurity risks.

Extract of the Rural Land Resources assessment criteria relating to poultry farms:

Development is a minimum 1km buffer from existing agricultural industries (eg Poultry farms, aquaculture) measured from property boundary to property boundary. Development proposed within the 1km buffer is required to provide expert reports to establish appropriate setbacks. These reports may relate to but not be limited to noise, odour, visual amenity and biosecurity risks.

The Policy, as it is adopted, does not categorically preclude Rural Residential if it is proposed within the 1km buffer of a poultry farm. Rather, it nominates any proponent to provide additional justification to illustrate why the proposed variation is suitable.

ATTACHMENTS

- 1) Rural Residential Policy.
- 2) Rural Residential Assessment Criteria.

ITEM 1 - ATTACHMENT 1 RURAL RESIDENTIAL POLICY.

Policy



FILE NO: PSC2015-00487

TITLE: PORT STEPHENS RURAL RESIDENTIAL POLICY

POLICY OWNER: SECTION MANAGER, STRATEGY AND ENVIRONMENT

PURPOSE:

The purpose of this policy is to provide a framework for which Council can use to assess the appropriateness of rural residential development planning proposals in the short term.

This Policy should be read in conjunction with the Port Stephens Rural Residential Assessment Criteria (**APPENDIX 1**) (consistency with the Assessment Criteria constitutes consistency with the Policy).

CONTEXT/BACKGROUND:

Port Stephens Council is facing increasing pressure in relation to development and rezoning of rural lands for residential purposes. While existing studies and strategies have been carried out on existing rural lands, Council does not have a specific policy that deals with the social, economic and environmental challenges faced by rural residential land planning.

Rural residential development is one of the many housing types that contribute to the diversity and choice of housing in Port Stephens LGA and the Hunter Region. It does however require special consideration because rural residential development can have environmental, social and economic costs that are significantly higher than those of standard residential development.

The Hunter Regional Plan states it will provide guidance in local land use strategies for expanding rural villages and rural residential development so that such development will:

- not impact on strategic or important agricultural land, energy, mineral or extractive resource viability or biodiversity values;
- not impact on drinking water catchments;
- not result in greater natural hazard risk;
- occur on land that is unlikely to be needed for urban development;
- contribute to the conservation of important biodiversity values or the establishment of important corridor linkages; and
- facilitate expansion of existing and new tourism development activities in agricultural or resource lands and related industries across the region.

Policy

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Issue Date: 13/06/2017

Printed: 13/06/2017

Review Date: 13/06/2019

Page: 1 of 4

ITEM 1 - ATTACHMENT 1 RURAL RESIDENTIAL POLICY.

Policy



It is considered that the long term planning around rural villages including appropriate zonings and lot sizes should be undertaken as part of the Port Stephens Planning Strategy review.

The Policy and Assessment Criteria provides a framework for which council can assess the appropriateness of rural residential development proposals in the interim of undertaking further work as part of the Port Stephens Planning Strategy review.

SCOPE:

This policy relates specifically to the following Council functions:

- Consideration of planning proposals (rezoning requests) in the short term;
- Inform appropriate land uses in the medium to long term as part of the Port Stephens Planning Strategy review; and
- Provide a policy position to further consult with the State Government to endorse rural residential development.

This Policy does not provide for additional subdivision and minor amendments to lot sizes, but rather provides a coordinated approach to the consideration of rezoning additional land in the Local Government Area for Rural Residential Development.

DEFINITIONS:

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

Rural Residential Development	Land in a rural setting, used and developed for dwellings that are not primarily associated with agriculture.
-------------------------------	---

Rural residential development is defined by a combination of land use zone including R5 Large Lot Residential and E4 Environmental Living and lot sizes between 4000m2 up to 2 hectares.

Planning Proposal	A request to amend the Port Stephens Local Environmental Plan 2013 is known as a planning proposal or rezoning application. This process involves a number of steps that include Council assessment, public and government agency consultation and approval from the NSW Department of Planning and Environment.
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Policy

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Issue Date: 13/06/2017

Printed: 13/06/2017

Review Date: 13/06/2019

Page: 2 of 4

ITEM 1 - ATTACHMENT 1 RURAL RESIDENTIAL POLICY.

Policy



POLICY STATEMENT:

The Port Stephens Rural Residential Policy aims are:

- To provide a criteria for which Council can assess the appropriateness of rural residential development planning proposals in the short term.
- To provide Council and the community with further clarity around the future use and development of rural lands.
- To identify preferred areas physically suitable for rural settlement which are compatible with surrounding landuses.
- To ensure future development protects the environmental and cultural values of the area.
- To ensure that existing prime agricultural land is preserved and agricultural industries are able to prosper and expand without being unduly limited by neighbouring residential uses.
- To ensure that rural residential development does not hinder the strategic development of urban settlements in the future.
- To ensure new developments can have access to an appropriate level of community services in a cost effective manner.

POLICY RESPONSIBILITIES:

- 1) Strategic Planning Team (policy review and planning proposal assessment).

RELATED DOCUMENTS:

- 1) Environmental Planning and Assessment Act 1979
- 2) State Environmental Planning Policy (Rural Lands) 2008
- 3) Hunter Regional Plan 2036
- 4) Port Stephens Planning Strategy 2011
- 5) Port Stephens Local Environmental Plan 2013

CONTROLLED DOCUMENT INFORMATION:

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RM8 container No	PSC2015-00487	RM8 record No	N/A
Audience	General		

Policy

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Issue Date: 13/06/2017

Printed: 13/06/2017

Review Date: 13/06/2019

Page: 3 of 4

ITEM 1 - ATTACHMENT 1 RURAL RESIDENTIAL POLICY.

Policy



Process owner	Strategy and Environment Section		
Author	Strategy and Environment Section Manager		
Review timeframe	Two years	Next review date	13/06/2019
Adoption date	13/06/2017		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	13/06/2017	Section Manager, Strategy and Environment	Adopted by Council on 13/06/2017	123

Policy

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Page: 4 of 4

APPENDIX 1 PORT STEPHENS RURAL RESIDENTIAL ASSESSMENT CRITERIA

The following assessment criteria outlines the key constraints that require consideration in the assessment of a planning proposal for rural residential development in the Port Stephens Local Government Area.

The assessment criteria includes two (2) types of criteria:

1. *Exclusionary Criteria* – where development is not appropriate due to land suitability, and proposals that are inconsistent with this criteria will require extensive justification at Planning Proposal stage;
2. *Management Criteria* - applies to constraints where further site specific assessment is required at planning proposal stage to determine whether rural residential development is appropriate such as, infrastructure requirements, environmental impacts and buffers to adjacent land uses. Such constraints are likely to require accompanying studies to justify the suitability of the planning proposal.

1.0 EXCLUSIONARY CRITERIA

- 1.1 Located within a Future Urban Growth Areas identified in a Local or Regional Strategic Plans, as they are proposed to be developed for urban purposes including land within (Karuah, Raymond Terrace, Medowie, Mallabula, Anna Bay, Nelson Bay and Fern Bay).
- 1.2 Within a 2km distance from existing or planned major employment areas.
- 1.3 Slopes greater than 18 degrees because of slope instability and clearing of vegetation are restricted under State legislation including the Native Vegetation Act 2003.
- 1.4 Class 1 and 2 acid sulphate soils because of the high risk of exposing acid soils during dwelling and infrastructure construction.
- 1.5 Below the flood planning level as identified on Councils Flooding Hazard map.
- 1.6 High environmental value land including SEPP 14 Coastal Wetlands or local wetlands plus a 100 m buffer or any SEPP 71 Coastal Lakes.
- 1.7 Noise exposure areas within an ANEF 25 or greater, in keeping with Australian Standards and Port Stephens Aircraft Noise Policy.
- 1.8 Identified as Important Agricultural Land as defined by the Biophysical Strategic Agricultural land (BSAL) mapping prepared by the State Government for the purposes of Strategic Regional Land Use Planning.
- 1.9 Located on known extractive industries, quarrying or mining or within a 500m buffer.
- 1.10 Identified by the State Government as having known mineral resource potential in accordance with S117 Directions.

2.0 MANAGEMENT CRITERIA

Flooding

- 2.1 Development that has the potential to be isolated in flood events, must demonstrate access to evacuation facilities via a public road that is given 24 hours warning of flood isolation.
- 2.2 Development in floodprone areas are to identify minimum lot sizes that provide appropriate stock refuge in the event of flooding.

Bushfire

ITEM 1 - ATTACHMENT 2 RURAL RESIDENTIAL ASSESSMENT CRITERIA.

- 2.3 Development on areas identified as bush fire prone on Councils Bush Fire Prone Land Map must demonstrate consistency with the planning principles for rezoning including the provision of contour map with Bushfire Attack Level (BAL) applied.

Environmentally Sensitive Land

- 2.4 Development identified in SEPP 71 Coastal Zone needs to provide for the protection of the coastal environment of the State for the benefit of both present and future generations through promoting the principles of ecologically sustainable development.
- 2.5 Koala habitat areas and corridors are to be protected in accordance with the Port Stephens Comprehensive Koala Plan of Management.
- 2.6 Development must not impact on native vegetation, endangered ecological communities, threatened species or habitats.
- 2.7 Development must contribute to the conservation of important biodiversity values or the establishment of important biodiversity corridor linkages.

Aircraft Noise

- 2.8 Development must include a provision to ensure that development meets AS 2021-2015 regarding interior noise levels in areas where the ANEF is between 20 and 25.

Non-Aboriginal Cultural heritage

- 2.9 Development near items identified within the PSLEP 2013 need to consider the impact on heritage values, including the setting of the items and any archaeological remains.

Aboriginal Cultural heritage

- 2.10 Any development should undertake an initial assessment of the likelihood of Aboriginal cultural heritage values including:
- a search of the Aboriginal Heritage Information Management System (AHIMS);
 - Determination of whether the sites include landscape features that indicate the likely presence of aboriginal objects;
 - Site inspections; and
 - Consultation with the Aboriginal community.

Drinking Water Catchments

- 2.11 Development within a drinking water catchment must be able to be connected to reticulated sewer and able to demonstrate NorBE 'neutral and beneficial effect' in accordance with Hunter Water requirements.

Rural Land Resources

- 2.12 Development is a minimum 1km buffer from existing agricultural industries (e.g. Poultry farms, aquaculture) measures from property boundary to property boundary. Development proposed within the 1km buffer if required to provide expert reports to establish appropriate setbacks. These reports may relate to but not be limited to noise, odour, visual amenity and biosecurity risks.
- 2.13 Development must not impact on strategic or important energy, mineral or extractive resource viability.

Scenic Amenity

- 2.14 A visual impact assessment is required for land within a high or very high landscape area as defined in the Rural Land Study.
- 2.15 Development fronting road corridors to identify appropriate buffer zone to prevent clearing and protect scenic qualities.

Infrastructure and Services

- 2.16 Development must be accessed via sealed roads.
- 2.17 Development must not result in the creation of direct access to a state road.

ITEM 1 - ATTACHMENT 2 RURAL RESIDENTIAL ASSESSMENT CRITERIA.

- 2.18 Local infrastructure contributions must not require a level of infrastructure greater than the nexus of apportionment and/or are equivalent to \$20,000 per lot, or less.
- 2.19 Development must not create additional demand for unplanned state infrastructure upgrades.
- 2.20 Development must be able to be connected to reticulated power supply.
- 2.21 Development requiring on-site sewage disposal must be carried out in accordance with Councils Development Assessment Framework (DAF) for the management of on-site sewage management, which includes a performance standards and recommendations about appropriate areas.

3.0 LAND TO WHERE THE ASSESSMENT CRITERIA APPLIES

- 3.1 Zoned RU1 – Primary Production, RU2 Rural Landscape, E3 Environmental Management, E4 Environmental Living.
- 3.2 Located a minimum of 800 metres from existing RU5 - Rural Village or R2 Low Density Residential zoned land.
- 3.3 Any part of the lot is located within 800 metres of existing R5 Large Lot Residential zoned land at the time this Policy was adopted.
- 3.4 Land outside that identified above may be considered if it can be justified that its inconsistency is of minor significance.

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 – 14 NOVEMBER 2017 MOTION

278	Councillor Paul Le Mottee Councillor Sarah Smith It was resolved that Council move into confidential session.
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The following Council officers were present for the Confidential Session:

Communications Section Manager
Public Relations and Marketing Coordinator
Public Relations and Marketing Officer

CONFIDENTIAL

ITEM NO. 1

**FILE NO: 17/193559
RM8 REF NO: PSC2014-01247**

**ACQUISITION OF AN EASEMENT OVER 38 FERODALE ROAD, MEDOWIE FOR
THE CAMPVALE DRAIN PROJECT**

**REPORT OF: MARK STACE - PROPERTY SERVICES SECTION MANAGER
GROUP: CORPORATE SERVICES**

**ORDINARY COUNCIL MEETING - 14 NOVEMBER 2017
MOTION**

279	Councillor Steve Tucker Councillor Ken Jordan It was resolved that Council: <ol style="list-style-type: none">1) Resolve to acquire an easement for drainage and access over part of 38 Ferodale Road, Medowie on the terms and conditions set out in this report.2) Authorise the Mayor and the General Manager to affix the Council Seal and execute all documents necessary for the registration of the easement and the payment of compensation.
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**ORDINARY COUNCIL MEETING – 14 NOVEMBER 2017
MOTION**

280	Councillor Sarah Smith Councillor Glen Dunkley It was resolved that Council move out of confidential session.
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There being no further business the meeting closed at 6:10pm.