

TABLED DOCUMENT

ITEM NO. 9

SIX MONTHLY REPORT
JANUARY TO JUNE 2019
AGAINST PORT STEPHENS COUNCIL
DELIVERY PROGRAM 2018-2021

ORDINARY COUNCIL MEETING
27 AUGUST 2019



PORT STEPHENS
C O U N C I L



Six monthly report

JANUARY TO JUNE 2019



PORT STEPHENS
COUNCIL

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The Six monthly report January to June 2019 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."

General Manager's message



Wayne Wallis, General Manager

With a fresh Delivery Program and an appetite to deliver even more for our community, the past six months have been an exciting and challenging time.

We've been highly successful in securing grant funding of \$13.7 million in the 2018 to 2019 financial year to deliver key projects and services for our community. This is due in no small part to the strong relationships our Council has with all levels of government, which enable us to advocate for more for Port Stephens.

We've also made significant progress on a number of our key priorities. The construction is underway on stage 1 of our Koala Sanctuary — a unique eco-tourist destination and koala hospital. The \$6.5 million Medowie Sport and Community Facility is taking shape and we're in search of the right operator to ensure its success.

Striving to meet our new targets

We're continuing to achieve our high targets for key metrics of service delivery, governance, risk management and financial sustainability. Our employee engagement score continues to be high for any organisation, particularly in the local government sector, at 68% but is just short of our ambitious target of 70% engagement.

Our community satisfaction score of 76% is also considered high in the local government sector. This year, we've shifted our target to 80% satisfaction as part of our commitment to continuous improvement. For further details, see the Scorecard on page 27.

Building a better Port Stephens

We do much more than just roads, rates and rubbish — but roads continue to be an important priority for our community. Over the past six months, we've completed several large roads projects, including reconstructing Holdom Road at Karuah, Tomaree Road at Shoal Bay and a new roundabout at Nelson Bay Road and Medowie Road, Williamtown.

Port Stephens is a beautiful place and our community love to get outdoors and enjoy their surroundings. That's why we've created a brand new off-leash dog area at Lancaster Park at Salamander Bay as well as Port Stephens' first BMX pump track in Salt Ash.

It's important to enable balanced growth in Port Stephens. That's why we're proud to continue to achieve median Development Application (DA) processing times of below 40 days.

Creating people-friendly places

We're focused on creating places and spaces for our community and visitors to enjoy. Over the past six months, Council adopted a new Economic Development and Tourism Strategy which will make business growth easier, increase overnight visitor spend, attract events that drive economic benefit and creating people friendly spaces.

We've also prepared the Nelson Bay Public Domain Plan — a 20 year vision of a greener town centre, streets that prioritise people and more spaces for the community to enjoy.

Financial sustainability and Special Rate Variation Application

During consultation on our Community Strategic Plan in 2018, it became clear that our community desired increased services and better quality facilities — from roads and pathways to sporting field upgrades and revitalised town centres. After extensive community consultation over 6 months, Council decided to apply for a Special Rate Variation (SRV) in February 2019 to deliver this extensive program of works.

Unfortunately, being financially fit and having a reasonable infrastructure backlog worked against us. The SRV application was rejected by the Independent Pricing and Regulatory Tribunal (IPART) in May 2019 on these grounds and a lack of demonstrated community willingness to pay for the extensive program.

Since then, we've heard feedback that these projects are still wanted by our community. In the short term, our ability to fund these projects is limited but we're committed to finding new ways to deliver more while maintaining our current facilities and services.

People and awards

We have consistently performed well across our operations, achieving the following awards:

- Winner — 2019 Nintex Solution Innovation Award
- Winner — Trainee of the Year and Business Administration Trainee, Kaitlin Smith
- Silver Award — Australasian Reporting Awards for the Annual Report 2017 to 2018
- Finalist — 2019 NSW Local Government Excellence Award, Environmental Management System
- Finalist — 2019 NSW Local Government Excellence Award, Capability Framework and extension to Human Resource Information System modules
- Nomination — 2019 Minister's Award for Women in Local Government, Carmel Foster.

I am proud of our achievements. Together staff and Council are building a better future for the next generation.

Wayne

Wayne Wallis

Our Port Stephens

Located on the east coast of Australia about two hours north of Sydney, Port Stephens is known for its stunning natural beauty, unique wildlife and strong community spirit. These characteristics make it an ideal recreation, tourist and retirement destination as well as a great place to live, work and play.

The Worimi people are the traditional owners of the Port Stephens local government area (LGA). We value the unique status of Aboriginal people as the owners and custodians of these lands and waters.

Port Stephens was named after Sir Philip Stephens, First Secretary of the Admiralty in the late 1700s and later a Lord Commissioner of the British Admiralty Between 1795 and 1806.

Snapshot	
Region:	Hunter
Area:	858.5 square kilometers
Population:	72,795 people (2018 Estimated Residential Population)
Population projection:	90,384 by 2038
Median age:	45
Population density (persons/ha):	0.81
Population by ward:	West 36.58% (72.91% of the land area), Central 32.07% (21.33% of the land area), East 31.18% (5.17% of the land area)
Major centers:	Raymond Terrace, Medowie, Nelson Bay
Labour force:	29,754 (ABS 2016)
Unemployment:	5.5% (March 2019)
Number of businesses:	4796 (ABSBR 2018)
Gross Regional Product:	\$5.049 billion
Main employing industries:	Public Administration and Safety (14.75%), Manufacturing (11.79%), Construction (11.41%)



Source: Remplan 24 July 2019. For more statistical information, visit the Port Stephens Economic Profile at portstephens.nsw.gov.au/work/economic-development/economic-data-and-advice

Our Council



Community's vision

A great lifestyle in a treasured environment.



Council's vision

Engaged people, working together, delivering valued services.



Council's purpose

To deliver services valued by our community in the best possible way.



Values

Respect

Creating a unique, open and trusting environment in which each individual is valued and heard.

Integrity

Being honest and inspiring trust by being consistent, matching behaviours to words and taking responsibility for our actions.

Teamwork

Working together as one Council, supporting each other to achieve better results for everyone.

Excellence

Improving the way we work to meet the challenges of the future.

Safety

Providing a safety focused workplace culture to ensure the wellbeing of staff, their families and the community.

Elected Council
17 September 2017 to current



Mayor
Ryan Palmer

East Ward



Councillor
John Nell

Central Ward



Councillor
Steve Tucker

West Ward



Councillor
Ken Jordan



Councillor
Glen Dunkley



Councillor
Chris Doohan



Councillor
Paul Le Mottee



Councillor
Jaimie Abbott



Councillor
Sarah Smith



Councillor
Giacomo Amott

Principal activities

Key priorities

The following key priorities were nominated for investigation and progression over the Delivery Program period 2018-2021. Over the past six months, we have investigated funding sources to resource these initiatives and infrastructure projects, with progress achieved as outlined below.

Accessible Port Stephens

Council has completed a number of actions under the Disability Inclusion Action Plan (DIAP) and continued to provide ongoing support and services to ensure and promote inclusivity.

Over the period we have secured funding to upgrade 71 sites to comply with Disability Standards for Accessible Public Transport.

In March 2019, an Accessibility Audit was carried out on Council's website, including the information in brochures published on the web to ensure that the Council webpages are an inclusive user experience and Council is making information accessible for people with a disability.

Council established an Independent Citizens Car Parking Panel for Nelson Bay. The Panel report considered traffic and parking in the Nelson Bay Town Centre and made a number of recommendations, including in relation to availability and location of disability parking in Nelson Bay and access to public transport options.

Airport DAREZ drainage environmental approval

To facilitate development of the Williamstown Defence and Related Employment Zone (DAREZ), drainage upgrades and improvements are required.

The proposed drainage works involve assessment by three tiers of government and a wide range of permits and approvals, including Commonwealth approvals related to the protected wetlands at Fullerton Cove.

The proposed drainage upgrades are also located in the Williamstown Management Area affected by per- and poly-fluoroalkyl substances (PFAS), making the required assessments to authorise the works quite complex. We have commenced the assessment process however, based on the requirements issued by NSW State agencies, it will exceed current budget estimates.

Under the current funding arrangements, the NSW Government has committed \$140,000 towards the project and Port Stephens Council has committed \$50,000. We require additional funding to make up the budget shortfall. As a result, only limited works were undertaken on the environmental approvals over the past 6 months. We continue to advocate to all levels of government for additional funding to complete the assessments

required to seek approval for these critical works. In addition, Council has been very active in advocating to State and Federal Government for more support on this issue through the Special Activation Precinct process.

Birubi Information Centre

This project has been funded from the NSW Government's Growing Local Economies Fund, with a Development Application lodged for the project in 2018. The NSW Biodiversity Conservation Division (BCD) and Hunter Joint Regional Planning Panel (JRPP) are currently reviewing the application, with development consent expected in late 2019.

Coastal Management Program

Over the period Council has been partnering with neighbouring Councils, relevant state agencies and stakeholders to develop a Coastal Management Plan (CMP). The plan will set the long term strategy for the coordinated management of land within the coastal zone for the next 10 years. Specifically, a Coastal Management Program is being developed for the Port Stephens Coastal Zone.

The Program is a five stage program (as outlined in the State Government's Coastal Management Manual), and a Scoping Study (Stage 1) was reviewed by OEH in February 2019 and finalised by Council staff in May 2019.

In July 2019 Stage 1 of the CMP was completed, with Stage 2 now commenced.

Cycleways, footpaths and beautification

A new addition to Council's shared pathway network is currently being constructed in Boomerang Park, Raymond Terrace. This project has been funded by the NSW State Government as part of the Stronger Country Communities Fund. The pathway will provide a link between nearby residential areas and the public facilities on offer within the park (playground, skatepark, outdoor exercise equipment, before and after school care, senior citizens hall, croquet court and Men's Shed).

At the time of writing this report the elected Council is undertaking public consultation to increase Council's capital works program by \$15million for priority infrastructure projects across Port Stephens. The proposed projects have identified pathways in Anna Bay and Tilligerry.

Events

We welcomed a number of major events over the past six months, including:

- Port Stephens Surf Festival
- Sail Port Stephens
- Blue Water Country Music Festival
- Peter Wilson Memorial Touch Football Championships
- Port Stephens Triathlon



Over the past six months, these events are estimated to have injected more than \$4.4 m into the local economy.

Visitor data for the year ending March 2019 has shown an increase in overnight visitors by 7% and visitor nights by 17% (compared to the year ending March 2018). One of the key areas of growth appears to be interstate visitor nights which has increased by 40%. The key growth market for Port Stephens was the Victorian market.

Sponsorship has been provided to a large number of events during the colder off-peak months. These include events celebrating food, art, sport and the natural environment.

Four great community events were also held on Saturday 26 January 2019, despite the very hot weather, at Raymond Terrace, Nelson Bay, Tilligerry and Karuah.

More than 80 events have been approved on Council owned or managed land during the year.

The development of a new events strategy is expected to be completed by October 2019.

Funding investigations

Our application for a Special Rate Variation (SRV) in 2019 was unfortunately unsuccessful. We continue to seek a broader range of State and Federal Government grants. This can be challenging as grant program priorities do not often match those of local projects. We will also continue to optimise our investment returns.

Gateway, location and town signage

Stage 1 of the gateway signage upgrade is completed with tier one and two signs, 13 in total, being installed at entry points into the Local Government Area and major suburb changes as follows:

Gateway signs

- Pacific Highway (northbound) at Tomago (replace existing);
- Pacific Highway (southbound) at Karuah (new);
- Williamtown Drive, Williamtown/Newcastle Airport (new);
- Raymond Terrace Road (eastbound) at Nelson's Plains (replace existing); and
- Nelson Bay Road (northbound) at Fern Bay (replace existing);

Locality signs

- Hinton Rd, Hinton;
- Clarence Town Rd, Woodville;
- Paterson Rd, Duns Creek;
- Clarence Town Rd, Glen Oak;
- Buckett's Way, Twelve Mile Creek;
- Old Pacific Highway, Karuah;
- Lemon Tree Passage Rd, Salt Ash (Tilligerry Peninsula tourism sign); and
- Nelson Bay Road, Bob's Farm (Tomaree Peninsula tourism sign).

The following stages will include each suburb, although funding for these stages has not yet been determined.

Key roads projects

Council has a plan to deliver a number of key capital works projects. Over the past six months, the following has been achieved on these key projects:

- Church Street, Nelson Bay - The next stage of Church St, from north of Tomaree St towards Government Rd is currently planned to commence in the 2020/21 financial year.
- Fingal Bay Link Road – At the recent state elections, the State Government committed to funding the Fingal Bay Link Road, with the Roads and Maritime Services now taking a lead on the planning and delivery of this project.
- Tomaree Road, Shoal Bay - Detailed design of Stage 2, including the complete reconstruction and associated drainage works between Marine Drive and Verona Road has been completed. Due to budget constraints the construction scope of the 2018-2019 financial year project has been reduced to drainage works and road reconstruction on Tomaree Rd between Rigney St and Fingal St – Stage 2A. Construction has

commenced on this work and is expected to be complete in December 2019, weather permitting. Stage 2B, being the remaining Stage 2 works, has yet to be prioritised for funding.

- Tanilba Road, Mallabula – No activity was planned for the past six months. Project initiation and design is set to commence in the latter half of the 2019-2020 financial year, while construction is scheduled for the 2020-2021 financial year.
- Fairlands Road, Medowie – No activity was planned for the past six months. Project initiation and design is set to commence in the latter half of the 2020-2021 financial year, while construction is scheduled for the 2021-2022 financial year.
- Warren Street, Seaham - No activity was planned for the past six months. Project initiation and design is set to commence in the latter half of the 2020-2021 financial year, while construction is scheduled for the 2021-2022 financial year.

Koala Sanctuary

The Port Stephens Koala Sanctuary (Koala Sanctuary) is a Council-endorsed project to build and operate a koala hospital, education and eco-tourism facility at Council's Treescape Holiday Park at One Mile Beach, in conjunction with Port Stephens Koalas.

Stage 1 works comprising the walkway, koala pens, glamping tents and utilities infrastructure is currently underway with prefabrication work progressing off site. The Stage 2 tender comprising the Koala Clinic, Tourism Centre and car parks has closed and is currently being assessed with the preferred tenderer to be selected. Commencement of Stage 2 works is expected in July/August 2019. The project is programmed to be complete in December 2019, weather permitting.

Council staff met with Destination New South Wales East (Asian Markets) and West (America and Europe) Managers on 26 June 2019 to discuss the experience the Koala Sanctuary will provide, packages and pricing to be able commence the promotion of the Koala Sanctuary into those markets.

Medowie Multi-Purpose Community Centre

Funding and construction of the Medowie Sport and Community Facility was approved by Council in November 2018. The project will create a high quality facility that can be utilised by the growing population of Medowie, as well as the wider Port Stephens community. The building can also be used as an emergency evacuation centre and will expand on the existing sport and recreation facilities available at the Ferodale Sports Complex. The venue will feature a restaurant, bar, event space, sporting facilities and meeting spaces.

Construction commenced in February 2019 and is well underway with the structural framework and brickwork complete and glazing nearly complete. Turf for the bowling green is underway with roadworks ongoing and anticipated for completion in July 2019. Construction is anticipated to be completed by December 2019, weather permitting.

To further the community's experience at the facility, Council invited Expressions of Interest in June 2019 to operate the premises. Expressions of Interest closed on 19 July 2019.



Schematic courtesy of EJE Architecture, Newcastle

Off-leash dog parks

Off-leash dog parks have been identified as a community priority. Council completed a new off-leash area at Lancaster Park, Soldiers Point in July 2019. Council is investigating funding strategies to provide greater facilities at existing off-leash areas.

New proposals will be considered as part of a policy review in the 2019-2020 financial year.

Placemaking

Creating people friendly, vibrant spaces across Port Stephens has been identified as a key priority requiring investment from both Council and the community. Council has already appointed implementation panels to drive delivery of strategic plans for Raymond Terrace, Medowie and Nelson Bay.

Placemaking activities range from planning and investment to arts, culture and events.

Activities to date include:

- Preparation and endorsement of an Economic Development and Tourism Strategy.
- Preparation and exhibition of the Nelson Bay Public Domain Plan, which together with the Nelson Bay Delivery Program provides a blueprint to revitalise one of the Hunters key tourism destinations, and will drive revitalisation in the town centre.
- Development control plan amendments were prepared, including to support the development of two urban release areas in Medowie, and planning proposals consistent with our strategies, including the rezoning of Medowie Town Centre, a key action from the Medowie Planning Strategy that will unlock the planned community hub and commercial town centre.
- The Nelson Bay Citizens Parking Panel was convened and actions from the Panel report identified for implementation in 2019-2020.

- Preparation of the draft Fern Bay and North Stockton Strategy for exhibition in June/July 2019 which includes a vision for a new town centre, diverse housing choices, and accessible open space and community facilities to support healthy lifestyles.



Pictured: The proposed design for Stockton Street, Nelson Bay as featured in the new Public Domain Plan

Port Stephens Council depot development

The existing Council depot buildings age and arrangement are not meeting the current standards for condition and functionality. The way Councils use depots is very different from how they were used when the depots were first built. The depot location and design is currently being re-assessed following the unsuccessful Special Rate Variation application that was to provide some funds to stimulate this project. Council is still committed to improve or relocate the existing depot at Raymond Terrace.

Strategic Planning Statement and Local Housing Strategy

Council has been accepted by the NSW Department of Planning and Environment as the Lower Hunter Council involved in the pilot program for preparing a Local Strategic Planning Statement (LSPS). The LSPS will set the direction for strategic planning in Port Stephens with consideration for economic, social and economic factors whilst identifying the planning priorities for the local government area.

Work has also continued on a Local Housing Strategy - an action to implement part of the Greater Newcastle Metropolitan Plan. We have gathered preliminary dwelling data from Council records and the NSW Department of Planning and Environment's Urban Development Program. The Local Housing Strategy will review population, demographic and forecast data along with key dwelling trends in Port Stephens to plan for future housing growth within existing and new centres.

Both the LSPS and Local Housing Strategy will be completed in 2020.

Williamstown Management area

Council continues to support the community through advocacy and participation at forums such as the Elected Members Group and the Williamstown Community Reference Group. Community Reference Group meetings are held on a bi-monthly basis and are attended by our General Manager. In September 2018, the Department of Defence released the Williamstown regional drainage study and presented this to the Community Reference Group.

Our General Manager also made a presentation to Senate Inquiry into the management of PFAS by Defence on 24 July 2018.

Findings of the Federal Senate Inquiry into PFAS were released in December 2018. It was noted that a number of the recommendations put forward by Council in its submission were accepted by the Inquiry.

Defence is currently preparing a project plan (PMAP) to manage ongoing PFAS contamination issues.

Delivery program objectives update



Focus Area One | Our Community

Port Stephens is a thriving and strong community respecting diversity and heritage

100% on track
Operation Plan actions



C1 Community diversity

We have continued to:

- provide facilities and services for children
- support young people to build their confidence and contribution to the community
- encourage Port Stephens to be inclusive and access friendly
- support the needs of an ageing population and
- support volunteers to deliver appropriate community services.

Our key outcomes include:

- Increasing the childcare services that Council provides with OOSH services at Shoal Bay and Tomaree transferred to Council in April 2019.
- Successfully gaining a \$20,000 grant to support Youth Advisory Panel advocacy projects and leadership development opportunities.
- Securing funds to upgrade 71 sites to comply with Disability Standards for Accessible Public Transport.
- Approval by Council of the Volunteers Recognition Policy which was launched in National Volunteers Week in May 2019.

C2 Recognised traditions and lifestyles

We have continued to:

- recognise and support local Aboriginal and Torres Strait Islander people
- support and promote local cultural activities
- recognise and support the heritage of Port Stephens
- provide public libraries as vibrant community spaces.

Our key outcomes include:

- Opening applications for cultural projects funds in the 2019-2020 financial year, to support community projects designed and/or intended to empower local Aboriginal people in areas of the community.
- Port Stephens Council collaborating with Worimi to create special one of a kind Australia Day event shirts designed by a local Aboriginal person.
- The aboriginal interpretive sign project for Soldiers Point and Birubi Point Aboriginal Places progressing with mock up signs to be reviewed by Worimi community advisors in July 2019.
- A Development Application lodged and considered for the Birubi Information Centre.
- Calling applications for the Council's Heritage Projects Fund grant program.
- At our libraries loaning 276,000 library items, running 562 programs, fielding over 29,000 enquiries and joining up 1,845 new library members.



C3 Community partnerships

We have continued to:

- assist community service providers to effectively deliver services in the region
- support local community events that highlight and foster the creative and diverse nature of our community
- provide recreational and leisure services
- support financially creative and active communities

Our key outcomes include:

- Holding interagency meetings with service providers across the LGA to share information, identify key priorities and network along with Council supporting a workshop with diverse agencies across the LGA.
- Four events being held on 26 January 2019 across the LGA for Australia Day.
- Commencing surf patrols at Council's three patrolled surf beaches for the lifesaving season.
- Providing over \$88,000 to schools and community organisations through Mayoral and Ward funds as at 30 June 2019.



Pictured: Mayor Ryan Palmer with recipients of the 2019 Port Stephens Mayoral Academic Scholarships



Focus Area Two | Our Place

Port Stephens is a liveable place supporting local economic growth

P1 Strong economy, vibrant local businesses, active investment

100% on track
Operation Plan actions



We have continued to support sustainable business development and deliver services that attract sustainable visitation in Port Stephens.

Our key outcomes include:

- Adopting the new Economic Development and Tourism Strategy.
- Securing new events to support local business during winter and support place activation. Events included the NSW Swifts and The Urban Hustle.
- Providing programs such as the Seaside Scavenge that create long term benefits for Port Stephens.
- Progressing the Port Stephens Koala Sanctuary with Stage 1 works currently underway. (Refer to Key Priorities page 11).
- Welcoming over 75,000 people to the Visitor Information Centre during the year and in partnership with Destination Port Stephens generating more than \$ 1million in accommodation and tour sales for local Port Stephens operators.
- Continuing a healthy working relationship with Destination Port Stephens which has seen marketing and product development strategies grow awareness and drive visitation across the LGA along with new partnerships with Destination NSW and Destination Sydney Surrounds North.



Photo credit: Seaside Scavenge

P2 Infrastructure and facilities

We have continued to plan, build and maintain civil and community infrastructure to support the community. We have also delivered road infrastructure services on behalf of Roads and Maritime Services.

Our key outcomes include:

- Progressing our Capital Works Program (refer Service Delivery from page 30).
- Maintaining State roads in accordance with the Roads and Maritime Services contract.
- Extending Anna Bay cemetery with 400 new burial sites and columbarian walls.



Photo: Anna Bay Cemetery – Before

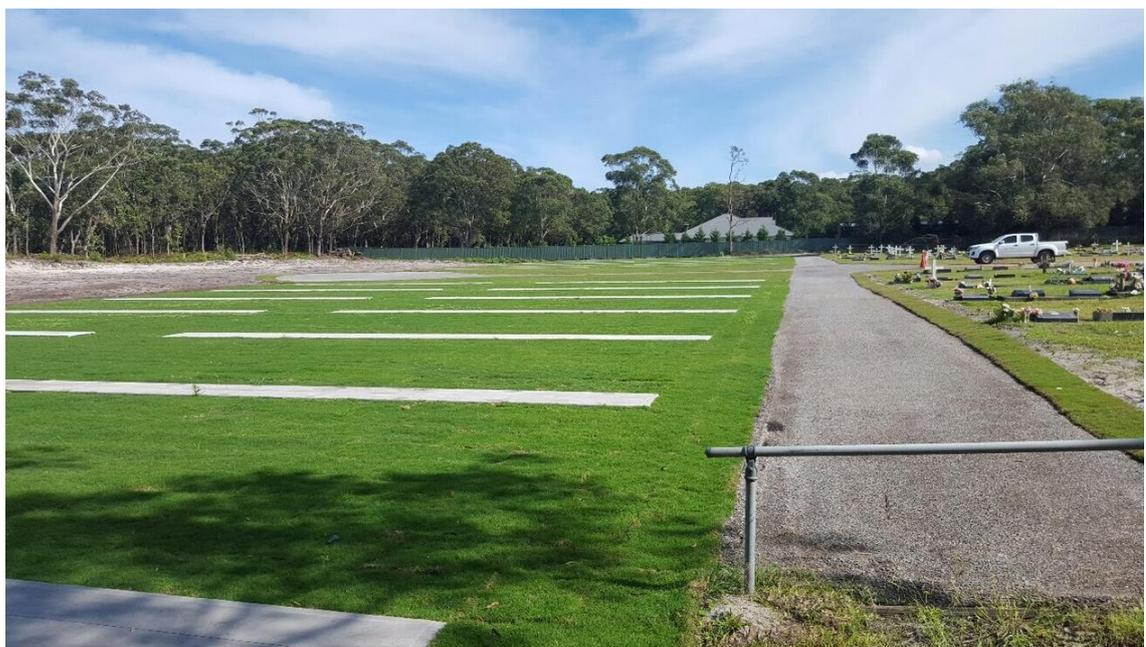


Photo: Anna Bay Cemetery – After

- Repairing over 5,700 potholes and 10,000 m2 metres of heavy patching.
- Spraying 43,500 metres, excavating 8,500 metres and mowing 18,000 metres of drains.
- Delivering Councils 2018-2019 Road Safety Projects funded by Roads & Maritime Services along with assisting Police in their yearly operation to reduce crashes along the Bucketts Way.
- Delivering closed circuit television infrastructure replacement/upgrades at 13 sites.
- Upgrading parking meters at Nelson Bay to allow cashless payment at all sites.
- Providing flood certificates, flooding and drainage advice for Development Applications.
- Completing drainage and flooding improvement works at a flood affected lot in Medowie.
- Completing a whole of sealed road network survey which will assist in road modelling and the forward works plan.
- Launching and promoting the "Motorcycling InThe Hunter" publication at numerous events and on various platforms.
- Finalising Sports Development Strategies with all Sports Councils.
- Completing 284 hectares of surface renovations consisting of weed/insect control, fertilizing, aerating and top dressing.

P3 Thriving and safe place to live

We have continued to provide land use plans, tools and advice that sustainably supports the community by:

- Managing key planning documents, including finalising amendments to the Port Stephens Development Control Plan 2014 and two planning proposals to amend the LEP 2013.
- Preparing the Nelson Bay Public Domain Plan.
- Continuing to process planning certificates in record time, with 2703 issued in 2018-2019 and 1676 processed using the new online certificate system.

We have also enhanced public safety, health and liveability through the use of our regulatory controls and services. Our key achievements include:

- Continued focus on reducing development application process times, resulting in a determination time of 37 days (net median) for the year.
- Providing building certification services, with Council's market share at 45% as a result of a general downturn in the market share of new house builds.
- Environmental Health inspections on track – with satisfaction scores of 100% for food premises; public pools and the wastewater program.
- Rangers have been involved in the production and distribution of promotional materials for schools and the community which will be distributed at future events and during education programs.
- Delivering a broad range of projects, services and increased surveillance through the Illegal Waste program.

We have continued to support the amenity and identify of Port Stephens through:

- Submitting a planning proposal to the State Government to deliver the outcomes in the Nelson Bay Delivery Program to revitalise the town centre.
- Preparing the draft Fern Bay and North Stockton Strategy for exhibition in June/July 2019.

We have continued to support emergency services, protect Council assets from bushfires and extreme weather events, and implement the Local Emergency Management Plan by:

- Ensuring all Rural Fire Service and SES buildings were fully functional during the reporting period.
- Maintaining Council asset protection zones in accordance with agreed service levels.



Focus Area Three | Our Environment

Port Stephens' environment is clean, green, protected and enhanced

92.3 % on track
Operation Plan actions



E1 Ecosystem Function

We have continued to:

- protect and enhance the local natural environment
- educate the community about the natural environment

Our key achievements include:

- Reducing processing times for the delivery of Environmental Impact Assessment services and Tree Permits.
- Assessing over 70 of Council's natural areas during the year.
- Over 80 Council volunteers taking part in Council environmental education programs focusing on weed control, bushland management and general environmental land management.
- Rolling out roadside signage across the LGA to encourage the community awareness of a number of high priority weeds.
- Educating our rural landholders on weed identification; the annual aquatic weed treatment program treating over 250 km of riparian areas for weed invasion; and 371 inspections and treatments for high risk weeds.
- Maintaining Council's natural areas with works focusing on restoration of koala habitat and other areas containing rare and threatened species.

E2 Environmental Sustainability

We have continued to focus on reducing the community's environmental footprint. Our key achievements include:

- Coordination of the waste collection service, which includes for the 2018-2019 financial year:
 - 26,000 tonnes of residual waste via the red bin collected and composted;
 - 6,200 tonnes of recycling via the yellow bin collected and recycled;
 - 2,500 tonnes of green waste collected via drop off days and mulched; and
 - 12,000 tonnes of mixed waste received at the Salamander Bay Waste Transfer Station.
- Diverting approximately 60% of this material from landfill, however discussions are continuing between the Environmental Protection Authority and Council about a change in regulation of Mixed Waste Organic Material. As a result we will now see an increase in waste going to landfill.

- Improving Council's energy usage by reviewing the provision of solar power to aquatic centers and installing more than 350 solar panels on the Council Administration Building in Raymond Terrace.



Photo: Solar panels on Council Administration Building

E3 Environmental Resilience

We have continued to:

- encourage community resilience to coastal hazards
- encourage community resilience to detrimental impacts on the environment
- encourage community resilience to the impacts of climate change

Our key achievements include:

- Planning and approvals processes underway for coastal process projects at Shoal Bay West, Nelson Bay Marina and Conroy Park.
- Finalising Stage 1 of the Coastal Management Program Scoping study (refer to Key Priorities page 8).
- Quarterly water and gas monitoring of decommissioned waste landfill sites has been undertaken as per the schedule.
- Participation in the Williamstown Reference Group (refer to Key Priorities page 14).



Focus Area Four | Our Council

Fort Stephens Council leads, manages and delivers valued community services in a responsible way

L1 Governance

95.83 % on track

Operation Plan actions



We continue to develop and encourage the capabilities and aspirations of a contemporary workforce through:

- Completing the Human Resources Program of Work including deploying a new Capability Framework, Assessment Module and enhanced human resource information system (Cornerstone) to aid workforce management and service delivery.
- Council adopting a new Workforce Plan in January 2019 which sets out our plan for human resource requirements for the next three years.

We continue to provide strong civic leadership and government relations by:

- Delivering support to Councillors and the executive on time and within budget.
- Hosting citizenship ceremonies in January and April 2019 with 41 conferees.
- Participating on the Newcastle Airport Pty Ltd Board, with Newcastle Airport purchasing 76 hectares of adjacent land in January 2019 to establish the Astra Aerolab aerospace business park.

We continue to have a strong ethical governance structure as a result of:

- Providing governance and legal service across the organisation, managing legal matters in court and meeting ongoing legislative compliance.
- Completing the 2018-2019 Internal Audit program comprising 8 internal audits ranging from the Mayor and Councillor's reimbursements to disposal of Council assets.
- Meeting our obligations under the Government Information (Public Access) and Privacy and Personal Information Protection Acts, determining 39 formal accessing information applications and over 315 informal requests for information during the financial year.
- Providing a six monthly report to Council in February 2019 on progress in implementing the Delivery Program.
- Council reviewing and adopting in January 2019 the Integrated Planning and Reporting documents for the next financial year (which include the Delivery Program, Operational Plan, Strategic Asset Management Plan, Long Term Financial Plan and Workforce Plan).
- Conducting the Community Satisfaction Survey in June 2019 (refer Community Satisfaction page 35).

We continue to provide strong supportive business systems for operations through:

- Completing 16 service reviews in the financial year, delivering both savings to the organisation and ensuring services to the community are delivered in the best possible way. A further 16 mini service reviews were also completed.

- Completing the Corporate Improvement Program of work with some significant improvements made to Council's core systems.

Continuing to reduce risk across Council by undertaking work in accordance with the Integrated Risk Management Program of Work (refer Risk Management from page 38 for status of the Risk Management system).

L2 Financial Management

We continue to:

- maintain strong financial sustainability
- maximise non-rate revenue and investment to support Council services

Our key achievements include:

- An anticipated underlying financial surplus to 30 June 2019. (Refer Scorecard page 27 for details).
- Applying for a Special Rate Variation in February 2019 (refer Key Priorities page 10).
- Council adopting the Fees & Charges Schedule 2019 - 2020 in 25 June 2019.
- Completing a rebuild of Council's General Ledger to improve asset management, labour efficiency, reporting and decision making.
- Continuing to work on fully tenanting vacant premises in the Raymond Terrace CBD and maximising returns through lease negotiations.
- Commencing capital upgrades to 437 Hunter Street Newcastle and the Council Administration building.
- Land development occurring with the successful sale of Anna Bay Oval and commencement of the Medowie Multipurpose Centre (refer Key Priorities page 11).
- Welcoming over 78,000 guests to our Holiday Parks for the financial year, with planning and preparation for capital works (Shoal Bay and Halifax amenities replacements) and Plans of Management underway to pave the way for great improvements over the next 5 years. We achieved Net Promoter Scores of over 70% at Fingal Bay and Halifax Holiday Parks, placing our businesses in the list of the top customer-centric companies.



Pictured: Aerial view of Shoal Bay Holiday Park

L3 Communication and Engagement

We continue to:

- promote a customer first organisation
- provide information in a range of accessible formats
- strengthen Council's reputation
- provide a voice for the community

Our key achievements include:

- Completing Stage One of the Customer First Framework which includes an enhanced customer experience for handling Development and Construction certificates and tracking and closing the loop on customer correspondence.
- Streamlining internal and external communications to drive better connections and communicate effectively with the community. An example of this is through focusing on video storytelling content.
- Continuing the soft launch of Online Services to help our community complete their business with Council online and roll out additional online forms within the Online Services.
- Continuing a detailed community engagement program.
Nearly 6,000 people visited our dedicated online community engagement platform (www.haveyoursay.portstephens.nsw.gov.au). We have almost 1,000 people registered on this site where they can learn and participate in current projects and programs. Some of these projects included the Nelson Bay Public Domain Plan, Koalas in Port Stephens, Robinson Reserve, Port Stephens Grant Programs, King Park Sports Complex Masterplan, the Coastal Management Plan and many capital works projects.

Scorecard

Six main result measures underpin everything we do at Port Stephens Council:

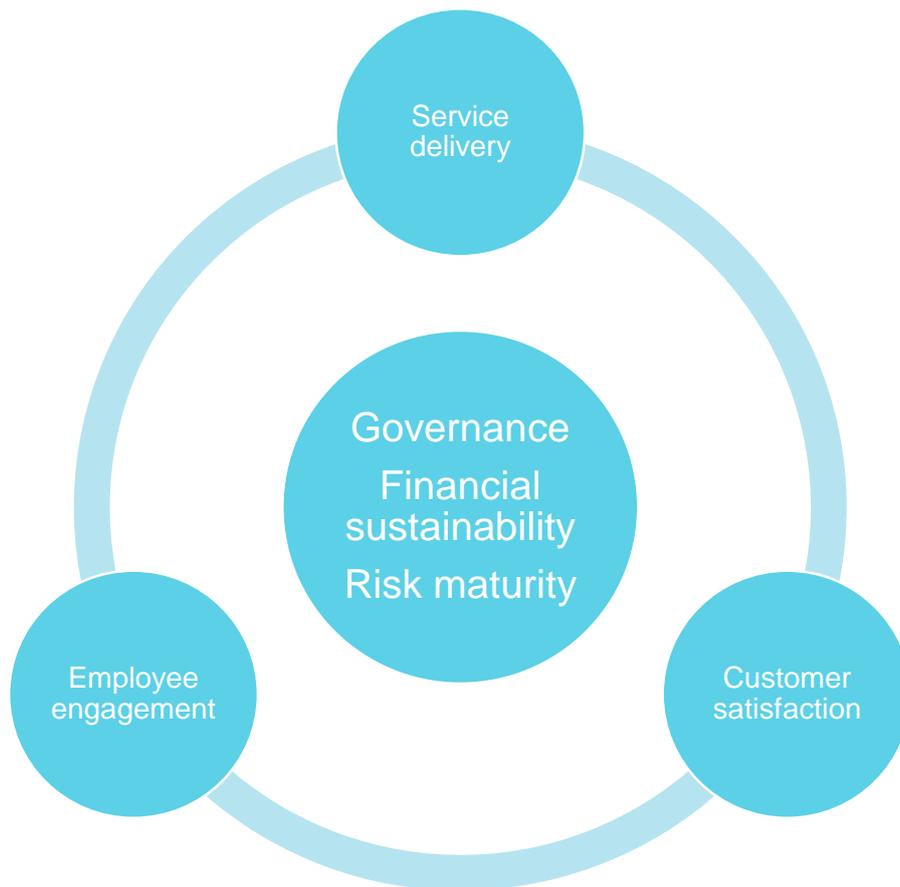
Six Result Measures		Status
	<p>1. Service Delivery</p> <p>Target > 95% Integrated Plans delivered on time</p> <p>Achievement: 97.8% Operational Plan Actions achieved (as at 30 June 2019)</p>	
	<p>2. Community Satisfaction</p> <p>Target > 80% Community Satisfaction</p> <p>Achievement : 76% (Source: 2019 Community Satisfaction Survey)</p>	
	<p>3. Employee Engagement</p> <p>Target > 70% Employee Engagement</p> <p>Achievement: 68% (Source: AON Hewitt, 2018)</p>	
	<p>4. Governance</p> <p>Target > 95% Governance Health Check</p> <p>Achievement: 98.1% (as at June 2019)</p>	
	<p>5. Risk Management</p> <p>Target > 80% Risk Management Maturity</p> <p>Achievement: 83% (Actual in 2017)</p>	
	<p>6. Financial sustainability</p> <p>Target: underlying financial surplus</p> <p>Achievement: \$738,000 (As at March 2019 Quarterly Budget Review)</p>	

Legend:

-  On track (target achieved or on track to be achieved)
-  Monitor (<5% off the target)
-  Off track (>5% off the target)

We successfully balance these key metrics by:

- ensuring that we're delivering on what we say we're going to do
- ensuring our community is satisfied with the level of service
- being financially sustainable
- having the right practices and governance in place
- having an appropriate risk maturity
- having engaged employees.



1. Service Delivery

The following progress has been made on the actions in the 2018-2019 Operational Plan, which contribute to delivering the Delivery Program objectives:

- 97.8% (88 actions) on track
- 1.1% (1 action) monitor
- 1.1% (1 action) off track

The 'monitor' and 'off-track' Operational Plan actions are:

- L1.5.1 Manage the Integrated Risk Management System program of works

A major body of work for 2018-2019 has been the implementation of the new CAMMs Risk Management System. Work has commenced on the implementation of a new integrated risk management IT system.

By June 2019 the Risk Team has reached pilot stage for this program of works and it is anticipated the system will be deployed to all staff in the first quarter of 2019-2020.

- E3.3.1 Review Climate Change Adaptation Action Plan

Drafting of a Climate Change Policy has not yet commenced due to resourcing issues and has been prioritised for early 2019-2020.

The following tables are a summary of individual road, community and recreation projects that were completed and are in progress as at 30 June 2019. It is not an exhaustive list of all Capital Works projects carried out during that period.

Roads and drainage projects completed	Expenditure 1 January to 30 June 2019	
Holdom Road, Karuah - reconstruction	\$	963,843
Yacaaba street, Nelson Bay - extension	\$	77,674
Mitchell Street, Soldiers Point	\$	21,109
Medowie Road, Medowie - segment 400	\$	40,364
Brandy Hill Drive, Brandy Hill - rehabilitation	\$	6,461
Church Street, Nelson Bay - rehabilitation	\$	11,565
Evans Road, Medowie - rehabilitation	\$	18,684
Shoal Bay Road and Gowrie Avenue, Nelson Bay	\$	99,125
Clarencetown Road, Glen Oak- rehabilitation segment 280 c	\$	75,554
Salt Ash Avenue, Salt Ash - rehabilitation	\$	13,818
Paterson Road, Woodville	\$	100,360
Hinton Road, Osterley - rehabilitation	\$	138,656
Hinton Road, Nelson Plains - rehabilitation	\$	246,991
Swan Bay Road, Swan Bay	\$	111,766
Gan Gan Road, One Mile	\$	137,655
Lemon Tree Passage Road (design only), Tanilba Bay	\$	49,386
East Seaham Road - survey	\$	95,384
Fingal Bay link road - concept design and survey	\$	30,749
Waterfront Road, Swan Bay - foreshore protection	\$	37,943

Country Passenger Transport Infrastructure Grant Scheme 2015-2017	\$	56,686
Nelson Bay Road and Salamander Way - cycleway and footpath	\$	1,764
Nelson Bay Road/Medowie Road - roundabout	\$	2,582,135
TOTAL	\$	4,917,671



Photo: Nelson Bay/Medowie roundabout



Photo: Holdom Road, Karuah

ROADS & DRAINAGE PROJECTS IN CONSTRUCTION	Expenditure 1 January to 30 June 2019
Capping old landfill on Newline Road	\$ 223,448
Boomerang park shared pathway	\$ 129,362
Tomaree road, shoal bay reconstruction	\$ 304,820
TOTAL	\$ 657,630

COMMUNITY & RECREATIONAL AND STRUCTURES PROJECTS COMPLETE	Expenditure 1 January to 30 June 2019
Anna Bay / Birubi Point hall - internal painting	\$ 8,782
Little Beach wharf disabled access modifications	\$ 11,663
Little Beach accessibility upgrade - capital work	\$ 1,566
Fingal Bay foreshore solar lighting installation	\$ 87,828
Salt Ash sports complex replace fencing - capital	\$ 2,795
Lakeside Leisure Centre replace pumps & inst procal	\$ 4,983
Tomaree Aquatic replace de socks - capital work	\$ 904
Wharf sewer pumpout facilities - capital work	\$ 218
Foreshore erosion and accretion management	\$ 7,189
Karuah boat ramp projects stage 2	\$ 230,927
Tanilba Bay boardwalk upgrade to deck & substructure	\$ 56,964
Lancaster Park - vehicle barrier &/or dog fence	\$ 32,792
Riverside Park rt rotunda - painting - capital work	\$ 18,831
Anna bay cemetery expansion construction - capital	\$ 133,725
Halifax Holiday Park- 3 bedroom villa	\$ 70,510
Fingal Bay - surf road project	\$ 47,179
Foreshore Drive- capital - capitalised renewal & r	\$ 176,058
TOTAL	\$ 1,984,735



Photo- Karuah Boat Ramp

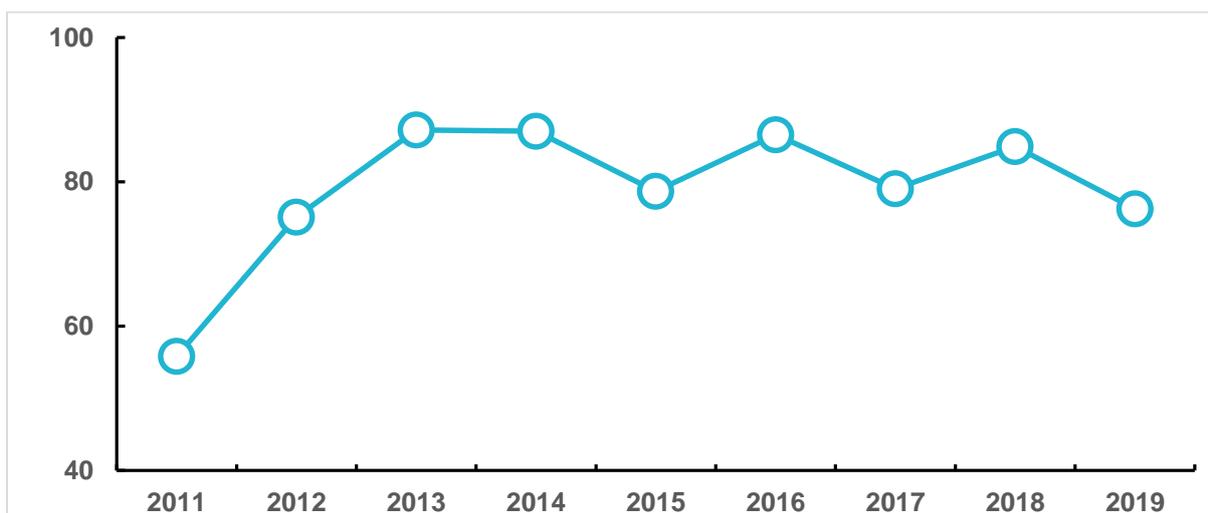
COMMUNITY & RECREATIONAL AND STRUCTURES PROJECTS IN CONSTRUCTION	Expenditure 1 January to 30 June 2019
Apex Park redevelopment - capital work	\$ 52,550
Bagnall beach east playground upgrade - capital work	\$ 25,301
Robinson Reserve Anna Bay redevelopment - capital work	\$ 155,795
Riverside Park seawall replacement - capital work	\$ 24,120
Shoal Bay Holiday Park - renovate amenities block and instal	\$ 215,815
Halifax Holiday Park- upgrade amenities / recreation centre	\$ 234,682
Medowie Sport and Community facility (Ferodale)	\$ 2,137,501
Koala Hospital	\$ 93,177
TOTAL	\$ 2,938,944

COMMUNITY & RECREATIONAL AND STRUCTURES PROJECTS IN PLANNING	Expenditure 1 January to 30 June 2019
Nelson Bay marina sand clearing - capital work	\$ 15,451
Pirralea Gardens boardwalk upgrade to decking	\$ 15,792
Lionel Morton amenities construction - capital work	\$ 48,670
Karuah RFS building construction - capital work	-\$ 0
Raymond Terrace pigeon club - capital works	\$ 38,137
TOTAL	\$ 118,052

2. Community Satisfaction

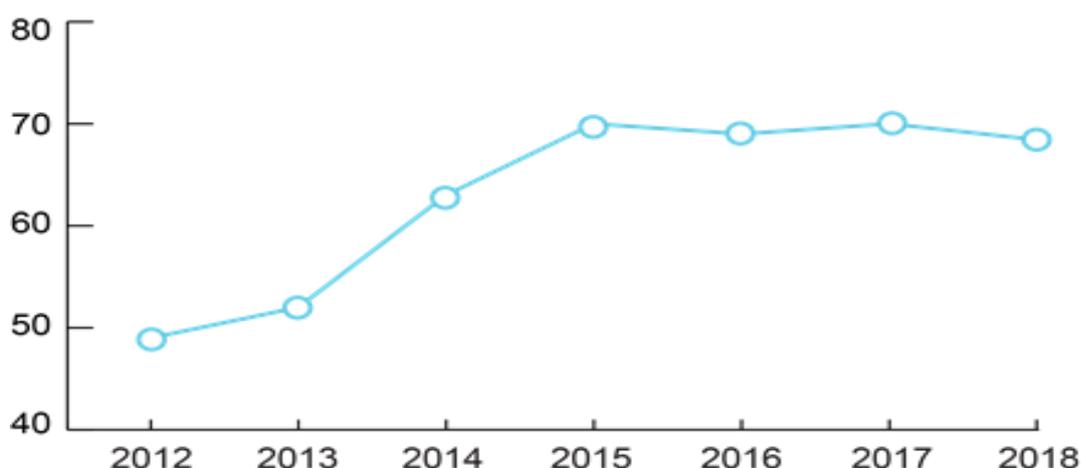
We conducted our annual Community Satisfaction Survey in June 2019, which yielded an overall satisfaction with our services of 76 % - 4 percentage points below our aspirational new target of 80% set this financial year. This result however remains above Council's historical target of 75% with further input to be sought from the community over the coming year as we review the Community Strategic Plan and other integrated Council plans.

The next survey is proposed to be conducted in May/June 2020.



3. Employee Engagement

The Employee Engagement Survey was conducted in September 2018 with a 68% engagement score. This is slightly below our ambitious new target of 70% but still above an 'engaged workforce' of 65% and significantly above the average local government score of 55%. The key areas for improvement are similar to last year — communication and senior leadership. AON Hewitt has briefed the Senior Leadership Team and we are now working to improve engagement across Council. A robust plan will be implemented with key stakeholders on how to improve over the next 6-12 months and beyond with short- and long-term milestones.



The Human Resource Information System (HRIS) was updated with new modules over the last six months including

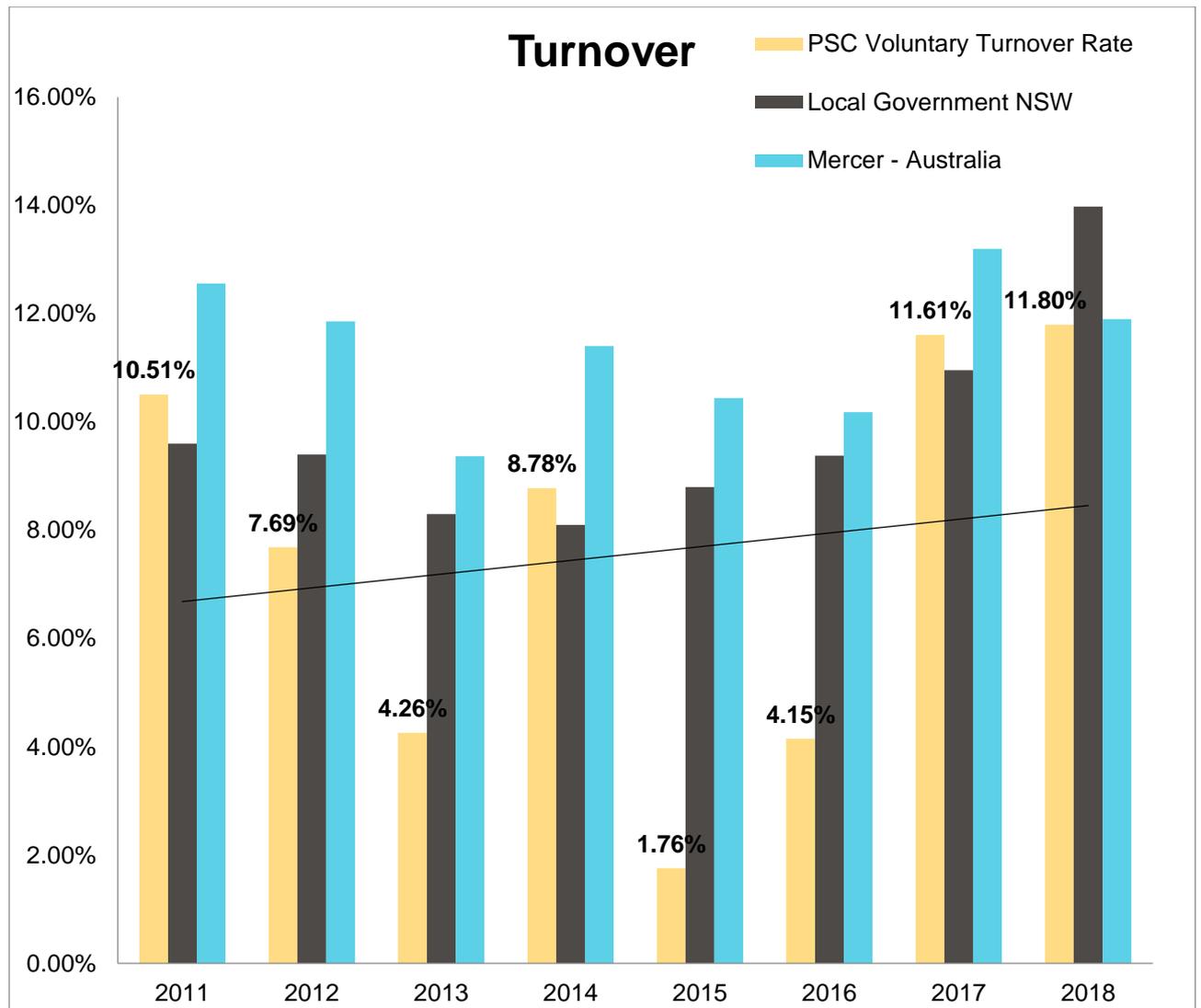
- Cornerstone HR View and Dashboards
- Recruitment
- On boarding
- Insights
- Engage

These modules assist Council in building on the already solid foundations that it has in relation to delivering better services and data reporting for the total employee lifecycle in an efficient, integrated and effective way, providing easy access for all employees. This ultimately assists in workforce management and effective planning for future need.

Excellence in Council's human resource management continues to be recognised with Port Stephens Council reaching the finals of the Local Government Excellence Awards in the People and Culture category for its work on Implementation of Local Government Capability Framework and extension to Human Resource Information System (HRIS) modules.

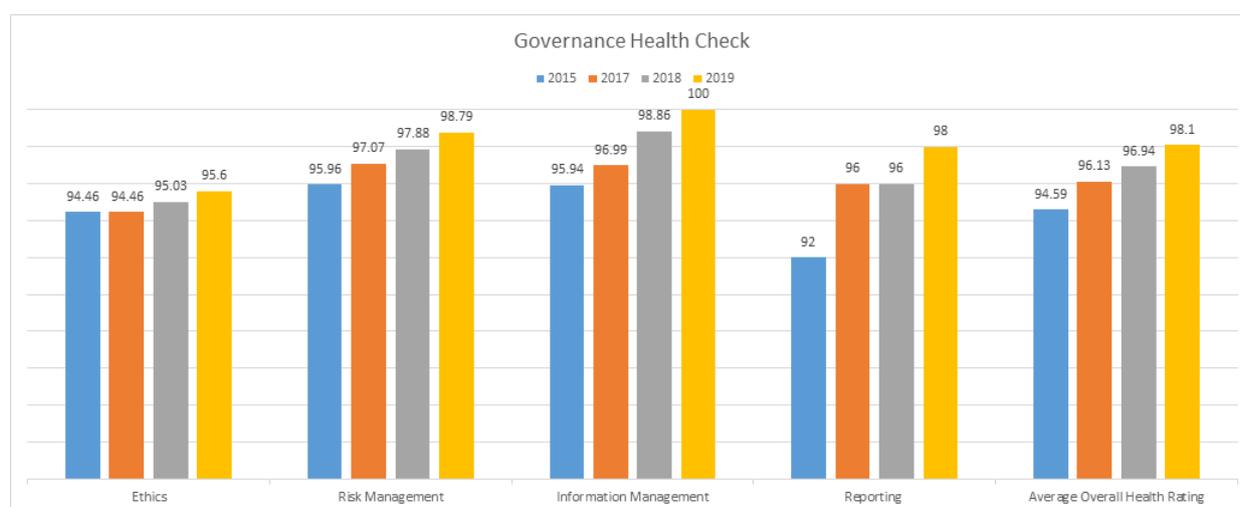
A new Workforce Plan was adopted by Council in January 2019 which sets out the strategies required to ensure Council plans its human resource requirements for the next three years and beyond, and also what needs to occur to ensure the necessary staff resources are in place when they are needed.

Voluntary Turnover remains stable at 11.8%, slightly higher than our target rate of 10% however well below the local government median of 14% and on par with general Australian workforce trends.



4. Governance

Our Governance Health Check was last conducted in June 2019 and is reviewed on an annual basis. The overall rating in 2019 increased to 98.10, exceeding our target of 95%. The Governance Health Check is a tool to measure our governance and how well we perform. It covers four areas: ethics, risk management, information management and reporting. The graph below demonstrates our progress in achieving our Governance Health Check scores from 2015 to 2019.



5. Risk Management

The integrated risk management framework continues to perform for Council by reducing exposures in areas of critical risk.

Throughout the latter part of 2018 and into the first half of 2019 Council has kept under review its varied risk management obligations across all services. These services comprise significant risks relating to compliance, workplace health and safety as well as protection of our environment both in our operations and at a strategic sustainability level.

Adding to the award winning Integrated Risk Management Framework, the Corporate Risk Management Team have continued to optimise the various risk registers that exist throughout the organisation. Key to this optimisation has been an improved focus on the alignment between strategic risk and the integrated planning documents generated through the Integrated Planning and Reporting (IP&R) Framework. This alignment will be used throughout the coming year to ensure that all corporate planning and strategic systems are designed with key risks in mind.

Culminating with the completion of Council's Annual Report, baseline metrics have now been identified that are being leveraged to inform both the effectiveness of Council services and also to provide information for Council officers to monitor trends associated with their

risks. These trends, as well as associated incident data from our incident reporting system, are then discussed at regular meetings that allow for the free flow of risk information from operational levels, through to the executive and then for ultimate oversight by Council's external Audit Committee.

Council's Risk Maturity Rating remains at 83% with a thorough review planned for early in the new financial year once the department has completed the implementation of improved risk management software implementation.

Environmental Management System

Council was a finalist in the LGNSW Excellence Awards held in Sydney on 20 June 2019 for our Environmental Management System (EMS) in the category of Environmental Leadership and Sustainability.

Council is participating in a joint regional grant funded project titled *Integrating Natural Asset Management into Council's Strategic Asset Management Systems*. The grant is funded by the NSW Environmental Trust and is administered through Local Government New South Wales. Council is also partnering with Hunter Council's Joint Organisation. The key role for Port Stephens Council is to be the case study council to test and pilot the framework and methodology identified through the project. The project aims to integrate our natural assets into our existing Strategic Asset Management System which will allow for an integrated approach to their management (such as objectives, prioritisation, standards and monitoring). Port Stephens Council will be the first Council in New South Wales to pilot this ground-breaking approach to natural asset management.

Additionally, The University of Newcastle has been successful in gaining a \$149,980 NSW Environmental Trust, Research Grant to study Blue-green algae blooms within the Port Stephens Local Government Area. The University approached Council after the January 2018 bloom at Ross Wallbridge Reserve wanting to partner in the research program.

The research being undertaken by the University aims to identify the perfect set of environmental conditions which causes the Blue-green algae to bloom. This will allow land and water managers to better predict when a bloom may occur so they can put in preventative actions beforehand.

Council will directly benefit from this partnership with our water assets being used as research sites and our management options being tested for effectiveness. The findings of the research can be used across NSW.

Work Health and Safety

Over the last six months we have seen the number of workers compensation claims remain low compared to previous years, however we have seen an increase in the severity and complexity of claims which will result in an increase to the workers compensation premium.

We are continuing to review and refine our emphasis on injury prevention, hazard identification, promotion of health and wellness, and the importance of incident reporting.

During the last six months we have undertaken:

- 41 Safety Audits
- 50 Noise assessments
- 45 Ergonomic assessments 132 for the 2018/2019
- 9 workplace inspections

We received the following rebates from our Workers Compensation Insurer, StateCover Mutual Ltd:

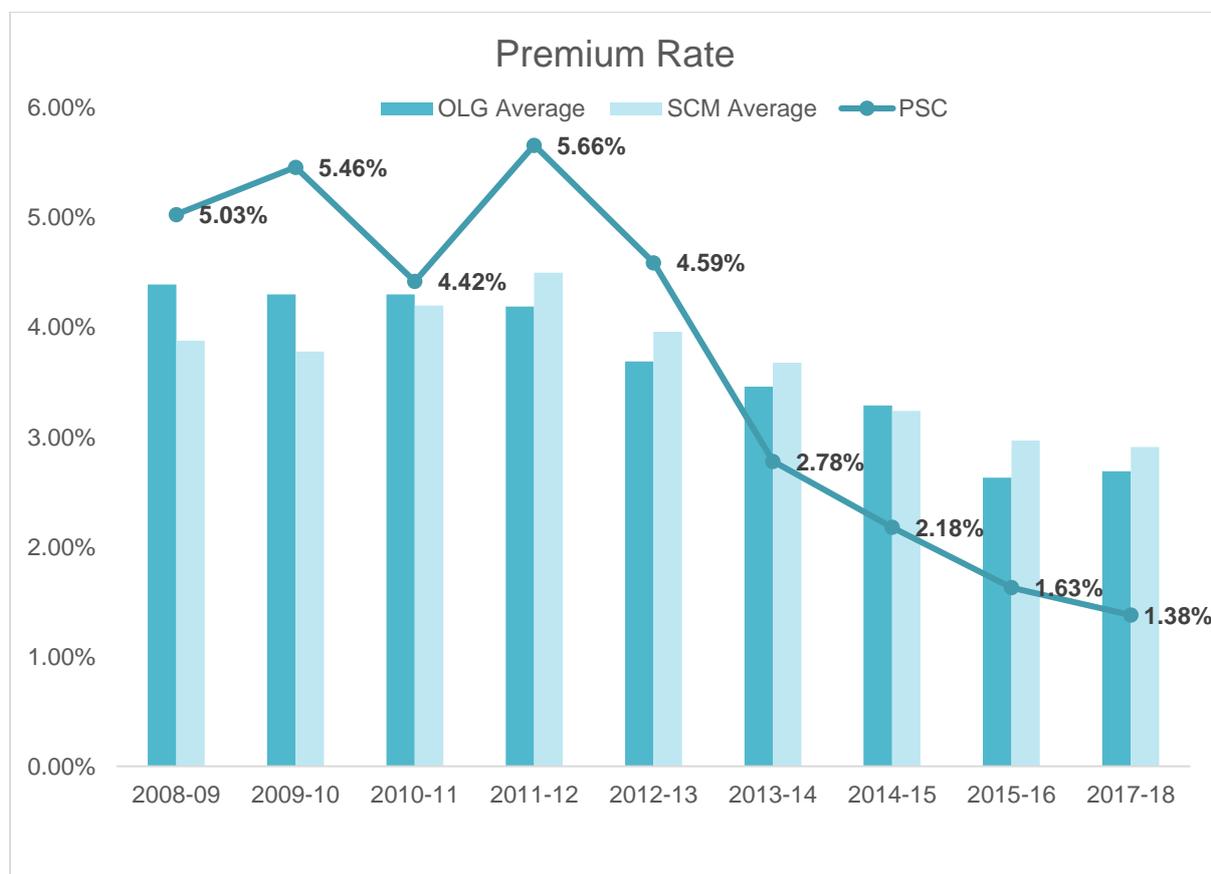
Member Discount: \$ 55,605

Work Health and Safety Incentive: \$125,173.85

Mutual Performance Rebate: \$ 79,728.43

Hindsight Performance Payment: \$95,609

The Hindsight Performance Payment recognises councils whose total incurred claims costs over the past 3 years is better than the StateCover Mutual Average.



Volunteer Management

Council provides opportunities for the community to undertake tasks or projects and provide assistance to our operations. This is part of Council's commitment to community partnerships, providing opportunities for the community to be involved in the care and management of the facilities and services they use. Volunteers in Port Stephens are the lifeblood of our local area as they donate their time and energy to a range of activities that

benefit our whole community. Many Council programs and services could not be provided without the support of volunteers.

No. volunteers	Type of activity
335	Park/Reserve/Landcare Committees and Groups
115	Hall facility management
110	Sports Councils & Sports Ground Committee
85	Community development and engagement
55	Library/Literacy/Art Space/Visitor Info Centre
700	

Making things easier for our volunteers

Last year Council undertook a review of our volunteer management area, focusing on ways to make volunteering more meaningful and less administratively demanding, and also allow volunteering to grow. All of Council's volunteering sectors formed part of the review, including 355c committees and panels, Sports Councils and volunteers at the Ngioka Centre, Libraries and Visitor Information Centre.

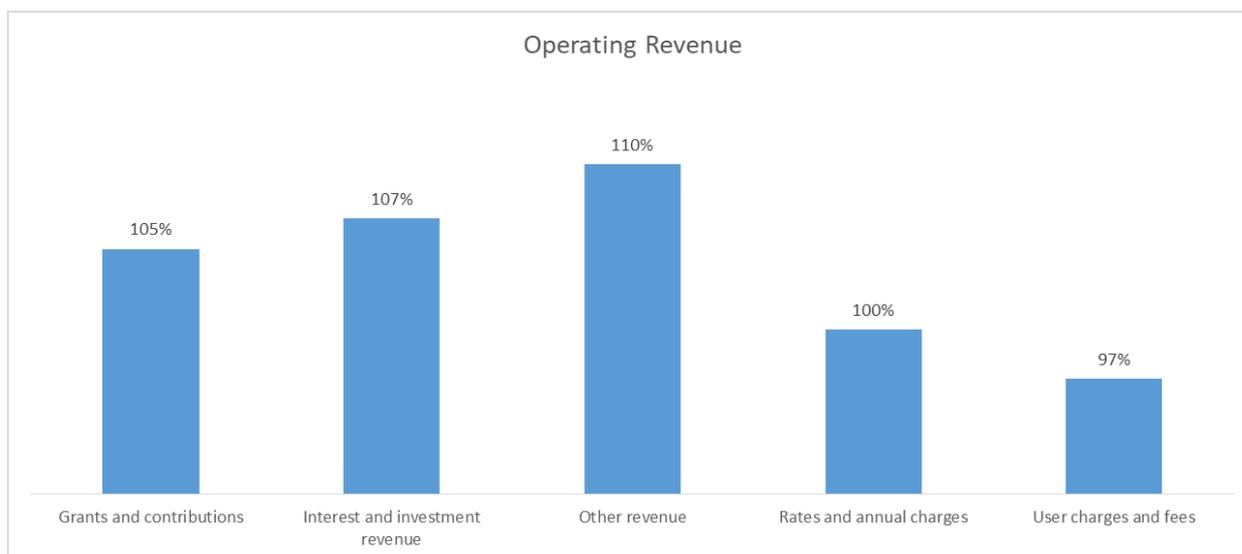
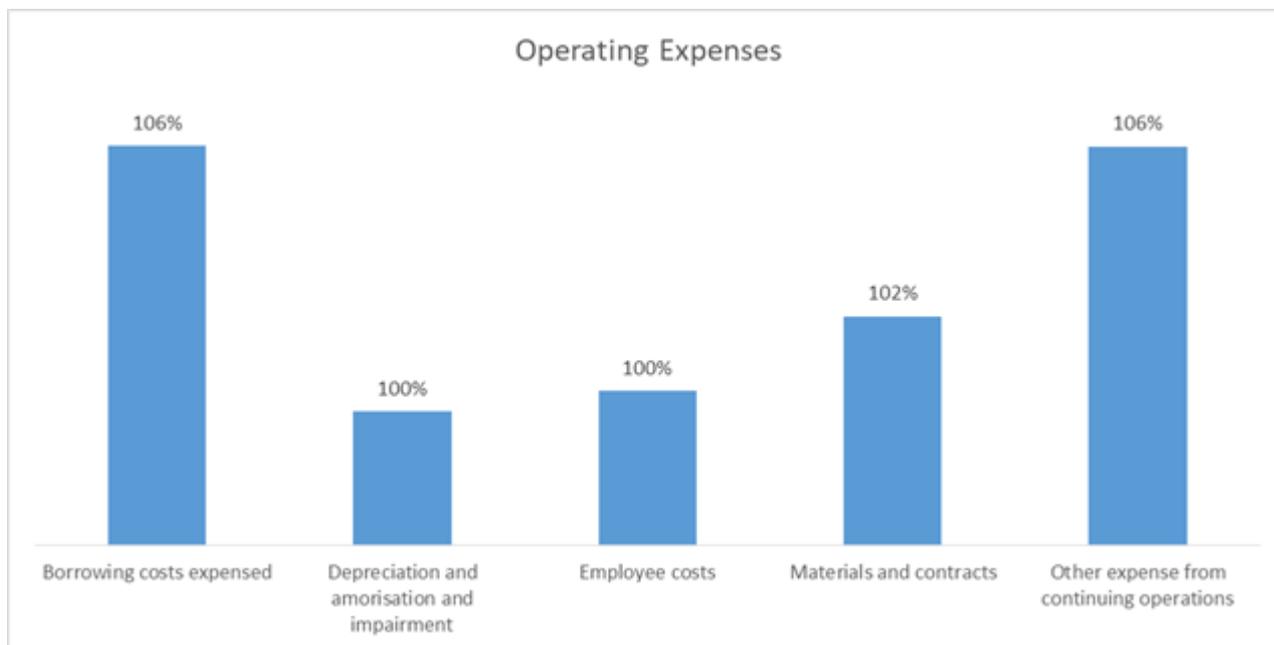
One of the main outcomes of the review was to transition 355c park committees to a new on-ground group model over a two year period. Since August 2018:

- Six 355c park committees have dissolved
- Two 355c cemetery committees have dissolved
- One combined hall/park committee has changed to a hall committee only
- Nine new Groups have established under the new model of operation (8 Park Groups and 1 Cemetery Group)

The remaining nine park committees will transition over the coming 12 months, and the four combined hall/park committees will change to just hall committees.

6. Financial sustainability

The unaudited financial results to 30 June 2019 continue to trend toward an anticipated underlying surplus. The original 2018 – 2019 budget projected an underlying surplus of \$984,000 which was later revised in the March 2019 quarterly budget review to be \$738,000.





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