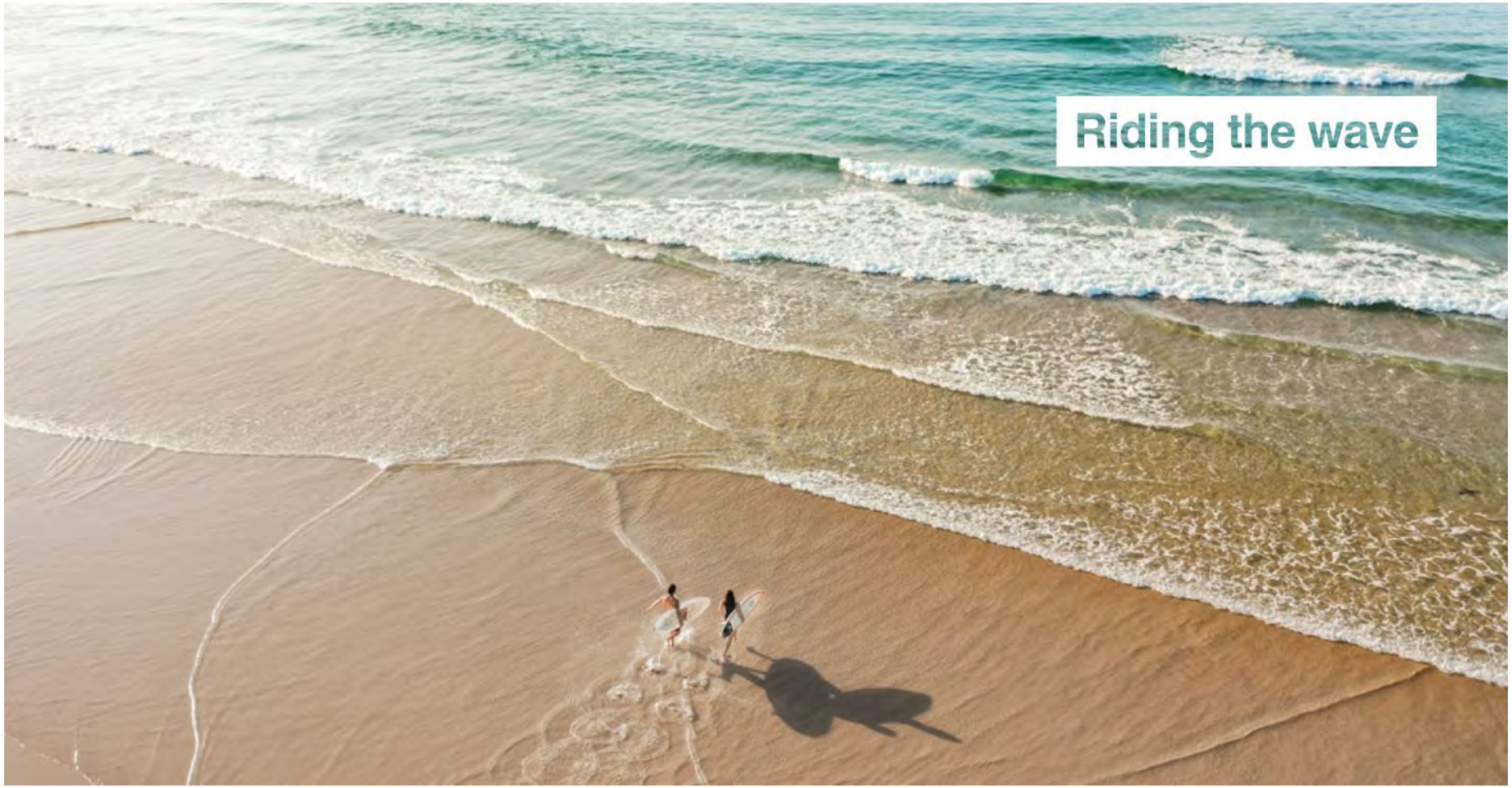
Annual Report
2020 to 2021
Volume 1

PORT STEPHENS COUNCIL



About this report

Welcome to our Port Stephens Council Annual Report 2021.

Our theme is riding the wave – a depiction of the highs and lows we've experienced throughout the year. You can read more about why we chose this as our theme on page 11.

This report is designed to show you our highlights, challenges and performance between 1 July 2020 and 30 June 2021. It also outlines our plans for the future of our local government area (LGA) and our community.

Our annual report takes a plain English, honest and authentic approach to our 4 main focus areas, as identified in the Port Stephens Council Community Strategic Plan 2018 to 2028:

Our community | Our place | Our environment | Our council.

The report comprises 3 volumes:

- **Volume 1** provides an overview of our Council's operations, achievements and performance for the year together with statutory and governance information.
- **Volume 2** contains our audited financial accounts.
- **Volume 3** contains our end of term report.

Port Stephens Council is committed to transparent reporting. We use the integrated planning and reporting framework in the Local Government Act 1993 to regularly report on our progress towards implementing our Delivery Program 2018 to 2021.

You can read these full reports at portstephens.nsw.gov.au:

- Community Strategic Plan 2018 to 2028
- Delivery program and operational plans 2018 to 2021

We acknowledge the Worimi people as the traditional custodians of this land.

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This report has been prepared in line with Section 428 of the Local Government Act 1993 and clause 217 of the Local Government (General) Regulation 2005.

Authorised by Port Stephens Council's General Manager Wayne Wallis 116 Adelaide Street Raymond Terrace NSW 2324 and printed by Port Stephens Council.

Cover image: Destination NSW

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Our Port Stephens

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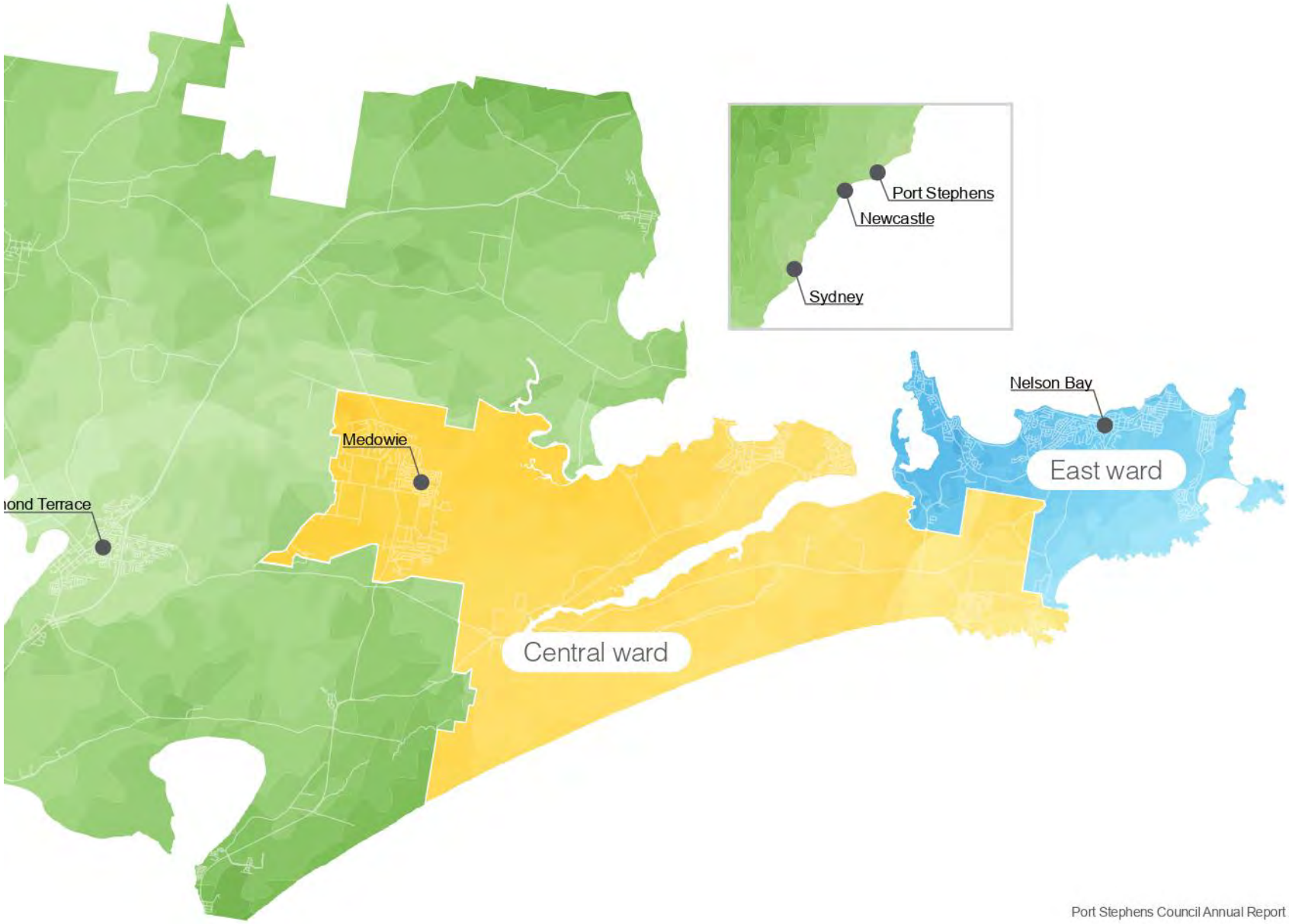
Our location

Located on the east coast of Australia about 2 hours north of Sydney, Port Stephens is known for its incredible natural beauty and vibrant community. These characteristics make our place an ideal tourist and retirement destination as well as a great place to live, work and play.

Region:	Area:
Hunter	858.5 km²
Population density:	Major centres:
81 persons/km²	Raymond Terrace Medowie Nelson Bay


Port Stephens
Newcastle
Sydney
Nelson Bay
Medowie
ond Terrace
East ward
Central ward

Our history

Our Council's history stretches back almost 200 years to the early 1800s when the Raymond Terrace and Dungog District Council was formed. In 1937, Port Stephens Shire amalgamated with Raymond Terrace Municipal Council to form the modern Port Stephens Council.

Our Council

Port Stephens Council's history stretches back almost

200 years

to early **1800s** when the Raymond Terrace and Dungog District Council was formed.

In **1937** Port Stephens Shire Council amalgamated with Raymond Terrace Municipal Council to form the modern Port Stephens Council.

Port Stephens has

A POPULARLY ELECTED MAYOR AND

9 COUNCILLORS REPRESENTING

3 WARDS

They are supported by

547 EQUIVALENT FULL-TIME EMPLOYEES who work hard to deliver our community's vision of a great lifestyle in a treasured environment.

Our people

POPULATION
74,506
(2020 Estimated Resident Population)

POPULATION PROJECTION
87,933
BY 2040
(NSW Department of Planning 2020)

POPULATION BY WARD — % OF THE LAND AREA

36%	West	73%
33%	Central	21%
31%	East	6%

MEDIAN AGE
45 YEARS ▸ **OLDER THAN NSW MEDIAN AGE OF**
38 YEARS

ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION
3297
Making up **4.74%** of our population

Our economy

27,346
PEOPLE WORK IN PORT STEPHENS
(ABS 2016)

6.65% UNEMPLOYMENT
(March 2021)

4900
BUSINESSES TRADING IN PORT STEPHENS
(as at June 2020)

$5.417 billion
GROSS REGIONAL PRODUCT
(Nominal GRP as at June 2020)

MAIN EMPLOYING INDUSTRIES

Public administration and safety	15%
Manufacturing	12%
Construction	11%

(ABS 2016)

Source: Remplan 26 August 2021.

You can read more about Port Stephens in our economic and community profiles:
portstephens.nsw.gov.au/your-council/port-stephens-profile

Our stakeholders

	Engagement	Why they are important	Our importance to them
Community	Website, social media, publications, community forums, community events, community funding, Council offices	Provide knowledge, cultural experiences, resources, engagement and feedback	Provide civic leadership, services, facilities, partnership and representation
Ratepayers	Rates notices, website, social media, publications, community forums	Provide knowledge, cultural experiences, resources, engagement and feedback	Generate sustainable growth, infrastructure and return to the community
Employees	Publications, weekly newsletters, General Manager communications, Toolbox talks, intranet, posters, email, staff events and training	Provide valuable knowledge, skills and labour essential to our operations	Provide employment, benefits training, career development opportunities, flexible working and supportive work arrangements
Business community	Our business development and advisory committees, economic development team, one-on-one meetings, focus groups, events, workshops, emails, website and social media	Build capacity and drive local economy	Provide guidance, support and opportunity
Community groups and volunteers	Advisory committees, workshops, focus groups, emails, meetings	Build trust with local communities through services, planning and contribution to developing strategies, plans and programs	Provide support and partnerships
Partners/ investors/Airport and Hunter Joint Organisation	Contract management, account management, relationships, networking, meetings and regular engagement through site visits	Provide shared knowledge, networks, cultural experiences and economies of scale, build and drive the economy in the community	Provide leadership, support, guidance, advocacy and resources in line with policy and legislation
Government	Formal meetings, correspondence, events, business forums, community forums, one-on-one meetings	Provide partnerships, funding, network, legislation and growth opportunities	Provide leadership, advocacy, resources, partnerships and networks
Visitors	Website, social media, Visitor Information Centre, visitor guide	Provide economic benefit, generate employment, local financial growth	Provide facilities, services, information and products
Media	Media releases, media briefings, social media, interviews	Build reputation, raise awareness of services, facilities and promotion	Enable partnerships and advocacy

General Manager's Internal Scholarship recipients

Harmony Week 2021

Lisa Lovegrove, Sophie Efkarpidis, Emily Riley, Amber Sullivan and Samantha Davie

Who are we?

Community's vision

A great lifestyle in a treasured environment.

Council's vision

Engaged and resilient people in strong healthy relationships, working collaboratively enhancing community wellbeing.

Council's purpose

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

Values

R

Respect — creating a unique, open and trusting environment in which each individual is valued and heard.

I

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

T

Teamwork — working together as one Council, supporting each other to achieve better results for everyone.

E

Excellence — improving the way we work to meet the challenges of the future.

S

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

Our year in review

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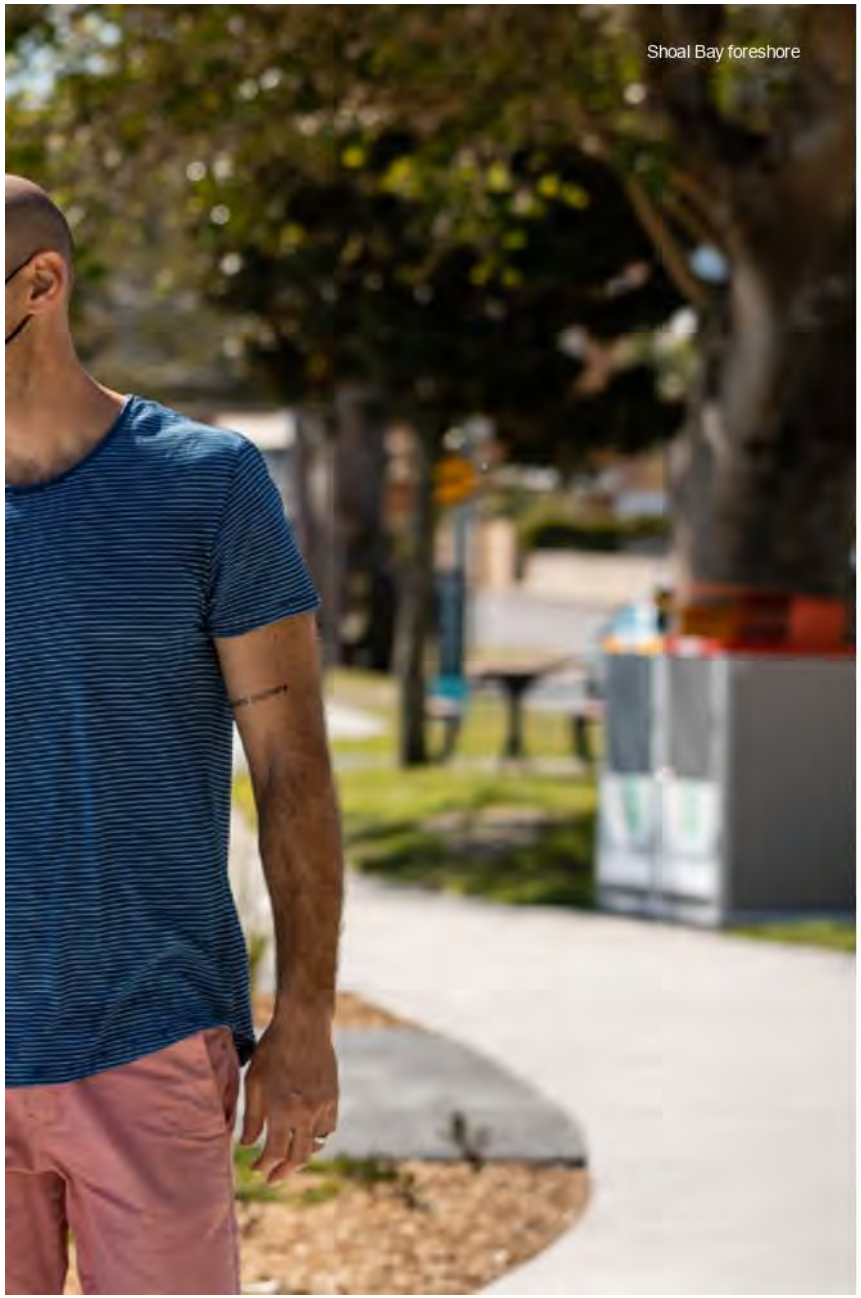

Shoal Bay foreshore

Port Stephens is known for its incredible beaches – the crystal clear waters, soft white sand and rolling waves. It's in these waters that we drew our inspiration for this year's report theme: riding the wave.

2020 to 2021 had some amazing crests like opening our new Koala Sanctuary, the return of visitors to our region and delivering major projects.

It has also brought some challenging troughs including a natural disaster and the ongoing impacts of a pandemic.

Every day has brought a new and unpredictable challenge, a bit like the oceans that surround Port Stephens.

It would have been easy to let these waves crash over us, allowing the turbulence of the whitewater to knock us around.

Instead, we picked up our metaphorical surfboard and rode the waves together with our community, maintaining a clear focus on our goal at the end of the barrel.

We know the waves will keep coming. But we'll continue to optimistically look ahead to calmer waters knowing that whatever happens, we'll ride the wave together.

We hope you'll enjoy reading about these crests and troughs – and everything in between – as we proudly present our Port Stephens Council Annual Report 2020 to 2021.

Our year in review

Our community highlights

75,227
CHILDCARE PLACES

provided to families throughout Port Stephens

OVER
10,000
SURVEYS COMPLETED

by our community, giving us valuable feedback

MORE THAN/OVER
$700,000

grants for community and business

28,131
LIBRARY MEMBERS

who we loaned 233,795 items

Our place highlights

$600,000
COLLECTED

from smart parking to reinvest in Nelson Bay and 23,000 Park Free Permits approved for locals.

964 DEVELOPMENT APPLICATIONS

determined with a median turnaround time of 26 days and a total capital investment value of $235 million

$26 m
OF CAPITAL EXPENDITURE

including accessible amenities, shared pathways, foreshore improvements and significant road upgrades for Clarencetown Road, Lemon Tree Passage Road, Masonite Road and Grahamstown Road.

3,700 PEOPLE PARTICIPATED

in our first Liveability Index

Our environment highlights

45,000
PEOPLE

saw our No Space for Weeds campaign – spreading our environmental message

71 OLYMPIC SWIMMING POOLS

of water and $69,880 saved thanks to water-saving improvements

5100 t
OF RECYCLING

and 2398 tonnes of green waste collected

7508
TREES PLANTED

with the help of volunteers

Our Council highlights

81%
EMPLOYEE ENGAGEMENT

in our survey of employees

$22 m
GRANT FUNDING

received from state and federal governments (excluding Newcastle Airport grants)

80
NEW CITIZENS

from 45 countries welcomed during citizenship ceremonies

1 m WEBSITE PAGE VIEWS

showing our community turn to us for clear and accurate information, especially in an emergency

Challenges

- An unprecedented amount of rain in March 2021 had widespread impacts on our community, our infrastructure and our bottom line. The natural disaster caused delays in our major projects, as we redirected crews and funds to repair infrastructure. We estimate the total repair bill will be $7 million and we're firmly focused on fixing our roads as quickly as possible.
- The COVID-19 pandemic continues to impact our community, our economy, our employees, our services and our Council's finances. We've felt its effects across almost every aspect of our operations including libraries, pools, childcare, tourism, waste and more. Our focus has been on continuing to support our community and businesses through this difficult time with funding, practical support and advice, social inclusion programs and creating vibrant spaces for people to reconnect. Our Council continued to cut back on non-essential projects and services to manage short-term cash flow.
- Our community satisfaction rating dropped to 68% this year, down from 80% last year. The annual survey was conducted in May 2021, just weeks after the natural disaster and amid the continuing impacts of COVID-19. We're using the feedback to improve our services to our community, with a particular focus on fixing our roads.
- We did not progress action on our Climate Change Adaptation Action Plan. We're changing the way we manage environmental strategies to ensure our community are part of the conversation from the start. From this, we will create a new strategy for Port Stephens with a focus on sustainability, the natural environment and climate change.
- PFAS contamination continues to impact the Williamtown community. We've extended the special rates sub-category to provide some relief to residents.

What's next?

- The fast-moving COVID-19 pandemic will continue to affect our region in the coming year and we'll likely feel its effects for many years to come. Our focus is on supporting our community, businesses and key stakeholders as we ride this wave together.
- Fixing our roads is a clear priority for our community and our Council. We're investing an additional $4 million to reseal and rehabilitate our roads in the coming year.
- We're committed to listening to our community more than ever. In the coming year, we're taking a place-based approach to planning. We're making sure it's easy for our community to understand and get involved in planning for the future of their place.

March 2021 flooding

Mayor's message

Reflecting on the past 12 months can only be described as riding a wave. The crests have been high, the troughs have been challenging and just when we thought we were through the worst of it, another set rolled in.

Restarting Port Stephens

I'm incredibly proud of the way our community recovered in the initial wake of the COVID-19 pandemic. The start of the financial year saw us reopening our doors, welcoming back visitors and optimistically looking to the future – even if that future included QR codes and masks.

In July, I announced $500,000 in community grants to help restart Port Stephens and support our community through the pandemic.

I was delighted to open the Port Stephens Koala Sanctuary alongside NSW Environment Minister Matt Kean and our dedicated Koala Hospital volunteers. It was amazing to see our vision for an innovative eco-tourism facility come to life.

We switched on smart parking in Nelson Bay in December after 2 years of community consultation. Park free permits for locals ensure that all revenue comes from outside our area and goes directly into making our places better.

As we rolled out our COVID Safe Summer campaign and moved into 2021 with new initiatives, the future seemed bright.

Natural disaster strikes

We've learned to expect the unexpected this year. In March 2021, Port Stephens experienced record rainfall and was declared a natural disaster area.

I want to thank the Council workers, emergency services and community for pulling together in the face of yet another emergency. Many worked day and night to ensure our roads, properties and people were safe.

With Foreshore Drive washed away, several landslips affecting traffic and businesses, and potholes right across Port Stephens – fixing our roads became our focus.

We've committed an extra $4 million to resealing and rehabilitating roads in the year ahead. I want to thank our community for their continued patience as we work to repair the damage.

Delivering for our community

Our lack of success with our application for a special rate variation in 2018 saw us draw on our resourcefulness to continue delivering for our community.

Thanks to grant funding and sound financial management, we've been able to deliver $26 million of capital projects in 2020 to 2021.

Completed projects include accessible amenities, playground and park upgrades, shared pathways, foreshore improvements and significant road upgrades to name a few.

There's plenty more to come. Works have started on the $3.2 million Tomaree Sports Complex multi-purpose amenities and planning is underway to deliver on our 20-year vision for Raymond Terrace.

Building the future together

Despite all the challenges, we continued planning for the future and committed to listening to our community more than ever. Thousands participated in our first Liveability Index, giving us invaluable data to plan better for our communities.

We also worked with our community to develop a Wellbeing Strategy that aims to create an inclusive and accessible place for all.

I was proud to be a part of the Medowie 7 Day Makeover in May alongside local Councillor Chris Doohan, Councillors, staff and community. It's a shining example of how our Council and community can come together to deliver great outcomes for our places.

Despite a new strain of COVID-19 now bringing more uncertainty, I am certain of one thing: our connection with our community is stronger than ever.

This Council is committed to riding the wave together and coming out the other side a stronger, better Port Stephens.

Ryan Palmer
Mayor of Port Stephens

Ryan Palmer

General manager's message

We began 2020 to 2021 with a fresh outlook – the ongoing effects of the COVID-19 pandemic were still washing over Port Stephens but calmer seas were in sight.

While neither our work nor our people stopped during the COVID-19 shutdown, many of our employees who had embraced working from home were returning to the office. Our teams were firmly focused on planning for the future and delivering for our community.

Emergency response

Just as we were hitting our stride in our recovery from COVID-19, Mother Nature had other ideas. An unprecedented amount of rain hit in March 2021, impacting our entire LGA and devastating many homes and businesses.

Just like our response to the pandemic, our priorities shifted quickly. We diverted

resources to remediating landslips and repairing severe damage to our roads – filling over 20,000 potholes from March to June alone.

I'm incredibly proud of our Council team who worked day and night during the emergency response to ensure the safety of our roads and our community.

Given the situation, it's not surprising that our Community Satisfaction score dropped to 68% this year – our 4-year average is 77%. Our main areas for improvement are roads and drainage, and we've made this our priority for the year ahead.

Thriving in the face of challenges

The resilience demonstrated by our employees never fails to inspire me. Despite managing both a pandemic and natural disaster, we continued our pursuit of excellence.

We received awards and recognitions for environmental management, community development, strategic planning, reporting and children's services.

Our employee engagement hit 81% – our highest-ever result and an amazing achievement in these challenging times.

We officially opened our Koala Sanctuary and welcomed 75,000 guests back to our holiday parks for a successful summer season – fulfilling our goal of supporting sustainable business development and tourism.

We kept our focus on delivering our $26 million capital works program and were successful in attracting over $22 million in grant funding to help us get there.

Our team determined development applications (DAs) within a net median turnaround time of 26 days, supporting our region's economic growth and the growth of our communities.

We reached the end of the year with a modest underlying financial surplus, despite earlier predictions of a deficit. This is a testament to the skills, attitude and aptitude of every employee of Council.

Focused on the future

With the deferral of the Local Government Election, this current term of Council continued progressing our community's priorities captured in the Community Strategic Plan (CSP).

Our growing focus on people and places saw significant projects come to fruition including the Raymond Terrace Public Domain Plan and the unforgettable Medowie 7 Day Makeover.

Investment in our people continues to be one of our top priorities. In the face of the pandemic, we saw an opportunity to create PSCare – a program that focuses on the wellness of the whole employee including mind, body and culture.

The end of 2020 to 2021 showed us that change is the only certainty. The fast-moving pandemic situation in NSW will no doubt bring more challenges into the coming year.

I want to take this opportunity to thank all our employees, senior management, our Mayor and Councillors for their support and contributions.

If the past 18 months have shown us anything, it's that Port Stephens Council is equipped to withstand significant challenges.

We are focused on delivering valued services for our community and supporting them now and into the future.

Wayne Wallis
General Manager of Port Stephens Council

Wayne Wallis

Scorecard

Our 7 key result measures underpin everything we do at Port Stephens Council.

You can read more about our performance at the end of each focus area on pages 66, 82, 94 and 106.

For more information, visit:
portstephens.nsw.gov.au/your-council/policies-forms-publications/integrated-plans

1. Service delivery

Target: > 95% Integrated Plans delivered on time

Achievement: 98% 83 of 85 actions on track

2. Community satisfaction

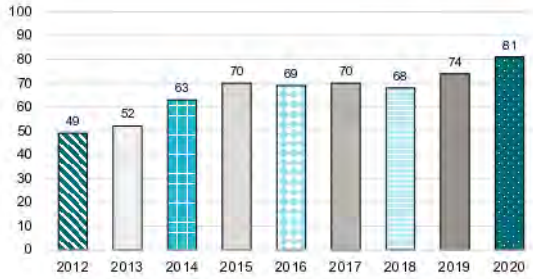
Target: > 80%

Achievement: 68% Read more about the result on page 98.

3. Employee engagement

Target: > 70% employee engagement

Achievement: 81%

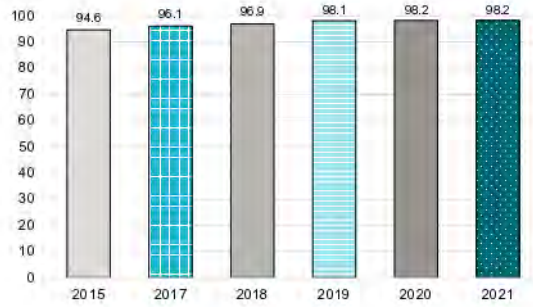


4. Governance

Target: > 95% Governance Health Check

Achievement: 98.24%

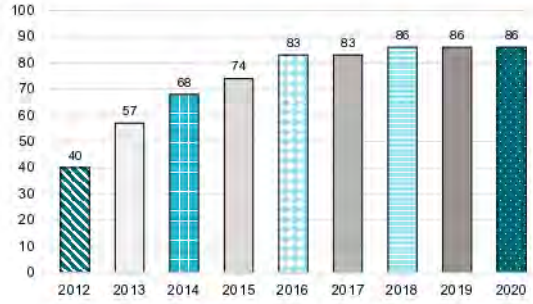
Survey was not conducted in 2016.



5. Risk management

Target: > 80% risk management maturity score

Achievement: 86%

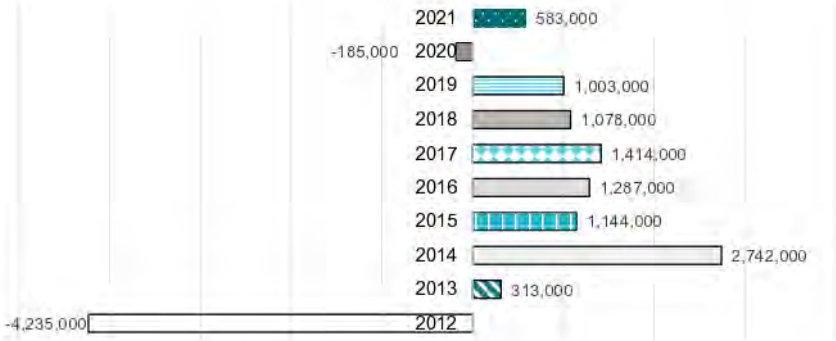


6. Financial sustainability

Target: underlying financial surplus

Achievement: $582,807 surplus

Read more about the result on page 100.

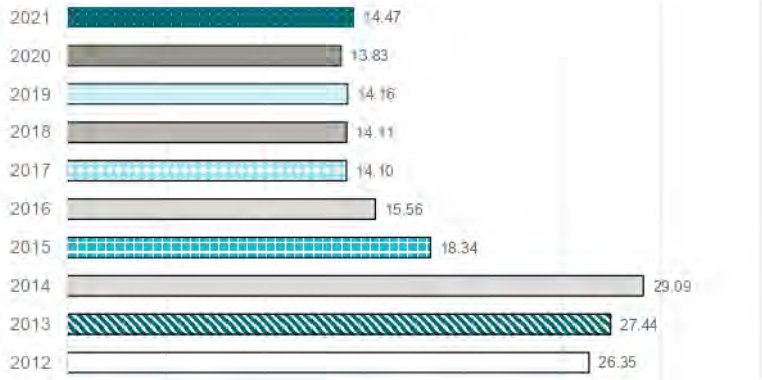


7. Infrastructure backlog

Target: Reduction in backlog

Achievement: $14.47 million

Read more about the result on page 78.



Where your rates go

Financial summary

Port Stephens Council, like many organisations around the world, has continued to feel the financial impacts of COVID-19. Through carefully managing cash flow and reprioritising spending, we managed to achieve a modest underlying surplus of $582,807. You can read more on page 100.

Financial overview 2020 to 2021

Including capital income, our operating result was a surplus of $32.8 million – higher than last year's surplus of $20 million.

When capital grants and contributions are excluded, our operating result is a surplus of $2.8 million. This is higher than the 2019 to 2020 deficit of $4.3 million.

The operating result excluding capital income was higher in 2020 to 2021 compared to last year due to an increase in total income from continuing operations. This was because of:

- an increase in rates and annual charges
- an increase in grants and contributions provided for operating purposes
- net gains from the disposal of assets.

Income statement $'000	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021
Total income from continuing operations	132,227	136,833	147,497	146,900	160,410
Total expenses from continuing operations	109,511	116,759	122,293	126,833	127,601
Operating result from continuing operations	22,716	20,074	25,204	20,067	32,809
Net operating result for the year before grants and contributions provided for capital purposes	8,407	4,949	3,892	-4,251	2,817

This balance sheet provides a snapshot of our financial position including assets, liabilities and net wealth (equity) at 30 June 2021. For detailed information on our financial performance, refer to volume 2 of this report.

Balance sheet $'000	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021
Total current assets	72,902	65,380	63,701	53,939	70,007
Total current liabilities	27,999	31,856	35,876	37,093	41,692
Total non-current assets	927,128	981,134	1,015,884	1,064,256	1,095,591
Total non-current liabilities	19,261	20,910	15,806	37,635	36,501
Total equity	952,770	993,748	1,027,903	1,043,467	1,087,405

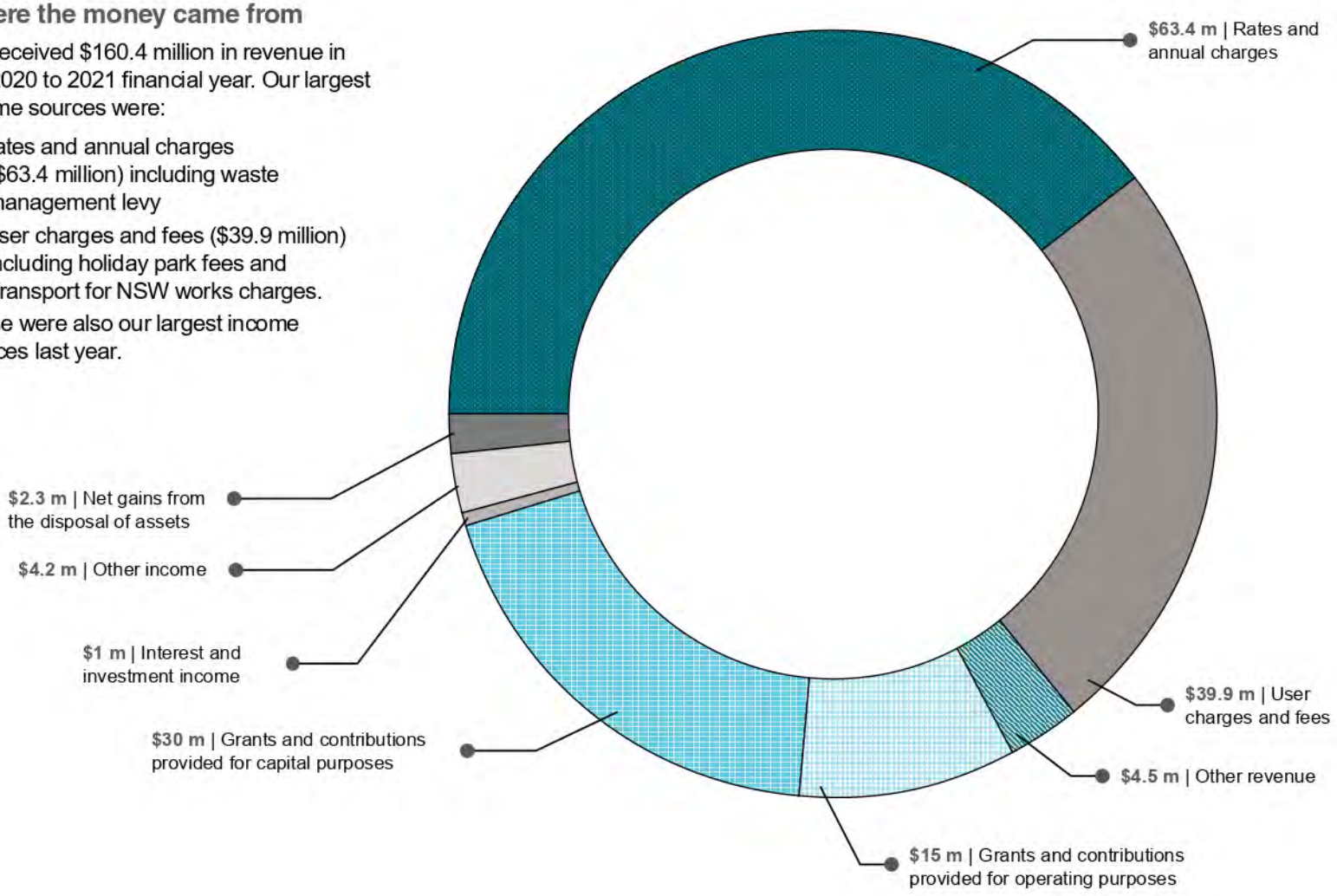
Our revenue

Where the money came from

We received $160.4 million in revenue in the 2020 to 2021 financial year. Our largest income sources were:

- rates and annual charges ($63.4 million) including waste management levy
- user charges and fees ($39.9 million) including holiday park fees and Transport for NSW works charges.

These were also our largest income sources last year.



Our expenses

How the money was spent

We spent $168.3 million during the year – $127.6 million on operations and $40.7 million on capital projects including:

- Roads, bridges, footpaths and car parks $16.6 million
- Drainage $4.5 million
- Buildings $1.7 million
- Newcastle Airport $5.8 million
- Other open space or recreational assets $1.4 million

The above figures include assets that have been dedicated to Council. The total value of assets dedicated to Council in 2020 to 2021 is $8.8 million.

Our assets

What we own

Our infrastructure, property, plant and equipment was valued at $1 billion and our investment property assets were valued at $42.3 million at 30 June 2021. The value of our infrastructure is:

- Plant and equipment $9.4 million
- Office equipment, furniture and fittings $1.5 million
- Land $127.5 million
- Land improvements $7.7 million
- Roads, bridges, footpaths and carparks $463.7 million
- Buildings $103.7 million
- Drainage $212.8 million
- Other infrastructure $46.2 million
- Other assets $2.1 million
- Newcastle Airport $42.2 million

Total equity

What we own, minus what we owe

Port Stephens Council community equity (defined as our net worth) was $1 billion at 30 June 2021.

Major events

Citizenship Ceremony

Mambo Wetlands working bee

Stand up for Poetry online open mic showcase

Live @ the Alley online

Koala Sanctuary grand opening

Liveability Index survey

Terrace Reflections launch

Small Business Month

Small Business Big Impact online expo

Coastal Management Program online engagement

Have your say - PS Live on Waste

Fingal Bay Twilight Markets launch

NAIDOC Week virtual celebrations

Bullarama

Nelson Bay Christmas Carnival

Australia Day pool parties

Port Stephens Annual Awards

Citizenship ceremony

Mayoral Academic Scholarship ceremony

Peter Wilson Memorial Touch Championships

WSL Port Stephens Pro QS1,000

2021 Garmin D'Albora Port Stephens Classic

International Women's Day Scholarship ceremony

Natural disaster hits Port Stephens

Mambo Walks

NSWCCC Touch Championships

Centenary of RAAF

Seniors Festival

Youth Week

Sail Port Stephens

Port Stephens Surf Festival

ANZAC Day

Endless Summer event series

Medowie 7 Day Makeover

Spartan Port Stephens

Medowie Social grand opening

National Volunteer Week

Port Stephens Triathlon

Step Back into King Street Heritage Festival

NSW Country Junior Rugby Union Championship 2021

Have your Say – Raymond Terrace

Whale Tales

NSW Veterans Golf Matchplay Championships

Community engagement session, Raymond Terrace

Having your say

We are committed to engaging our residents, stakeholders and staff in the development of policies, plans and the delivery of services for our community.

Our Community Engagement Strategy recognises that community information sharing, consultation and participation are vital for effective decision-making. You can read it at **portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/community-engagement-strategy**

There are many ways you can have your say on the governing of Port Stephens and the future of our place.

- Vote for Councillors every 4 years through the local government election for Port Stephens Council.
- Arrange to speak at a public access meeting.
- Write to or telephone elected members of the Council.
- Get social and connect with us on our social media channels, including Facebook, Twitter and Instagram.
- Make a submission on Council's Delivery Program including the one year Operational Plan when on exhibition yearly, or on our Community Strategic Plan every 4 years.
- Make submissions on major projects or notified consents that are consulted or advertised throughout the year.
- Participate in the annual Community Satisfaction Survey in May/June each year.

49
COMPLETED ENGAGEMENT PROJECTS

13
OPEN OR ONGOING PROJECTS

OUR MAJOR COMMUNITY ENGAGEMENTS WERE ON:

- Liveability Index
- Smart parking
- Raymond Terrace Public Domain Plan
- Dog off lead review at Anna Bay, Boat Harbour and Fishermans Bay

Awards and recognitions

At Port Stephens Council, we believe in doing the right things in the best way. We're proud of our culture of excellence and the recognition we have received this year for achieving the best outcomes for Port Stephens.

Awarding body	Award
Australasian Reporting Awards	Gold – 2019–2020 Annual Report
Australian Institute of Landscape Architects	Winner – Regional Achievement Award for Raymond Terrace Public Domain Plan
Hunter Business Awards	Finalist – Start Up Superstar for Port Stephens Koala Sanctuary. Award to be announced November 2021
Hunter Business Awards	Finalist – Outstanding Employer of Choice for PSCare employee wellness program Award to be announced November 2021
LGNSW Excellence in the Environment Awards	Winner – Roadside Environmental Management Award
LGNSW Planning Award	Finalist – Culture Change Innovation/Excellence for revamping rezoning Award to be announced November 2021
National Federation Awards	Finalist – Community Service Delivery for Thrive Kids expansion and rebrand
NSW Local Government Excellence Awards	Finalist – Community Partnership Awards for Live @ the Alley
NSW Local Government Excellence Awards	Finalist – Special Project for revamping rezoning
Planning Institute of Australia	Finalist – 2021 Dr Helen Proudfoot Women in Planning Award

Every year, we recognise the contribution of community members as part of the Port Stephens Annual Awards. You can read about these on page 62.

Our leadership

SECTION 3

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Equity, diversity and inclusion
Work Health and Safety
45 | Our volunteers

Our elected council

Port Stephens Council has a popularly elected Mayor and 9 Councillors representing 3 wards – East, Central and West.

The community normally elects its Council for a 4 year term. The current Council term was originally 3 years because the NSW Government's council amalgamation process delayed elections in 2017.

The election was due to be held in September 2020 but has again been postponed until December 2021 due to COVID-19.

Learn more about our elected council at: **portstephens.nsw.gov.au/your-council/about-council/mayor-and-councillors**

Mayor Ryan Palmer

A lifetime resident of Port Stephens, Ryan Palmer was elected Mayor in 2017. He is passionate about Port Stephens and has brought a new level of transparency and consultation to the Council.

Since being elected, Ryan is proud of delivering the Council's largest-ever capital works program and creating space for all generations to live an active lifestyle.

Ryan was previously President of the Tomaree Business Chamber, Manager of Greater Bank Nelson Bay and Salamander Bay, and a tennis professional.

Ryan and his wife Jessica are raising another generation of Port Stephens locals – their 2 young children, Bella and Knox.

PO Box 42
Raymond Terrace NSW 2324
0402 749 467
mayor@portstephens.nsw.gov.au

Central Ward Councillors

Councillor Chris Doohan — Deputy Mayor

Chris has been a resident of Medowie for nearly 2 decades and is proud to represent his community. He was elected as a Councillor in 2012 and has served as Deputy Mayor from 2015 to 2018 and 2019 to 2020.

Chris is passionate about Port Stephens and participates in many local committees, councils, associations and groups.

Chris works in the aerospace industry after 11 years of serving in the RAAF.

Chris is a proud father of 2 and has a keen interest in improving infrastructure and providing employment opportunities in beautiful Port Stephens.

60 Sunningdale Circuit
Medowie NSW 2318
0434 601 957 or 0418 744 445
chris.doohan@portstephens.nsw.gov.au

Councillor Sarah Smith

Having grown up in Mudgee, Sarah moved to Port Stephens in 2010 and currently resides in the Central Ward suburb of Anna Bay. With a strong career in hospitality behind her, Sarah and her husband opened Crest at Birubi Beach.

It's a love for interacting with the Port Stephens community, particularly local youth, that led Sarah to stand for Council in 2017. She served as Deputy Mayor from 2019 to 2020.

As a first time Councillor, Sarah brings strong relationship building skills and a proven track record to the role.

PO Box 81
Anna Bay NSW 2316
0421 317 173
sarah.smith@portstephens.nsw.gov.au

Councillor Steve Tucker

Steve was elected to Council for the first time in 2004 and has been a member of Council ever since.

He has served as Deputy Mayor on 3 occasions in 2006, 2014 and 2015.

Steve is a proud resident of Tanilba Bay and is married with 3 children.

A retired engineer, Steve is most interested in building community and sporting infrastructure to support local communities.

8 Tanilba Avenue
Tanilba Bay NSW 2319
0437 045 940 or 02 4984 5274
steve.tucker@portstephens.nsw.gov.au

East Ward Councillors

Councillor Jaimie Abbott

Jaimie brings extensive experience from the commercial, government and not-for-profit sectors.

A former journalist, Jaimie runs a PR consultancy and is a Senior Communications Advisor for the Department of Planning, Industry and Environment. Jaimie is a Wing Commander in the RAAF reserves and spent 6 months in Afghanistan. She has held several board positions and is currently on the Worimi Conservation Lands Board.

A proud mum of 2 young boys, Jaimie was elected to Council in 2017 and has a Bachelor of Communication, a Master of Strategic People Management and a Master of Business Administration (MBA).

PO Box 584
Salamander Bay NSW 2317
0403 176 298
jaimie.abbott@portstephens.nsw.gov.au

Councillor Glen Dunkley

A lifetime Port Stephens resident, Glen began his first term on Council in 2017 as a representative of the East Ward. He works as a Global Director of Health and Safety and holds a degree in Occupational Health and Safety.

A life member of the Fingal Bay Surf Life Saving Club and President from 2007 to 2011, Glen has picked up several National Awards for his outstanding service, which stretches back to 1992.

Glen is bringing up 2 young children in Port Stephens with his wife, Kate.

PO Box 42
Raymond Terrace NSW 2324
0438 550 356
glen.dunkley@portstephens.nsw.gov.au

Councillor John Nell

John is a retired marine biologist, having worked for the Department of Fisheries for 30 years after obtaining his PhD in Agriculture. He and his wife Adriana have lived on the Tomaree Peninsula since 1979, where they raised their family.

John was first elected to Port Stephens Council from 1983 to 1987. He has spent a total of 33 years as a Port Stephens Councillor including 2 as Mayor.

John is passionate about the Port Stephens environment and is a long-standing member of many committees including the Marine Park Committee, Estuary Management Committee and Tomaree Sports Council.

95 Sergeant Baker Drive
Corlette NSW 2315
02 4981 3310 or 0419 375 059
john.nell@portstephens.nsw.gov.au

West Ward Councillors

Councillor Giacomo Arnott

Giacomo has lived and worked in Raymond Terrace his whole life. He is a Law and Business graduate and holds a Diploma of Legal Practice.

Giacomo is a professional firefighter with Raymond Terrace Fire and Rescue and volunteers with many local groups and community-based initiatives.

Elected in 2017, Giacomo has spent his time on Council delivering for the ratepayers of Port Stephens, standing up for what's right and improving communications. He is continuing to try and improve transparency while delivering valued services and infrastructure to the local community.

PO Box 144
Raymond Terrace NSW 2324
0468 391 459
giacomo.arnott@portstephens.nsw.gov.au

Councillor Ken Jordan

Born and raised in the rural west of Port Stephens, Ken grew up on the family farm.

He started his working life at the BHP in Newcastle and undertook a Bachelor of Education in Design Technology from the University of Newcastle. He is now a head teacher of technology and applied science at St Peter's Catholic High School Maitland.

Ken was first elected to Council in 2004 and in 2017 was re-elected for his third consecutive term. He has served as Deputy Mayor from 2011 to 2012 and is an active community group member. Ken is passionate about creating greater job opportunities for local young people.

PO Box 42
Raymond Terrace NSW 2324
0422 781 180
ken.jordan@portstephens.nsw.gov.au

Councillor Paul Le Mottee

Paul has enjoyed a lifelong association with Port Stephens in his business and civic life, having been elected to Council in 2012 and elected Deputy Mayor in September 2020.

Paul lives on a farm at Butterwick with his daughter. He runs a successful surveying, civil engineering and town planning business in Raymond Terrace.

Paul has been actively involved in many community organisations, sporting clubs and consultative committees. He is also President of the Housing Industry of Australia, Chairperson of Hunter Water Corps CCAG and a Director of the Association of Australian Certifiers and Newcastle Airport.

4 Green Wattle Creek Road
Butterwick NSW 2321
0414 548 525
paul.lemottee@portstephens.nsw.gov.au

Councillor attendance 1 July 2020 to 30 June 2021

Port Stephens Council is required to meet at least 10 times a year. These meetings are known as Ordinary Meetings and are presided over by the Mayor or in their absence, the Deputy Mayor.

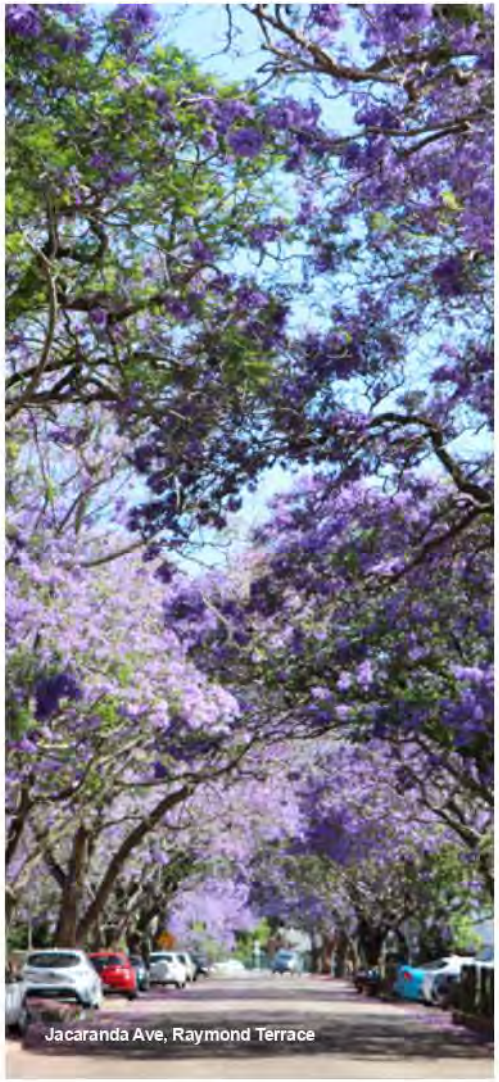
Our Council meetings are held on the second and fourth Tuesday of the month at the Council Chambers in Raymond Terrace. Meetings are live-streamed online and the public is welcome to attend.

2 Way conversations are informal meetings held between the Mayor, Councillors and staff with specific subjects that the Mayor or Councillors wish to discuss. They form part of an elected members' ongoing professional development.

Port Stephens also has 35 community committees and a further 35 groups in which Councillors represent Council. These can be viewed on page 133.

Find out more about Council meetings including meeting dates, agendas and minutes: **portstephens.nsw.gov.au/your-council/about-council/council-meetings-and-minutes**

	Ordinary meeting	Extra ordinary meeting	All meetings combined	2 Way conversations
Number of meetings	**21**	**0**	**21**	**84**
Mayor Palmer	19	0	19	79
Councillor Abbott	14	0	14	39
Councillor Arnott	21	0	21	57
Councillor Doohan	16	0	16	75
Councillor Dunkley	17	0	17	64
Councillor Jordan	14	0	14	32
Councillor Le Mottee	19	0	19	68
Councillor Nell	20	0	20	67
Councillor Smith	19	0	19	68
Councillor Tucker	18	0	18	67


Jacaranda Ave, Raymond Terrace

Community Hall, Seaham

Councillor induction and professional development

Our Councillor Induction and Professional Development Policy requires an annual report on all councillor induction programs, ongoing professional development and training sessions.

The following professional development opportunities were provided to all elected members. The table shows those who participated.

There was no councillor induction program during this period.

The total cost of professional development including accommodation and training for this period is $39,083 (ex GST). Travel costs for the Mayor are included in the provision of a Mayoral vehicle.

Professional development	Attendees
AICD Company Directors membership	Mayor Palmer, Cr Nell, Cr Abbott, Cr Tucker, Cr Dunkley, Cr Smith
AICD Company Directors Course	Cr Smith, Cr Tucker
AICD Governance Summit	Mayor Palmer, Cr Dunkley
ALGA National General Assembly	Mayor Palmer, Cr Dunkley
Councillors Strategic Workshop	Mayor Palmer, Cr Abbott, Cr Arnott, Cr Doohan, Cr Dunkley, Cr Jordan, Cr Nell, Cr Smith
LGNSW Annual Conference	Mayor Palmer, Cr Arnott, Cr Doohan, Cr Le Mottee
LGNSW Destination and Visitor Economy Conference	Mayor Palmer, Cr Nell, Cr Dunkley, Cr Le Mottee, Cr Smith
Meditation Course	Mayor Palmer, Cr Glen Dunkley
NSW Coastal Forum	Cr Nell
20th International Conference on Shellfish Restoration	Cr Nell

Our governance

Port Stephens Council is a body politic under the Local Government Act 1993. The elected Council must abide by this Act and the associated State and Federal legislation.

Our governance framework is based on the Australian Public Service Commission's principles of public sector governance – accountability, transparency, integrity, stewardship, efficiency and leadership.

Code of Conduct

The overarching element of governance in council is the Code of Conduct. Training in the Code of Conduct is compulsory for all staff and Councillors.

The code sets high standards for ethical behaviour and decision-making. It states Councillors' roles and responsibilities and outlines the process for making and investigating allegations of breaches.

During 2020 to 2021, there were 4 Code of Conduct complaints about Councillors and the General Manager. All 4 complaints were finalised at the outset by alternative means by the General Manager or Mayor.

Privacy and personal information

The Privacy Management Plan was reviewed and adopted by Council on 25 August 2020. There have been no internal reviews under the Privacy and Personal Information Protection Act 1998 conducted by our Council this year. There were no other contraventions of any information protection principles, nor of privacy codes of practice or disclosure of personal information kept in a public register.

Audit Committee

Our Audit Committee aims to enhance the corporate governance of our Council. It provides independent oversight, review and advice on our governance, risk, control and compliance framework.

The Audit Committee comprises 2 Councillors and 3 independent external representatives:

- Ben Niland
- Frank Cordingley
- Shaun Mahony
- Councillor Glen Dunkley
- Councillor Chris Doohan
- Councillor Ken Jordan

The 2020 to 2021 Internal Audit program included 8 audits into:

- corporate purchasing cards
- payment of expenses to Mayor and Councillors and provision of facilities policy
- business continuity
- chain of responsibility
- data management
- customer request management
- National Heavy Vehicle Accreditation Scheme
- RMS Drives compliance report.

14 ACTIONS IDENTIFIED

6 (43%) ACTIONS COMPLETED

8 (57%) ACTIONS DUE TO BE COMPLETED POST JUNE 2021

Several actions for 2020 to 2021 were tabled at the Audit Committee meeting in July 2021.

Find out more about our audit committee: **portstephens.nsw.gov.au/your-council/about-council/our-organisation/audit-committee**

NAIDOC Week, Raymond Terrace

Our leadership team

Port Stephens Council is led by General Manager Wayne Wallis, who is supported by 3 group managers.

Learn more about our Executive Team at: **portstephens.nsw.gov.au/your-council/about-council/our-organisation/executive-management**

General Manager Wayne Wallis

Appointed 2014

Wayne joined Port Stephens Council as Group Manager Corporate Services in January 2009. He has over 40 years experience in executive roles across local governments in NSW, Queensland and Victoria.

Wayne holds a Bachelor of Business (Local Government), a Municipal Clerk qualification and is a graduate of the Australian Institute of Company Directors.

Wayne's leadership has given the organisation a clear direction – to be known for its excellence in service delivery and strong customer and community focus.

Facilities and Services Group Manager
Greg Kable

Appointed 2016

Greg joined Port Stephens Council in 2011 and soon became Section Manager Capital Works in 2013.

With over 30 years experience in local government and 20 years managing large operational workforces, Greg enjoys leading and motivating multi-disciplinary teams to deliver building, engineering and maintenance programs.

He holds postgraduate qualifications in Commerce, Engineering and Management.

Greg is passionate about the delivery of quality infrastructure and customer service to the people of Port Stephens.

Corporate Services Group Manager
Tim Crosdale

Appointed 2020

Tim has extensive experience at senior and executive level management across private consulting and local government. He has a successful track record in business leadership, professional services provision, business and staff management with a passion for leading teams and delivering strong results.

Tim holds a Master of Business Administration with Distinction, a Bachelor of Natural Resources (Hons 1) and a Bachelor of Urban and Regional Planning. He is also a graduate of the Australian Institute of Company Directors.

Tim is focused on working collaboratively with stakeholders to ensure the delivery of valued services to the Port Stephens community.

Development Services Group Manager
Steven Peart

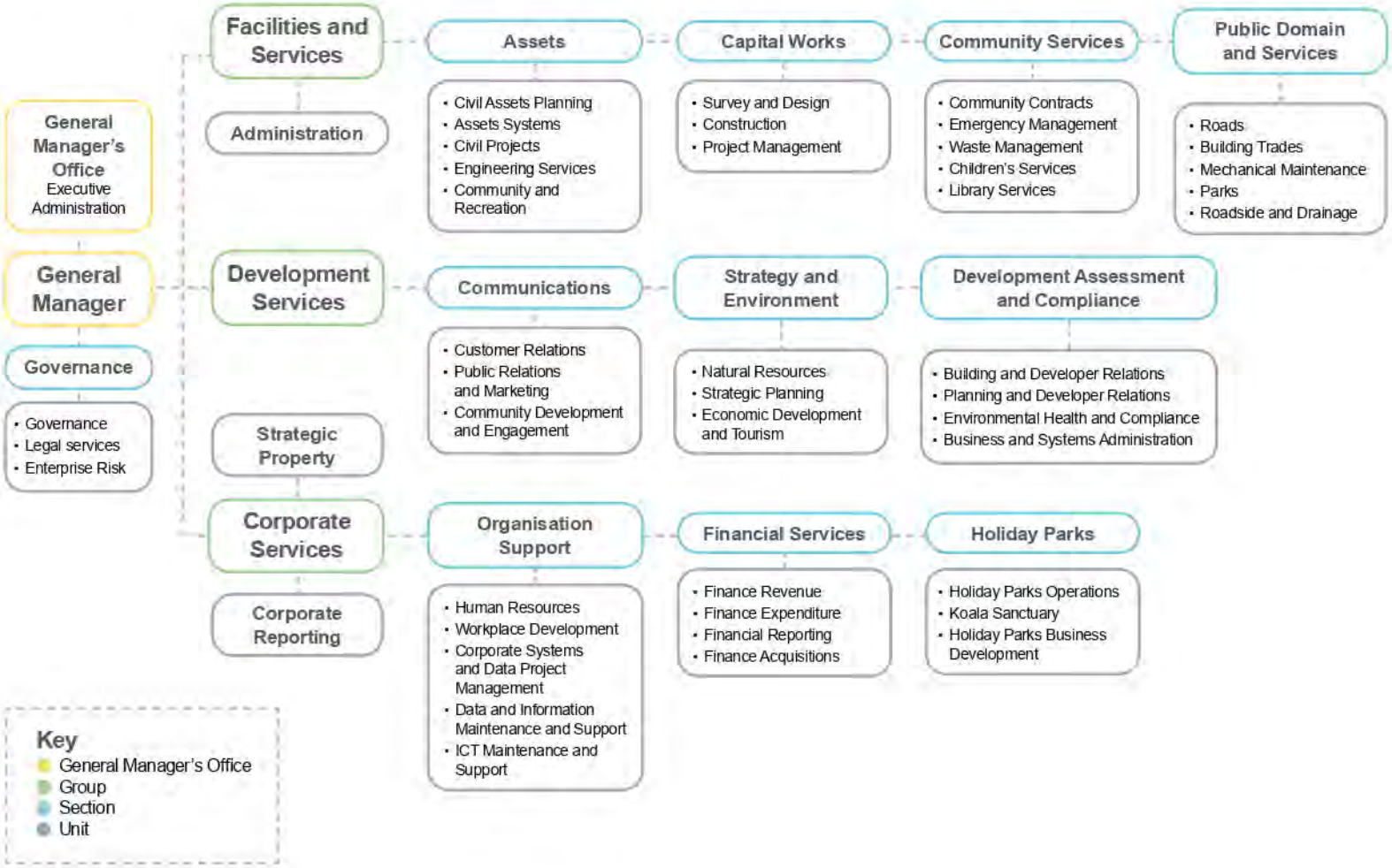
Appointed 2020

Steven joined Port Stephens Council as Strategy and Environment Section Manager in 2018. He was appointed Acting Development Services Group Manager in 2020 and was the successful candidate after a competitive recruitment process in May 2021.

Over the past 13 years Steven has held senior leadership positions in local government, environmental and engineering consulting firms, and major mining companies. He holds a Bachelor of Environmental Science (Management) from the University of Newcastle.

Steven is focused on building a team culture of innovation and excellence to create the best outcomes for our customers while respecting our broader community and the environment.

Our organisational structure



Our employees

We're committed to ensuring our workforce has the skills and experience to deliver valued services to our community.

Our Workforce Plan outlines how we'll achieve our community's vision while our Enterprise Agreement 2021 sets out our commitment to being an employer of choice. You can read more about it on page 96.

It's important that our Council's workforce reflects the community we serve. As at 30 June 2021, we employed:

3 GROUP MANAGERS OF WHICH ALL ARE MALE

11 SECTION MANAGERS OF WHICH 4 ARE FEMALE

547 EQUIVALENT FULL-TIME POSITIONS IN OUR STRUCTURE (587 EMPLOYEES)

50% ARE FEMALE

50% ARE MALE

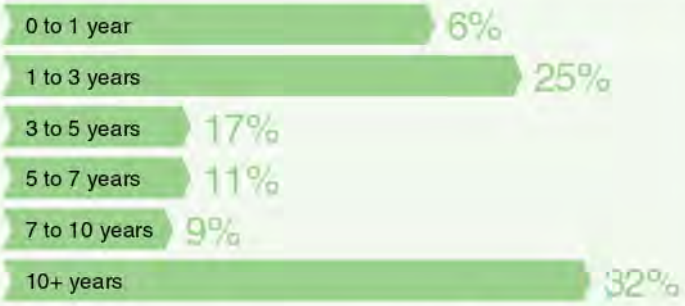
Almost three quarters of our workforce are employed on a full-time basis.

73% FULL-TIME

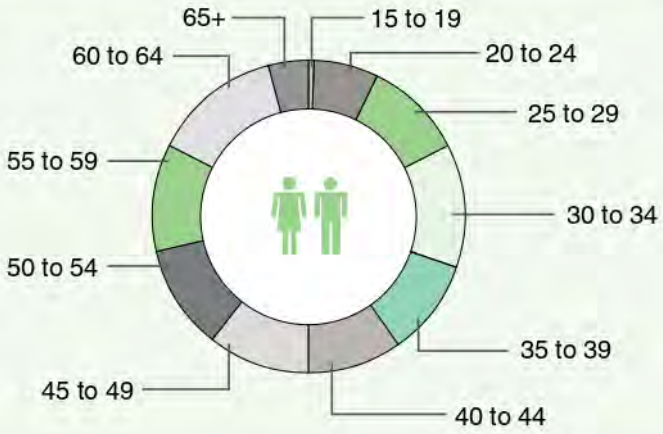
18% PART-TIME

9% CASUAL

Half of our employees have been with Port Stephens Council for 5 or more years.



Our workforce is made up of people of all ages — from 15 to over 65. We have worked hard to attract younger employees over recent years.



Equity, diversity and inclusion

We're committed to creating a workplace that values diversity and is fair, equitable and inclusive for all employees.

Our Equity, Diversity and Inclusion (EDI) Committee highlights for 2020 to 2021:

- Corporate Services Group Manager Tim Crosdale was appointed to the EDI Committee to champion initiatives across our Council.
- We recruited and trained 4 new EDI contact officers, bringing the total number to 13. We now have representatives covering most teams and locations.
- We promoted Harmony Week to employees in celebration of inclusiveness, respect and belonging for everyone. This included composing a song and holding a photo competition, with over 30 teams participating.
- We celebrated NAIDOC Week virtually with employees and our community, recognising the valuable contribution of Aboriginal and Torres Strait Islander people. You can read more on page 56.
- We implemented a new Prevention of Bullying and Harassment Management Directive. Our Workplace Development Team led face-to-face training on the prevention of bullying and harassment and assertive communication skills to teams across Council. About 85% of our employees had been trained by 30 June 2021.

Work health and safety

We are committed to providing a safety-focused workplace that ensures the wellbeing of our employees, their families and our community.

Safety observations

Our safety observation program aims to proactively prevent injuries by positively reinforcing safe behaviour and providing constructive feedback. All managers must conduct 2 safety observations per month. This year, we conducted:

1600 SAFETY OBSERVATIONS THAT IDENTIFIED

183 ACTIONS TO ENHANCE WORKER SAFETY.

Employee consultation

Our Health and Safety Committee and 16 Health and Safety Representatives have an important role in consulting with employees on health and safety matters. The committee consists of 13 employees – half appointed by management and the remainder appointed by employees.

Workers compensation

Our workers compensation premiums increased this financial year due to the severity of claims last financial year. We are focused on prevention through our safety observation program, as well as the introduction of our PSCare employee wellness program (read more on page 96).

Our injury profile

In 2020 to 2021, we recorded a total of 198 incidents. The main types of injury were sprains and strains (92%), followed by contusion or crush (8%). Lost time injury hours have decreased this year due to a reduction in psychological claims and claims that require time off post-surgery.

Our volunteers

Our 591 volunteers give their time and energy to make Port Stephens a better place. Without them, many of our services and programs couldn't exist. They contribute to:

- keeping our parks, reserves and cemeteries pristine
- improving our natural bushland areas
- participating in our advisory councils and cultural committees
- running our community centres, halls, libraries and Visitor Information Centre.

How COVID-19 affected our volunteers

Our volunteers have continued to do their best to undertake their regular activities despite COVID-19 however we have seen a decline in volunteer numbers. This could also be attributed to a reduction in the number of committees and some of our older volunteers retiring.

We have put COVID Safe plans in place for all halls and park groups so they can continue volunteering when it's safe to do so. We also regularly encourage new volunteers to join us at **portstephens.nsw.gov.au/volunteers**

Supporting our volunteers

We know that giving back is just as beneficial for our volunteers as it is for our community. Volunteering gives people a sense of purpose, an opportunity to socialise and the chance to contribute to our community. Our volunteers also have access to a comprehensive learning and development program to improve their skills and knowledge.

The absence of a Volunteer Coordinator for part of this year meant we had to reduce some of the support we provide. We have since recruited a project officer to make sure our volunteers feel supported and to find opportunities for improvement.

Thanking our volunteers

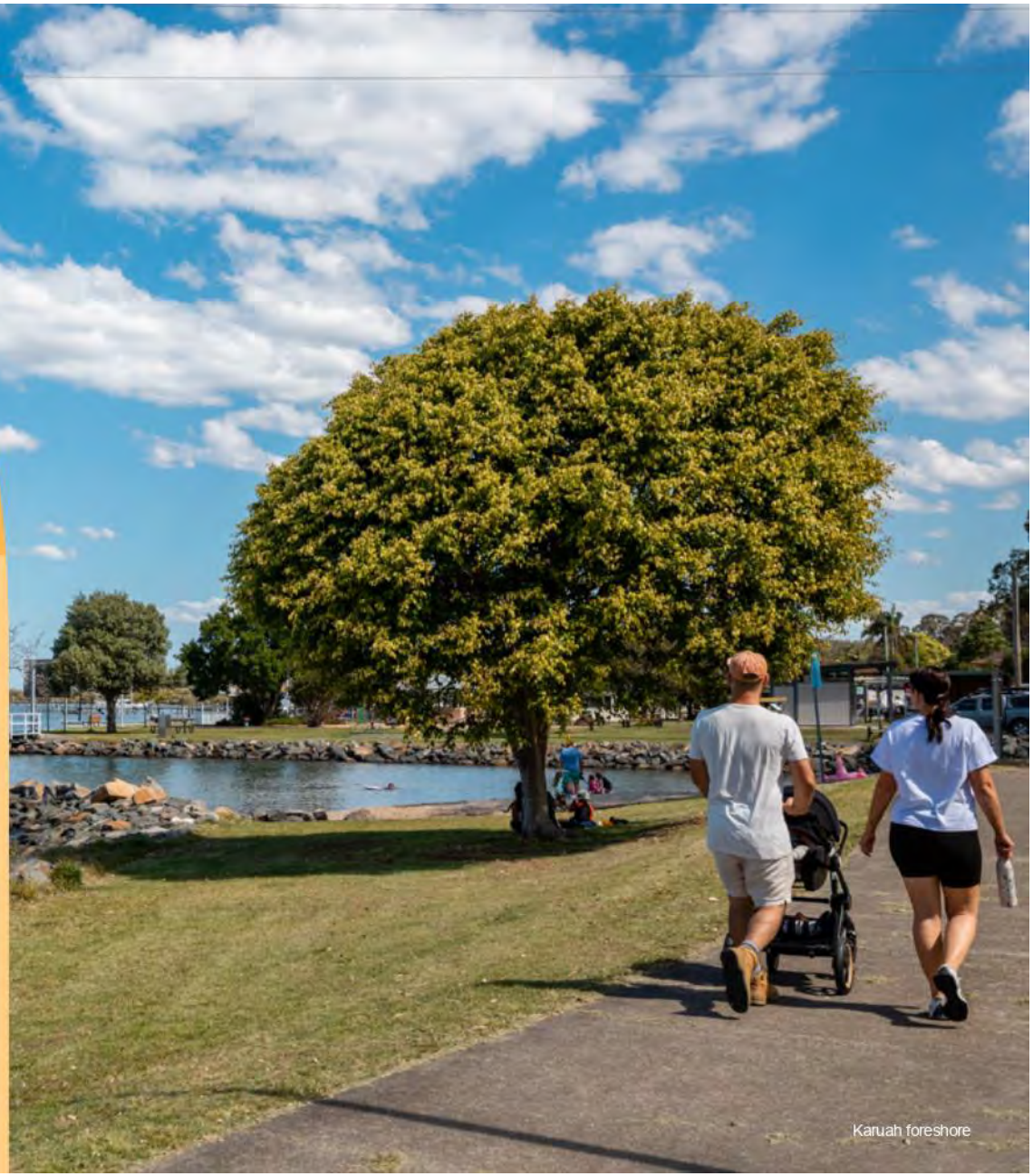
We took the opportunity during National Volunteer Week to recognise and acknowledge the key role volunteers play in our community through the media, social media and videos. Some of our volunteers have dedicated their time to volunteering for over 25 years – an incredible achievement!

We also thank our volunteers regularly through cards, letters and certificates, media promotion and an annual awards event, in line with our Volunteer Recognition Policy.

Our performance

SECTION 4

47 | Our planning process
48 | Our focus areas
50 | Our community
69 | Our place
86 | Our environment
96 | Our Council


Karuah foreshore

Our planning process

We use the Integrated Planning and Reporting (IP&R) Framework. It comprises:

- **Community Strategic Plan** — our community's long-term vision.
- **Council's Delivery Program** — our Council's objectives for the elected term to help achieve the community's vision.
- **Operational Plan** — yearly actions to implement the Delivery Program.

Read more about our integrated planning process: **portstephens.nsw.gov.au/your-council/policies-forms-publications/integrated-plans**

Overview: our focus areas

The Port Stephens Council Community Strategic Plan 2018 to 2028 outlines our 4 main focus areas. Each goal is a key direction in our Delivery Program 2018 to 2021.

Robinson Reserve, Anna Bay

Our community

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

Goal 1: Community diversity
Our community accesses a range of services that support diverse community needs.

Goal 2: Recognised traditions and lifestyles
Our community supports the richness of its heritage and culture.

Goal 3: Community partnerships
Our Council works with community to foster creative and active communities.

Shopping in Nelson Bay

Our place

Port Stephens is a liveable place supporting local economic growth.

Goal 1: Strong economy, vibrant local businesses, active investment
Our community has an adaptable, sustainable and diverse economy.

Goal 2: Infrastructure and facilities
Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

Goal 3: Thriving and safe place to live
Our community supports a healthy, happy and safe place.

One Mile Beach, Destination NSW

Our environment

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

Goal 1: Ecosystem function
Our community has healthy and dynamic environmental systems that support biodiversity conservation.

Goal 2: Environmental sustainability
Our community uses resources sustainably, efficiently and equitably.

Goal 3: Environmental resilience
Our community is resilient to environmental risks, natural hazards and climate change.

Administration Building, Raymond Terrace

Our Council

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

Goal 1: Governance
Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety (RITES).

Goal 2: Financial management
Our Council is financially sustainable to meet community needs.

Goal 3: Communication and engagement
Our community understands Council's services and can influence outcomes that affect them.

Performance key

We've used subheadings to show you:

- **highlights**
- **challenges and**
- **what's next?**

Look for KP to identify our key priorities for the Delivery Program period of 2018 to 2021.

At the end of a focus area, we rate our performance on each operational plan action as we work to implement our delivery program.

Visit **portstephens.nsw.gov.au** to read these documents.

Our community

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

Goal 1: Community diversity

Our community accesses a range of services that support diverse community needs.

Helping kids thrive throughout COVID

With all of the disruptions to daily life caused by COVID-19, one thing didn't stop – our childcare services. It's a way we've been able to practically help families ride the wave of the pandemic so parents can continue to work.

Our award-winning Thrive Kids provides high-quality childcare services for children aged up to 12 including family day care, OOSH (out of school hours and vacation care) and a mobile preschool.

Unfortunately, the Australian Government's changes to the childcare subsidy during COVID-19 had an adverse impact on family day care educators' income. As a result, we lost 20 educators who provided valuable childcare places in our community.

Despite this challenge, we're proud to have achieved a 93% community satisfaction score for our services.

We've renewed our focus on recruitment and retention of quality educators in the coming year to increase the available family day care places in Port Stephens.

Family day care educators

2019 to 2020		2020 to 2021
62	↓ 32%	42

Outside school hours care places

2019 to 2020		2020 to 2021
70,926	↑ 6%	75,227

Mobile preschool children

2019 to 2020		2020 to 2021
1,251	↓ 3%	1,210

Total childcare places

2019 to 2020		2020 to 2021
80,020	↑ 4%	83,550

Thrive Kids OOSH

We offered 83,550 childcare places this year through our OOSH, family day care and mobile preschool services.

Live @ the Alley

Whether it's chatting online, seeing friends or getting access to the help they need – keeping connected has been a key focus for our local young people.

After Youth Week celebrations were postponed in April 2020, our Youth Advisory Panel wanted to connect with young people during the lockdown.

Enter Live @ The Alley – an online event showcasing local young people playing music, showing their skills and conducting interviews on issues that matter to them.

It was live-streamed from a Nelson Bay café on 4 August 2020 to hundreds of young people and has since been viewed more than 2,000 times.

We're proud to say we were finalists for Live @ the Alley in the Connected Communities and Regions category at the 2021 NSW Local Government Excellence Awards.

You can watch the event on our Facebook page: **facebook.com/PortStephensCouncil**

Planning for our young people

We've developed a new Youth Strategy in collaboration with local young people to plan for youth-friendly services, infrastructure and programs in Port Stephens.

The strategy is also a commitment from our Council to work together with our partners to deliver on the priorities of our young people.

More than 450 people were involved in the consultation process in 2019. From this, we identified that our young people want to be:

- heard and involved
- connected and feel like they belong
- ready and have pathways to success
- healthy and happy.

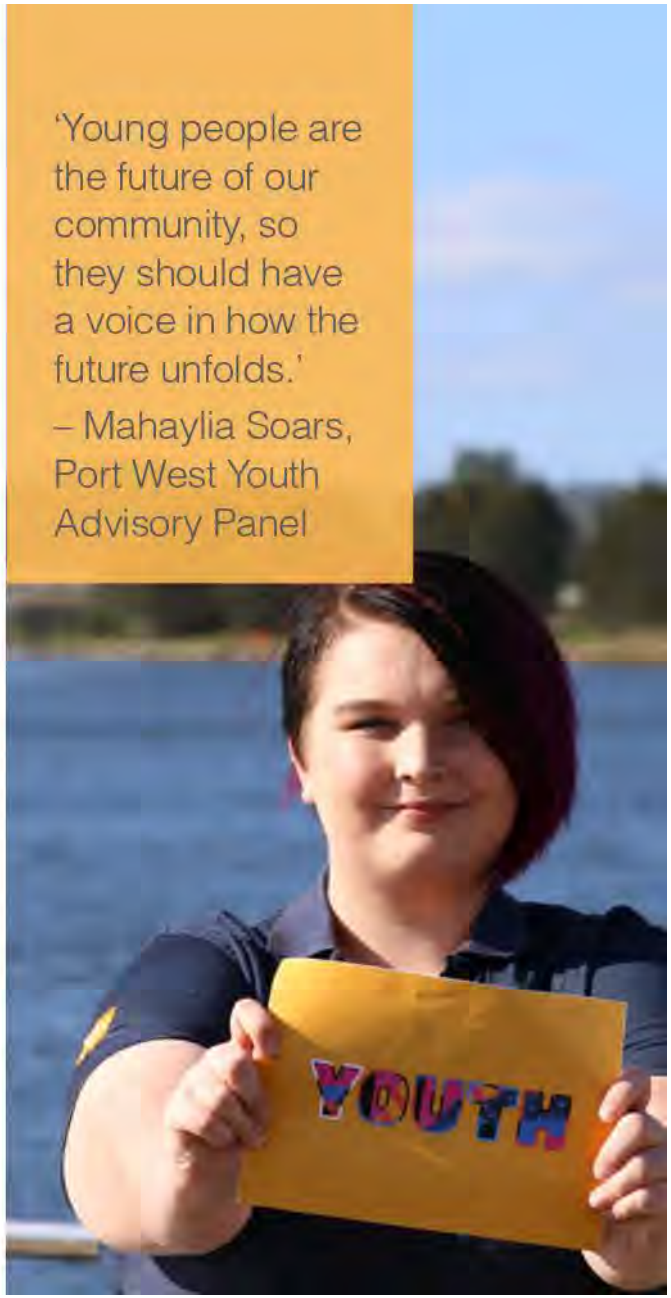
We've made these the key themes of our Youth Strategy and developed actions to help achieve these priorities.

We're already making headway with these actions, including developing a podcast on wellbeing with information for at-risk young people.

View the strategy at **portstephens.nsw.gov.au/youth**

'Young people are the future of our community, so they should have a voice in how the future unfolds.'

– Mahaylia Soars, Port West Youth Advisory Panel



Investing in our future leaders

There's no better example of local businesses supporting our future generations than our Mayoral Academic Scholarships.

We have partnered with businesses to provide multiple $2,000 scholarships to local students as they begin their tertiary studies for over a decade.

'It's fantastic to see so many business leaders supporting our students in their educational and professional development goals, even during a global pandemic,' said Mayor Ryan Palmer.

'This year, our applicants were so deserving that Port Stephens Council decided to fund 3 additional scholarships to help students with their studies.'

This brought the total scholarship pool to a record-breaking $40,000, which we awarded to 20 talented students.

View the list of recipients at **portstephens.nsw.gov.au/live/community/grants-and-funding/mayoral-academic-scholarships**

2021 Mayoral Academic Scholarship ceremony

Creating a more inclusive place KP

They say you can't understand someone until you've walked a mile in their shoes.

That's why we challenged our Mayor Ryan Palmer and a group of employees to spend a day in a wheelchair to raise awareness about the importance of accessibility.

While one day won't make a huge difference, it does give our employees a greater appreciation of the accessibility challenges people in Port Stephens regularly face.

We have used this experience to help draft our new Community Wellbeing Strategy along with feedback from the community, service providers, carers and people with a disability.

The strategy aims to create a more inclusive and accessible Port Stephens and includes our legislated Disability Inclusion Action Plan. We anticipate it will go to Council for endorsement in July 2022.

Wheelchair Challenge

What we did to promote inclusion in 2020 to 2021:

- We built new accessible amenities at Shoal Bay foreshore, Longworth Park Karuah, Salt Ash hall and Nelson Bay town centre.
- We completed the shared pathway at Waropara Road Medowie and began work at Medowie Road and Raymond Terrace levee bank. We're planning to begin work on 3 more key shared pathways in the coming year.
- We constructed a new rock wall revetment and pathway at Soldiers Point to improve accessibility.
- We consulted with our community on the draft Raymond Terrace Public Domain Plan, which seeks to improve access within the town centre, increase walkability and enhance key places.
- Our rangers put a focus on Mobility Parking Permits to ensure that accessible parking spaces are available to those who need them.
- We're continuing to make our communication channels more inclusive for all by writing in plain English, making our website and social media content accessible, and creating easy-read summaries for complex documents.

Disability Inclusion Action Plan 2020 to 2021 action status

COMPLETED OR MET ANNUAL TARGET

22

NOT COMMENCED OR NOT DUE TO COMMENCE

2

FEATURE

Crafty connections

While we've all struggled with social isolation over the past year, our seniors have been doing it particularly tough.

In September 2020, we recruited school students from Raymond Terrace, Grahamstown and Irrawang Public Schools to create artworks that illustrate what they love about their community.

We printed these artworks on calico bags and filled them with items from local businesses, ready for delivery to seniors across the community.

We also distributed 150 special NAIDOC-themed care packs to Aboriginal Elders in collaboration with Hunter New England Health, Aboriginal Affairs, Wahroonga Aboriginal Corporation and other local health services.

It's a small way we could help brighten the day of seniors in our community.

This special delivery was made possible thanks to the NSW Government's Community Connections program.

Read more here: **portstephens.nsw.gov.au/your-council/news/crafty-connections-preventing-social-isolation-during-covid-19**

What we did to plan for an ageing population in 2020 to 2021:

- We adopted the Port Stephens Local Strategic Planning Statement and Port Stephens Local Housing Strategy. These strategies include actions to plan for an ageing population. We've completed several actions including conducting a Liveability Index and advocating for reforms to lifestyle villages.
- We celebrated NSW Seniors Festival in April 2020 with more than 40 free and heavily discounted events over 2 weeks. Activities catered to all interests including music, books, movies, learning about culture, craft and getting active.
- We launched Strength for Life, a new exercise program for people over 50 designed to improve strength, balance, coordination and endurance.

Goal 2: Recognised traditions and lifestyles

Our community supports the richness of its heritage and culture.

Celebrating NAIDOC Week virtually

Every NAIDOC Week, our Administration Building courtyard is packed with hundreds of people to celebrate the contribution of Aboriginal and Torres Strait Islander people to our community.

This year, less than 20 representatives attended due to COVID-19 restrictions.

'It just feels so surreal,' said CEO of the Worimi Local Aboriginal Land Council Andrew Smith as he delivered his address to an almost empty courtyard.

We postponed NAIDOC Week celebrations from July to November 2020 but Port Stephens was still under restrictions for public gatherings.

To protect the health of our community and Aboriginal Elders, we decided to celebrate NAIDOC Week virtually in 2020 by live-streaming the flag-raising ceremony.

'COVID-19 is Mother Nature's way of reminding us what's important,' Andrew said.

'The theme Always Was, Always Will Be is a reflection of Country and how important our ecosystems are to all of us.'

As a symbol of support for our Aboriginal and Torres Strait Islander community, we also installed a sea of red, yellow and black hands in Apex Park, Nelson Bay.

The installation became a social media hit, with people using it to create their own NAIDOC Week content to celebrate virtually.

While celebrations have again been postponed for July 2021, we hope that our community will have the opportunity to celebrate NAIDOC Week in person soon.

You can view the agreement here: **portstephens.nsw.gov.au/live/community/our-community/aboriginal-and-torres-strait-islander-people**

Yabang Gumba-Gu update

We're working on better outcomes for Aboriginal people as we walk along Yabang Gumba-Gu – the road to tomorrow.

This is the name of the unique agreement our Council signed with the local Worimi and Karuah Aboriginal Land Councils during NAIDOC Week in July 2018.

It's now a living roadmap that outlines one-off and ongoing actions to achieve our shared vision for the future of Port Stephens. This year, we have achieved several important actions:

- We created more opportunities for public art by Aboriginal artists through improving our Council's expression of interest process. A fair and equitable process ensures we celebrate local culture while upholding an artist's intellectual property and ensuring they are appropriately compensated.

- We improved how we plan for future land use with our Local Aboriginal Land Councils. Our Strategic Planning and Development & Compliance teams give regular updates to the Aboriginal Strategic Committee for feedback to ensure we get the best outcome for our community.
- We filmed Aboriginal Elder Uncle Graeme Russell telling Dreaming stories about Port Stephens. They include the story of how the Worimi Conservation Lands came to be and the first people in Port Stephens. This was funded by Council and Heritage NSW.

What's next?

Languages are living things that connect people to country, culture and their ancestors.

Local Aboriginal community members and Elders are in the process of reviving their traditional language Gathang (pronounced gut-tongue), which has been dormant for many years since colonisation.

Working together with local Aboriginal language advocates, we are planning to launch a Gathang language project to raise cultural awareness among our employees and ultimately, our community.

Sea of hands in Apex Park, Nelson Bay

Partnerships crucial for Birubi Information Centre KP

With the world's largest moving sand dunes, an incredible surf break and thousands of years of Aboriginal heritage – Birubi Point is truly a special place.

Sometimes our love for Birubi can be overwhelming – this can result in large traffic jams of buses and cars moving in and out of the beach car park.

We currently manage public and school holidays at Birubi beach as an event. We use traffic management and signage to improve traffic flow and encourage visitors to spend time at our many other beaches.

Our long-term solution is to create the Birubi Information Centre, a new gateway to the area with dedicated parking and space for tourism operators.

Last year we reported hitting a major milestone when our development application was approved by the Hunter and Central Coast Regional Planning Panel in September 2019.

Our detailed designs are now well underway and we're in the process of getting the appropriate environmental and Aboriginal heritage approvals. We're on track to receive tender documents later in 2021.

We estimate the project will cost about $10.4 million. The NSW Government this year confirmed $4.4 million for the project in its 2022 budget.

We've also requested funding from the Australian Government to ensure the project is fully funded and ready to be built in 2022.

What's next?

Good relationships are the key to any partnership. That's why we are developing a Memorandum of Understanding with Worimi Conservation Lands Board of Management, Worimi Local Aboriginal Land Council, Crown Lands and NSW National Parks and Wildlife Service.

This will make sure we're all on the same page for how we'll cooperate and collaborate on the funding and management of the Birubi Information Centre now and into the future.

Birubi Beach sand dunes, Anna Bay

FEATURE

Reflecting culture through public art

Art is for everyone – it shouldn't be confined to the walls of a gallery.

That's the idea behind Terrace Reflections, a new outdoor art gallery in Raymond Terrace launched in September 2020.

'The project gives local artists a chance to display their work in an outdoor environment while encouraging the community to engage with the arts beyond the confines of a museum or gallery,' said Mayor Ryan Palmer.

The first exhibition was titled Everyday Wonders and it celebrated our plant and animal neighbours. The works were a collaboration between artist Alysha Fewster and passionate local children – with the help of a few parents.

We are displaying a new exhibition 4 times per year from a range of artists uncovered by an extensive expression of interest process.

Terrace Reflections is just one of the ways we're injecting art and vibrancy into our public spaces. This year, we've also called for expressions of interest for:

- Raymond Terrace Art Space exhibitions – ongoing
- custom shade shelters as part of the William Street, Raymond Terrace upgrades – in progress
- public art on the Visitor Information Centre – artwork complete
- public artworks as part of Have a Yarn – artwork complete
- Aboriginal art for use in our Council's marketing materials – artwork complete.

Terrace Reflections – Everyday Wonders

Mural by artist Megan Burrass in O'Meara Lane, Nelson Bay

Our place is incredible!

We want Port Stephens to be known as a place that celebrates its cultural story and unique identity.

That's the vision of Our Incredible Place – our new strategy for events, the arts and culture. It was adopted by our Council in November 2020.

'As Port Stephens continues to grow at an unprecedented rate, it's important that we never lose sight of our true identity,' said Mayor Ryan Palmer.

We combined our cultural and events strategies this year, recognising that we can achieve more by merging these closely linked documents.

Our new strategy aims to increase the liveability and wellbeing of our community, attract new residents, support investment and drive economic growth. We're planning to do this by:

- providing grants and sponsorships to community and business
- creating opportunities for high-quality public art
- investing in infrastructure to create great public spaces
- continuing our important cultural development work
- placemaking and activation of our town centres
- continuing to manage and support events in Port Stephens.

The changing face of libraries

'Modern libraries are about so much more than books. They are vibrant and inclusive community hubs, bringing people together from all walks of life,' said our Library Services Manager Kris Abbott.

We encouraged our community to rediscover their local library and all it has to offer during Library & Information Week in May 2021.

'Our libraries loan a wide range of material – not just books! Think DVDs, CDs, magazines, games and technology kits. We also have an extensive digital library of eBooks, eMagazines, eAudiobooks, eMusic and online newspapers,' she said.

Despite reopening our doors in June 2020, we noticed a decrease in the number of people accessing our services.

To help people reconnect with our libraries both online and in person, we have:

- reintroduced our face-to-face programs and events for children and adults
- engaged local artist Jordan Lucky to paint a mural of our local plants and animals to brighten the courtyard at Tomaree Library
- launched a free Seed Library to help our community learn new skills, create sustainable processes and better understand our environment
- continued our Call and Collect service for customers who are unable to visit our branches
- created a promotional video for our Mobile Library
- launched new services like the ability to print from any device
- held online events like Stand Up for Poetry, Plastic Free Living and Storytime
- supported important community initiatives like Share the Dignity and Food for Fines.

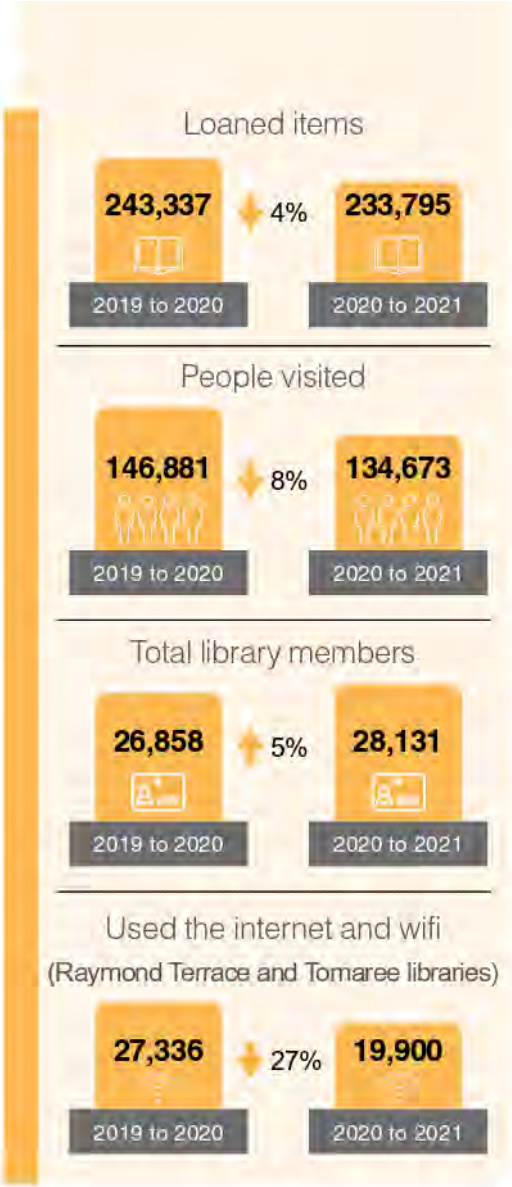
As a result of our efforts, we have seen our library membership grow 5% to 28,131 this year. It's a start – and it will continue to be our focus in the coming year.

What's next?

Feedback from our Library Satisfaction Survey told us people wanted to know about events and wanted more time to access the library on a Saturday. We had planned to extend opening hours from 4 September but unfortunately, our libraries are currently closed again due to a new outbreak of COVID-19.

We're using this downtime to develop a marketing campaign to attract more library members. We're offering a Home Delivery Service for our most vulnerable customers while continuing to provide ways for our community to access our services and connect online.

Our libraries received a community satisfaction score of 88%.



Goal 3: Community partnerships

Our Council works with community to foster creative and active communities.

Making a splash on Australia Day

Australia Day celebrations looked a little different due to COVID-19 restrictions but we made sure everyone still had the opportunity to celebrate.

We hosted a series of free family-friendly pool parties at our aquatic centres in Nelson Bay, Raymond Terrace and Mallabula.

'It's usually stinking hot on Australia Day, so it was great for our community to cool off with a swim, enjoy a BBQ feed, listen to local performers and have some fun with giant pool games,' said our Mayor Ryan Palmer.

Read about the pool parties at: portstephens.nsw.gov.au/your-council/news/pool-parties-to-make-a-splash-this-australia-day

Reconciliation and recognition

It was an honour to have Dianne Ball – a leader in the Aboriginal community and recent Order of Australia recipient – as our Australia Day Ambassador this year.

'Wow. It's not every day that an Indigenous woman like myself is asked to be an ambassador for Port Stephens,' Di remarked at a small Australia Day ceremony in Medowie.

'We have been through a lot of struggles to get access to services for Indigenous people. To see what we have today – really good relationships with government agencies and community – that's reconciliation,' she said.

Di's moving address was live-streamed for our community who couldn't attend. After, we welcomed our new citizens and presented our Annual Awards.

'2020 hasn't been the easiest year for many in our community due to COVID-19 but our Annual Award recipients have certainly been a shining light,' said Mayor Ryan Palmer.

'I particularly love these awards because our recipients rarely ask for recognition or thanks – they simply love our community and they love what they do.'

Our 2020 Port Stephens Annual Award recipients are:

Citizen of the Year – John Chambers

Since retiring from school teaching, John has thrown himself into supporting his local community and now spends a staggering 40-plus hours a week volunteering. John has implemented many community programs to support our most vulnerable including a driver training program and a furniture bank for families in need.

Young Citizen of the Year – Daniel Howard

Daniel began coaching basketball and mentoring with PCYC at age 16 – and he's still going 9 years later. In response to COVID-19 lockdowns in April 2020, he launched Coach Dan Skills and Drills on social media to keep in touch with local basketball teens. His channels have attracted over 400 followers and helped to motivate local teens to keep fit during the lockdown.

Port Stephens Medallists

Dennis Peters is the recently retired captain of the Raymond Terrace Fire and Rescue team. For 23 years, he has been on the front line in countless firefighting and rescue efforts. Passionate about community education, Dennis has also been a local voice educating our community about the importance of fire safety

John de Ridder is passionate about the mental health and wellbeing of young people and has been the president of Caring for Port Stephens Youth (COPSY) since 2016. He was instrumental in securing funding and establishing a free counselling service for young people in the Tomaree area in 2019 and a telehealth service in 2020.

A proud Wonnarua man, Andrew Smith is a well-respected community leader in Port Stephens and CEO of Worimi Local Aboriginal Land Council. Andrew is dedicated to strengthening relationships between Aboriginal and non-Aboriginal people, and to protecting and fostering Aboriginal culture and identity.

The Medowie Girl Guides has been part of the Port Stephens community for over 40 years. A dedicated group of leaders and volunteers give their time to help teach young women new skills, develop independence, build confidence, make friends and become active community members.

Sportsperson of the Year – Maya Stewart

Maya has excelled in touch football, surf lifesaving and netball – but rugby union is where she found her calling. Through hard work and dedication, Maya earned her place on the starting side of the NSW Waratahs team in the Super W competition. She is currently vying for a spot in the national Wallaroos squad to participate in the Olympics and Rugby World Cup.

Cultural Endeavour – Kay Newton and Peter Robinson

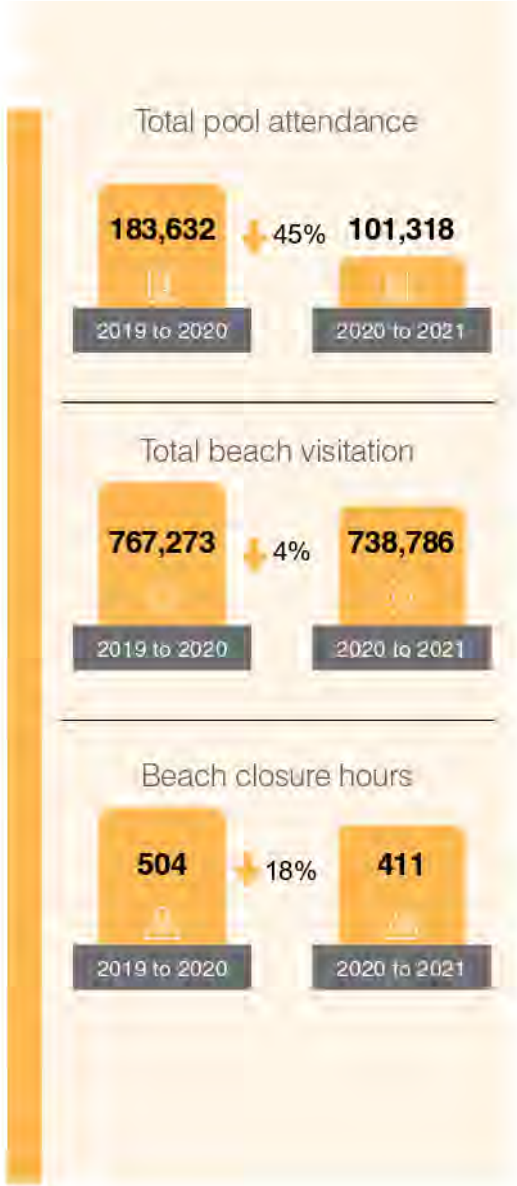
Kaye and Peter personify community spirit – they have volunteered tirelessly over the years on many projects and contributed to historical education in our area. Kaye and Peter have been active members of the Raymond Terrace and District Historical Society, King Street Preservation and Action Group, and The Australian Heritage Festival. They initiated and coordinated the Back to King Street Fair in 2015 – a popular historical event in Raymond Terrace.

Environmental Award – Lia and Ryan Pereira

Lia and Ryan are the founders of Sea Shelter – a not-for-profit marine conservation, research and rescue organisation. They are passionate about preserving the local environment and supporting threatened and endangered animals through breeding programs, research, rehabilitation and rescue.

For more information about the Port Stephens Annual Awards, visit **portstephens.nsw.gov.au/live/community/community-awards**

Andrew Smith, Port Stephens Med



Pool attendance takes a dive

Enjoying a refreshing dip in the water is a key reason people love living in Port Stephens. That's why it was a relief for many when our pools reopened in July 2020 once COVID-19 restrictions eased.

Last year, we reported our pool attendance was down 63% and we've experienced a further 45% decrease this year.

We attribute the decrease in part to a significant drop in tourism to our region. For example, Tomaree Aquatic Centre experienced a 55% decrease in casual attendance with fewer visitors due to COVID-19.

We also had to close some of our facilities for repairs, including a fibreglass liner replacement at Tomaree and a heat pump replacement at Lakeside.

We're in the process of renovating Lakeside Leisure Centre and Tomaree Aquatic Centre to improve our customers' experience and create more modern facilities. Our operator is also connecting with community groups to encourage membership.

We hope to be able to welcome back even more customers once renovations are complete.

Our COVID Safe summer

As the weather heats up in Port Stephens, thousands of locals and visitors flock to our beaches and public spaces.

While this is normally great for our local businesses, it presented a challenge as we tried to balance keeping our public spaces open and protecting our community from COVID-19.

We worked with local police and other agencies to develop COVID Safe Summer plans to keep our community safe. Some of our actions included:

- communicating safety messages through our website and social media channels
- monitoring beaches and public spaces to keep crowd sizes within limits
- communicating with relevant agencies like NSW Police, NSW Health and Surf Life Saving NSW
- providing public announcements at patrolled beaches
- signage in key locations with relevant COVID-19 messages.

As COVID-19 continues to impact our community, we'll keep working with local authorities and agencies to adapt our plans and keep our community safe.

Celebrating local women

A speech pathologist making inclusive programs, a carer connecting seniors through craft and a competitive surfer are the impressive recipients of our International Women's Day scholarships for 2021.

For the past 4 years, we've encouraged local women to achieve their goals by offering 3 scholarships worth $1,000 each.

'These scholarships are a small way that Port Stephens Council is helping to create opportunities for local women,' said Councillor Sarah Smith as she announced the recipients.

Our 2021 International Women's Day Scholarship recipients are:

Nikita Austin is a speech pathologist from Salamander Bay and a proud Indigenous woman. Nikita hopes to use the scholarship to create more inclusive holiday programs for children and adults with additional needs.

Elle Clayton-Brown is a first-year nursing student and competitive surfer from Corlette. The scholarship will help Elle achieve her goals both in and out of the water as she continues her studies and pursues her surfing dreams on the world stage.

Bernadette Flynn is a full-time carer to her husband and 2 foster children who have special needs in Medowie. Bernadette hopes to connect and engage Port Stephens seniors through ongoing craft classes at retirement villages and aged care facilities.

Find out more about our International Women's Day scholarships at **portstephens.nsw.gov.au/iwd**

Bernadette Flynn and Elle Clayton-Brown

Our performance

Operational plan items on track after revising workplan due to COVID-19

Community diversity

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
C1.1.1 Deliver early education and care of children	Customer satisfaction with Thrive Kids	≥ 85%	99%	99%	93%
	Annual accreditation	Compliant	Compliant	Compliant	Compliant
C1.2.1 Deliver youth projects and support youth services provided by other agencies	Actions completed or commenced in Family & Community Services delivery schedule	≥ 95%	100%	100%	100%
C1.3.1 Identify and plan for an inclusive and access friendly community	Actions completed in Disability Inclusion Action Plan	≥ 5 of 24*	7 of 24*	14 of 24*	14 of 24* complete
C1.4.1 Identify and plan for the needs of an ageing population	Actions completed in Ageing Strategy	≥ 2 of 7	4 of 7	6 of 7	6 of 7
C1.5.1 Coordinate Council's volunteer program	Variety of activities volunteers support at Council	Maintain: 6	6	6	6

Recognised traditions and lifestyles

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
C2.1.1 Support initiatives and projects to promote Aboriginal culture and protect Aboriginal places	Scheduled actions implemented in the Yabang Gumba-Gu Agreement	≥95%	95%	95%	100% 15 of 19 completed 4 actions are ongoing over multiple years
	Develop Aboriginal Place Advisory Panel annual works plan	100%	100%	100%	100%
C2.2.1 Support initiatives and projects to encourage local cultural activities	Actions completed in Cultural Plan	≥ 90%	90%	90%	90%

Recognised traditions and lifestyles continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
C2.3.1 Support the preservation of Port Stephens heritage	Providing Heritage Projects Funds grants	≥ $6000	$6000	$5,500^	$4,597 Amount depends on applications received and grant money being approved.	✓
C2.4.1 Deliver public library services, resource and community literacy programs	Library user satisfaction with Library Services	≥ 85%	99%	93%#	88%	✓
	Number of visits to library branches	≥ 228,000	199,610	146,881	134,673	✗
	Comment: Refer to page 60.					
	Internet and Wi-Fi usage at Raymond Terrace and Tomaree Library branches.	≥ 45,000	35,485	27,336	19,900	✗
	Comment: Refer to page 60.					
	Attendance at programs, Activities and events	≥ 8,300	9184	6471	3,246	✗
	Comment: Refer to page 60.					
	Use of resources(collection items borrowed)	≥ 320,000	299,371	243,337	233,795	✗
	Comment: Refer to page 60.					

Community partnerships

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
C3.1.1 Assist community service providers to deliver services for vulnerable people and families	Refer to C1.2.1					
C3.2.1 Provide financial, logistical and marketing support for local community events	Community-run events supported and managed by Council	≥ 7	9	5	6	✗
	Comment: Some community events were not held due to COVID 19 restrictions and the challenge of meeting COVID Safe Plan requirements.					
C3.3.1 Initiate and manage leisure contracts with recreational and leisure services	Community satisfaction with Council's swimming pools	≥ 90%	91%	90%	88%	
	Comment: Refer to L1.3.3 for more information					
	Maintain a score above the NSW 3 year average in the Royal Life Safety Assessment Audit	≥ 84.62%	91.67%	91.67%	87%	
C3.4.1 Provide financial assistance for the community	Annual grant funding	≥ 93 grants $122,992	120 grants $91,815	101 grants $123,011	97 grants $190,960	

* 8 of 24 are ongoing ^ NSW Government grant funding to Council reduced to $5,500. We provide matching funding. # Survey result from Community Satisfaction Survey

✓ On track target achieved or on track to be achieved — Monitor < 5% off the target ✗ Off track > 5% off the target

Our place

Port Stephens is a liveable place supporting local economic growth.

Goal 1: Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

Restarting Port Stephens

We know how hard local people and businesses have been impacted by COVID-19. That's why in July 2020, we launched our biggest-ever community funding program of more than $500,000 to restart Port Stephens.

By revamping our regular grants program and making additional funds available, we created 11 new grant streams to address the impacts of COVID-19.

'Through these new funding streams, we've been able to support our most vulnerable community members, reinvigorate our streets and neighbourhoods, and support local businesses,' said Mayor Ryan Palmer.

The Vibrant Spaces grants helped Nelson Bay business owner Kim Burbridge partner with other businesses and creatives to put on a series of events for the community.

'We've worked collaboratively to create a festival running through December and January in Magnus Street supporting local creatives, particularly performers who were out of work last year due to COVID-19,' Kim said.

'We pooled our grant funding together with 4 other businesses to put on the event. It has been a real collaborative effort and that's one of the wonderful things about being in business at Nelson Bay.'

Find out more about our funding program at portstephens.nsw.gov.au/funding

$730,000 to activate shared spaces

After the initial scare of COVID-19 had dissipated, many of our businesses continued to struggle.

To bring people back to our town centres safely, we successfully applied for funding from the NSW Government's Streets as Shared Spaces program.

The $730,000 grant has allowed us to trial a range of temporary improvements to our public domain with mixed results so far:

- A new shared pathway between Nelson Bay and Little Beach has had resoundingly positive feedback.
- We've received lots of love for a new mural and lighting to brighten O'Meara Lane in Nelson Bay.
- The installation of temporary parklets at Shoal Bay generated passionate debate on both sides – read more on page 104.
- We're now working on improvements to the Raymond Terrace town centre, which will create more seating and shade while adding colour and vibrancy – read more on page 79.
- We're also planning improvements for the Stockton Street stage in Nelson Bay.

Events return, for now

Just as we're known for our incredible beaches and waterways, Port Stephens is also renowned for being the perfect event destination.

As COVID-19 restrictions eased in October, we were excited to welcome back events to our region.

Number of event licences issued

$ generated

Events contributed $5.6 million to our local economy this year.

'After a tough 12 months, it's fantastic to see the world's number one obstacle race Spartan and other events returning to Port Stephens,' said Mayor Ryan Palmer.

'The value events bring to our local economy is significant – they encourage locals and visitors to explore our region. This flows into our local businesses like accommodation, shops, restaurants, cafes and much more.'

We also hosted the Port Stephens Pro, Port Stephens Surf Festival, Sail Port Stephens, Port Stephens Triathlon and the NSW Rugby Country Championships to name a few.

Visitors return to Port Stephens

As soon as COVID-19 restrictions eased, visitors couldn't wait to return to the incredible natural beauty of Port Stephens.

We were excited to welcome back 1.74 million visitors who spent $705 million this year.

Our investment in the new Incredible by Nature tourism brand has well and truly paid off, with our tourism industry experiencing a much-needed boost after a difficult 12 months.

We've experienced a record-breaking year for visitor expenditure. Visitor numbers have also returned to pre-COVID levels despite international borders remaining closed.

This boost will be important to keep operators afloat through the pandemic, which is impacting our region again at the time of writing. We're hopeful that we'll experience a similar bounce-back once restrictions ease.

Attracting investment to Port Stephens

For our size and population, Port Stephens packs a surprisingly big punch.

With national and international connections, a strong industry base and a skilled workforce – we're ready to take our economy to the next level.

That's why we launched our Investment Prospectus in late 2020 to encourage potential investors to consider Port Stephens.

The prospectus shows off our advantages, key industries and potential areas for investment. We developed an accompanying microsite to make sure this information is readily available and accessible.

1.74 M
VISITORS
up from 1.7 million in 2019 to 2020

21%
TRAFFIC TO PORTSTEPHENS .ORG.AU

$705 M
Total visitor EXPENDITURE
up from $568.7 m in 2019 to 2020

6,648
Tour and accommodation BOOKINGS

We also launched a Concierge Service to make business growth easier by providing personalised support for new, growing and relocating businesses.

Feedback so far has been positive, and we intend to spread the word far and wide in the coming year.

Checking in with businesses

Running a business is challenging at the best of times. Doing it through the COVID-19 pandemic has been near impossible for some while others have prospered.

In May 2021, we asked businesses to tell us about their experiences and opportunities for improvement as part of our second Business Health Check.

'There's never been a more important time for us to take the pulse of our business community and ensure we're planning for the future,' said Mayor Ryan Palmer.

We received 210 responses. Of these, 82% rated Port Stephens as a good or excellent place to do business, up from 57% in 2018.

The reason for this positive result? The pandemic has affected every business and industry differently – some have struggled while others have thrived.

We'll use the feedback to continue to support businesses through COVID-19 and inform our new Economic Development and Tourism Strategy.

We're helping businesses through COVID-19 by:

- providing our Small Business Support Service – a helpline and dedicated webpage with the latest information on COVID-19 for business
- helping businesses develop and implement COVID Safe Plans
- providing funding to Business Port Stephens, a network to connect and support business members across our local government area
- attracting and holding events and activities when safe to encourage people to our main shopping districts
- advocating on behalf of businesses for financial and practical help in this difficult time.

Find out more at **invest.portstephens.nsw.gov.au**

Goal 2: Infrastructure and facilities

Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

Now that's smart

We rolled out smart parking in Nelson Bay in December 2020 to make it easier, quicker and safer to visit the town centre. Smart parking includes:

- the Park'nPay app to find a park and set parking times without going to the meter
- number plate recognition technology to replace paper tickets
- sensors and digital signs to find parks easier
- Park Free Permits for residents and businesses of Port Stephens.

Smart parking revenue is funding public domain improvements, landscaping, increased car parking, place activation and repaying the cost of the system.

Change can be difficult for some – even after 2 years of community consultation. We set up a shop in the town centre to give residents an easy way to ask questions, get help and sign up for a Park Free Permit if they couldn't do it online.

As with most new technology, we experienced some teething issues. Our provider's Park Free Permit portal was not very user-friendly and as a result, we experienced a significant number of calls. Our Customer Relations team assisted by registering residents over the phone where needed.

After 5 months of using the new system, we made some changes based on community feedback:

- We heard that the smart parking hours of 7 am to 7 pm were too long. In May 2021, we changed the hours to 8:30 am to 5:30 pm.
- Parking data showed our dedicated business parking areas were reaching 80 to 90% capacity by 9 am each day and feedback from businesses confirmed this. We expanded business parking areas to create more spaces for workers.

We'll continue to review the system to make sure we're making parking in Nelson Bay as easy as possible for locals and visitors.

Find out more at **portstephens.nsw.gov.au/smartparking**

SMART PARKING AT A GLANCE

65 meters

955 sensors

7 digital signs

23,000 Park Free Permits approved since September 2020

What's next?

Thanks to funding from smart parking, we're planning to borrow $5 million to fast-track the Nelson Bay Public Domain Plan. Our residents want to see rubber hit the road and we want to deliver.

We've also launched a new series of events and activities to bring life and vibrancy to the Bay.

From markets and music to street performances and outdoor screenings, we'll be trialling a range of place activation ideas in Nelson Bay over the next 6 months.

Read the Nelson Bay Strategy at **portstephens.nsw.gov.au/grow/local-area-planning-strategies/nelson-bay-town-centre-and-foreshore-strategy**

Smart parking meters collected over $600,000 in the first 6 months of operation to reinvest in Nelson Bay (from January to June 2021).

FEATURE

Medowie Makeover a smashing success

It's amazing what can be done in 7 days – especially when you have 200 volunteers helping!

We transformed the Medowie town centre through people-power and determination during our 7 Day Makeover in May 2021.

'It has been such a special experience to see Medowie's community spirit in action,' said resident and Councillor Chris Doohan.

'We've formed new friendships and we've worked together as a community to achieve a common goal. It has been an unforgettable week.'

With a budget of $65,000 donated by sponsors and Council, our volunteers made some amazing improvements. They include a fairy garden, sensory trail, reading stage, wave seating and new public art.

For the 9,563 people who call Medowie home, the makeover has made a big difference.

The 7 Day Makeover is the brainchild of urban planner and placemaker David Engwicht.

'This is the second makeover in Port Stephens, after Anna Bay in December 2019.

'Medowie has set a new record for the most volunteers in a single day at 201! We also set a new record for the most sponsors. Medowie should be so proud,' David said.

See the results of the Makeover on YouTube
https://youtu.be/_k9jAaxXCR8

Update on Medowie facility

Medowie residents now have a new place to come together with the long-awaited opening of Medowie Social in January 2021.

Last year, we reported construction had finished on this new community venue but COVID-19 had hindered our efforts to find an operator.

We're excited to say the venue has now been leased to Medowie locals and successful hospitality operators, Ben and Charlie Way.

'We've lived in Port Stephens for over 20 years and we're now raising a young family in Medowie, so we're passionate about the future of this growing town and supporting our local tourism industry,' Ben said.

It's great to see our community using this incredible venue which includes a restaurant and bar, function and meeting space, a fenced children's playground, lawn bowls green.

Find out more at **medowiesocial.com.au**

Disaster causes delays in major projects

Just when you think the coast is clear, another wave sneaks up on you.

Last year we reported delays in our major projects due to COVID-19. As restrictions eased in July 2020, our crews were on track to deliver an ambitious major works program.

But an unprecedented amount of rain in March 2021 caused significant damage to property and infrastructure. The impacts of the natural disaster have been felt across our entire community and organisation – including our Capital Works team. You can read more on page 78.

In the immediate aftermath, we redirected crews and funding to repair roads and infrastructure to it make safe for our community. Understandably, this has had an impact on our work program including our PS2020 community priority projects.

Our team still managed to complete numerous projects as part of our $26 million of capital works in 2020 to 2021, including:

- new accessible amenities at Shoal Bay foreshore, Longworth Park Karuah, Salt Ash hall and Nelson Bay town centre
- improvements to the foreshore at Conroy Park, Corlette to reduce erosion
- rock wall revetment and pathway at Soldiers Point to reduce erosion and improve accessibility
- shared pathways at Fly Point Nelson Bay and Waraopara Road Medowie KP
- replacement shelter at Barry Park, Fingal Bay
- barbeque and shelter at Peace Park, Tanilba Bay
- basketball half-court and seating around Medowie skate park
- improvements to Seaham Park playground
- upgrades to Mallabula Hall, Williamtown Hall and Tilligerry Arts Group centre.

You'll find a list of our capital projects and works on page 140.

What's next?

We're planning to complete the 16 remaining PS2020 projects as part of our projected $70 million major projects program. This will be delivered over the next 12 to 18 months.

You can view our major projects at **portstephens.nsw.gov.au**

Focus on roads KP

'I know how important roads are to our community – they tell us time and time again,' said Mayor Palmer.

'Our roads were already in need of repair and then the March disaster caused even more damage to our road network.'

We repaired over 47 [illegible] potholes this year to maintain our roads – more than double last year's total of 21,000.

This year, our Council committed an extra $1 million to road reseals thanks to the Australian Government's Local Roads and Community Infrastructure Program.

This takes our road resealing budget to $2.6 million and will allow us to almost double the number of roads sealed in the next 12 months.

Our Council also supported a Mayoral Minute to invest a further $3 million in rehabilitating Port Stephens roads. This will be funded by Council's property sales.

'It's time to fix our roads. The Special Rate Variation was our chance to do this – and we weren't successful. This is our opportunity to deliver the quality roads our community expects and deserves,' Mayor Palmer said.

We completed several significant road upgrades in 2020 to 2021:

- Church Street, Nelson Bay
- Clarencetown Road segments 10 and 40 at Woodville
- Fullerton Cove Road, Fullerton Cove
- Grahamstown Road, Medowie
- Lemon Tree Passage Road, Salt Ash
- Masonite Road, Tomago
- School Drive, Tomago
- Seaham Road segment 10, Nelsons Plains
- Swan Bay Road segment 30 to 50, Swan Bay
- Tomaree Road, Shoal Bay stage 2
- Warren Street, Seaham including a new bus interchange.

You'll find a full list of our road upgrades on page 140.

Works kick-off at Tomaree

It's going to be a game-changer for the region! Work has started on a $3.2 million multi-purpose amenities building at Tomaree Sports Complex.

The new space is designed to increase accessibility, inclusion and wellbeing for our entire community.

'As well as benefiting to our sporting community, the new multi-purpose facility will create spaces for young people to connect and access services,' said Mayor Ryan Palmer.

'It will also help us attract more events and visitors to the region, which will have positive economic benefits for our community and local businesses.'

It wouldn't be possible without the Australian Government's Local Roads and Community Infrastructure program, the NSW Government's Stronger Country Communities program, Cricket NSW, NSW ClubGrants and the contributions of local sporting clubs.

We expect construction to be complete in early 2022.

To honour retiring East Ward Councillor, we named the main field at Tomaree Sports Complex the John Nell Match Field in February 2021.

The naming recognises Councillor Nell's 30 plus years of service to our Council and the local sporting community.

Pooches get more places to play KP

'Dog-friendly facilities are in high demand in Port Stephens,' says our Community and Recreation Coordinator Brock Lamont.

'The success of our existing fenced dog parks at Fingal Bay, Soldiers Point and Medowie highlights how much our community value these park improvements.'

There are
23,329
DOGS REGISTERED IN PORT STEPHENS
– that's 1 dog for every 3 people!

After consulting with the Raymond Terrace community in 2019, we decided Boomerang Park would be an ideal location for a fenced off lead dog park.

The park is fast becoming a recreation hub and was chosen because of its existing off lead area, parking, connecting pathways and public amenities.

We officially opened the new dog park in December 2020 and it's already proving to be a popular place for locals and their four-legged friends.

This year, we also investigated changes to dog exercise areas in Anna Bay, Fisherman's Bay and Boat Harbour to balance the needs of all users.

What's next?

After extensive community consultation in May and June 2021, we introduced new dog off lead rules at Anna Bay and are trialling changes at Boat Harbour.

The changes mean dogs can enjoy Birubi Beach off lead at all times between May and September and in the evening from October to April.

We are also trialling similar changes to off lead times at Boat Harbour beach for 3 months from August.

We're asking users for feedback throughout the trial and will use this to make an informed decision on any permanent changes.

Goal 3: Thriving and safe place to live

Our community supports a healthy, happy and safe place.

Natural disaster hits hard

An unbelievable image of floodwater sweeping away a section of road made national headlines in March 2021.

The image was of Foreshore Drive, Salamander Bay after a deluge of rain caused significant flooding across Port Stephens. Unfortunately, it wasn't the only major damage to our infrastructure.

We experienced 4 significant landslips, severe flooding in several locations and hundreds of potholes. Our community were also hit hard by damage to homes and property.

'There have been so many people in our community who have been affected and my heart goes out to them,' said Mayor Ryan Palmer.

'Our crews have been working hard to repair the damage and have already done so much – but we've still got more to do. I want to thank everyone for your ongoing patience as we get to all these jobs.'

What's next?

Understandably, the natural disaster has widened our infrastructure backlog from $13.83 million to $14.47 million. Other contributing factors include increased costs due to COVID-19 and additional works discovered during our latest inspections.

In July 2021, our Council acknowledged over $7 million funding is needed to repair damage to infrastructure caused by the natural disaster. Thankfully, most of this is claimable from the NSW Government.

Reopening Foreshore Drive remains our number one priority. We have ordered a prefabricated bridge for Foreshore Drive and anticipate that works will be completed by the end of 2021.

We also rescheduled several major projects to prioritise repairs to get our assets back to a safe and reliable standard for our community.

Emergency dashboard

The March natural disaster was the first real test of our new emergency dashboard, which we launched just a month earlier.

The dashboard provides real-time information to help the our community respond to an emergency including road closures, weather warnings and more.

'Having the right information straight from the source is so important during an emergency,' said Mayor Palmer.

The dashboard is currently funded by Resilience NSW. We see it as a valuable asset to keep our community safe before, during and after an emergency.

'The Port Stephens community has experienced many emergencies – from floods, fires and storms to COVID-19. We know the impact these emergencies can have and how important it is to be prepared,' he said.

40,000

PEOPLE USED THE EMERGENCY DASHBOARD DAILY
during the natural disaster.

View the emergency dashboard at **disaster.portstephens.nsw.gov.au**

Liveability Index

What makes a place a great place to live? That's the question we asked our community in September 2020 as part of our first-ever Liveability Index.

More than 3,700 people told us what they value about a place and how our places are performing.

Port Stephens scored 66, which is just below the national average of 67. We heard that our community most values:

- natural environment
- public open space
- neighbourhood safety
- locally owned and operated businesses
- pathways connecting houses to shops and communal amenities.

This is the first time we've been able to see our community's values and priorities at a local town level.

We're using the data as a starting point for engagement with our communities on a wide range of projects. It's also helping us prioritise investment based on what is most important to residents and their wellbeing.

We'll run the Liveability Index again in 2023 to 2024 to measure outcomes and track changes in values and performance.

Find out more at **portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/liveability-index**

What's next?

The Liveability Index data has given us a clear snapshot of our community's values and priorities for their neighbourhood.

We're using this data to develop plans for places across Port Stephens and we're making it easier for our community to understand and get involved.

Each community will have a chance to help create their plan and get involved in making action happen in their town.

We've got Anna Bay, Shoal Bay, Medowie, Karuah and the west of Port Stephens in our sights so far, with more towns to come.

A 20-year vision for 'the Terrace' approved

'With the beautiful river, Jacaranda-lined streets and a wide array of businesses and services, Raymond Terrace is a great place to spend time. And it's about to get even better,' said Deputy Mayor and local businessman Paul Le Mottee.

Almost 13,000 people call Raymond Terrace home and there are 3,500 jobs in the town centre – that's 12% of all jobs in Port Stephens.

Last year we asked our community about their vision for Raymond Terrace. We heard they want more shady spots and street furniture, public art, trees and greenery, and improved lighting and safety.

We used this feedback to develop our award-winning Public Domain Plan – a long-term vision to revitalise the town centre and create better public spaces.

Our Council endorsed the plan in February 2021 and we're wasting no time making that vision a reality. We're already planning stage 1 of works, which includes:

- 3 art-inspired shade structures with new seating and greenery
- lighting and cameras to improve safety
- improved accessible car parking.

It's all about creating places for people to relax, stay a little longer and support our local businesses – thanks to funding from the NSW Government's Streets as Shared Spaces program.

What's next?

Stage 1 works are scheduled to begin later in 2021. We're continuing to plan for stage 2, which may see the town centre improved by landscaping, art, shade, seating and a safer pedestrian crossing.

Our Council has committed to tapping into a range of grants to fund more town centre improvements outlined in the Public Domain Plan and the Raymond Terrace and Heatherbrae Strategy.

FEATURE

Revamping rezoning

The process of rezoning land is known for being long, difficult and expensive.

Two years ago, our Strategic Planning team decided there had to be a better way – so they embarked on a project to 'revamp' rezonings.

At the time, the average processing time for rezoning applications was 2 years and there was a significant backlog of applications stalling land release.

Our team found efficiencies in the process, improved communication and created a framework to support robust decision making.

The improvements have reduced the rezoning backlog by 60%, fast-tracked land release in growth areas and increased transparency for applicants and our community.

Our rezoning assessment timeframes are now some of the fastest in NSW and customer feedback has been overwhelmingly positive.

We were finalists at the Local Government Excellence Awards for the project. The Hunter Joint Organisation of Councils has also invited us to share our innovative process with other councils.

What's next?

The team's hard work has paid off – literally. We received $3 million from the NSW Government's Public Spaces Legacy Fund by resolving long-standing rezonings and achieving a median DA determination time of less than 40 days.

We're planning to use the funding to upgrade the Raymond Terrace town centre and create a new town square at Lemon Tree Passage. We'll also build shared paths along the foreshore at Lemon Tree Passage and Nelson Bay.

We're now working through planning, design and community consultation to deliver these projects by the end of 2022.

Highlight: DAs move online

Submitting a development application can be confusing. In December 2020, we made it simpler and faster by moving all applications to the NSW Planning Portal.

'The portal provides all of NSW with a consistent, streamlined and accessible experience,' said our Development and Compliance Section Manager Kate Drinan.

All development-related applications and post-consent certificates can now be submitted through the online portal anywhere, anytime.

Users can view, manage, track and progress applications online via their user dashboard. They can also submit documents and receive notifications when decisions are made.

We'll continue to provide pre-lodgement meetings and duty counter service to help people through the process.

Find out more at **portstephens.nsw.gov.au/grow/development-applications**

Development and planning highlights

We saw a 24% increase in the number of development applications (DAs) lodged with our Council this year. We still achieved a fast turnaround time of just 26 days thanks to process improvements.

Development applications (DAs) determined

2019 to 2020	2020 to 2021
775	964

Total capital investment value of approved DAs

2019 to 2020	2020 to 2021
$263 million	$235 million

Turnaround for DAs (net median)

2019 to 2020	2020 to 2021
34 days	26 days

This was under the Premier's target of 40 DAYS

Only 25 DAs ON THE 100-DAY LIST was achieved by processing larger scale developments more efficiently.

304 CONSTRUCTION CERTIFICATES ISSUED with a turnaround time (net median) of under 4 DAYS

OUR PERFORMANCE

Our performance

Operational plan items on track after revising workplan due to COVID-19 95%

Strong economy, vibrant local businesses, active investment

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
P1.1.1 Support sustainable business in Port Stephens	Number of active businesses in Port Stephens	Annual increase	4865	4900	TBC
P1.1.2 Provide funding support to business initiatives that create economic benefit	Business satisfaction survey — Port Stephens is a good place to conduct business	≥ Good or better	57%	Survey not conducted	82%
P1.1.3 Coordinate place management and activation	Refer P3.3.1				
P1.2.1 Manage an integrated event licensing process	Number of licences issued	Annual increase	123	112	61
	Comment: Due to COVID-19 restrictions, a significant number of events were postponed or cancelled.				
	Visitors to www.portstephens.org.au	Annual increase	12% increase	10.5% decrease	21% increase
	Tour and accommodation bookings on behalf of operators	≥ 5,627 bookings	6,523 bookings	4,586 bookings	6,648 bookings
P1.2.3 Provide strategic and financial support to Destination Port Stephens	Financial support for Destination Port Stephens	≥ $397,500	$397,500	$407,962	$400,000
	Visitor expenditure per annum	Annual increase	$606 m	$568 m	$705 m
P1.2.4 Attract and facilitate major events that deliver economic benefit	Economic benefit from major events	Annual increase	$10 m	$7.8 m	$5.6 m
	Comment: Due to COVID-19 restrictions, a significant number of events were postponed or cancelled.				

Infrastructure and facilities

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
P2.1.1 Plan for and initiate civil assets	Asset Management Plan complies with IP&R checklsit	Compliant	Compliant	Compliant	Compliant	✓
	Civil assets project initiated prior to agreed timeframe	100%	100%	100%	100%	✓
P2.1.2 Plan for the operation, maintenance and replacement of Council's fleet	Fleet Utilisation hours per annum	≥ 67,080	67,540	77,741	77,681	✓
P2.1.3 Plan for the operation, maintenance and renewal of Council's civil assets	High risk civil assets inspection program up to date	100%	100%	100%	74%	✗
	Comment: We responded to the impacts of COVID-19 and natural disaster by re-baselining and reprioritising our civil assets inspection program with 54 of the original 73 inspections completed.					
P2.1.4 Plan, design and provide advice services for drainage and flooding	Flooding and drainage development application referrals completed on time	≥ 90%	100%	100%	96%	✓
P2.1.5 Provide traffic engineering services and conduct road safety programs	Road Safety Projects conducted (funded by RMS) and completed on time	100%	100%	100%	100%	✓
P2.1.6 Provide development engineering assessment and advice services	Engineering development application referrals completed on time	≥ 90%	100%	100%	89%	–
P2.1.7 Provide, manage and maintain community and recreation assets	Community and recreation assets inspections up to date	100%	100%	100%	100%	✓
P2.1.8 Coordinate and report on asset finances and data systems	Meeting customer needs	≥ 90%	92%	100%	100%	✓
P2.2.1 Provide survey services	Deliver Capital Works program on time and on budget**	≥ 95%	100%	100%	100%	✓
P2.2.2 Provide design and specialist engineering services	Deliver Capital Works program on time and on budget**	≥ 95%	100%	100%	100%	✓
P2.2.3 Provide project and contract management services	Deliver Capital Works program on time and on budget**	≥ 95%	100%	100%	100%	✓
P2.2.4 Construct Council's Capital Works projects	Deliver Capital Works program on time and on budget**	≥ 95%	100%	100%	100%	✓
P2.3.1 Provide roads maintenance	High priority roads defects fixed on time	100%	92%	100%	90%	✗
	Comment: Some high priority projects weren't completed due to continuous wet weather and the March natural disaster.					
	Community satisfaction with roads maintenance	≥ Baseline	71%	68%	45%	✗
	Comment: Refer to L1.3.3					

Infrastructure and facilities continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
P2.3.2 Provide roadside and drainage maintenance	Community satisfaction with roads and drainage maintenance	≥ Baseline	81%	79%	68%
	Comment: Refer to L1.3.3				
	High priority roadside drainage and maintenance defects fixed within required timeframes	100%	100%	100%	95%
P2.3.3 Provide open space and foreshore maintenance	Community satisfaction with maintaining parks	≥ 85%	84%	85%	88%
	High priority open space and foreshore maintenance defects fixed within required timeframes	100%	95%	95%	95%
P2.3.4 Provide building trades services	High priority actions fixed within required timeframes	≥ 92%	88%	95%	90%
P2.3.5 Provide depot, stores and workshop services	Number of pre rego check repairs conducted	≥ 142	184	172	172
P2.3.6 Provide cemetery administration and cemetery maintenance services	Community satisfaction with cemetery services	≥ 94%	85%	92%	90%
	Comment: Refer to L1.3.3				
P2.4.1 Maintain roads as contracted with RMS	Average RMS contractor performance grading	Good	Good	Good	Good

Thriving and safe place to live

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
P3.1.1 Manage Council's key planning documents	Adoption of Community Participation Plan (CPP) December 2019, Local Housing Strategy (LHS) September 2020, and Local Strategic Planning Statement (LSPS) July 2020	100% adoption	CPP 80% LHS70% LSPS70%	100%	100%
P3.1.2 Optimise land use to maximise social, economic and environmental needs of area	No overdue planning certificates (issued within 7 days)	0	0	0	0
P3.2.1 Provide development assessment services	Median net determination time for development applications	< 40 days	38 days	34 days	26 days

Thriving and safe place to live continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
P3.2.2 Provide building certification services	Market share of certification	Maintain	Maintain	43.8%	44%	✓
	Premises added to the fire safety program	Annual Increase	1,103	9 added Total 1,672	7 added Total 1,295	✗
	Comment: The decrease can be attributed to fewer inspections due to COVID-19 and we have found some inconsistencies with the Fire Safety Register. These will be remediated and reflected in 2021 to 2022.					
P3.2.3 Provide environmental health services	Onsite sewer management systems (OSMS) inspected	≥ 881 of 800 110%	892 111%	717 89%	1108 138%	✓
P3.2.3 Provide environmental health services	Food premises inspected~	≥ 514 of 500 103%	657 of 636 103%	428 of 800 53.5%	464 of 539 86%	✗
	Comment: Due to COVID-19, inspections did not recommence until October 2021. We reverted back to 2 inspections per premise in January 2021. The inspection program was fully completed.					
P3.2.4 Provide land use compliance services	Development compliance customer requests closed	≥ 95%	96%	113%+	93%	✓
P3.2.5 Provide regulatory ranger services	Ranger customer requests closed within timeframe	≥ 95%	99%	98%	98%	✓
P3.2.6 Provide illegal waste compliance services	Number of successful^ waste investigations	≥ 85%^^	88%	84%	90%	✓
P3.3.1 Develop and monitor Town Centre strategies	Completed actions in Town Centre Strategies Medowie (M), Nelson Bay (NB), Raymond Terrace & Heatherbrae (RTH)	Annual increase	M 5 of 10 NB 19 of 27 RTH 4 of 15	M 7 of 10 NB 19 of 27 RTH 10 of 15	M 10 of 20 NB 21 of 27 RT 21 of 35	✓
P3.4.1 Maintain facilities for Rural Fire Service and State Emergency Service	RFS and SES facility maintenance defects carried out within best practice levels	100%	100%	100%	100%	✓
P3.4.2 Manage asset protection zones and fire trails on Council property	Contractor's performance against agreed program	100%	100%	100%	100%	✓
P3.4.3 Maintain and implement a Local Emergency Management Plan	Review Local Emergency Management Plan every 3 years	100%	100%	100%	100%	✓

✓ **On track** target achieved or on track to be achieved — **Monitor** < 5% off the target — ✗ **Off track** > 5% off the target

** including approved variations ~ Schedule changes each year depending on number of inspections and inspection frequency + More customer requests closed than opened due to carry over from earlier reporting period. ^ Includes total number of reported incidents as well as proportion successfully investigated ^^Perpetrator found

Our environment

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

Goal 1: Ecosystem function

Our community has healthy and dynamic environmental systems that support biodiversity conservation.

Tree change

We love trees and so do our community (including our resident koala population).

As well as providing shelter and food for native animals, trees are an essential part of our environment. They improve our air quality, keep us cool and contribute to our sense of wellbeing – among many other things!

To ensure trees are managed responsibly in Port Stephens, we made some changes to the rules about removing trees with and without a permit.

The changes reduce red tape for removing dangerous trees that pose an immediate impact and make it clearer when approval is needed.

We developed simple guides, created self-certification forms and communicated the process to our community on our website and owned channels.

The changes are all about balancing the safety of people and property while preserving the valuable trees that make Port Stephens a great place to live.

No space for weeds in Port Stephens

Our war on weeds is never through and we're fighting it on many fronts.

One of our weapons is a new campaign by the NSW Department of Primary Industries called 'No Space for Weeds'. We localised the campaign to help Port Stephens residents understand the impact of weeds on our environment.

'Many of the things that make Port Stephens so special – our incredible waterways, native bushland and unique koalas – are all at risk from the impact of weeds,' said our Natural Resources team leader Jordan Skinner.

'The 'No Space for Weeds' campaign is all about raising awareness of the significant impact that weeds can have on our environment, our native flora and fauna, and our farmers.'

We reached 45,000 people with our video on Facebook alone. We'll keep investing in advertising on platforms where people buy and sell weeds to raise awareness of the issue.

Our Invasive Species team have been focused on continuously improving their processes and the results show. They have managed to quadruple the number of weed inspections on private properties over the past 5 years.

We also continue to manage our priority weeds through:

Weed treatments on Council land

672 (2019 to 2020) ↓ 17% 560 (2020 to 2021)

Weed inspections on private property

823 (2019 to 2020) ↑ 83% 1,504 (2020 to 2021)

Weeds compliance and enforcement actions

103 (2019 to 2020) ↓ 33% 69 (2020 to 2021)

Face-to-face training sessions for weed management

559 (2019 to 2020) ↑ 113% 1,188 (2020 to 2021)

Changing our educational approach

As with many things, COVID-19 is changing the way we educate our community about the environment.

Normally, we love to visit schools and hold face-to-face events to spread our environmental messages. This year, we only managed to conduct 15 education programs, down from 28 in 2018 to 2019.

The programs that we did deliver were well received and covered a wide range of topics:

- koalas corridors and sightings map
- dune rehabilitation
- threatened species including flying-foxes, shorebirds, whales and seagrass
- Coastal Management Program
- Biosecurity Act
- changes to tree rules
- sustainability and climate change
- bush regeneration.

We're continuing to look at ways we can educate our community about the important role we all play in looking after our environment, whether that's face-to-face or online.

Number of bushland sites managed

429 (2019 to 2020) ↓ 2% 419 (2020 to 2021)

Hectares regenerated

346 (2019 to 2020) ↓ 57% 149 (2020 to 2021)

Trees planted

4,629 (2019 to 2020) ↑ 62% 7,508 (2020 to 2021)

Number of times volunteers regenerated bushland

1,899 (2019 to 2020) ↑ 11% 2,102 (2020 to 2021)

HIGHLIGHT

Discovering Mahony's Toadlet

Our crews maintain hundreds of kilometres of roadside reserves every year – managing vegetation, treating weeds, clearing drains, maintaining assets and more.

There are plenty of interesting things you find on the side of the road – but none are as surprising as finding a newly discovered amphibian species, Mahony's Toadlet.

The toadlet was discovered in 2016 in Port Stephens and was listed as a threatened species the following year.

To help protect the toadlet and address the impacts of our roadside maintenance program, we embarked on a project to close knowledge gaps about the species.

In March 2020, we identified 6 roadside locations where the threatened species were likely to be breeding or foraging habitat.

We created a new roadside marker category for amphibians and shared this with our neighbouring councils.

We included these sites in our Environmental Management System and developed Standard Operating Procedures for how to manage these sites. This will ensure our roadside crews know what to do to protect Mahony's Toadlet now and into the future.

We're proud to have won the Roadside Environmental Management Award at the LGNSW Excellence in the Environment Awards for the project.

Read more about the discovery at **portstephens.nsw.gov.au**

Crinia tinnula (Wallum Froglet), a vulnerable amphibian species, observed on the road during survey of Taylor Beach Road, Taylor's Beach

Goal 2: Environmental sustainability

Our community uses resources sustainably, efficiently and equitably.

New vision for waste in Port Stephens

'The current way we manage waste has been in place since 1999 and it's now time to plan for the next 20 years,' said our Waste Management Coordinator Chris Cannard.

In November 2020, we asked our residents what the future of waste management should look like as part of our new Waste Management Strategy 2021 to 2031.

We conducted phone and online surveys, held face-to-face workshops and hosted a Facebook Live event to understand what our community wants from their waste service.

'One of the most encouraging things to come from these conversations is that we all want to reduce our environmental footprint and reduce waste going to landfill,' said Chris.

'We also heard loud and clear that our community would like a third bin for their garden waste – and we're committed to investigating how this can work.'

Our new strategy couldn't come at a better time. For the past 20 years, our waste system has allowed us to recycle 100% of green and food waste without a separate green bin.

This material could be used on land for grazing agriculture, forestry plantations and rehabilitated mine sites.

We diverted more than 50% of waste from landfill until 2018 when the NSW Environmental Protection Authority (EPA) revoked the Resource Recovery Exemption Order for mixed organic waste due to potential contaminants.

Since this decision, our contractor SUEZ has been trialling new ways to reuse this organic material so that we can continue to divert red bin waste from landfill.

They have also made improvements to the Newline Road waste facility. Stage 1 included upgrading the food waste digesters and installing a new system to remove unwanted waste like plastics early in the process.

What's next?

Our Council gave the draft waste strategy the green light in August 2021. We'll now get to work on implementing the actions from this strategy including investigating options for a third bin.

We'll also apply for funding from the NSW EPA to investigate better options for processing waste and reducing landfill.

Counting our water savings

Every drop counts when it comes to saving water.

'In response to water restrictions, we developed a Drought Resilience Team to look at how we could save water across all our major sites,' said our General Manager Wayne Wallis.

The data told us that our holiday parks made up almost 40% of our annual drinking water consumption, followed by sporting facilities and aquatic centres.

We saved 178 megalitres by implementing water-saving measures. That's 71 Olympic swimming pools of water and $69,880 off our water bill.

'We have a responsibility not only to strive for cost-saving measures but also uphold our commitment to protecting our natural environment,' said Mr Wallis.

'We'll continue to look for water savings to reduce demand on Hunter Water's systems and save our ratepayers money.'

We joined the Cities Power Partnership

We're proud to be part of Australia's largest local government climate network!

'From rolling out solar on council buildings to restoring beloved bushland – we've been working to cut emissions, save on energy bills and provide green spaces for the community to enjoy,' said Mayor Ryan Palmer.

'The Cities Power Partnership will help advance our work in this space including a Sustainability Action Plan that will set clear emission reduction and renewable energy targets to create a strong, clean local economy,' he said.

Find out more at **citiespowerpartnership.org.au/partners/port-stephens-council**

Goal 3: Environmental resilience

Our community is resilient to environmental risks, natural hazards and climate change.

Managing our coast now and into the future KP

Whether it's our port, beaches or rivers – we're lucky to be surrounded by incredible coastal areas.

'Our coast is one of our greatest assets. It's why our community love to live here and it's why people flock to Port Stephens,' said our Strategy and Environment Section Manager Janelle Gardner.

'The coast is constantly changing and that's why we're developing a Coastal Management Program to make sure we look after it for future generations.'

A Coastal Management Program (CMP) identifies risks to the coast and sets a long-term strategy for managing these into the future.

We're following the 5 stage process set out in the NSW Coastal Management Manual.

For the past 2 years, we've been working on the foundations of our CMP and talking with our community about how they use and value the coast.

Our stage 1 scoping study found the main coastal hazards impacting Port Stephens are coastal erosion, coastal inundation and windblown sand from dunes.

This year we've worked with technical experts on stage 2 to determine the risks of these coastal hazards now and over the next 100 years.

In November 2020, we held a webinar series to give our community a chance to hear from experts and learn more about these coastal hazards.

It's a long process so we're committed to checking in with our community and stakeholders throughout the stages, including establishing a CMP Stakeholder Reference Group.

We're getting ready to begin stage 3 of the process later in the year, which will involve identifying and evaluating our options moving forward.

Find out more about our Coastal Management Program at **portstephens.nsw.gov.au/grow/land-environment-and-heritage/environmental-plans-and-strategy/coastal-management-plan**

Tomaree Head, Destination NSW

ENERGY USAGE

(MEGAWATT HOURS)

2%

7,137	2%	7,004
2019 to 2020		2020 to 2021

Find out more at portstephens.nsw.gov.au/live/environment-and-sustainability/sustainability-and-climate-change

More action needed on climate change

Small actions make a big difference – particularly when it comes to climate change.

As the level of government closest to our community, we play an important role in helping people reduce emissions and adapt to climate change.

This year our Council adopted a new Climate Change Policy – an overarching guide for how we'll respond now and into the future. It has 3 focus areas:

- **education** – teaching our community why our climate is changing and how we can act
- **mitigation** – leading by example and reducing our emissions
- **adaptation** – protect the built and natural environments from the effects of climate change.

While action is needed urgently, it's important that we get it right.

Last year we completed 13 recommended actions in our 2009 Climate Change Adaptation Action Plan, bringing the total to 26 of 35 actions completed.

This year we have not made any more progress. While resourcing has been an issue, we're also reviewing the plan to make sure these actions still align with what our community wants to see.

We have, however, finished stage 2 of our CMP. This will guide us on how to mitigate the impacts of climate change on our beaches, bays and rivers.

What's next?

We're changing the way we do things so that we can manage environmental strategies better and ensure our community are part of the conversation from the start. From this, we will create a new strategy for Port Stephens with a focus on sustainability, the natural environment and climate change.

PFAS contamination update KP

We're continuing to support landholders at Williamtown affected by PFAS contamination.

The contamination was caused by the historical use of firefighting foam containing chemicals known as PFAS (per and poly-fluoroalkyl substances) at RAAF Base Williamtown.

We've extended the special sub-category of rates for the coming year to give a discount of 50% for residents in the primary zone, 25% in the secondary zone and 10% in the broader zone.

We're also continuing to monitor the implementation of the remediation program by the Department of Defence and act as an advocate for our community as necessary.

Fingal Bay

Our performance

Operational plan items on track after revising workplan due to COVID-19 100%

Ecosystem function

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
E1.1.1 Develop and monitor environmental policies, strategies and technical information	Refer to E1.1.2, E1.1.3, E3.1.2 and E3.3.1				
E1.1.2 Develop and implement a range of nature conservation programs	Scheduled actions completed in the Bushland Enhancement Program	≥ 71 work programs	71	175	435*
E1.1.3 Provide environmental impact assessment services	Number of Environmental Impact Assessments conducted within agreed timeframes	Annual increase	66%	82% Env planning 76% Tree management	82% Env planning 84% Tree management
E1.1.4 Manage biosecurity risks (weeds and pests)	Actions completed in the Hunter Strategic Weed Management Plan 2017 to 2022	Annual increase	29 of 37	36 of 37	36 of 37
E1.2.1 Provide environmental education programs to the community	Number of environmental education programs developed and implemented	≥ 28	28	20	15
	Comment: Due to COVID-19 restrictions, we were unable to host environmental education programs. Read more on page 87.				
	Number of participants	Annual increase	312	503	29
	Comment: Due to COVID-19 restrictions, we were unable to host environmental education programs. Read more on page 87.				

Environmental sustainability

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
E2.1.1 Reduce waste going to landfill	Community satisfaction with garbage collection and access to waste depot/transfer stations	≥ 90%	95% & 88%	95% & 88%	96% & 93%	✓
	Participation in 'problem waste' days	Annual increase	42%	43%	47%	✓
	Waste diverted from landfill	≥ 40%	33%	41%	44%	✓
E2.1.2 Improve Council's energy usage	MWh usage year on year	≥ 8,400MWh	8,400MWh	7,137MWh	7,004MWh	✓

Environmental resilience

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
E3.1.1 Develop a Coastal Management Program	Develop and implement Coastal Management Program stages 1 to 3. 2018 to 2019 – Scoping study and community engagement plan 2019 to 2020 – Coastal risk assessment and options paper 2020 to 2021 – Exhibition, certification and adoption of finalisation program	Maintain	Stage 1 completed	Stage 2 commenced and is to be completed September 2020	Stage 2 mapping and modelling studies undertaken and final report received	✓
E3.2.1 Support affected communities in the Williamtown PFAS Management Area and surrounds	Participation in consultation or advocacy activities	Yes	Yes	Yes	Yes	✓
E3.2.2 Monitor and manage environmental impacts from decommissioned waste landfill sites	Scheduled gas and water monitoring undertaken	100%	100%	100%	100%	✓
E3.3.1 Review Climate Change Adaptation Action Plan	Development and implementation of actions in the Climate Change Adaptation Action Plan	≥ 13 of 35	13 of 35^	26 of 35^	26 of 35^	–
	Comment: No further progress was made this year. Read more on page 92.					

✓ On track target achieved or on track to be achieved — Monitor < 5% off the target ✗ Off track > 5% off the target

* 149 ha of natural area management. 7508 trees planted ^ Recommended actions commenced

OUR PERFORMANCE

Our council

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

Goal 1: Governance

Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety (RITES).

Showing we PSCare

We want our employees to feel cared for and supported, particularly during the COVID-19 pandemic.

In September 2020, we introduced PSCare – a new employee wellness program to bring all our health and wellbeing initiatives under one umbrella.

'We want to empower our workforce to take the lead on all aspects of their wellbeing – mind, body and culture.'
– Organisation Support Section Manager Zoë Pattison

We put particular focus on psychological safety by training over 100 employees in Veda meditation. We also offered mental health awareness programs, mental health contact officers and our Employee Assistance Program.

'By providing our people with the right tools we can help them to continuously improve and build on their physical and mental wellbeing, which is more important than ever,' Zoë said.

We're proud to be finalists in the 2021 Hunter Business Awards for PSCare in the Outstanding Employer of Choice category.

New Enterprise Agreement

To continue delivering valued service to our community, we need to make sure we attract and retain the right people.

This year, we negotiated a new Enterprise Agreement for 2021 to 2025. It sets out the pay and conditions for our employees over the next 4 years. The agreement gives fair pay and flexibility to our employees and gives our organisation certainty to plan our resources for the future.

Our collaborative bargaining model is recognised as leading the way in enterprise agreement negotiations – representatives of employees, unions and the organisation work together to get the best outcome for all parties.

Our employees voted to accept the new agreement in June 2021. The NSW Industrial Relations Commission can only ratify agreements for a 3 year period, so we have split our agreement into 2. Our 2021 to 2022 agreement has been ratified and the 2022 to 2025 agreement will be ratified soon.

FEATURE

Next generation of service reviews

As a Business Excellence organisation, we're committed to doing the right thing in the best way.

Every 4 years, we comprehensively review each of our 60-plus services – asking if we are delivering the quality our community needs at the cost they expect. In between, we conduct 'mini reviews' to make sure our services are on track.

This year, we completed 15 service reviews and 18 mini reviews to ensure our services remain agile in this ever-changing environment.

Since introducing the review program in 2010, we have made substantial savings and reinvested these into delivering better services for our community.

After 12 years of this process, we've uncovered most of the inefficiencies in each of our services. We're now trialling end-to-end reviews of our processes and the results so far have been encouraging.

We aim to provide sustainable services by encouraging innovation and collaboration, finding efficiencies and making savings where possible.

Administration Building, Raymond Terrace

Drop in community satisfaction rating

Understandably, our overall community satisfaction rating took a dip this year despite our best efforts.

COVID-19 has put unprecedented strain on our services. Changing public health orders and financial pressures forced us to change our service levels multiple times over the past 12 months.

The annual survey was also conducted in May 2021 – just weeks after a natural disaster wreaked havoc on Port Stephens.

Our overall community satisfaction rating was 68% – down from 80% last year. For comparison, our average rating over the 4-year Council term is 77%.

While the result was lower than we hoped, we're pleased to say we had 2187 responses – our highest-ever response rate. This compares to 1542 in 2020.

Our top 3 performing areas were:

- garbage collection 96%
- access to waste depots and recycling 93%
- children's services 93%

Our 3 main areas for improvement were:

- maintaining local roads 45%
- managing stormwater drainage 59%
- roadside maintenance 68%

These results are consistent with the widespread damage to roads and infrastructure caused by the natural disaster.

What's next?

We heard our community and we're firmly focused on fixing our roads – read more on page 76. We'll also be using this data and our Liveability Index as the starting point for engagement with our community on our new Community Strategic Plan in the coming year.

Planning for Williamtown precinct KP

Last year, we reported Williamtown is a Special Activation Precinct (SAP) – a dedicated area identified by the NSW Government to become a thriving business hub.

The SAP will capitalise on the existing aerospace sector and is set to create 4,300 jobs in our region.

Community consultation on the precinct began in December 2020 with a series of drop-in sessions.

We participated in a 4-day urban planning workshop in April 2021 to test development scenarios and identify opportunities and constraints.

We anticipate the draft Master Plan will be released for public exhibition later in 2021.

We'll continue to work with our NSW Government counterparts to realise the full potential of Williamtown as a Special Activation Precinct.

International travel set for take-off

Prime Minister Scott Morrison flew into Newcastle Airport on 7 May 2021 to deliver the news we'd all been waiting for – the Australian Government would fund a $66 million runway upgrade.

The upgrade will open the airport up to larger international aircraft including Boeing 787s and Airbus A330s, bringing the world closer to our doorstep.

As co-owners with City of Newcastle, we're proud to have been part of advocating for this transformational project.

'It will permanently change our region for the better in so many ways' - Newcastle Airport CE Dr Peter Gesk

'It will offer convenience for travellers from our region who want to fly internationally. But more importantly, it will drive huge, sustainable economic benefits into the whole of northern NSW. It is truly a nation-building project,' he said.

The runway upgrade will provide an estimated 4,500 ongoing jobs and over $12 billion in economic benefits.

The airfield works are being carried out at the same time as Defence upgrades, which will deliver significant cost savings.

The works began in late 2021 and are scheduled to be completed in 2023. Works to increase the capacity of the airport terminal are also due to be completed in 2023.

Passenger numbers lose altitude

With warmer temperatures and COVID-19 restrictions lifting in October 2020, Newcastle Airport's recovery was quicker than most.

The airport announced a string of new routes in 2021 including Lord Howe Island, Sunshine Coast, Port Macquarie, Cairns and Cobar. New services also commenced on the Canberra and Melbourne routes.

The airport reached a peak of 80,000 passengers in April 2021 – ranking among the top 5 quickest airports to recover in Australia.

While there has been plenty of interest in these destinations, the changing COVID-19 restrictions and fast-moving outbreaks have again impacted passenger numbers.

Despite this, the airport's aspirations and confidence remain high with long haul international connectivity just around the corner.

As a result of the financial impacts of COVID-19, we won't be receiving our usual dividend payment of $2 million in 2021.

How COVID-19 affected airport traveller numbers:

480,953

AIRPORT PASSENGERS

down from 930,000 in 2019 to 2020

Astra Aerolab

With Newcastle Airport, the RAAF Base and the Special Activation Precinct – Williamtown is fast becoming the epicentre of aviation and aerospace.

That's why it's the perfect location for Astra Aerolab, an international business precinct designed to support defence, aviation and aerospace industries.

Owned by Newcastle Airport and funded by the NSW Government, the unique precinct is designed to drive innovation, create jobs and provide economic benefit for the entire Hunter region.

It was an exciting day when NSW Deputy Premier John Barilaro officially opened stage 1 of Astra Aerolab in December 2020. It includes roads, services, drainage and over 200,000 plants. Importantly, the development has retained an existing dune area and protected an Aboriginal Keeping Place.

BAE Systems Australia and Leading Edge Data Centres have already signed key agreements, with more to come.

Work is underway to finalise the parks and landscaping features for stage 1. Designs are being prepared for a proposed multi-tenant commercial office, with construction expected to start on-site in early 2022 and be ready for tenants in 2023.

Goal 2: Financial management

Our Council is financially sustainable to meet community needs.

- Maintain strong financial sustainability
- Maximise non-rate revenue and investment to support Council services

COVID's continued financial impact[KP]

Similar to many organisations around the world, we're continuing to feel the financial impacts of COVID-19 on almost every facet of our operations.

Despite being in a financially sustainable position for many years, in July 2020 we were predicting an underlying deficit of $4.4 million for the year ahead.

This was due to reduced income and continuing cost increases. Of note, we knew we were unlikely to receive our $2 million dividend from Newcastle Airport and our workers compensation premium had risen.

By implementing a range of cost-saving measures across our organisation, we've been able to achieve a small underlying surplus of $582,807 for 2020 to 2021 – almost $5 million better than our forecast.

This achievement is thanks to the hard work of every employee to find savings and manage their budget.

We secured $22 million in grants from the Australian Government and NSW Government in 2020 to 2021

Property portfolio continues to pay off

While councils are largely known for roads, rates and rubbish – rates aren't the only way we fund services for our community. We also generate revenue through our holiday parks, fees, investments and property portfolio.

Many of these non-rate revenue streams have taken a hit during the COVID-19 pandemic but our property portfolio continues to be an important ongoing source of funds for our community.

Our property highlights for 2020 to 2021:

- We renegotiated 70 leases and licenses, securing $2.1 million in rent.
- Under new legislation to help lessees during the pandemic, we received 46 requests for rent relief totalling $340,000. We agreed to defer $300,000 of this to 2021 and waived the balance.
- We leased a number of long-term vacancies at significant commercial properties in Raymond Terrace and Newcastle. This has been a significant challenge under the current market conditions.
- We completed all stage 1 sales of commercial land projects at Salamander Bay and Medowie.
- We've finalised the subdivision of Council-owned land at Raymond Terrace and we're close to finalising another at Soldiers Point.
- We purchased a new property in the Nelson Bay town centre and finalised the acquisition of the former Raymond Terrace Fire Station site.

FEATURE

Koala Sanctuary officially opened KP

Fast asleep, nestled into the fork of a gum tree is Maree – one of the resident koalas at our new Koala Sanctuary.

As you stroll along the elevated Sky Walk into the treetops, you can spot koalas like Maree in their natural habitat and learn about the threats they face.

'This new sanctuary will not only help protect and care for our iconic koala populations, but it will also provide a boost to the local economy driving eco-tourism dollars to the region,' said Environment Minister Matt Kean as he officially declared the Sanctuary open.

Since 25 September 2020, we've welcomed almost 24,000 day visitors and 3,000 overnight guests (to 30 June 2021).

We couldn't have done it without the support of the NSW Government and the dedicated volunteers at the on-site Koala Hospital, who are helping preserve our koala population.

While COVID-19 has undoubtedly impacted our visitor numbers, the reviews have been resoundingly positive. People love the unique experience of getting up close with koalas and spending the night in an idyllic bushland setting.

We're proud to have received a Net Promoter Score of 73% – an outstanding result that is recognised as world-class. We're also finalists for the 2021 Hunter Business Awards for the Start-Up Superstar category.

Find out more about Port Stephens Koala Sanctuary at **portstephenskoalasanctuary.com.au**

Holiday parks bounce back

After a difficult 2020 plagued by closures and COVID-19 travel restrictions, our Council-owned holiday parks have been buoyed by a return in visitors.

It was wonderful to welcome back guests in record numbers from July 2020 as restrictions eased in our region.

Guests continue to be pleased with their choice to stay with us, with our parks achieving a pleasing overall Net Promoter Score of 69%.

Average occupancy across our holiday parks was 55%, up from 45% in 2019.

Guests stayed 156,723 nights, up by 9,265 nights compared to 2019.

What's next?

We're continuing to feel the impacts of COVID-19 as restrictions returned to our region at the time of writing. We're using this time to make improvements to our holiday parks and market to key audiences so that we're front-of-mind when it's safe to travel again.

Goal 3: Communication and engagement

Our community understands Council's services and can influence outcomes that affect them.

Next steps for Customer First journey

For the past 4 years, we've been working to transform the experience of our customers – our ratepayers, community and colleagues.

Practically speaking, this means making it easy to do business with us and resolving customer requests in the promised timeframes.

We're well on our way to becoming a customer first organisation but there's still plenty of work to do.

This year, we developed the next stage of our Customer First Action Plan so that we can continue to make improvements to our customers' experience. Over the next 3 years, we'll focus on:

- continuing to close the loop by getting back to our customers
- providing a new website that is accessible, secure and searchable
- providing new online services that make it easy to do business with us including online forms, online payments, event and facility bookings, online maps and more
- mapping customer journeys across our organisation to find efficiencies and make process improvements.

What we did to improve our customer service in 2020 to 2021:

- We streamlined our customer request system categories to make sure requests are assigned to the right team. This has reduced rework and allows us to respond faster to community requests.
- We created a direct link to our waste contractor SUEZ in our phone system. When a customer calls for waste collection, they can now choose to be automatically diverted to SUEZ instead of speaking to multiple people. This has diverted 200 phone calls a week, freeing up our team to provide better service.
- We changed the way we measure first point of contact to reduce room for human error. As a result, our score has dropped to 20% but we're focused on improving this through training and increasing our team's knowledge base.

16,145 CUSTOMER REQUESTS (CRM) RAISED THIS YEAR

18.3% INCREASE UP FROM 13,642 IN 2019 TO 2020

96% closed within 21 days, exceeding our target of 90%

Website users

2019 to 2020		2020 to 2021
251,897	↑ 29%	324,581

Website page views

2019 to 2020		2020 to 2021
906,080	↑ 16%	1.055 M

PARKING

OUR TOP VIEWED WEBSITE PAGE WITH

39,658 VIEWS

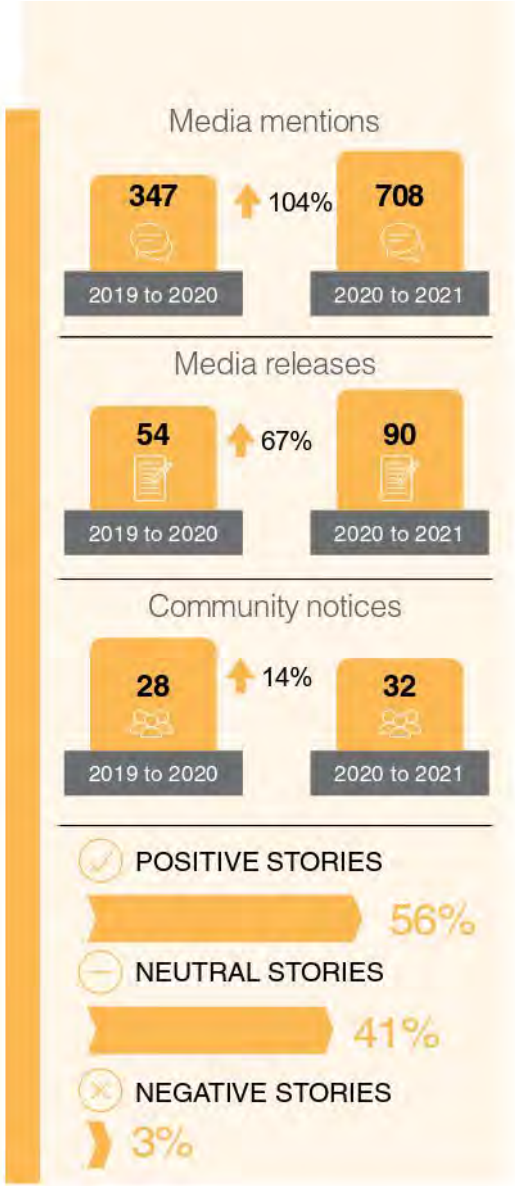
portstephens.nsw.gov.au/parking

Our website traffic:

61%	33%	6%
MOBILE	DESKTOP	TABLET

TOP VIEWED WEBSITE PAGES: Kerbside collections, Careers, Garbage services

Robinson Reserve, Anna Bay



PSC in the media

In 2020 to 2021, there were 708 significant mentions of Port Stephens Council in the mainstream media. Of these, 97% were positive or neutral.

We issued 90 media releases and 32 community notices to keep our community informed. This year, we received significant media coverage about:

- COVID-19 impacts, restrictions and support available
- natural disaster hits Port Stephens (page 75)
- smart parking goes live in Nelson Bay (page 72)
- 7 Day Makeover of Medowie (page 74)
- official opening of Port Stephens Koala Sanctuary (page 101)
- announcement of runway upgrade at Newcastle Airport (page 98)
- local government election postponed (page 33)
- Shoal Bay parklets

Passionate debate about parklets

They're colourful, creative uses of space and they sure generated a lot of debate – we're talking about parklets, of course.

In March 2021, we began a trial of parklets at Shoal Bay to welcome people back to the town centre safely after COVID-19 lockdowns.

Parklets are a pathway extension that converts part of the road into community space. They are designed to add vibrancy to a town centre by providing room for outdoor dining and pop-up entertainment.

To add a splash of colour, we asked an artist to paint a blue design on the parklets to match the beautiful scenery at Shoal Bay. We also engaged local musicians and entertainers to activate the space as part of our Endless Summer activation program.

The trial was fully funded by the NSW Government's Streets as Shared Spaces program.

As with any trial, we were expecting feedback but we were overwhelmed by the level of passion in the responses we received. Some people loved them, others preferred the convenient car parking and original streetscape.

After listening to all sides of the debate, our Council decided to remove the parklets in June 2021.

What's next?

We'll continue to engage with the Shoal Bay community on the future of their place in 2021 as we develop our new Community Strategic Plan and place plans.

As we transition to this place-based approach, we're reflecting on how we can improve our communications and engagement process to ensure we're building trust with our community to get the best outcome.

Parklets, Shoal Bay

Facebook fans

11,668 ↑ 23% 14,438

2019 to 2020 | 2020 to 2021

438,000

LIKES, COMMENTS AND SHARES ON FACEBOOK

356,000

PEOPLE

Our post with the largest reach was about the March natural disaster

Our performance

Operational plan items on track after revising workplan due to COVID-19 100%

Governance

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
L1.1.1 Manage and deliver the Human Resources program	Employee engagement	≥ 70%	68%	74%	81%
	Complies with IP&R checklist for workforce plan	Compliant	Compliant	Compliant	Compliant
L1.2.1 Coordinate and deliver Councillor and executive support services	Elected member's satisfaction with services	100%	100%	100%	100%
L1.2.2 Conduct citizenship ceremonies	Number of citizens conferred	Citizens conferred	68	90	80
L1.2.3 Develop and manage relationships with all levels of government and stakeholders	Participation in consultation or advocacy activities with other levels of government or agencies	Yes	Yes	Yes	Yes
L1.2.4 Develop shareholder value through an effective partnership with Newcastle Airport	Participation in NAPL/GNAPL Board meetings	Yes	Yes	Yes	Yes
	Airport traveller numbers per annum	≥ 1.27 million	1,277,473	930,000	480,953
	Comment: COVID-19 continued to impact travel and airport traveller numbers.				
	Airport dividends received per annum	≥ $1.9 million	$1.943M	$2M	nil
	Comment: We did not receive a dividend for 2020 to 2021 due to the ongoing impacts of COVID-19.				
L1.2.5 Work with Hunter councils to enhance the Hunter region	Participation in Hunter Joint Organisation meetings	Yes	Yes	Yes	Yes
L1.3.1 Coordinate and deliver governance and legal services	Governance Health Check score	≥ 95%	98%	98%	98%
L1.3.2 Coordinate and report on the internal audit process	Audit-identified issues resolved within expected timeframe	≥ 83%	100%	100%	43%
	Comment: Actions completed during period and reported to Audit Committee in July 2021.				
L1.3.3 Undertake a community satisfaction survey	Overall community satisfaction with Council	≥ 80%	76%	80%	68%
	Comment: The 2021 Community Satisfaction Survey results reflect the impacts of COVID-19 and a natural disaster. Read more on page 98.				

Governance continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
L1.3.4 Manage the Integrated Planning & Reporting Framework	Integrated Plans delivered on time	≥ 95%	98%	100%	98%	✓
	IP&R documents conform with IP&R checklist	Compliant	Compliant	Compliant	Compliant	✓
L1.3.5 Manage access to information and privacy processes	Number of privacy complaints/breaches	< 5	4	1	0	✓
L1.4.1 Facilitate the 4-year rolling Service Review of Council's processes and services	Number of reviews completed — Service Reviews (SR) and mini reviews (ADRI)	Completion	16 SRs 17 ADRIs	24 SRs 14 ADRIs	15 SRs 18 ADRIs	✓
L1.4.2 Manage the Corporate Improvement and Business Systems program of work	Maintain system uptime	99.99%	100%	100%	100%	✓
L1.5.1 Manage the Integrated Risk Management System program of works	Maintain risk management maturity score	≥ 80%	86% at August 2019	86% at August 2019	86% at October 2020	✓
	Rolling projected workers compensation deposit premium (rounded)	Pay < base < 100%	Base $1.2m Paid $0.8m 70%	Base $1.2m Paid $1.2m 104%	Base $1.2 m Paid $1.7 m 140%	✗
	Comment: Read more on page 44					
	Percentage of incidents reported to Corporate Risk outside 24 hours	< 12.8%	13%	14%	15%	✗
	Comment: Council continues to refine the process to ensure adherence to this critical reporting requirement. Despite the increase, time lost to injuries has decreased, refer to page 44.					

On track target achieved or on track to be achieved — Monitor < 5% off the target — ✗ Off track > 5% off the target

Financial management

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021
L2.1.1 Manage Council's financial resources	Underlying financial surplus of 1% of budget	Achieve	Achieved	Not achieved	Not achieved
	Comment: Read more on page 100.				
	Unqualified Annual Financial Statements	Unqualified	Unqualified	Unqualified	Unqualified
	Complies with IP&R checklist for Long Term Financial Plan	Compliant	Compliant	Compliant	Compliant
L2.2.1 Manage Council's commercial businesses and investment assets	Maintain yield on commercial investment portfolio	Between 7 to 10%	8%	7%	8%
	Property vacancy rate	< 20%	14%	6%	6%
L2.2.2 Deliver the Property Services capital works program	Scheduled works delivered on time, on budget	100%	100%	100%	100%
L2.2.3 Manage land acquisition, development projects and biodiversity sites	Scheduled works delivered on time, on budget	100%	100%	100%	100%
	Review and develop Property Investment Strategy	100%	100%	80%	100%
L2.2.4 Manage Council's tourist accommodation	Average nightly rate (per site/cabin)	≥ Cabins $173 Sites $51	Cabins $192 Sites $52	Cabins $217 Sites $52	Cabins $232 Sites $62
	Net promoter scores for Council's Holiday Parks	≥ 63.95%	64.2%	64.95%	69%

Communication and engagement

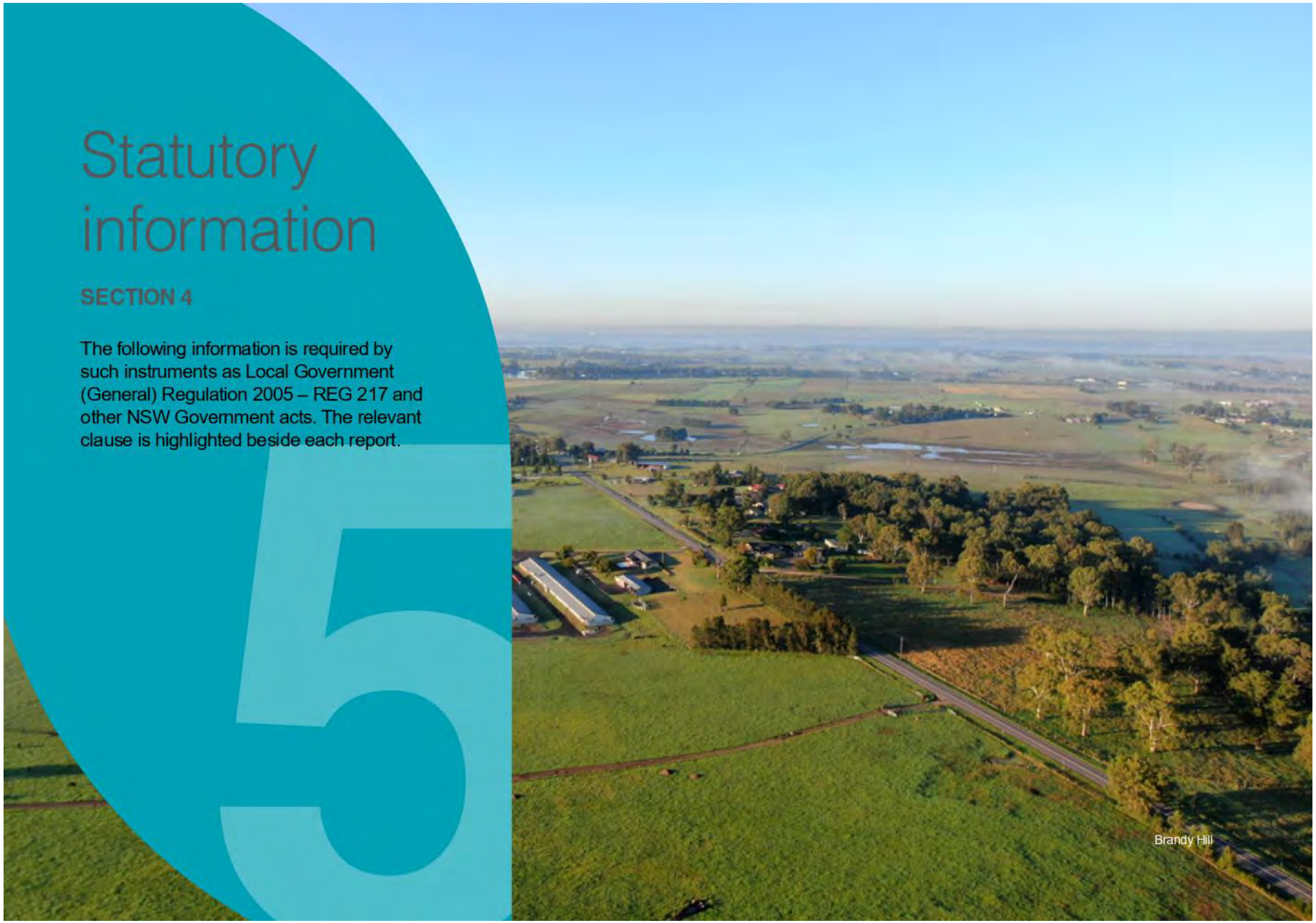
What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	
L3.1.1 Develop, implement and monitor Council's Customer First Framework	Scheduled actions in Customer First Framework completed (Stage 1)	≥ 95%	100%	100%	100%	✓
	Customer first point of contact resolution	≥ Annual target	69%	37%	20%	✗
	Comment: Read more on page 102.					
L3.2.1 Manage Council's communications	Proportion of internal and external communication plans completed on time	≥ 95%	95%	95%	95%	✓
L3.2.2 Manage Council's digital services	Growth in website users per year	Greater than 2% growth per year	1.70%	11.40%	7%	✓
L3.3.1 Manage Councils brand and reputation	Refer to L3.2.1					
L3.4.1 Conduct Council's community engagement activities	Scheduled community engagement activities in Capital Works program completed or started	≥ 95%	100%	100%	100%	✓

Statutory information

SECTION 4

The following information is required by such instruments as Local Government (General) Regulation 2005 – REG 217 and other NSW Government acts. The relevant clause is highlighted beside each report.

5



Statutory information

Our Council is committed to open and transparent reporting. The information in this section is legislated and supplements the information provided elsewhere in the report.

Our general reporting requirements are set out in section 428 of the Local Government Act 1993 (the Act) and clause 217 of the Local Government (General) Regulation 2005 (the Regulations). References to 'section' refer to the Act, while references to 'clause' refer to the Regulations unless otherwise stated. To access copies of the Act and Regulations visit legislation.nsw.gov.au

Overview of reporting requirements

Below is an overview of reporting requirements that have been achieved, reported elsewhere, are not required or the service was not provided.

Legislation	Achieved
Implementing the Delivery Program 2018 to 2021 – Section 428(1)	Yes
Implementing the Community Strategic Plan 2018 to 2028 – Section 428(2)	Yes – see volume 3
Integrated Planning and Reporting Guidelines – Section 428(3)	Yes
Audited financial reports - Section 428(4)	Yes – see volume 2
Annual report copies – Section 428(5)	Yes – Copies will be made available on our website, at our libraries and provided to the Minister for Local Government's office.
State of the Environment Report – Section 428(A)	Environmental considerations are included in volume 1. Read more on pages 86 to 95.
Induction training and ongoing professional development of Mayor and Councillors' - Clause 186	Yes – read our report on page 38
Overseas travel undertaken by Mayor, Councillors and staff Clause 217(1)(a)	No overseas travel undertaken during the financial year.
Private works resolutions – Clause 217(1) (a4)	No work carried out on private land requiring a resolution under section 67 of the Act.
Equal employment opportunities activities – Clause 217(1)(a9)	Yes – read our report on page 44
Coastal protection – Clause 217(1)(e1)	Not levied
Special Variation to Rates Expenditure – Section 508(2) and 508A	Not levied
Condition of Civil Assets	Yes – view special schedule 7 of volume 2
Carers Recognition Act 2010	Did not provide service
Environmental Upgrade Agreements – Section 54P(1)	Did not provide service
Disability Inclusion – Disability Inclusion Act 2014, section 13(1)	Yes – read our report on page 54
Stormwater management services – Clause 217(1)(e)	We do not levy an annual charge for stormwater management services as it received a special variation to its general income from 1997 to 1998 for stormwater management activities.
Privacy & Personal Information Protection Act 1998	Read our report on page 39

Rates and charges written off during 2020 to 2021

Clause 132

Type	Amount
Pensioner concessions	$1,548,315
Postponed rates	$1,002
Small debts	$764
Conservation agreements	$2,473

Type	Amount
Uneconomical to recover	$1,344
Ratepayer's hardship (interest charges)	$193
Total	**$1,554,091**

Mayoral and Councillors' fees and provision of facilities

Clause 217(1)(a1)

A summary of the expenses incurred in performing the functions of Mayor and Councillors and associated allowances.

Our policy recognises the Mayor and Councillors, in performing their civic functions, are entitled to be provided with certain facilities and be reimbursed for certain expenses. The policy was adopted on 26 September 2017 and is reviewed annually.

Allowances	Costs
Mayoral allowance	$84,400
Councillors' fees and allowances	$218,880
Councillors' expenses (see below)	$70,190
Cost of catering	$36,938
Cost of Mayoral vehicle	$5,060
Total	**$415,468**

Expenses	Costs
Mobile phone rental	$0
Mobile phone calls	$1,649
Landline phone rental	$0
Landline phone calls	$0
Fax rental	$0
Fax calls	$0
Internet	$1,683
Intrastate travel	$11,829
Intrastate out of pocket expenses	$0
Interstate travel (out of NSW)	$0
Interstate out of pocket expenses	$0
Interstate accommodation (out of NSW)	$0
Intrastate accommodation	$5,275
Conferences	$2,765
Training	$68
Partners' expenses	$631
Computers	$3,552
Stationery	$764
Awards and ceremonies	$2,773
Child care expenses	$1,828
Communications bundle	$7,169
Professional development	$30,204
Total	**$70,190**

Contracts awarded greater than $150,000

Clause 217(1)(a2)

Name of contractor	Contract details and purpose	Number	Contract value
Boral Fulton Hogan	Supply of spray sealing services	RFQ29-2020~	$513,971 $668,504
Colas NSW	Asphalt project – Nelson Bay CBD	RFQ64-2020~	$376,889
Fulton Hogan Industries	Asphalt heavy patching – Transport for NSW (TfNSW) road network	RFQ68-2020~	$203,415
Fulton Hogan Industries	Reseals for TfNSW road network	RFQ69-2020 ~	$361,320
ANA Asphalt	Nelson Bay asphalt projects	RFQ75-2020 ~	$190,765
Downer EDI Works	Deep lift and overlay – Seaham Rd, Nelson Plains seg 10	RFQ88-2020 ~	$343,550
Fenworx	Asphalt heavy patching – deep lift and overlay for TfNSW	RFQ023-2021~	$614,024
Allcoast Roof Services (NSW)	Lakeside Aquatic Centre – roof replacement	RFQ049-2021	$175,000
Trinity Quality Interiors	Lakeside Aquatic Centre – kiosk fit out	RFQ050-2021	$187,842
Fenworx	MR108 Nelson Bay Rd, Bobs Farm asphalt overlay	RFQ064-2021^	$2,207,336

Name of contractor	Contract details and purpose	Number	Contract value
Inquik Pty Ltd	Foreshore Drive prefabricated bridge	RFQ076-2021	$330,700
Sparke Helmore Lawyers Local Government Legal LTL	Provision of legal services	T04-2017 #	Schedule of rates*
Remondis Australia Pty Ltd	Garbage services – Holiday parks and parks	T27-2017#	Schedule of rates*
Trees In Newcastle Trees In Newcastle Toolijooa Kleinfelder Australia Hunter Land Management Clean Coast Weed Control	Bush regeneration and weed control	T08-2018#	Schedule of rates*
Balanced Security Systems	Security services	T09-2018#	Schedule of rates*
Total Fire Solutions	Fire services	T11-2018#	Schedule of rates*
Safe Work Laboratories Pty Ltd	Provision of drug and alcohol testing	T091718HUN -1#	Schedule of rates*
Anna Bay Sand and Earthmoving ASV Sales and Service Pty Ltd ATAK Industries Base Course Management NSW	Plant and equipment hire and haulage	T18-2020	Schedule of rates*

Name of contractor	Contract details and purpose	Number	Contract value
Clark Equipment Rental Coates Hire Operations Pty Ltd Conplant Pty Ltd D&D Lumsden Earthmoving Pty Ltd Daracon Group Elbourne Plant Hire Pty Ltd Flynn Haulage & Earthmoving Pty Ltd Lantry Earthmoving Pty Ltd MR Diggit Pty Ltd Orange Hire Rollers Australia Pty Ltd Rosmech Sales & Service Pty Ltd RTBG Group Pty Ltd Sherrin Rentals Pty Ltd Show Mow & All Go Solution Plant Hire Pty Ltd Specialised Pavement Services Pty Ltd SS & LM Johnston Earthmoving Stabilised Pavement Services Pty Ltd Tutt Bryant Hire	Plant and equipment hire and haulage	T18-2020	Schedule of rates*

Name of contractor	Contract details and purpose	Number	Contract value
Boral Resources (NSW) Pty Limited Buttai Gravel Pty Ltd T/A Daracon Group Moresload Pty Ltd Karuah East Quarry Pty Limited		T20-2020	Schedule of rates*
Protecht.ERM Pty Ltd			$280,000
GHD PTY LTD		T12-2020	$228,280
WENDGOLD PTY LTD		T09-2020	$516,800
MW & JG Greentree T/A Image Air Conditioning		T25-2020	$164,590
Soil Conservation Service		SA032-2021	$228,682
Fabritecture Australia Pty Ltd		T009-2021	$1,264,745
Glascott Landscape and Civil Pty Ltd		T015-2021	$737,220
GPM Marine Constructions Pty Ltd		T016-2021	$1,498,510
Collaborative Construction Solutions Pty Ltd		T027-2021	$2,599,034

Definitions of contracts awarded: "Port Stephens Council tenders for this period" * Schedule rates refers to 'do and charge', anticipated to be in excess of $150,000. # Port Stephens Council contract extensions for this period. ~ Contracts as executed using Local Government Procurement Contracts

Legal proceedings

Clause 217(1)(a3)

A summary of the amounts incurred in relation to legal proceedings taken by and or against Council from 1 July 2020 to 30 June 2021.

Workers compensation and other employment matters, public liability and professional indemnity claims are not included. Our Council recovered $6,185 in legal costs.

Legal matter	Details	Status	Cost
Supreme Court			
Shoal Bay Developments Pty Ltd, Snoogal Pty Ltd v The Registrar – General, Community Association DP 270468 and Port Stephens Council	Proceedings seeking to sever land from a Community Title at Nelson Bay. By consent, orders were made allowing the severance.	Completed	$25,486
Development Appeals			
Deemay Enterprises Pty Ltd	Appeal against Council order to remove or demolish structures and cease using premises. By consent, orders were made – appeal upheld and Council order was modified.	Completed	$15,511
Tomasic	Appeal against Council refusal to grant Development Consent. Appeal dismissed, development application determined by refusal of consent.	Completed	$104,324
Verhagen	Appeal against Council Prevention Notice in relation to noise.	Ongoing	$16,170
Local Court Prosecutions			
Webb	Application in Small Claims Division for reimbursement of fees.	Ongoing	$3,488
Other matters			
Webb	Appeal to the NCAT internal Appeal panel against tribunal findings in an administrative review and order to restrain proceedings. Appeal part dismissed, remainder remitted to Tribunal for reconsideration.	Completed	$29,915
Webb	Application to NCAT seeking leave to submit Government Information (Public Access) Act (GIPA) application to Council. Application no longer required, proceedings dismissed.	Completed	$7,522
Webb	Proceedings seeking order to restrain unmeritorious GIPA applications – matter remitted for reconsideration. Application dismissed.	Completed	$28,280
McEwan	Application for administrative review of GIPA application. Tribunal ordered some documents to be released and affirmed Council decision in relation to the remainder.	Completed	$73,993
Total			$304,689

Financial assistance

Clause 217(1)(a5)

Each year, our Council provides financial assistance to community and cultural groups in Port Stephens in accordance with section 356 of the Act.

Annual grant programs, Ward and Mayoral funds

Category	Amount
Mayoral fund	$81,537
Ward fund	$43,223
Vibrant spaces fund	$72,000
Community support fund	$66,200

Category	Amount
Business growth projects fund	$35,000
Tourism projects fund	$400,000
Heritage projects fund	$4,597
Total	**$702,557**

Hardship rate relief and rate donations

Our Council provided $4,447.25 in hardship rate relief and rate donations under sections 601 and 356 of the Act.

Waste services

Under our Financial Assistance for the Disposal of Waste in Port Stephens Policy, $60,313 was provided to the following organisations:

Organisation	Amount
Salamander Bay Recycling	$10,930
The Salvation Army Port Stephens	$693
The Salvation Army Raymond Terrace	$63
St. Vincent De Paul – Anna Bay	$9,306
St. Vincent De Paul – Nelson Bay	$9,999
St. Vincent De Paul – Raymond Terrace	$857
St. Vincent De Paul – Tanilba Bay	$209
Salamander Men's Shed	$5,749
Raymond Terrace Men's Shed	$508
Port Stephens Uniting Church	$176
Medowie Assembly of God (Opportunity Knocks)	$1,004
Anna Bay Cubs and Scouts	$1,044
Port Stephens Koalas	$6,402
Tilligerry Habitat Association	$705

Organisation	Amount
Marine Rescue Port Stephens – Lemon Tree Passage	$536
Marine Rescue Port Stephens	$3,301
Scope Home Access	$3,505
Tilligerry Rural Fire Service	$470
Raymond Terrace Early Education Centre	$605
Salvation Army Hope Centre	$1,333
RTM Op Shop – Adventist Community Services Op Shop	$480
Clean4Shore NSW Inc	$1,786
NSW State Emergency Service – Port Stephens Unit	$96
Raymond Terrace Historical Society	$282
Rotary Club of Raymond Terrace	$160
Port Stephens Community Woodworkers Inc	$114
Total	**$60,313**

External bodies exercising the functions delegated by Council

Clause 217(1)(a6)

There were no external bodies exercising the functions of our Council.

External bodies of which Council has controlling interests

Clause 217(1)(a7)

Our Council must report on all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which we (whether alone or in conjunction with other councils) held a controlling interest during the reporting period.

Newcastle Airport Partnership Company 3 Pty Ltd

Newcastle Airport Partnership Company 4 Pty Ltd

Following the corporate restructure of the Newcastle Airport Ltd on 9 October 2013, there are 4 partners of the Newcastle Airport Partnership. City of Newcastle owns Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 (as trustee for Newcastle Airport Partnership Trust 2). Port Stephens Council owns Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4).

Following the incorporation of the Greater Newcastle Aerotropolis Pty Ltd on 20 December 2018, there are 4 partners of the Greater Newcastle Aerotropolis Partnership. City of Newcastle owns Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 (as trustee for Newcastle Airport Partnership Trust 2).

Port Stephens Council owns Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4).

Port Stephens Council holds 100% interest in Newcastle Airport Partnership Company 3 Pty Ltd and Newcastle Airport Partnership Company 4 Pty Ltd.

External bodies in which Council has participated

Clause 217(1)(a8)

Our Council must report on all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which we participated during that year. These include:

- **Newcastle Airport Pty Ltd (NAPL)**
- **Newcastle Airport Partnership (NAP)**
- **Greater Newcastle Aerotropolis Pty Ltd (GNAPL)**
- **Greater Newcastle Aerotropolis Partnership (GNAP)**

Newcastle Airport Pty Ltd operates the Newcastle Airport as agent for the Newcastle Airport Partnership. City of Newcastle and Port Stephens Council hold the rights to their share of the assets and their share of the obligations in the partnership.

Greater Newcastle Aerotropolis Pty Ltd manages the development of Astra Aerolab (read more on page 99) on behalf of the Greater Newcastle Aerotropolis Partnership. City of Newcastle and Port Stephens Council hold the rights to their share of the assets and their share of the obligations in the partnership.

Port Stephens Council has a 50% interest in NAPL, NAP, GNAPL and GNAP and the City of Newcastle has an interest in the remaining 50%.

Hunter Joint Organisation Group Entities

The Hunter Joint Organisation and its group entities are the hubs for local government collaboration. They strengthen our communities by being the local voice on regional strategic issues and delivering tailored local government solutions.

There are 4 key entities that operate as part of the current enterprise offering:

Hunter Joint Organisation – a statutory body under the Act established in 2018 to identify, advocate for and collaborate on regional strategic priorities. Its statutory mandate includes identifying key regional strategic priorities, advocating for these priorities and building collaborations around these priorities with other levels of government, industry and community.

Arrow Collaborative Service Limited (formerly Strategic Services Australia Limited) and its wholly-owned subsidiary Hunter Councils Legal Services Limited – companies limited by guarantee under the Corporations Act 2001 and established to improve the quality and efficiency of local government services in the Hunter. These organisations offer tailored local government services through 5 divisions:

- Local Government Training Institute
- Local Government Legal
- Regional Procurement
- Screen Hunter – licenses film production on council-owned and controlled land
- Regional Policy and Programs Division – delivers on the strategic priorities of the Hunter Joint Organisation, including the Hunter and Central Coast Regional Environment Program, on behalf of both Hunter JO member councils and Central Coast Council.

Hunter Councils Incorporated – an incorporated association under the Associations Incorporation Act 2009 that holds property assets for the Hunter Joint Organisation group. We have representation on each entity's board and shares ownership and governance of the entities with the other 9 Hunter councils.

NSW Local Government Mutual Liability Scheme (Statewide)

Our Council is a member of the NSW Local Government Mutual Liability Scheme, known as Statewide. It started in 1993 as a joint venture forming a 'self-insurance mutual' covering public liability and professional indemnity insurance. Membership includes 117 member councils across NSW.

StateCover Mutual

Our Council is a member of StateCover Mutual. This body was established as a not-for-profit workers compensation insurer to partner with the NSW local government in the management of workplace risk. StateCover Mutual provides an integrated injury prevention and injury management service model to minimise the overall cost of members' workplace risk.

Senior staff remuneration

Clause 217(1)(b) and (c)

Our Council's senior staff consists of the General Manager and 3 Group Managers. All senior staff are employed under standard contracts.

- General Manager $360,561
- Senior staff (excluding the General Manager) $1,162,028

Companion animals

Clause 217(1)(f), Companion Animals Act 1998, Companion Animals Regulation 2008

Our Council provides an annual return to the Office of Local Government on activities to enforce and ensure compliance with the Companion Animals Act 1998 and Companion Animals Regulation 2018, including lodgement of pound

data collection returns. We also report information on an incident-by-incident basis in relation to dog attacks.

Our Council provides the full suite of companion animal functions. This year, the Companion Animals Register has collected the following information:

- 133 dog attacks – 39 dog attack incident reports entered into the Companion Animals Register, down from 62 the previous year.
- 378 companion animals were impounded.
- Of the companion animals impounded:
- 218 were either collected by their owner or returned to their owner before being transported to the pound
- 64 were sold to new owners or released to rescue organisations
- 96 were surrendered to the pound by the public.
- Companion animal management and activities

In 2020 to 2021, we spent $224,598 on companion animal management and related activities (excluding ranger salaries and vehicle costs). Of this, $5,593 was spent on community education programs, personal protective equipment, tools and training.

We conducted a restricted, dangerous and menacing dog project this year. We conducted 2 rounds of inspections (40 total) of all declared dangerous, restricted or menacing dogs listed in the LGA. This helps ensure owners are complying with all mandatory control requirements for owning an animal subject to an order. During this project owners are also educated on how to reduce the number of dog attack incidents.

Desexing initiatives

We promote the services of Hunter Animal Watch and the National Desexing Network, which carry out subsidised desexing of animals in Port Stephens.

Alternatives to euthanasia

To reduce euthanasia rates, we do our best to return animals to their owners before taking them to the pound. We also promote the sale of suitable unclaimed cats and dogs from our pound online and through partnerships with registered rescue organisations.

Off lead areas

We continue to promote, improve and enforce the rules in our off lead areas in Port Stephens. You can read more on page 77.

Managing and controlling companion animals

Our Council collected $52,601 in registration fees, which we forwarded to the Office of Local Government. We received $793 for the hire of cat traps and $71,649 back from the Office of local Government including payments for transactions made by customers online. This was put towards Companion Animal Register administration, impound facility functions, tools and equipment, and other initiatives undertaken this year.

Capital Expenditure Guidelines 2010

Section 12, Division of Local Government Department of Premier and Cabinet

A summary of capital works in progress as of 30 June 2021.

Name of project	Progress	Project Budget to 30 June 2021 (excluding GST)	Expenditure 2018 to 2019 (excluding GST)	Expenditure 2019 to 2020 (excluding GST)	Expenditure 2020 to 2021 (excluding GST
Medowie Sport and Community Facility	Completed – fit out expenses. Read more on page 75.	$6 m	$2.4 m	$3.5 m	$97 k
Birubi Information Centre	In progress – planning underway. Read more on page 58.	$5.8 m	$200 k	$20 k	$321 k
Koala Sanctuary	Completed. Read more on page 101.	$9.5 m	$900 k	$7.3 m	$1.34 m
Depot	In progress – project delivery program in development.	$7 m	$0	$42 k	$948 k

Modern slavery

We do not tolerate any forms of modern slavery or human rights violations in our organisation or from any of our suppliers.

Our organisation strives to maintain the highest standards of conduct and ethical behaviour in our operations as set out in our Code of Conduct.

We do not require suppliers to match our commitments however they are required to demonstrate fair and safe working practices, treat workers with respect and dignity, and to act ethically.

Suppliers and contractors of Council are required to follow the ethical principles in our Statement of Business Ethics Policy. Any serious violations of our expectations will lead to us terminating the relationship.

We are committed to implementing and improving our systems and processes concerning modern slavery and will not be complicit in any human rights violations.

Government Information (Public Access) (GIPA) Act 2009

The GIPA Act 2009 has a number of mechanisms to access information – mandatory, proactive, informal and formal release.

This year, our Council processed 374 informal access for information requests, removing the need to make a formal application in most cases.

The following is our annual report as required under section 125 of the GIPA Act:

Review of proactive release program – clause 7(a)

Agencies must review their programs for the release of government information at least once every 12 months to identify the kinds of information that can be made publicly available. Our program for the proactive release of information involves:

- reviewing all formal applications and informal requests to determine if the information sought should be released proactively in future
- aligning our Electronic Records Management systems categories to the GIPA Act and determining if any further records should be released proactively in future
- monitoring matters raised by employees and determining if the information should be released proactively in the future.

This year, we reviewed this program by ensuring there is an ongoing monitoring program of all applications/requests for information – formal, informal or other. The program also includes information from Council officers with respect to the information they are producing. As a result of this review, we have not added any additional information to the proactive release provision.

Government Information (Public Access) (GIPA) Regulation 2018

Clause 8, Schedule 2

Review of proactive release program – clause 8(a)

Details of the review carried out by the agency under section 7(3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review.

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Number of access applications received – clause 8(b)

The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications).

Total number of applications received
28

Number of refused applications for Schedule 1 information – clause 8(c)

The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly because the application was for the disclosure of information referred to in Schedule 1 of the Act (information for which there is a conclusive presumption of overriding public interest against disclosure).

Number of Applications Refused	Wholly	Partly	Total
	1	1	2
% of total	50%	50%	100%

Soldiers Point Jetty, Destination NSW

Access application statistics – clause 8(d) and schedule 2

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with an application	Refuse to confirm or deny whether the information is held	Application withdrawn	Total	Percentage of total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	2	2	0	1	1	0	0	1	7	19%
Not for profit organisations or community groups	1	2	0	1	0	0	0	0	4	11%
Members of the public (by legal representative)	0	2	0	0	0	0	0	0	2	5%
Members of the public (other)	8	6	2	2	0	3	0	3	24	65%
Total	**11**	**12**	**2**	**4**	**1**	**3**	**0**	**4**	**37**	**100%**
Percentage of total	30%	32%	5%	11%	3%	8%	0%	11%	100%	

* More than one decision can be made in respect to a particular access application. If so, a recording must be made in relation to each such decision.

Table B: Number of applications by type of application and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with an application	Refuse to confirm or deny whether the information is held	Application withdrawn	Total	Percentage of total
Personal information applications**	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	11	12	2	4	1	3	0	4	37	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	**11**	**12**	**2**	**4**	**1**	**3**	**0**	**4**	**37**	**100%**
Percentage of total	30%	32%	5%	11%	3%	8%	0%	11%	100%	

* More than one decision can be made in respect to a particular access application. If so, a recording must be made in relation to each such decision.

** A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid Applications

Reason for invalidity	Number of applications	Percentage of total
Application does not comply with formal requirements (section 41 of the Act)	0	0%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	0	0%
Invalid applications that subsequently became valid applications	0	0%

Table D: Conclusive presumption of overriding public interest against disclosure — matters listed in Schedule 1 of Act

Reason for invalidity	Times consid-eration used*	Percentage of total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	1	50%
Excluded information	1	50%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Total	2	100%

Table E: Other public interest considerations against disclosure — matters listed in table to section 14 of the Act

Reason for invalidity	Times consid-eration used*	Percentage of total
Responsible and effective government	2	7%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	16	59%
Business interests of agencies and other persons	8	30%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	1	4%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	27	100%

Table F: Timeliness

Reason for invalidity	Number of applications	Percentage of total
Decided within the statutory timeframe (20 days plus any extensions)	32	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	32	100%

* More than one decision can be made in respect to a particular access application. If so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	Percentage of total
Internal review	0	0	0	0%
Review by Information Commissioner*	3	2	5	56%
Internal review following recommendation under section 93 of Act	3	0	3	33%
Review by NCAT	1	0	1	11%
Total	7	2	9	
Percentage of total	78%	22%		100%

*The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data, in this case, indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	Percentage of total
Applications by access applicants	8	100%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	8	100%

Table I: Applications transferred to other agencies

	Number of applications for review	Percentage of total
Agency-initiated transfers	0	0%
Applicant-initiated transfers	1	100%
Total	1	100%

George Reserve, Salamander Bay

Public Interest Disclosures Act 1994

Section 31

A summary of the number of disclosures received and to what the disclosures related, as reported to the NSW Ombudsman.

Statement	Number made by public officials performing their day to day functions	Number under a statutory or other legal obligation	All other public interest disclosures
Number of public officials who made public interest disclosures to your public authority	0	0	0
Number of public interest disclosures received by your public authority	0	0	0
Of public interest disclosures received, how many were primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period	0	0	0
Have you established an internal reporting policy?			Yes
Has the head of your public authority taken action to meet their staff awareness obligations?			Yes

Employees have been made aware through:

- employees undertaking that they have read and understood our internal reporting policy
- links on intranet and website
- messages in internal newsletters and on bulletin boards
- brochures and posters
- training to new employees during induction
- internal online training using the NSW Ombudsman training package for all employees, principal officers and management.

Code of Conduct

Section 11.1, Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW

Our Council is required to report complaints relating to the Mayor, Councillors and the General Manager in the year to September. In addition to this, we provide the below details for 2020 to 2021.

Model Code of Conduct Complaints from 1 July 2020 to 30 June 2021			
Number of complaints			
1	a)	The total number of complaints received in the period about Councillors and the General Manager (GM) under the code of conduct	4
	b)	The total number of complaints finalised in the period about Councillors and the GM under the code of conduct	4
Overview of complaints and cost			
2	a)	The number of complaints finalised at the outset by alternative means by the GM or Mayor	4
	b)	The number of complaints referred to the Office of Local Government under a special complaints management arrangement	0
	c)	The number of code of conduct complaints referred to a conduct reviewer	0
	d)	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	0
	e)	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	0
	f)	The number of finalised code of conduct complaints investigated by a conduct reviewer	0
	g)	The number of finalised code of conduct complaints investigated by a conduct review committee	0
	h)	The number of finalised complaints investigated where there was found to be no breach	0
	i)	The number of finalised complaints investigated where there was found to be a breach	0
	j)	The number of complaints referred by the GM or Mayor to another agency or body such as the CAC, the SW Ombudsman, the Office or the Police	0
	k)	The number of complaints being investigated that are not yet finalised	0
	l)	The total cost of dealing with code of conduct complaints within the period made about Councillors and the GM including staff costs	$1,107
Preliminary assessment statistics			
3	The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:		0
	a)	To take no action	0
	b)	To resolve the complaint by alternative and appropriate strategies	0
	c)	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies	0
	d)	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, the Office for the police	0

Model Code of Conduct Complaints from 1 July 2019 to 30 June 2020			
	e)	To investigate the matter	0
	f)	To recommend that the complaints coordinator convene a conduct review committee to investigate the matter	0
Investigation statistics			
4	The number of investigated complaints resulting in a determination that there was no breach, in which the following recommendations were made:		
	a)	That the council revise its policies or procedures	0
	b)	That a person or persons undertake training or other education	0
5	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:		
	a)	That the council revise any of its policies or procedures	0
	b)	That the subject person undertake any training or other education relevant to the conduct giving rise to the breach	0
	c)	That the subject person be counselled for their conduct	0
	d)	hat the subject person apologise to any person or organisation affected by the breach	0
	e)	hat findings of inappropriate conduct be made public	0
	f)	In the case of a breach by the GM, that action be taken under the GM's contract for the breach	0
	g)	In the case of a breach by a Councillor, that the Councillor be formally censured for the breach under section 440G of the Local Government Act 1993	0
	h)	In the case of a breach by a Councillor, that the matter be referred to the Office for further action	0
6	Matter referred or resolved after commencement of an investigation under clause 8.20 of the Procedures		0
Categories of misconduct			
7	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:		
	a)	General conduct (part 3)	0
	b)	Conflict of interest (part 4)	0
	c)	Personal benefit (part 5)	0
	d)	Relationship between council officials (part 6/7)	0
	e)	Access to information and resources (part 7/8)	0
Outcome of determinations			
8	The number of investigated complaints resulting in a determination that there was a breach in which the council failed to adopt the conduct reviewers recommendation		0
9	The number of investigated complaints resulting in a determination that there was a breach in which the council's decision was overturned following a review by the Office		0

Fisheries Management Act 1994

Our Council operates in accordance with and gives consideration to Fisheries Management Act related Threat and Recovery Abatement plans.

In this period, we sought one Fisheries Permit and one Marine Parks Permit for Soldiers Point Revetment – Fisheries and Marine Parks – issued February 2021.

Environmental Planning and Assessment Act 1979

Section 7.5(5)

Details of compliance with and the effect of the planning agreements executed and in force during 2020 to 2021.

Name	Date of agreement	Parties to agreement	Details	Status
15 Kara Crescent, Taylors Beach Planning Agreement	15 June 2021	Council and Salsands (NSW) Pty Ltd	The agreement provides details on roadworks and associated stormwater and drainage infrastructure at Kara Crescent. The planning agreement also dedicates parts of the site to Council for the purposes of road widening and to create a drainage reserve.	Executed

Swimming pool inspections

Swimming Pools Act 1992 section 22f(2), Swimming Pools Regulation 2008 clause 18(b)(c)

Councils are required to inspect private pools as requested and issue compliance certificates. We must also inspect (at least once every 3 years) any tourist or visitor accommodation or property with more than 2 dwellings where a swimming pool is situated. The following is a list of inspections for 2020 to 2021.

Number of inspections of visitor accommodation	11
Number of inspections of premises with more than 2 dwellings	9
Number of inspections that resulted in the issuance of a Certificate of Compliance (section 22d)	161

Appendix

SECTION 6

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6

Adelaide Street, Raymond Terrace

Election of representatives on Council, committees, regional committees and groups

Council committees

Ref	Committee name	Purpose	Current delegates
1	Aboriginal Strategic Committee	To exchange information between the Aboriginal community and Council on issues affecting Aboriginal people. To promote mutual awareness and respect for the cultures of both Aboriginal and non-Aboriginal communities.	Mayor Ryan Palmer **Alternate** Cr Sarah Smith
2	Anna Bay Hall Committee	To assist Council in the management of Anna Bay Hall.	Cr Sarah Smith Cr Chris Doohan
3	Audit Committee	An advisory committee of Council comprising 3 Council representatives and 2 external representatives. Its purpose is to enhance the corporate governance of Council through the provision of independent oversight, review and advice on governance, risk, control and compliance frameworks.	Cr Glen Dunkley Cr Chris Doohan **Alternate** Cr Ken Jordan (OLG guidelines preclude the Mayor from being a member of the Committee.)
4	Corlette Hall Committee	To assist Council in the management of Corlette Hall.	Cr Glen Dunkley
5	Fern Bay Community Centre Committee	To assist Council in the management of Fern Bay Community Centre.	Cr Giacomo Arnott Cr Ken Jordan Cr Paul Le Mottee
6	Heritage Advisory Committee	This committee is run by Council and supported by funds from the Heritage Office. Community members meet to raise and make recommendations on local heritage issues.	Cr Paul Le Mottee
7	Hinton School of Arts Committee	To assist Council in the management of Hinton School of Arts.	Cr Ken Jordan

Ref	Committee name	Purpose	Current delegates
8	Karuah Community Hall Committee	To assist Council in the management of Karuah Community Hall.	Cr Giacomo Arnott Cr Ken Jordan Cr Paul Le Mottee Cr Chris Doohan Cr Sarah Smith Cr Steve Tucker
9	Lemon Tree Passage Old School Centre Committee	To assist Council in the management of Lemon Tree Passage Old School Centre and surrounds.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
10	Mallabula Community Centre Committee	To assist Council in the management of Mallabula Community Centre.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
11	Medowie Community Centre Committee	To assist Council in the management of Medowie Community Centre.	Cr Chris Doohan
12	Medowie Sports Council	To facilitate communication between the sporting community and Council. To ensure the existing and future needs of sports participants and administrators are brought to the attention of Council.	Cr Sarah Smith Cr Chris Doohan
13	Nelson Bay Community Hall Committee	To assist Council in the management of Nelson Bay Community Hall.	Cr Jaimie Abbott
14	Port Stephens Australia Day Committee	To coordinate the annual celebration of Australia Day in Port Stephens in line with recommendations from the Australia Day Council.	Cr Chris Doohan Cr Sarah Smith Cr Jaimie Abbott Cr Giacomo Arnott Cr Ken Jordan
15	Port Stephens Sister Cities Committee	To promote and have ongoing relationships between international communities providing opportunities for cultural exchange.	Mayor and all Councillors
16	Raymond Terrace Senior Citizens Hall Management Committee	To assist Council in the management of the Raymond Terrace Senior Citizens Hall.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Arnott
17	Salt Ash Community Hall	To assist Council in the management of Salt Ash Community Hall.	Cr Sarah Smith Cr Chris Doohan Cr Steve Tucker

Ref	Committee name	Purpose	Current delegates
18	Salt Ash Sports Ground Committee	To assist Council in the management, maintenance and improvements to Salt Ash Sports Ground.	Cr Sarah Smith Cr Steve Tucker Cr Chris Doohan
19	Seaham Park & Wetlands Committee	To assist Council in the management, maintenance and improvements to the park and wetlands.	Cr Ken Jordan Cr Giacomo Arnott Cr Paul Le Mottee
20	Local Infrastructure Contributions Panel	To inform Council of any proposed or requested changes to Council's Contributions Plan and associated systems and processes.	Mayor Ryan Palmer Cr Steve Tucker Cr Giacomo Arnott Cr Glen Dunkley Cr Chris Doohan Cr Ken Jordan
21	Strategic Arts Committee	To provide input into Port Stephens Council's strategic policies, plans and programs relating to culture and the arts.	Mayor Ryan Palmer Cr Steve Tucker Cr John Nell Cr Paul Le Mottee
22	Tanilba Bay Foreshore Hall Committee	To assist Council in the management of Tanilba Bay Foreshore Hall.	Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
23	Tilligerry Sports Council	To facilitate communication between the sporting community and Council. To ensure the existing and future needs of sports participants and administrators are brought to the attention of Council.	Mayor Ryan Palmer Cr Steve Tucker Cr Sarah Smith Cr Chris Doohan
24	Tomaree Sports Council	To facilitate communication between the sporting community and Council. To ensure the existing and future needs of sports participants and administrators are brought to the attention of Council.	Mayor Ryan Palmer Cr Jaimie Abbott Cr Glen Dunkley Cr John Nell Cr Sarah Smith
25	West Ward Sports Council	To facilitate communication between the sporting community and Council. To ensure the existing and future needs of sports participants and administrators are brought to the attention of Council.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Arnott
26	Williamtown Hall Committee	To assist Council in the management of Williamtown Hall.	Cr Ken Jordan Cr Paul Le Mottee Cr Giacomo Arnott

Regional committees and groups

Ref	Committee name	Purpose	Current delegates
27	AGL Newcastle Gas Storage Facility Community Dialogue Group	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Mayor Ryan Palmer
28	Birubi Point Cultural Heritage Advisory Panel	To advise Port Stephens Council on the management plan required to protect the Worimi cultural and spiritual heritage and enhance the environment of the Birubi Point Crown Reserve and Birubi Point Aboriginal Place.	Cr Sarah Smith
29	Brandy Hill Quarry Community Consultative Committee	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Cr Paul Le Mottee
30	Comprehensive Koala Plan of Management Implementation Committee	To oversee the implementation of the Port Stephens Council Comprehensive Koala Plan of Management.	Cr Sarah Smith **Alternate** Cr John Nell
31	Community Projects Fund	To make recommendations to Council on applications received through the grants process.	Mayor Palmer Cr Ken Jordan Cr Chris Doohan Cr Jaimie Abbott
32	Floodplain Risk Management Committee	To review the Floodplain Policy.	Mayor Ryan Palmer Cr Chris Doohan Cr Dunkley Cr Nell Cr Le Mottee
33	General Manager Performance Review Panel	To conduct an evaluation of the performance of the General Manager.	Mayor Ryan Palmer Deputy Mayor Cr Giacomo Arnott (nominated by the Council) Plus a councillor nominated by the General Manager
34	Holiday Parks Advisory Panel	To provide a forum for meaningful discussion, facilitating appropriate consultation and engagement to assist in the effective management and strategic direction of the Port Stephens Beachside Holiday Parks comprising Fingal Bay Holiday Park, Shoal Bay Holiday Park, Halifax Holiday Park, Thou Walla Sunset Retreat and Port Stephens Koala Sanctuary.	Mayor and all councillors
35	Hunter Joint Organisation	To discuss regional issues in the Hunter.	Mayor Ryan Palmer

Ref	Committee name	Purpose	Current delegates
36	Local Government Community Safety & Crime Prevention Network NSW	To provide a forum for local community members, service providers, businesses and the police to discuss issues and appropriate strategies relating to crime and community safety.	Mayor Ryan Palmer
37	Hunter Water Corporation Community Consultative Committee	An advisory committee to Hunter Water Corporation.	Cr Paul Le Mottee **Alternate** Cr Giacomo Arnott
38	Hunter and Central Coast Regional Planning Panel	To consider development applications referred to the Panel under the legislation for development applications for the Port Stephens Local Government area. The Panel comprises 3 State members and 2 Councillors. The term is for 3 years for each Panel member.	Mayor Ryan Palmer Cr Paul Le Mottee **Alternates** Cr Chris Doohan Cr Giacomo Arnott
39	Local Traffic Committee	A Transport for NSW committee which allows Council to have delegated authority to install or remove regulatory signposting on public roads.	Mayor Ryan Palmer Cr Steve Tucker
40	Lower Hunter Bushfire Management Committee	To discuss direction across local government areas and agencies regarding bushfire management. The committee is a legislative requirement.	Cr Giacomo Arnott Cr Paul Le Mottee
41	Lower Hunter Community Advisory Group	To provide an opportunity for Hunter Local Land Services to engage with stakeholders on a range of matters, including strategic direction and programs.	Cr Paul Le Mottee
42	Marine Parks Advisory Panel Ministerial Appointment	Community Consultative Committee regarding the proposed Marine Park in Port Stephens.	Cr John Nell
43	Medowie Planning Strategy Implementation Panel	To provide community advice to Council on the implementation of the Medowie Planning Strategy.	Mayor Ryan Palmer Cr Chris Doohan Cr Sarah Smith Cr Steve Tucker
44	Nelson Bay Strategy Implementation Panel	To provide community advice to Council on the implementation of the Nelson Bay Planning Strategy.	Mayor Ryan Palmer Cr Jaimie Abbott Cr G Dunkley Cr John Nell
45	Newcastle Airport Partnership Company No. 3 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Ryan Palmer Cr Paul Le Mottee (General Manager) (Financial Services Manager)

Ref	Committee name	Purpose	Current delegates
46	Newcastle Airport Partnership Company No. 4 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Ryan Palmer Cr Paul Le Mottee (General Manager) (Financial Services Manager)
47	Newcastle Airport Partnership	The partnership is responsible for the development and management of Newcastle Airport and related infrastructure.	Mayor Ryan Palmer (General Manager)
48	Greater Newcastle Aerotropolis Partnership	The partnership is responsible for Astra Aerolab.	Mayor Ryan Palmer (General Manager)
49	Newcastle Airport Pty Limited	To manage the operations of Newcastle Airport.	Mayor Ryan Palmer as Port Stephens Council Shareholder representative Cr Paul Le Mottee as Port Stephens Council Shareholder Representative proxy Mayor Ryan Palmer as Port Stephens Council appointed Director General Manager as Port Stephens Council appointed Director
50	Greater Newcastle Aerotropolis Pty Limited	To manage the operations of Astra Aerolab.	Mayor Ryan Palmer as Port Stephens Council Shareholder representative Cr Paul Le Mottee as Port Stephens Council Shareholder Representative proxy Mayor Ryan Palmer as Port Stephens Council appointed Director General Manager as Port Stephens Council appointed Director
51	NSW Public Libraries Association (Central East Zone)	To champion the public library cause, strengthen the public library network, advocate effectively, foster cooperation and collaboration, build trust and support, initiate partnerships and share relevant information.	Cr Steve Tucker

Ref	Committee name	Purpose	Current delegates
52	Port Stephens Council Depot Redevelopment Committee	To explore the options available for re-development of the Council depot at Raymond Terrace.	Mayor Ryan Palmer Cr Ken Jordan Cr John Nell Cr Giacomo Arnott
53	Port Stephens Economic Development Advisory Panel	To act as a communication and advisory mechanism to Council on relevant Economic Development issues. To oversee the implementation of the Economic Development Strategy.	Mayor Ryan Palmer Cr Chris Doohan Cr Glen Dunkley Cr Giacomo Arnott
54	Port Stephens Floodplain Advisory Panel	To provide advice on flood or floodplain management studies or plans.	Cr Paul Le Mottee **Alternate** Cr Giacomo Arnott
55	Port Stephens/Myall Lakes Estuary and Coastal Zone Management Committee	This Committee includes representatives from Great Lakes Council and is responsible for long term planning for the estuary and the coastline.	Cr John Nell **Alternate** Cr Paul Le Mottee
56	Property Advisory Committee	To provide a forum to address property management and development matters.	Mayor Ryan Palmer Cr Chris Doohan Cr Paul Le Mottee Cr Ken Jordan Cr Glen Dunkley
57	Raymond Terrace and Heatherbrae Strategy Implementation Panel	To provide community advice to Council on the implementation of the Raymond Terrace and Heatherbrae Strategy 2015 to 2031.	Mayor Ryan Palmer Cr Giacomo Arnott Cr Ken Jordan Cr Paul Le Mottee
58	Salt Ash Sand Project Community Consultative Committee	To provide a forum for discussion between a proponent and representatives of the community, stakeholder groups and the local council on issues directly relating to a specific State significant project.	Cr Steve Tucker
59	RFS District Liaison Committee	To review the progress of the service level agreement between Port Stephens Council and NSW Rural Fire Service in the local government area.	Cr Giacomo Arnott **Alternate** Mayor Ryan Palmer
60	Williamtown Consultative Committee Forum	To provide a forum for the residents of Williamtown area to discuss relevant issues with Federal, State and local government elected members and agencies.	Mayor Ryan Palmer (General Manager)
61	Worimi Conservation Lands Board of Management Ministerial Appointment	To oversee the management of the lands owned by the Aboriginal owners and leased back to the NSW Government.	Cr Jaimie Abbott **Alternate** Cr Sarah Smith

Capital works projects

Capital works project expenditure in 2020 to 2021.

Classification	Job description	Cost ($)
Aquatic structure	Conroy Park foreshore improvements	182,885
Aquatic structure	Soldiers Point revetment works	307,175
Aquatic structure	Karuah wharf decking replacement	24,230
Aquatic structure	Salamander wharf decking replacement	22,688
Aquatic structure	Little Beach boat ramp upgrade	237,057
Bridges	Jimmy Scott Bridge lighting upgrade	93,878
Bridges	Notts Creek Bridge Replacement	25,584
Buildings	Boyd Oval Amenities	98,542
Buildings	Tomaree Sports Complex amenities	335,340
Buildings	Longworth Park amenities	152,795
Buildings	Lee Thompson Park amenities	17,102
Buildings	Depot refurbishment	948,771
Buildings	Karuah RFS building replacement	36,568
Buildings	Administration Building refurbishment	236,730
Buildings	Lionel Morten amenities	16,220
Buildings	Tomaree Aquatic Centre pool liner replacement	35,480
Buildings	Stuart Park amenities	61,870
Buildings	Mallabula Hall upgrades	22,447
Buildings	Tilligerry Arts Group roof replacement	32,144
Buildings	Shoal Bay West amenities replacement	122,333
Buildings	Medowie Tennis amenities renovation	77,856
Buildings	Lakeside Leisure Centre heat pump replacement	53,193
Buildings	Mallabula Soccer amenities upgrade	38,000
Buildings	Birubi Information Centre	321,229

Classification	Job description	Cost ($)
Buildings	Medowie Social internal fit out	96,675
Car parks	Donald Street car park, Nelson Bay	178,740
Road reseals	Reseal program	854,039
Commercial investment and land	Commercial investment and land	1,255,193
Digital assets	Smart parking upgrades	963,411
Drainage	Coruyule drainage acquisitions	64,693
Drainage	Future drainage designs	32,861
Drainage	Seabreeze Estate drainage improvement works	994,557
Drainage	Bourke St flood pump	12,891
Holiday Parks	Holiday Parks improvements	1,859,854
ICT	Information technology improvements	291,643
Libraries	Library resources	245,698
Open spaces	Interpretive signage and audio upgrades at Soldiers Point and Birubi Point	54,108
Open spaces	Medowie skate park supporting park infrastructure	32,269
Open spaces	Raymond Terrace dog off lead park	30,932
Open spaces	Mallabula skate park relocation and upgrade	47,541
Open spaces	Peace Park Tanilba Bay reserve improvement and BBQ installation	20,755
Open spaces	Seaham Park soft fall replacement and kids bike track	36,061
Open spaces	Korora Oval cricket training facilities	72,193
Open spaces	Installation of solar led lighting at fishing cleaning tables	12,917
Open spaces	Robinson Reserve Anna Bay redevelopment	117,138
Open spaces	Fingal Bay Foreshore bore pump replacement	21,326
Open spaces	Bill Strong Oval, Nelson Bay irrigation	71,902
Open spaces	King Park, Raymond Terrace irrigation	11,400
Open spaces	Mallabula tennis court expansion	32,850
Open spaces	Barry Park, Fingal Bay shelter replacement	15,721
Open spaces	Nelson Bay tennis club fencing and retaining wall replacement	85,987
Open spaces	Spencer Park, Soldiers Point playground and amenities	68,464

Classification	Job description	Cost ($)
Open spaces	Mallabula Sports Complex playground update	26,977
Open spaces	Georges Reserve playground	18,953
Open spaces	Marrungbangbaa Reserve bubbler	10,200
Waste	Newline Road Landfill and waste upgrades	479,486
Shared paths	Streets as Shared Spaces – street activation	154,331
Shared paths	Waropara Road, Medowie	292,496
Shared paths	Avenue of the Allies, Tanilba Bay	62,009
Shared paths	Medowie Road from Ferodale Road to South Street	677,053
Shared paths	Raymond Terrace levee bank – stage 1	19,989
Shared paths	Nelson Bay Road, Fern Bay – stage 1	98,900
Shared paths	Brandy Hill Drive, Brandy Hill	22,888
Shared paths	Salt Ash bike track	10,000
Shared paths	Shoal Bay Foreshore shared pathway	420,214
Plant	Fleet upgrades	328,242
Roads	Italia Road, East Seaham seg 110 – Caswells Creek Bridge to 465 Italia Road	1,016,584
Roads	Swan Bay Road upgrades	646,490
Roads	Tomaree Road, Shoal Bay stage 2	1,001,709
Roads	Italia Road, East Seaham seg 110 – Caswells Creek Bridge to 465 Italia Road	192,852
Roads	Lemon Tree Passage Road, Salt Ash – 171 Lemon Tree Passage Road to Rookes Road	613,562
Roads	Shoal Bay Road pedestrian crossing safety upgrade	44,885
Roads	Port Stephens Drive, Anna Bay	270,236
Roads	Newline Road, Raymond Terrace	641,931
Roads	Masonite Road, Tomago	614,909
Roads	Medowie town centre improvements (including amenities)	188,192
Roads	Mustons Road, Karuah upgrade	130,848
Roads	William Street Raymond Terrace town centre improvements (road and streetscape)	86,371
Roads	Duns Creek Road, Forest Road upgrade	59,220
Roads	Nelson Bay Road and Port Stephens Drive roundabout entrance beautification	31,850

Classification	Job description	Cost ($)
Roads	Church Street, Nelson Bay road pavement rehabilitation – 10 church Street to Government Road	450,000
Roads	Fullerton Cove Road pavement rehabilitation – seg 160	731,225
Roads	Lemon Tree Passage Road, Salt Ash – seg 60	921,165
Roads	Road safety project – pedestrian crossing	47,531
Roads	Duns Creek Road near Wallaby Close, Duns Creek	94,150
Roads	Gan Road, Campbell Ave Anna Bay	57,702
Roads	Grahamstown Road near Wade Close, Medowie	864,405
Roads	Soldiers Point Road near George Road, Salamander Bay	134,676
Roads	Clarencetown Road riverflat realignment – Carmichaels Creek corner towards Timbertops Road	1,867,813
Roads	Clarencetown Road – seg 10 Dunmore Bridge north 150 m	276,638
Roads	Clarencetown Rd – seg 40 number 364 to 430	553,422
Roads	Seaham Rd pavement rehabilitation – seg 10 Raymond Terrace Road roundabout north 300 m	616,697
Roads	School Drive, Tomago pavement rehabilitation	289,506
Roads	Kula Road upgrade	42,434
Roads	Newline Road (Seaham end)	47,760
Roads	Streets as Shared Spaces – Fly Point footpath upgrade	103,257
Roads	Government Road seg 30 – Shoal Bay emergency rehabilitation	101,108
Roads	Medowie Road, Campvale – seg 110 to 130	21,107
Roads	Tanilba Road, Mallabula – Caswell Reserve to the north parkway	24,986
Roads	Clarencetown Road – seg 270 Oakendale Rd to Hunter Water crossing	22,973
Roads	Clarencetown Road – seg 120 to 130 curves south to Croft Road	25,075
Roads	Warren Street, Seaham – seg 130 number 44 to 86	17,451
Roads	Foreshore Drive – natural disaster culvert and road failure	124,139
Total		26,678,533

Lemon Tree Passage

Glossary of terms and acronyms

ABS: Australian Bureau of Statistics.

Advocacy: The act of speaking or arguing in favour of something like a cause or idea.

Biodiversity: The variety of all living things including plants, animals and microorganisms, their genes and the ecosystems of which they are a part.

Capital works: Major projects undertaken to either renew, upgrade or construct assets owned by Port Stephens Council.

CMP: Coastal Management Program

Community Strategic Plan (CSP): A strategic document with a minimum 10-year outlook, which outlines our community's long term vision and priorities.

COVID-19: The disease caused by a new coronavirus.

Customer First: An organisational framework which puts our customers (ratepayers, community and colleagues) at the heart of everything we do.

DA: Development application.

Delivery Program: A document with a minimum 4-year outlook, which outlines our Council's objectives in achieving the Community Strategic Plan.

Disability Inclusion Action Plan (DIAP): A plan outlining the actions we'll take to remove barriers for people with disability.

Financial year: The financial year we are reporting on in this report is from 1 July 2020 to 30 June 2021.

Gathang: The language of the Worimi people of Port Stephens.

Integrated Planning and Reporting Framework (IP&R): A framework used by NSW councils to report on progress in meeting the community's vision and objectives. It incorporates the Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan, Strategic Asset Management Plan and Workforce Plan.

IPART: Independent Pricing and Regulatory Tribunal.

LGA: Local government area.

Long Term Financial Plan: A plan for how we'll fund the objectives and strategies in the Community Strategic Plan.

NCAT: NSW Civil and Administrative Tribunal

OLG: Office of Local Government NSW.

OOSH: Out of School Hours Care.

Operational Plan: An annual action plan for how we'll implement the Delivery Program plus budgets, fees and charges.

PFAS: Per and poly fluoroalkyl substances. A synthetic chemical that has been linked to the historical use of firefighting foam.

Risk management: A discipline for developing appropriate procedures to reduce the possibility of adverse effects.

RMS: Roads and Maritime Services.

Special Activation Precinct (SAP): Dedicated area in a regional location identified by the NSW Government to become a thriving business hub.

Strategic Asset Management Plan (SAMP): A 10-year framework for managing our Council's assets so appropriate services are effectively delivered to the community.

TfNSW: Transport for NSW

Worimi: Our Council acknowledges the Worimi people as the traditional owners of the Port Stephens local government area.

Workforce Plan: A plan to ensure we have the right people and skills to deliver the objectives in the Community Strategic Plan.

YAP: Youth Advisory Panel.

Yabang Gumba-Gu: Meaning 'road to tomorrow', this is an agreement and 3-year action plan our Council has signed with the local Worimi and Karuah Aboriginal Land Councils.

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Annual Report
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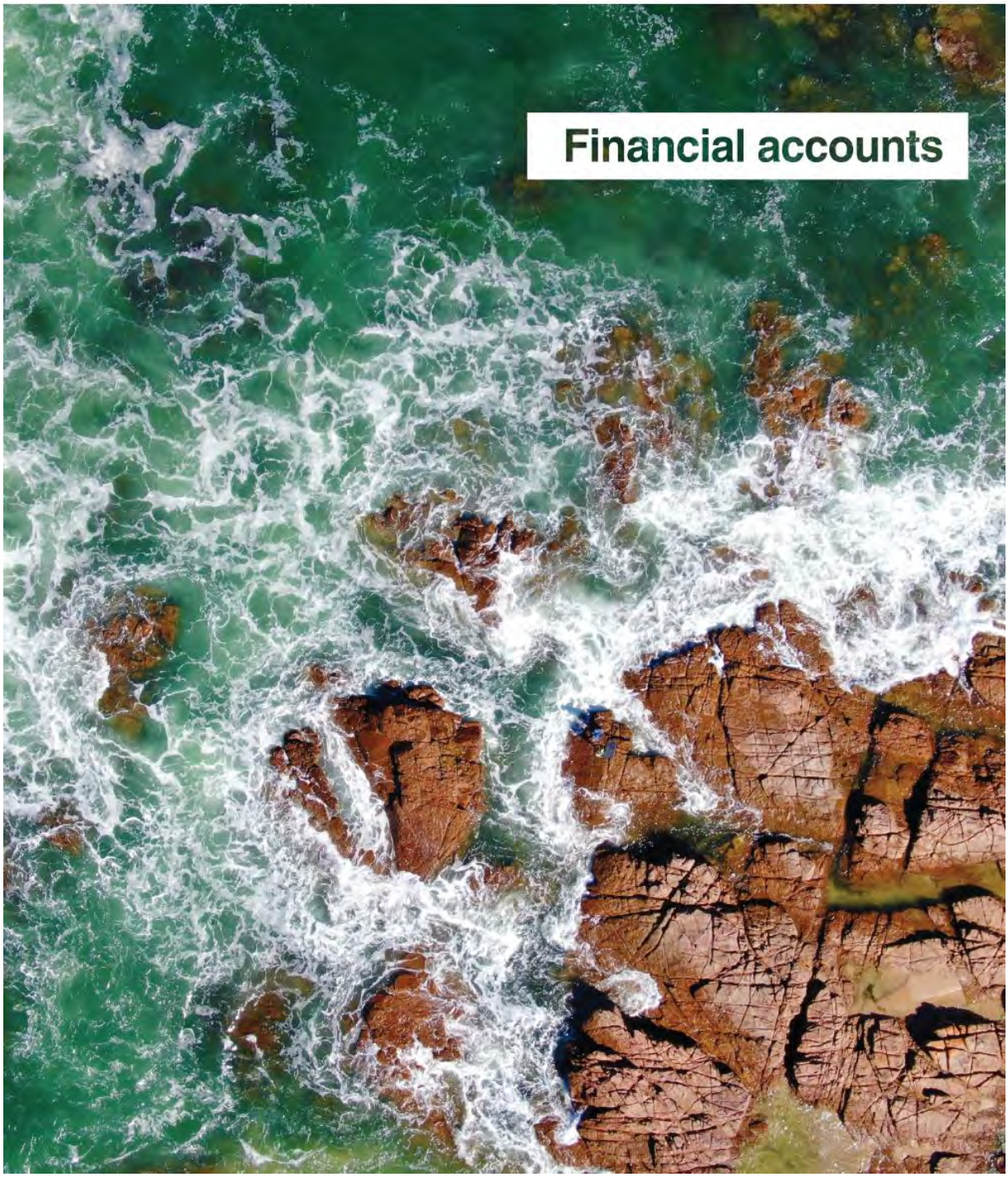
Volume 2

PORT STEPHENS COUNCIL



Port Stephens Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

Port Stephens Council

General Purpose Financial Statements
for the year ended 30 June 2021

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Overview

Port Stephens Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

116 Adelaide Street
Raymond Terrace NSW 2324

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.portstephens.nsw.gov.au.

Port Stephens Council

General Purpose Financial Statements
for the year ended 30 June 2021

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 10 August 2021.

[redacted]

Ryan Palmer
Mayor
10 August 2021

[redacted]

Paul Le Mottee
Councillor
10 August 2021

[redacted]

Wayne Wallis
General Manager
10 August 2021

[redacted]

Tim Hazell
Responsible Accounting Officer
10 August 2021

Port Stephens Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	$ '000	Notes	Actual 2021	Actual 2020
	Income from continuing operations			
63,648	Rates and annual charges	B2-1	**63,396**	59,812
46,024	User charges and fees (*)	B2-2	**39,886**	42,042
3,572	Other revenue	B2-3	**4,516**	2,937
12,408	Grants and contributions provided for operating purposes	B2-4	**15,032**	12,837
9,523	Grants and contributions provided for capital purposes	B2-4	**29,992**	24,318
1,213	Interest and investment income	B2-5	**1,042**	884
4,160	Other income (*)	B2-6	**4,197**	4,070
8,272	Net gains from the disposal of assets	B4-1	**2,349**	–
148,820	**Total income from continuing operations**		**160,410**	146,900
	Expenses from continuing operations			
52,267	Employee benefits and on-costs	B3-1	**51,662**	49,812
55,158	Materials and services (*)	B3-2	**50,601**	51,816
893	Borrowing costs	B3-3	**854**	797
17,092	Depreciation, amortisation and impairment for non-financial assets	B3-4	**18,331**	17,073
4,203	Other expenses (*)	B3-5	**6,153**	4,765
–	Net losses from the disposal of assets	B4-1	**–**	2,570
129,613	**Total expenses from continuing operations**		**127,601**	126,833
19,207	**Operating result from continuing operations**		**32,809**	20,067
19,207	Net operating result for the year attributable to Council		**32,809**	20,067
9,684	**Net operating result for the year before grants and contributions provided for capital purposes**		**2,817**	(4,251)

The above Income Statement should be read in conjunction with the accompanying notes.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

Port Stephens Council

Statement of Comprehensive Income

for the year ended 30 June 2021

$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		**32,809**	**20,067**
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	**10,818**	(4,503)
Gain (loss) on revaluation of intangible assets	C1-10	**311**	–
Total items which will not be reclassified subsequently to the operating result		**11,129**	(4,503)
Total other comprehensive income for the year		**11,129**	(4,503)
Total comprehensive income for the year attributable to Council		**43,938**	15,564

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Financial Position

as at 30 June 2021

$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	**21,542**	16,525
Investments	C1-2	**36,145**	22,913
Receivables	C1-4	**9,673**	8,406
Inventories	C1-5	**977**	5,149
Contract assets and contract cost assets	C1-6	**577**	–
Non-current assets classified as 'held for sale'	C1-7	**42**	–
Other	C1-11	**1,051**	946
Total current assets		**70,007**	53,939
Non-current assets			
Investments	C1-2	**1,102**	3,939
Receivables	C1-4	**160**	172
Inventories	C1-5	**10,605**	9,820
Infrastructure, property, plant and equipment	C1-8	**1,031,239**	1,001,598
Investment property	C1-9	**42,295**	37,575
Intangible Assets	C1-10	**5,876**	5,835
Right of use assets	C2-1	**3,854**	4,740
Investments accounted for using the equity method	D2-2	**431**	540
Other	C1-11	**29**	37
Total non-current assets		**1,095,591**	1,064,256
Total assets		**1,165,598**	1,118,195
LIABILITIES			
Current liabilities			
Payables	C3-1	**15,288**	13,888
Contract liabilities	C3-2	**6,339**	2,513
Lease liabilities	C2-1	**831**	794
Borrowings	C3-3	**2,966**	3,332
Employee benefit provisions	C3-4	**15,937**	16,138
Provisions	C3-5	**331**	428
Total current liabilities		**41,692**	37,093
Non-current liabilities			
Payables	C3-1	**2,922**	3,280
Lease liabilities	C2-1	**3,209**	4,069
Borrowings	C3-3	**29,594**	29,515
Employee benefit provisions	C3-4	**776**	771
Total non-current liabilities		**36,501**	37,635
Total liabilities		**78,193**	74,728
Net assets		**1,087,405**	1,043,467
EQUITY			
Accumulated surplus	C4-1	**673,059**	640,250
IPPE revaluation reserve	C4-1	**414,346**	403,217
Total equity		**1,087,405**	1,043,467

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Changes in Equity

for the year ended 30 June 2021

		as at 30/06/21			as at 30/06/20		
$ '000	Notes	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		**640,250**	**403,217**	**1,043,467**	618,886	409,017	1,027,903
Restated opening balance		**640,250**	**403,217**	**1,043,467**	618,886	409,017	1,027,903
Net operating result for the year		**32,809**	**–**	**32,809**	20,067	–	20,067
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-4	**–**	**10,818**	**10,818**	–	(4,503)	(4,503)
Gain (loss) on revaluation of intangibles		**–**	**311**	**311**	–	–	–
Other comprehensive income		**–**	**11,129**	**11,129**	–	(4,503)	(4,503)
Total comprehensive income		**32,809**	**11,129**	**43,938**	20,067	(4,503)	15,564
Transfers between equity items		**–**	**–**	**–**	1,297	(1,297)	–
Closing balance at 30 June		**673,059**	**414,346**	**1,087,405**	640,250	403,217	1,043,467

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Port Stephens Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	$ '000	Notes	Actual 2021	Actual 2020
	Cash flows from operating activities			
	Receipts:			
63,308	Rates and annual charges		**62,905**	59,588
45,282	User charges and fees		**43,758**	44,342
1,213	Investment and interest revenue received		**464**	1,262
19,381	Grants and contributions		**38,863**	33,183
–	Bonds, deposits and retention amounts received		**–**	281
2,762	Other		**10,556**	13,532
	Payments:			
(55,211)	Employee benefits and on-costs		**(52,029)**	(48,826)
(43,293)	Materials and services		**(55,570)**	(56,047)
(893)	Borrowing costs		**(854)**	(796)
–	Bonds, deposits and retention amounts refunded		**(198)**	–
(6,152)	Other		**(6,467)**	(6,301)
26,397	**Net cash flows from operating activities**	G1-1d	**41,428**	40,218
	Cash flows from investing activities			
	Receipts:			
–	Sale of investment securities		**15,500**	35,084
12,950	Sale of real estate assets		**6,499**	–
250	Sale of infrastructure, property, plant and equipment		**273**	2,095
	Payments:			
–	Purchase of investment securities		**(25,299)**	(25,736)
–	Purchase of investment property		**(88)**	(2,012)
(23,529)	Purchase of infrastructure, property, plant and equipment		**(31,895)**	(58,380)
–	Purchase of real estate assets		**(181)**	(1,075)
–	Purchase of intangible assets		**(138)**	(193)
(10,329)	**Net cash flows from investing activities**		**(35,329)**	(50,217)
	Cash flows from financing activities			
	Receipts:			
–	Proceeds from borrowings		**3,000**	18,100
	Payments:			
(4,359)	Repayment of borrowings		**(3,287)**	(4,782)
–	Principal component of lease payments		**(795)**	(742)
(4,359)	**Net cash flows from financing activities**		**(1,082)**	12,576
11,709	**Net change in cash and cash equivalents**		**5,017**	2,577
16,525	Cash and cash equivalents at beginning of year		**16,525**	13,948
28,234	Cash and cash equivalents at end of year	C1-1	**21,542**	16,525
26,852	plus: Investments on hand at end of year	C1-2	**37,247**	26,852
55,086	Total cash, cash equivalents and investments		**58,789**	43,377

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Port Stephens Council

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Port Stephens Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 October 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2005* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

i. estimated fair values of investment property – refer Note C1-9
ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-8
iii. estimated tip remediation provisions – refer Note C3-5
iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

i. Impairment of receivables – refer Note C1-4.
ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund
In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund. Council does not have any money or property that is required to be held in a Trust Fund.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Volunteer services

Income relating to volunteer services can only be recognised where the amount is material, the services would be purchased if they were not donated and the amount of all volunteer services can be reliably measured. Council is not able to reliably satisfy all these aspects therefore no income and corresponding expense has been recognised in the financial statements.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed in Note G4-1.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
$ '000	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Our Community	**6,038**	6,013	**9,912**	10,050	**(3,874)**	(4,037)	**1,005**	677	**180,876**	173,998
Our Council	**88,091**	84,549	**46,188**	46,710	**41,903**	37,839	**8,430**	11,249	**250,233**	229,530
Our Environment	**22,248**	19,517	**21,348**	19,321	**900**	196	**787**	446	**4,321**	4,383
Our Place	**44,033**	36,821	**50,153**	50,752	**(6,120)**	(13,931)	**34,802**	24,782	**730,168**	710,369
Total functions and activities	**160,410**	146,900	**127,601**	126,833	**32,809**	20,067	**45,024**	37,155	**1,165,598**	1,118,195

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Our Community

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

Children's Services; Community Services; Contract and Services; Library Services.

Community Development and Engagement; Economic Development and Tourism; Strategic Planning; Volunteer Management; Delivery of Council's Financial Assistance Programs.

Management of Aboriginal Places in Port Stephens.

Our Place

Port Stephens is a liveable place supporting local economic growth

Asset Systems; Building and Developer Relations; Building Trades; Civil Assets Planning; Civil Contracts; Civil Projects; Community and Recreation; Community Development and Engagement; Construction; Contract and Services; Design; Emergency Management; Engineering Services; Environmental Health and Compliance; Mechanical and Maintenance Stores; Parks; Planning and Developer Relations; Roads; Roadside and Drainage; Strategic Planning; Survey and Land Information.

Economic Development and Tourism; Development, construction and maintanence of Koala Sanctuary, Hospital and Tourism Facility.

Our Environment

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

Tree Assessment Services; Tree Permit System; Community and Recreation; Rehabilitate, monitor and manage decommissioned landfill sites; Waste Management.

Coastal Management; Community support and advocacy; Deliver Environmental Education and Grant Programs; Develop and implement projects to protect and enhance the local environment; Ecological and Environmental Planning Services; Management and Regulation of Biosecurity Risks; Strategic guidance, current knowledge and best practice advice.

Our Council

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

Business Excellence; Citizenship Ceremonies; Commercial Investments; Community Development and Engagement; Corporate Reporting; Corporate Systems and Business Improvement; Customer Relations; Digital and Website; Environmental Management; Facilities Management; Finance; Governance; Holiday Parks; Human Resources; Information and Communication Technologies; Information Services; Liasion with other government agencies; Manage strategic and operational matters; Marketing and Promotions; Public Relations and Marketing; Risk Management; Statutory Property; Support commercial aviation services; Support services for the Mayor, Councillors and senior executive officers; Work Health and Safety.

B2 Sources of income

B2-1 Rates and annual charges

$ '000	Timing	2021	2020
Ordinary rates			
Residential	2	**35,441**	34,362
Farmland	2	**866**	821
Business	2	**8,579**	8,158
Less: pensioner rebates (mandatory)		**(1,067)**	(1,066)
Rates levied to ratepayers		**43,819**	42,275
Pensioner rate subsidies received	2	**591**	598
Total ordinary rates		**44,410**	42,873
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	2	**15,134**	14,131
Waste management services (non-domestic)	2	**4,061**	2,997
Section 611 charges		**11**	11
Less: pensioner rebates (mandatory)		**(481)**	(456)
Annual charges levied		**18,725**	16,683
Pensioner subsidies received:			
– Domestic waste management	2	**261**	256
Total annual charges		**18,986**	16,939
Total rates and annual charges		**63,396**	59,812

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy
Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees (*)

$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	2	**1,697**	1,486
Total specific user charges		**1,697**	1,486
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	2	**94**	95
Section 10.7 certificates (EP&A Act)	2	**218**	184
Section 603 certificates	2	**208**	145
Building inspection fees	2	**299**	283
Building services	2	**1,036**	1,115
Shop inspection fees	2	**223**	182
Subdivision fees	2	**380**	316
Total fees and charges – statutory/regulatory		**2,458**	2,320
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Animal control		**9**	4
Cemeteries	2	**186**	181
Child care	1	**2,671**	2,377
Holiday parks	1	**14,506**	9,956
Leisure centre	2	**1,898**	2,183
Library		**84**	86
Newcastle airport [a]	2	**7,816**	14,026
Waste disposal tipping fees	2	**426**	352
Transport for NSW works (state roads not controlled by Council)	2	**4,892**	6,110
Parking meters	2	**957**	439
Parks, gardens and other community services		**4**	2
Sewerage management fees	1	**655**	644
Other		**1,264**	1,239
Rental income - other Council properties [1]	2	**363**	637
Total fees and charges – other		**35,731**	38,236
Total user charges and fees		**39,886**	42,042
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		**17,833**	12,977
User charges and fees recognised at a point in time (2)		**22,053**	29,065
Total user charges and fees		**39,886**	42,042

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

B2-2 User charges and fees (*) (continued)

(a) Items in relation to Newcastle Airport have been reclassified as other revenue rather than user charges and fees

B2-3 Other revenue

$ '000	Timing	2021	2020
Ex gratia rates	2	**116**	108
Fines – parking	2	**278**	398
Fines – other	2	**220**	252
Legal fees recovery – rates and charges (extra charges)		**3**	17
Legal fees recovery – other	2	**3**	212
Commissions and agency fees	1	**226**	179
Insurance claims recoveries	2	**328**	481
Events and promotions		**46**	52
Long service leave receipts		**–**	2
Private works	1	**223**	301
Royalties - sand extraction	2	**1,406**	67
Other revenue - Newcastle airport partnership [a]		**768**	60
Other		**899**	808
Total other revenue		**4,516**	2,937
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		**449**	480
Other revenue recognised at a point in time (2)		**4,067**	2,457
Total other revenue		**4,516**	2,937

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

(a) Items in relation to Newcastle Airport have been reclassified as other revenue rather than user charges and fees.

B2-4 Grants and contributions

$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	2	**3,232**	3,343	–	–
Payment in advance - future year allocation					
Financial assistance	2	**3,459**	3,542	–	–
Amount recognised as income during current year		**6,691**	6,885	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Bushfire and emergency services	2	**1,106**	1,192	–	800
Child care	1	**631**	287	–	–
Environmental programs	1	**619**	174	**90**	–
Heritage and cultural	1	**18**	12	–	–
Library	2	**246**	238	–	–
LIRS subsidy	2	**37**	48	–	–
Recreation and culture	1	**1,370**	11	**1,581**	4,367
Newcastle airport	1	–	–	**2,682**	5,392
Youth development	1	**116**	77	–	–
Street lighting	2	**75**	75	–	–
Weed control	1	**233**	107	–	–
Transport (roads to recovery)	1	**781**	1,081	–	–
Transport	1	–	68	**8,442**	3,330
Other specific grants	1	**67**	43	**25**	–
Previously contributions:					
Drainage	2	–	–	**4**	–
Kerb and gutter	2	–	–	**40**	33
Natural disaster funding contributions	2	**441**	–	**155**	–
Recreation and culture	2	–	–	**357**	114
Transport for NSW contributions (regional roads, block grant)	2	**1,079**	1,073	–	–
Other contributions	2	**293**	117	–	412
Economic development and tourism	2	–	1	–	–
Environmental projects	2	**26**	59	–	–
Risk management	2	**130**	237	–	–
Total special purpose grants and non-developer contributions – cash		**7,268**	4,900	**13,376**	14,448
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	**8,790**	5,804
Total other contributions – non-cash		–	–	**8,790**	5,804
Total special purpose grants and non-developer contributions (tied)		**7,268**	4,900	**22,166**	20,252
Total grants and non-developer contributions		**13,959**	11,785	**22,166**	20,252
Comprising:					
– Commonwealth funding		**8,659**	7,985	**4,643**	119

B2-4 Grants and contributions (continued)

$ '000	Timing	**Operating 2021**	Operating 2020	**Capital 2021**	Capital 2020
– State funding		**5,270**	3,741	**8,333**	13,770
– Other funding		**30**	59	**9,190**	6,363
		13,959	11,785	**22,166**	20,252

B2-4 Grants and contributions (continued)

Developer contributions

$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G5					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	**318**	294	**7,452**	1,456
S 7.12 – fixed development consent levies		2	**–**	–	**374**	129
Repealed Funds		2	**–**	–	**–**	2,481
Haulage		2	**755**	758	**–**	–
Total developer contributions – cash			**1,073**	1,052	**7,826**	4,066
Total developer contributions			**1,073**	1,052	**7,826**	4,066
Total contributions			**1,073**	1,052	**7,826**	4,066
Total grants and contributions			**15,032**	12,837	**29,992**	24,318
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			**3,834**	1,858	**12,821**	13,090
Grants and contributions recognised at a point in time (2)			**11,198**	10,979	**17,171**	11,228
Total grants and contributions			**15,032**	12,837	**29,992**	24,318

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	**168**	47	**352**	101
Add: capital grants received for the provision of goods and services in a future period (2021)	**79**	168	**4,700**	352
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	**–**	–	**–**	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	**(168)**	(47)	**(352)**	(101)
Unspent funds at 30 June	**79**	168	**4,700**	352
Contributions				
Unspent funds at 1 July	**2,776**	2,553	**1,754**	17,300
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	**1,074**	980	**7,825**	4,138
Add: contributions received and not recognised as revenue in the current year	**20**	26	**17**	102
Add: Interest	**1**	18	**1**	121
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	**(628)**	(801)	**(1,359)**	(9,893)
Less: Transfer of repealed funds	**–**	–	**–**	(10,014)
Unspent contributions at 30 June	**3,243**	2,776	**8,238**	1,754

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

B2-4 Grants and contributions (continued)

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment income

$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	**100**	186
– Cash and investments	**311**	659
– Newcastle airport	**35**	128
Fair value adjustments		
– Movements in investments at fair value through profit and loss	**596**	(89)
Finance income on the net investment in the lease	**–**	–
Total interest and investment income (losses)	**1,042**	884
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	**1,040**	745
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	**2**	139
Total interest and investment income	**1,042**	884

Accounting policy
Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income (*)

$ '000	Notes	2021	2020
Fair value increment on investment properties			
Fair value increment on investment properties		**889**	13
Total fair value increment on investment properties	C1-9	**889**	13
Rental income			
Investment properties and PPE			
Lease income (excluding variable lease payments not dependent on an index or rate)		**2,978**	3,146
Lease income relating to variable lease payments not dependent on an index or a rate		**330**	371
Total Investment properties		**3,308**	3,517
Total rental income	C2-2	**3,308**	3,517
Net share of interests in joint ventures and associates using the equity method			
Joint ventures - Arrow Collaborative Services		**–**	540
Total net share of interests in joint ventures and associates using the equity method	D2-2	**–**	540
Total other income *		**4,197**	4,070

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21.

B3 Costs of providing services

B3-1 Employee benefits and on-costs

$ '000	2021	2020
Salaries and wages	**37,580**	34,858
Salaries and wages – Newcastle airport partnership	**3,482**	3,655
Travel and other allowances	**2,895**	3,068
Employee leave entitlements (ELE)	**8,250**	8,209
Superannuation	**4,652**	4,443
Workers' compensation insurance	**1,570**	1,069
Fringe benefit tax (FBT)	**18**	13
Protective clothing	**170**	155
Corporate uniform	**39**	19
Employee medical assessments	**10**	6
Other	**27**	29
Total employee costs	**58,693**	55,524
Less: capitalised costs	**(7,031)**	(5,712)
Total employee costs expensed	**51,662**	49,812

Accounting policy
Employee benefit expenses are recorded when the service has been provided by the employee.

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services (*)

$ '000	Notes	2021	2020
Raw materials and consumables		**7,304**	7,071
– Waste collection (2019 only) and disposal contract		**8,759**	8,200
– Other contractor and consultancy costs		**19,340**	18,294
Audit Fees	F2-1	**192**	190
Previously other expenses (*):			
Councillor and Mayoral fees and associated expenses	F1-2	**373**	307
Bank charges		**492**	346
Electricity and heating		**1,361**	1,434
Insurance		**1,887**	1,642
Street lighting		**892**	876
Telephone and communications		**272**	255
Travel expenses		**–**	7
Training costs (other than salaries and wages)		**371**	528
Other expenses		**520**	397
Memberships		**167**	137
Newcastle airport		**3,897**	6,820
Legal expenses:			
– Legal expenses		**460**	482
Expenses from short-term leases		**70**	57
Expenses from leases of low value assets		**7**	22
Expenses from Peppercorn leases		**1**	1
Variable lease expense relating to usage		**4,074**	4,562
Other		**162**	188
Total materials and services *		**50,601**	51,816

Accounting policy
Expenses are recorded on an accruals basis as the Council receives the goods or services.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21

B3-3 Borrowing costs

$ '000	2021	2020
(i) Interest bearing liability costs		
Interest on leases	**135**	174
Interest on overdraft	**38**	4
Interest on loans	**455**	459
Interest – Newcastle Airport	**223**	240
Interest on leases - Newcastle Airport	**14**	–
Total interest bearing liability costs	**865**	877
Less: capitalised costs	**(11)**	(81)
Total interest bearing liability costs expensed	**854**	796
(ii) Other borrowing costs		
Fair value adjustments on recognition of advances and deferred debtors		
Interest applicable on interest free (and favourable) loans to Council	**–**	1
Total other borrowing costs	**–**	1
Total borrowing costs expensed	**854**	797

Accounting policy
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

B3-4 Depreciation, amortisation and impairment of non-financial assets

$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		**1,882**	1,939
Office equipment		**359**	631
Furniture and fittings		**27**	18
Land improvements (depreciable)		**93**	80
Infrastructure:	C1-8		
– Buildings – specialised		**4,851**	4,085
– Other structures		**847**	505
– Roads		**2,838**	2,796
– Bridges		**53**	53
– Footpaths		**380**	376
– Car parks		**141**	140
– Stormwater drainage		**732**	712
– Swimming pools		**117**	176
– Other open space/recreational assets		**1,620**	1,382
– Other infrastructure		**370**	337
Right of use assets	D2-1	**858**	865
Other assets:			
– Heritage collections		**2**	2
– Library books		**308**	301
– Newcastle airport		**2,445**	2,168
Intangible assets	C1-10	**408**	507
Total depreciation and amortisation costs		**18,331**	17,073
Impairment / revaluation decrement			
Inventory - Real Estate		**–**	–
Total impairment / revaluation decrement costs / (reversals) charged to Income Statement		**–**	–
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT		**18,331**	17,073

Accounting policy

Depreciation and amortisation
Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets
Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses (*)

$ '000	Notes	2021	2020
Impairment of receivables			
Other		**28**	332
Total impairment of receivables	G1-4	**28**	332
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		**109**	–
Total net share of interests in joint ventures and associates using the equity method	D2-2	**109**	–
Other			
Contributions/levies to other levels of government			
– NSW rural fire service levy		**1,048**	801
– Lands department levy (holiday parks)		**485**	378
– Waste levy		**3,223**	2,377
Donations, contributions and assistance to other organisations (Section 356)		**1,053**	877
Rehabilitation and restoration expenses		**207**	–
Total other		**6,016**	4,433
Total other expenses *		**6,153**	4,765

Accounting policy
Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

(*) Items have been reclassified in accordance with The Local Government Code of Accounting Practice and Financial Reporting 2020/21

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

$ '000	Notes	2021	2020
Buildings & Property (excl. investment property)	D1.8		
Proceeds from disposal – property		–	1,990
Less: carrying amount of property assets sold/written off		(1,762)	(4,006)
Gain (or loss) on disposal		**(1,762)**	(2,016)
Gain (or loss) on disposal of plant and equipment	D1.8		
Proceeds from disposal – plant and equipment		273	105
Less: carrying amount of plant and equipment assets sold/written off		(246)	(205)
Gain (or loss) on disposal		**27**	(100)
Newcastle airport partnership	D1.8		
Less: carrying amount of infrastructure assets sold/written off		(12)	(32)
Gain (or loss) on disposal		**(12)**	(32)
Gain (or loss) on disposal of real estate assets held for sale	D1.8		
Proceeds from disposal – real estate assets		6,499	–
Less: carrying amount of real estate assets sold/written off		(2,403)	(422)
Gain (or loss) on disposal		**4,096**	(422)
Gain (or loss) on disposal of investments	C1.2		
Proceeds from disposal/redemptions/maturities – investments		15,500	35,084
Less: carrying amount of investments sold/redeemed/matured		(15,500)	(35,084)
Gain (or loss) on disposal		**–**	–
Net gain (or loss) on disposal of assets		**2,349**	(2,570)

Accounting policy
Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on dd/MM/yyyy and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: F = Favourable budget variation, U = Unfavourable budget variation.

$ '000	2021 Budget	2021 Actual	2021 -------- Variance --------		
REVENUES					
Rates and annual charges	63,648	63,396	(252)	0%	U
User charges and fees	46,024	39,886	(6,138)	(13)%	U
The user fees & charges related to the Newcastle Airport Partnership were impacted due to the COVID-19 pandemic.					
Other revenues	3,572	4,516	944	26%	F
Other income has exceeded the original budget due to income received by the Newcastle Airport Partnership					
Operating grants and contributions	12,408	15,032	2,624	21%	F
During the financial year Council was successful in obtaining operating grants and contributions for various projects from Federal & State bodies that had not been orginally budgeted.					
Capital grants and contributions	9,523	29,992	20,469	215%	F
During the financial year Council was successful in obtaining a number of capital grants and contributions for various infrastructure projects from Federal & State bodies that had not been orginally budgeted.					
Interest and investment revenue	1,213	1,042	(171)	(14)%	U
Interest income is less than the orginal budget to inflationary effects of COVID-19 which affected the Newcastle Airport Partnerships cash reserves.					
Net gains from disposal of assets	8,272	2,349	(5,923)	(72)%	U
The sale of commercially developed land was delayed and has now occurred in the 2022 financial year.					
Other income	4,160	4,197	37	1%	F
EXPENSES					
Employee benefits and on-costs	52,267	51,662	605	1%	F
Materials and services	55,158	50,601	4,557	8%	F
Borrowing costs	893	854	39	4%	F

B5-1 Material budget variations (continued)

$ '000	2021 Budget	2021 Actual	2021 Variance		
Depreciation, amortisation and impairment of non-financial assets	17,092	18,331	(1,239)	(7)%	U
Other expenses	4,203	6,153	(1,950)	(46)%	U
Other expenses is above budget due increased levies from the EPA for domestic waste disposal, emgergency services levy and tip remediation costs.					
Net losses from disposal of assets	–	–	–	∞	F
STATEMENT OF CASH FLOWS					
Cash flows from operating activities	26,397	41,428	15,031	57%	F
During the financial year Council was sucessful in obtaining a number of capital and operating grants for various projects that were not originally budgted for.					
Cash flows from investing activities	(10,329)	(35,329)	(25,000)	242%	U
As a result of sucessful grant applications, Council increased ithe size of its capital works program.					
Cash flows from financing activities	(4,359)	(1,082)	3,277	(75)%	F
During the year the Newcastle Airport Partnership obtained loan proceeds which were not originally budgted for					

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	**10,526**	16,024
Cash-equivalent assets		
– Deposits at call	**3,500**	–
– Managed funds	**7,516**	501
Total cash and cash equivalents	**21,542**	16,525
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	**21,542**	16,525
Balance as per the Statement of Cash Flows	**21,542**	16,525

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	**8,992**	**–**	3,910	–
Total	**8,992**	**–**	3,910	–
Financial assets at amortised cost				
Long term deposits	**27,153**	**1,102**	19,003	3,939
Total	**27,153**	**1,102**	19,003	3,939
Total financial investments	**36,145**	**1,102**	22,913	3,939
Total cash assets, cash equivalents and investments	**57,687**	**1,102**	39,438	3,939

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

C1-2 Financial investments (continued)

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:
- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:
- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables,term deposits and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

C1-3 Restricted cash, cash equivalents and investments

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total cash, cash equivalents and investments	**57,687**	**1,102**	39,438	3,939

$ '000	2021	2020
Details of restrictions		
External restrictions – included in liabilities		
Specific purpose unexpended grants – general fund	**4,779**	520
Deposits, retentions and bonds	**1,034**	1,232
External restrictions – included in liabilities	**5,813**	1,752
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	**11,481**	4,530
Domestic waste management	**2,930**	4,561
Crown reserve	**2,891**	1,430
External restrictions – other	**17,302**	10,521
Total external restrictions	**23,115**	12,273
Internal restrictions		
Council has internally restricted cash, cash equivalents and investments as follows:		
Asset rehabilition	**1,352**	–
Commercial properties	**4,989**	–
Election reserve	**400**	–
Federal assistance grant in advance	**3,459**	3,542
Fleet	**2,410**	–
Newcastle airport partnership	**10,542**	11,874
Other waste services reserve	**183**	–
Parking meters	**178**	–
Section 355C committees	**626**	674
IT Reserve	**380**	–
Unexpended loan funds	**5,000**	5,000
Repealed funds	**5,581**	10,014
Transport and Environment Reserve	**46**	–
Administration building reserve	**502**	–
Ward funds	**26**	–
Total internal restrictions	**35,674**	31,104
Total restrictions	**58,789**	43,377

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	**3,413**	–	2,922	–
Interest and extra charges	**202**	–	229	–
User charges and fees	**739**	–	1,060	–
Miscellaneous debtors	**328**	–	797	–
Contributions to works	**143**	–	26	–
Accrued revenues				
– Interest on investments	**192**	–	183	–
– Other income accruals	**1,515**	–	1,284	–
Government grants and subsidies	**169**	–	12	–
Net GST receivable	**558**	–	361	–
Newcastle airport partnership	**2,549**	–	1,902	–
Other debtors	–	**160**	–	172
Total	**9,808**	**160**	8,776	172
Less: provision of impairment				
User charges and fees	**(135)**	–	(79)	–
Newcastle airport partnership	–	–	(291)	–
Total provision for impairment – receivables	**(135)**	–	(370)	–
Total net receivables	**9,673**	**160**	8,406	172
Externally restricted receivables				
Domestic waste management	**815**	–	705	–
Crown reserve	–	–	153	–
Total external restrictions	**815**	–	858	–
Internally restricted receivables				
Community Loans	**200**	–	200	–
Newcastle Airport Partnership	**2,549**	–	1,902	–
Commercial properties	**616**	–	31	–
Administration building reserve	–	–	734	–
Sustainable energy and water reserve	**171**	–	148	–
Other waste services reserve	**239**	–	451	–
Asset Rehabilitation	–	–	409	–
Drainage reserve	**196**	–	38	–
Election reserve	**200**	–	400	–
Fleet	–	–	1,315	–
Parking meters	–	–	590	–
IT	**305**	–	176	–
Ward funds	–	–	39	–
Internally restricted receivables	**4,476**	–	6,433	–
Unrestricted receivables	**4,382**	**160**	**1,115**	**172**
Total net receivables	**9,673**	**160**	8,406	172

C1-4 Receivables (continued)

$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year	**370**	5
+ new provisions recognised during the year	**137**	371
– amounts already provided for and written off this year	**(71)**	(5)
– amounts written off but not provided for	**(2)**	3
– amounts provided for but recovered during the year	**(291)**	–
– previous impairment losses reversed	**(8)**	(4)
Balance at the end of the year	**135**	370

Accounting policy

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are deemed uncollectable, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

C1-4 Receivables (continued)

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
At cost				
Real estate	977	10,605	4,992	9,820
Stores and materials	–	–	157	–
Total inventories at cost	977	10,605	5,149	9,820
Total inventories	977	10,605	5,149	9,820

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Real estate development				
Residential	752	2,324	–	3,027
Industrial/commercial	225	8,281	4,992	6,793
Total real estate held for resale	977	10,605	4,992	9,820

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

$ '000	2021	2020
Contract assets	577	–
Total contract assets and contract cost assets	577	–

Contract assets

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Work relating to infrastructure grants	577	–	–	–
Total contract assets	577	–	–	–

C1-6 Contract assets and Contract cost assets (continued)

Accounting policy

Contract assets
Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Contract cost asset – costs to fulfil a contract
Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

– the costs relate directly to a contract
– the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
– the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

C1-7 Non-current assets classified as held for sale

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Non-current assets held for sale				
Land	42	–	–	–
Total non-current assets classified as held for sale	42	–	–	–

2 Coachwood Drive, Medowie, valued at its carrying amount of $42,000, has been transferred from operational land to non-current assets held for sale in accordance with Australian Accounting Standards.

It is fully expected that the sale of 2 Coachwood Drive, Medowie will be completed within 12 months of 30 June 2021.

Accounting policy
Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals [1]	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Tfrs from/(to) 'held for sale' category	Tfrs from/(to) investment properties	Revaluation increments / (decrement) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	20,993	(91)	20,902	844	6,003	(229)	–	(13,136)	–	–	–	14,456	(72)	14,384
Plant and equipment	25,406	(15,089)	10,317	77	340	(246)	(1,882)	842	–	–	–	27,113	(17,665)	9,448
Office equipment	3,301	(2,205)	1,096	13	184	–	(359)	–	–	–	–	3,498	(2,564)	934
Furniture and fittings	1,419	(1,108)	311	237	57	–	(27)	–	–	–	–	1,712	(1,135)	577
Land:														
– Operational land	39,704	(573)	39,131	30	972	–	–	(113)	(42)	(1,490)	–	39,061	(573)	38,488
– Community land	42,885	–	42,885	–	40	–	–	113	–	–	4,316	47,353	–	47,353
– Crown land	29,223	–	29,223	–	–	–	–	–	–	–	–	29,223	–	29,223
– Land under roads (post 1/7/08)	1,985	–	1,985	–	286	–	–	–	–	–	–	2,271	–	2,271
- Newcastle airport	10,126	–	10,126	–	–	–	–	–	–	–	–	10,126	–	10,126
Land improvements – depreciable	9,384	(2,398)	6,986	11	–	–	(93)	844	–	–	–	10,302	(2,554)	7,748
Infrastructure:														
– Buildings – specialised	194,077	(91,466)	102,611	1,408	254	–	(4,851)	5,325	–	(1,245)	148	194,920	(91,270)	103,650
– Other structures	10,423	(4,776)	5,647	61	775	–	(847)	2,693	–	–	–	13,888	(5,559)	8,329
– Roads	417,927	(52,765)	365,162	7,557	4,124	(1,532)	(2,838)	3,148	–	–	–	429,541	(53,918)	375,623
– Bridges	14,941	(2,024)	12,917	119	–	–	(53)	–	–	–	–	15,061	(2,078)	12,983
– Footpaths	67,815	(10,709)	57,106	2,177	1,178	–	(380)	213	–	–	–	71,383	(11,089)	60,294
– Car parks	15,603	(2,171)	13,432	1,473	–	–	(141)	–	–	–	–	17,076	(2,312)	14,764
– Stormwater drainage	235,581	(26,902)	208,679	1,544	2,961	–	(732)	378	–	–	–	240,464	(27,634)	212,830
– Swimming pools	7,794	(4,690)	3,104	35	–	–	(117)	(792)	–	–	1,500	4,882	(1,152)	3,730
– Other open space	33,853	(12,349)	21,504	1,380	–	–	(1,620)	535	–	–	–	35,785	(13,986)	21,799
– Other infrastructure	11,428	(4,052)	7,376	515	22	–	(370)	(50)	–	–	4,854	19,547	(7,200)	12,347
Other assets:														
– Heritage collections	237	(77)	160	–	–	–	(2)	–	–	–	–	237	(79)	158
– Library books	5,705	(3,671)	2,034	–	246	–	(308)	–	–	–	–	5,950	(3,979)	1,971
– Newcastle airport	58,227	(19,323)	38,904	–	5,762	(12)	(2,445)	–	–	–	–	63,895	(21,686)	42,209
Total infrastructure, property, plant and equipment	1,258,037	(256,439)	1,001,598	17,481	23,204	(2,019)	(17,065)	–	(42)	(2,735)	10,818	1,297,744	(266,505)	1,031,239

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period						At 30 June 2020		
$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals [1]	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	9,311	(91)	9,220	5,333	7,480	(115)	–	(1,015)	–	20,993	(91)	20,902
Plant and equipment	25,300	(13,788)	11,512	939	10	(208)	(1,939)	–	–	25,406	(15,089)	10,317
Office equipment	3,051	(1,580)	1,471	257	–	–	(631)	–	–	3,301	(2,205)	1,096
Furniture and fittings	1,300	(1,089)	211	118	–	–	(18)	–	–	1,419	(1,108)	311
Land:												
– Operational land	39,505	(573)	38,932	61	228	(980)	–	890	–	39,704	(573)	39,131
– Community land	42,518	–	42,518	–	368	–	–	–	–	42,885	–	42,885
– Crown land	29,223	–	29,223	–	–	–	–	–	–	29,223	–	29,223
– Land under roads (post 1/7/08)	1,985	–	1,985	–	–	–	–	–	–	1,985	–	1,985
Land improvements – depreciable	9,187	(2,412)	6,775	302	–	(11)	(80)	–	–	9,384	(2,398)	6,986
- Newcastle airport	–	–	–	–	10,126	–	–	–	–	10,126	–	10,126
Infrastructure:												
– Buildings – specialised	183,879	(88,879)	95,000	6,593	4,756	(304)	(4,085)	649	–	194,077	(91,466)	102,611
– Other structures	9,700	(4,321)	5,379	642	116	(27)	(505)	41	–	10,423	(4,776)	5,647
– Roads	443,749	(53,919)	389,830	5,203	3,753	(2,413)	(2,796)	57	(28,472)	417,927	(52,765)	365,162
– Bridges	11,257	(333)	10,924	20	–	–	(53)	–	2,026	14,941	(2,024)	12,917
– Footpaths	63,126	(8,435)	54,691	–	1,596	–	(376)	–	1,196	67,815	(10,709)	57,106
– Stormwater drainage	202,514	(6,435)	196,079	1,440	1,425	(25)	(712)	189	10,284	235,581	(26,902)	208,679
– Swimming pools	7,584	(4,513)	3,071	209	–	–	(176)	–	–	7,794	(4,690)	3,104
– Other open space	32,237	(10,957)	21,280	1,547	25	–	(1,382)	34	–	33,853	(12,349)	21,504
– Other infrastructure	10,817	(3,715)	7,102	559	52	–	(337)	–	–	11,428	(4,052)	7,376
– Car parks	11,610	(8,804)	2,806	408	–	(105)	(140)	–	10,463	15,603	(2,171)	13,432
Other assets:												
– Heritage collections	237	(75)	162	–	–	–	(2)	–	–	237	(77)	160
– Library books	5,455	(3,370)	2,085	250	–	–	(301)	–	–	5,705	(3,671)	2,034
– Newcastle airport	48,806	(18,091)	30,715	5,771	2,822	(32)	(2,168)	1,795	–	58,227	(19,323)	38,904
Total infrastructure, property, plant and equipment	1,192,351	(231,380)	960,971	29,652	32,757	(4,220)	(15,701)	2,640	(4,503)	1,258,037	(256,439)	1,001,598

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

C1-8 Infrastructure, property, plant and equipment (continued)

Accounting policy
Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes.

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Useful lives of IPPE

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	**Other equipment**	Years
Office equipment	5 to 10	Playground equipment	20
Office furniture	10 to 20	Benches, seats etc.	25
Computer equipment	4		
Vehicles	5 to 8	**Buildings**	
Heavy plant/road making equipment	5 to 8	Buildings	15 to 65
Other plant and equipment	5 to 15		
Transportation assets		**Stormwater assets**	
Sealed roads		Drains	80 to 100
- Base	50	Culverts	50 to 80
- Seal	15 to 25	Flood control structures	80 to 100
- Sub-base	100		
Unsealed roads	100	**Other infrastructure assets**	
Bridge concrete	100	Bulk earthworks	20
Bridge other	60 to 100	Swimming pools	50
Kerb, gutter and footpaths	80	Other open space/recreational assets	20
		Other infrastructure	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

C1-8 Infrastructure, property, plant and equipment (continued)

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

C1-9 Investment properties

$ '000	2021	2020
Owned investment property		
Investment property on hand at fair value	**42,295**	37,575
Total owned investment property	**42,295**	37,575

Owned investment property

At fair value		
Opening balance at 1 July	**37,575**	35,550
Capitalised subsequent expenditure	**88**	2,012
Net gain/(loss) from fair value adjustments	**889**	13
Transfers from/(to) inventories (Note C1-5)	**1,008**	–
Transfers from/(to) owner occupied (Note C1-8)	**2,735**	–
Closing balance at 30 June	**42,295**	37,575

Accounting policy
Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

C1-10 Intangible assets

Intangible assets are as follows:

$ '000	2021	2020
Intangibles		
Opening values at 1 July		
Gross book value	**8,876**	8,690
Accumulated amortisation	**(3,041)**	(2,541)
Net book value – opening balance	**5,835**	6,149
Movements for the year		
Purchases	**138**	218
Amortisation charges	**(408)**	(507)
Disposals	**–**	(25)
Revaluation	**311**	–
Closing values at 30 June		
Gross book value	**9,325**	8,876
Accumulated amortisation	**(3,449)**	(3,041)
Total Intangibles– net book value	**5,876**	5,835

Accounting policy

IT development and software
Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

Right to Operate

Fit out costs incurred for the international processing area within the terminal required by the Department of Home Affairs for border security activities required for international flights represents NAP's contractual / legal right to operate international airport services, and is recognised at cost as an intangible asset.

C1-11 Other

Other assets

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Prepayments	860	–	826	–
Prepayments - Newcastle airport partnership	191	29	120	37
Total other assets	1,051	29	946	37

C1-11 Other (continued)

Current other assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	1,051	29	946	37
Total other assets	**1,051**	**29**	946	37

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land, vehicles, carparks and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases:

Plant and equipment

Council leases vehicles and equipment with lease terms varying from 5 to 10 years and include a renewal option to allow Council to renew for another year at their discretion. The lease contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 3 years with a renewal option of another 3 years, the payments are fixed, however some of the leases include variable payments based on usage.

Other assets - Other

Council leases car parks with lease term of 3 years and include an option to allow Council to renew for another two years at their discretion. The lease contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Land

Council leases land for their holiday park, with a lease term of 40 years and no renewal option. The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Newcastle Airport leases land with a lease term of 81 years and includes 3 renewal options to allow the Airport to renew for another 30 years at their discretion. There are fixed lease payments as well as variable lease payments, the fixed payments increase by CPI at each anniversary of the lease inception and the variable payment is based on a percentage of revenue.

Extension options

Council includes options in some of the leases to provide flexibility and certainty to operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
2021						
Opening balance at 1 July	3,167	338	462	318	455	4,740
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	–	–	–	–	–	–
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–	(6)	(22)	(28)
Depreciation charge	(528)	(4)	(179)	(98)	(49)	(858)
Balance at 30 June	**2,639**	**334**	**282**	**215**	**384**	**3,854**

C2-1 Council as a lessee (continued)

$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land – Operational Land	Total
2020						
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	3,696	342	641	418	509	5,606
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–	–	–	–
Depreciation charge	(529)	(4)	(179)	(100)	(53)	(865)
Balance at 30 June	3,167	338	462	318	455	4,740

(b) Lease liabilities

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	**830**	**2,872**	794	3,728
Lease liabilities - Newcastle Airport	**1**	**337**	–	341
Total lease liabilities	**831**	**3,209**	794	4,069

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows and therefore the amounts will not be the same as the recognised lease liability in the statement of Financial Position:

$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Cash flows	**953**	**2,960**	**1,287**	**5,200**	**4,040**
2020					
Cash flows	944	3,234	2,008	6,187	**4,863**

(ii) Lease liabilities relating to restricted assets

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Crown reserve	**43**	**362**	42	427
Domestic waste reserve	**500**	**2,270**	475	2,770
Lease liabilities relating to externally restricted assets	**543**	**2,632**	517	3,197
Total lease liabilities relating to restricted assets	**543**	**2,632**	517	3,197
Total lease liabilities relating to unrestricted assets	**288**	**577**	277	872
Total lease liabilities	**831**	**3,209**	794	4,069

C2-1 Council as a lessee (continued)

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

$ '000	2021	2020
Interest on lease liabilities	**149**	174
Variable lease payments based on usage not included in the measurement of lease liabilities	**4,074**	4,562
Depreciation of right of use assets	**858**	865
Expenses relating to short-term leases	**70**	57
Expenses relating to low-value leases	**7**	22
Expenses relating to peppercorn leases	**1**	1
	5,160	5,682

(e) Statement of Cash Flows

Total cash outflow for leases	**5,093**	5,558
	5,093	5,558

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a lease at significantly below market for land and buildings which is used to provide emergency facilities.

The lease is for 5 years that require payment of $1,000 per year and include a renewal option to allow Council to renew for up to twice the non-cancellable lease term at their discretion. The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that the lease in place is material from a statement of financial position or performance perspective.

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

C2-1 Council as a lessee (continued)

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

– investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-9)

– property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-8).

$ '000	2021	2020
(i) Assets held as investment property		
Investment property operating leases relate to the assets held predominately for rental purposes.		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	**2,839**	3,146
Lease income relating to variable lease payments not dependent on an index or a rate	**330**	371
Total income relating to operating leases for investment property assets	**3,169**	3,517
Operating lease expenses		
Direct operating expenses that generated rental income	**539**	546
Total expenses relating to operating leases	**539**	546
Repairs and maintenance: investment property		
Contractual obligations for future repairs and maintenance	**31**	2
Total repairs and maintenance: investment property	**31**	2

C2-2 Council as a lessor (continued)

$ '000	2021	2020
(ii) Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of service delivery objectives, the table below relates to operating leases on assets disclosed in C1-8.		
Lease income (excluding variable lease payments not dependent on an index or rate)	**139**	91
Total income relating to operating leases for Council assets	**139**	91
Amount of IPPE leased out by Council under operating leases		
Buildings	**6,446**	6,602
Furniture and Fittings	**53**	–
Land - Council Land	**1,786**	1,786
Open Space Other	**187**	234
Other Assets - Carparks	**184**	–
Other Structures	**30**	30
Total amount of IPPE leased out by Council under operating leases	**8,686**	8,652
(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	**2,726**	2,431
1–2 years	**2,413**	1,798
2–3 years	**1,559**	1,797
3–4 years	**273**	1,265
4–5 years	**204**	217
> 5 years	**635**	476
Total undiscounted lease payments to be received	**7,810**	7,984

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services	**9,245**	**2,922**	8,097	3,280
Accrued expenses:				
– Other expenditure accruals	**3,579**	**–**	3,197	–
Security bonds, deposits and retentions	**1,034**	**–**	1,232	–
Unclaimed monies	**2**	**–**	12	–
Rates in advance	**1,423**	**–**	1,230	–
Other	**5**	**–**	120	–
Total payables	**15,288**	**2,922**	13,888	3,280
Total payables	**15,288**	**2,922**	13,888	3,280

Current payables not anticipated to be settled within the next twelve months

$ '000	2021	2020
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	**396**	396
Total payables and borrowings	**396**	396

Accounting policy
Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

Payables
These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

C3-2 Contract Liabilities

$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	**4,635**	**–**	946	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	**144**	**–**	671	–
Total grants received in advance		**4,779**	**–**	1,617	–
User fees and charges received in advance:					
Fees - holiday park deposits	(iii)	**1,337**	**–**	881	–
Fees - rent	(iii)	**–**	**–**	15	–
Fees - Newcastle airport	(iii)	**223**	**–**	–	–

C3-2 Contract Liabilities (continued)

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total user fees and charges received in advance	**1,560**	–	896	–
Total contract liabilities	**6,339**	–	2,513	–

Notes

(i) Council has received funding to construct assets including transport infrastructure, recreation and cultural facilities and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants, mostly environmental protection and child care that were received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Fees paid in advance do not meet the definition of a performance obligation and therefore the funds received in advance for holiday park fees and Newcastle airport fees are recorded as a contract liability on receipt and recognised as revenue once the service has been fully delivered.

Revenue recognised that was included in the contract liability balance at the beginning of the period

$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	**892**	101
Operating grants (received prior to performance obligation being satisfied)	**653**	47
Total revenue recognised that was included in the contract liability balance at the beginning of the period	**1,545**	148

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control. Prior to financial year 2020, revenue was recognised on receipt of the funds.

C3-3 Borrowings

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current

C3-3 Borrowings (continued)

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured [1]	**2,966**	**14,744**	3,332	17,665
Loans – Newcastle airport partnership	**–**	**14,850**	–	11,850
Total borrowings	**2,966**	**29,594**	3,332	29,515

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E

(a) Changes in liabilities arising from financing activities

	2020		Non-cash movements				2021
$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	20,997	**(3,314)**	**–**	**–**	**–**	**27**	**17,710**
Lease liability (Note C2-1b)	4,863	**(823)**	**–**	**–**	**–**	**–**	**4,040**
Loans – Newcastle airport	11,850	**3,000**	**–**	**–**	**–**	**–**	**14,850**
Total liabilities from financing activities	37,710	**(1,137)**	**–**	**–**	**–**	**27**	**36,600**

	2019		Non-cash movements				2020
$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	13,278	7,704	–	1	–	14	20,997
Lease liability (Note C2-1b)	–	4,863	–	–	–	–	4,863
Loans – Newcastle airport	6,250	5,600	–	–	–	–	11,850
Total liabilities from financing activities	19,528	18,167	–	1	–	14	37,710

(b) Financing arrangements

$ '000	2021	2020
Total facilities		
Bank overdraft facilities [1]	**2,500**	2,500
Credit cards/purchase cards	**1,000**	1,000
Bank loan facilities - Port Stephens Council	**7,500**	7,500
Bank loan facilities - Newcastle Airport	**25,000**	25,000
Total financing arrangements	**36,000**	36,000
Drawn facilities		
– Credit cards/purchase cards	**414**	366
– Bank loan facilities - Newcastle Airport	**14,850**	11,850
Total drawn financing arrangements	**15,264**	12,216
Undrawn facilities		
– Bank overdraft facilities	**2,500**	2,500
– Credit cards/purchase cards	**586**	634
– Bank loan facilities - Port Stephens Council	**7,500**	7,500
– Bank loan facilities - Newcastle Airport	**10,150**	13,150
Total undrawn financing arrangements	**20,736**	23,784

C3-3 Borrowings (continued)

Additional financing arrangements information

Breaches and defaults
During the current and prior year, there were no defaults or breaches on any of Councils loans.

During the financial year the Newcastle Airport Partnership amended its facility agreement with the ANZ Bank as a result of the COVID-19 pandemic. The amendment waived in full any material adverse effects on its financial covenants caused by the COVID-19 pandemic up to and including 30 June 2021. Management are currently in negotiations to extend this waiver as a result of the continued adverse effects of the COVID-19 pandemic.

Security over loans
Loans are secured over the general rating income of Council.

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank if any events of default specified in the contract occur.

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

C3-4 Employee benefit provisions

$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Annual leave	4,349	–	4,447	–
Sick leave	2,677	–	2,962	–
Long service leave	8,592	776	8,393	771
Flexi time / RDO leave	319	–	336	–
Total employee benefit provisions	15,937	776	16,138	771

Employee benefit provisions relating to restricted assets

Total employee benefit provisions relating to restricted assets	–	–	–	–
Total employee benefit provisions relating to unrestricted assets	15,937	776	16,138	771
Total employee benefit provisions	15,937	776	16,138	771

Current employee benefit provisions not anticipated to be settled within the next twelve months

$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	10,545	11,156
	10,545	11,156

Description of and movements in provisions

Accounting policy
Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations
Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations
The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs
The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

C3-4 Employee benefit provisions (continued)

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C3-5 Provisions

$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Other provisions				
Other - Commercial concessions				
Newcastle airport partnership	331	–	165	–
Sub-total – other provisions	**331**	**–**	165	–
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	–	263	–
Sub-total – asset remediation/restoration	**–**	**–**	263	–
Total provisions	**331**	**–**	428	–

Description of and movements in provisions

	Other provisions		
$ '000	Asset remediation	Other Provisions	Net carrying amount
2021			
At beginning of year	**263**	**165**	**428**
Additional provisions	**207**	**–**	**207**
Amounts used (payments)	**(470)**	**–**	**(470)**
Total other provisions at end of year	**–**	**165**	**165**
2020			
At beginning of year	1,355	900	2,255
Additional provisions	–	165	165
Amounts used (payments)	(1,092)	(900)	(1,992)
Total other provisions at end of year	263	165	428

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip.

Legal costs provision

Council has a legal obligation to pay legal costs as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required when legal proceedings are finalised.

Provision for commercial concessions - Newcastle Airport

Newcastle airport has an obligation to pay commercial concessions, mostly rent and fees to its tenants as a result of Covid-19.

C3-5 Provisions (continued)

Accounting policy
Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as borrowing cost.

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Provision for legal costs

Liabilities for legal costs expected to be wholly settled within 12 months after the end of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Provision for commercial concessions - Newcastle Airport

Liabilities for commercial concessions, that are a result of Covid-19 are expected to be wholly settled within 12 months after the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

Council utilises only a general fund for its operations.

D2 Interests in other entities

D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

D2-2 Interests in joint arrangements

Joint arrangements
Arrow Collaborative Services Limited (Hunter Councils)

Council has an interest in Arrow Collaborative Services Limited, along with other Member Councils of Hunter Councils. The activities of this organisation are not controlled by any one Council.

Arrow Collaborative Services Limited has been established to improve the quality and efficiency of local government service throughout the Hunter Region. One such service is the establishment and provision of a Record Repository Centre for the use of the Member Councils and to outsource this service to other organisations.

This Organisation was established in January 2003 as Hunter Councils Limited after receiving Minister's consent, pursuant to Section 358(1) (a) of the Local Government Act 1993. Arrow Collaborative Services Limited was previously known as Strategic Services Australia Limited.

Arrow Collaborative Services Limited has the same year end date as Council.

Aggregate information for joint ventures that are not individually material

The Group has interests in a number of joint ventures none of which is considered individually material. The table below summarises, in aggregate, the financial information of individually immaterial joint ventures.

Council's share

	Percentage Owned (%)
Arrow Collaborative Services Limited	11.71%

(a) Summarised financial information for individually immaterial joint ventures

$ '000	2021	2020
Arrow Collaborative Services Limited		
Carrying Amount of Investment in joint ventures that are not individually material	**431**	540
Council's Share of those joint ventures:		
Profit/(loss) from continuing operations	**(109)**	540
Total comprehensive income – individually immaterial joint ventures	**(109)**	540

(b) Unrecognised share of losses

The unrecognised share of losses of joint ventures due to the Council's interest, reduce to zero under the equity methods are $0 for the reporting period and $0 on a cumulative basis.

D2-2 Interests in joint arrangements (continued)

(c) Risk associated with the interests in joint ventures

$ '000	2021	2020
Commitments relating to joint ventures held	–	–
Contingent liabilities incurred jointly with other investments over joint ventures held	–	–

Each of the partners in Arrow Collaborative Services Limited are jointly and severally liable for the debts of the organisation.

There are no significant restrictions on the ability of joint ventures to transfer funds to the group in the form of cash dividends, or to repay loans or advances made by the council.

(i) Joint operations

(a) Council is involved in the following joint operations (JO's)

			Interest in ownership		Interest in voting	
			2021	2020	2021	2020
Name of joint operation	**Principal activity**	**Place of business**				
Newcastle Airport Partnership and Newcastle Airport Pty Ltd	Airport Operation	Williamtown	**50%**	50%	**50%**	50%
Greater Newcastle Aerotropolis Partnership & Greater Newcastle Aerotropolis Pty Ltd	Airport Operation	Williamtown	**50%**	50%	**50%**	50%

Council assets employed in the joint operations

$ '000	2021	2020
Council's share of assets jointly owned with other partners		
Current assets	**13,282**	13,606
Current liabilities	**(4,227)**	(5,158)
Non current assets	**54,300**	51,083
Non-current liabilities	**(18,139)**	(15,515)
Total net assets employed – Council and jointly owned	**45,216**	44,016

Share of joint operations expenditure commitments

Capital commitments		
Payable not later than 1 year	**901**	11,034
Total capital commitments	**901**	11,034

Contingent liabilities of joint operations

Share of contingent liabilities incurred jointly with other participants	**100**	100
Share of contingent liabilities for which Council is severally liable	**100**	100

D2-2 Interests in joint arrangements (continued)

Accounting policy for joint arrangements:

AASB 11 Joint Arrangements defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

The council has determined that it has joint operations and joint ventures.

Joint ventures:

Joint ventures are those joint arrangements, which provide Council with rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 Associates and Joint Ventures. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

Council's share in the joint ventures gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of Council for the purpose of the consolidated financial statements.

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

D3 Discontinued operations

D3-1 Discontinued operations

Council did not have any discontinued operations during the year ended 30 June 2021

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio as required by local government regulations.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The fair value of Receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:
• interest rate risk – the risk that movements in interest rates could affect returns
• liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due
• credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

(a) Market risk – interest rate and price risk

$ '000	2021	2020
The impact on the result for the year of a reasonably possible movement in interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
It is assumed that the change in interest rates would have been constant throughout the reporting period.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	**229**	363
Impact of a 10% movement in price of investments		
– Equity / Income Statement	**391**	–

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to the financial services section manager on a monthly basis and monitoring of acceptable collection performance is carried out.

E1-1 Risks relating to financial instruments held (continued)

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	**–**	**2,724**	**268**	**259**	**162**	**3,413**
2020						
Gross carrying amount	–	2,279	272	237	134	2,922

Receivables - non-rates and annual charges and contract assets
Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	**3,171**	**1,242**	**1,103**	**447**	**592**	**6,555**
Expected loss rate (%)	**0.13%**	**0.04%**	**0.06%**	**2.19%**	**2.78%**	**0.48%**
ECL provision	**4**	**–**	**1**	**10**	**16**	**31**
2020						
Gross carrying amount	2,883	968	120	782	1,273	6,026
Expected loss rate (%)	0.06%	29.91%	1.58%	0.77%	5.61%	6.15%
ECL provision	2	289	2	6	71	370

(c) Liquidity risk

Payables, lease liabilities and borrowings are subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

E1-1 Risks relating to financial instruments held (continued)

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (i.e. principal and interest) and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	**0.00%**	**1,036**	**14,253**	**2,921**	**–**	**18,210**	**18,210**
Loans and advances	**1.63%**	**–**	**3,464**	**29,262**	**1,136**	**33,862**	**32,560**
Lease liabilities	**0.00%**	**–**	**953**	**2,960**	**1,287**	**5,200**	**4,040**
Total financial liabilities		**1,036**	**18,670**	**35,143**	**2,423**	**57,272**	**54,810**
2020							
Trade/other payables	0.00%	1,244	13,274	6,560	–	21,078	17,168
Loans and advances	1.89%	–	3,757	22,095	9,104	34,956	32,847
Lease liabilities	0.00%	–	794	2,886	1,184	4,864	4,864
Total financial liabilities		1,244	17,825	31,541	10,288	60,898	54,879

E2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment
– Investment property
– Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
$ '000	Notes	2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
at fair value through profit or loss		**8,992**	3,910	**–**	–	**8,992**	3,910
Total financial assets		**8,992**	3,910	**–**	–	**8,992**	3,910
Investment property	C1-9						
Investment properties held		**42,295**	37,575	**–**	–	**42,295**	37,575
Total investment property		**42,295**	37,575	**–**	–	**42,295**	37,575
Infrastructure, property, plant and equipment	C1-8						
Plant and equipment		**–**	–	**9,448**	10,317	**9,448**	10,317
Office equipment		**–**	–	**934**	1,096	**934**	1,096
Furniture and fittings		**–**	–	**577**	311	**577**	311
Land		**48,614**	49,257	**78,847**	74,093	**127,461**	123,350
Land Improvements		**–**	–	**7,748**	6,986	**7,748**	6,986
Buildings – specialised		**–**	–	**103,650**	102,611	**103,650**	102,611
Other Structures		**–**	–	**8,329**	5,647	**8,329**	5,647
Infrastructure		**–**	–	**714,370**	689,280	**714,370**	689,280
Other Assets		**–**	–	**44,338**	41,098	**44,338**	41,098
Total infrastructure, property, plant and equipment		**48,614**	49,257	**968,241**	931,439	**1,016,855**	980,696
Non-current assets classified as held for sale	C1-7						
Land		**42**	–	**–**	–	**42**	–
Total NCA's classified as held for sale		**42**	–	**–**	–	**42**	–

E2-1 Fair value measurement (continued)

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Council's policy for determining transfers between fair value hierarchies is:
- at the date of the event or change in circumstances that casued the transfer.

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Investment property

Council obtains valuations of its investment properties every year or when there are indicators of a change in the carrying value of the asset.

The best evidence of Fair Value is the current price in an active market for similar assets. The following information is used where necessary:

The investment property held by Council has been valued by the valuer using valuation techniques that are appopriate and for which sufficient data was available to measure fair value, maxmising the use of observable inputs namely Level 2 inputs (based on per square metres). The income approach is used to value the investment properties and has not changed from prior years.

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment, Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

• Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
• Office Equipment - Computers, photocopiers, calculators etc.
• Furniture & Fittings - Chairs, desks and display boards.

Land

The main components of Land include Community Land, Operational Land & Land Under Roads.

Community Land is based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land.

Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

1.The land's description and/or dimensions;
2.Planning and other constraints on development; and
3.The potential for alternative use.

Sale prices of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre.
Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 2 valuation inputs. There has been no change to the valuation techniques during the reporting period.

Land Under Roads was valued in accordance with the Australian Accounting Standard AASB 116 Property, Plant and Equipment, and the Code of Accounting Practice and Financial Reporting.

E2-1 Fair value measurement (continued)

Values were determined using valuation of Council's total Land under Roads at the average rate unit of land and applying discounting factors which reflects the restrictions placed on land under roads. This asset class is classified as Level 3 asset as significant inputs used in this methodology are unobservable.

There has been no change to the valuation process during the reporting period.

Buildings - Specialised & Other Structures

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence (Level 2 inputs), other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.
As such, these assets have been valued using Level 3 inputs. There has been no change to the valuation

Infrastructure

The main components of infrastructure include Roads, Bridges, Footpaths, Stormwater Drainage, Recreational and open areas

Roads bridges and footpaths are valued using the cost replacement approach. Valuations for these asset classes were undertaken in-house based on actual costs and assumptions from Council's Engineering Department.
No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Councils recreational areas and swimming pools have been valued in house by experienced engineering and asset management staff using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts.

Other Assets

Other Assets include Other assets in this class includes heritage collections library books, carparks and joint venture operations.

All other asset classes have also been recorded at replacement cost.

While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, Level 3 is best suited.

There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Office Equipment	10,382	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture & Fittings	577	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Land & Land Improvements	86,595	Community Land - land values obtained from the NSW Valuer-General. Crown Land - land values based on the NSW Valuer-General where applicable, otherwise compared to similar properties. Any restrictions on land such as zoning, has been taken into consideration.	Land value, land area
Buildings - Specialised	103,650	Cost approach	Unit price
Other Structures	8,329	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Infrastructure	714,370	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value
Other Assets	44,338	Cost approach	Current replacement cost of modern equivalent asst, asset condition, useful life and residual value

E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	Plant and office equipment		Furniture and fittings		Land and land improvements		Buildings	
$ '000	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	**11,413**	12,984	**311**	211	**81,079**	80,503	**102,611**	95,000
Transfers from/(to) another asset class	**842**	–	**–**	–	**957**	–	**5,325**	649
Purchases	**614**	1,206	**293**	118	**336**	667	**1,662**	11,349
Disposals	**(246)**	(208)	**–**	–	**–**	(11)	**–**	(304)
Depreciation and impairment	**(2,241)**	(2,569)	**(27)**	(18)	**(93)**	(80)	**(4,851)**	(4,083)
Revaluation increments/decrements	**–**	–	**–**	–	**4,316**	–	**148**	–
Transfers from/(to) Note C1-9	**–**	–	**–**	–	**–**	–	**(1,245)**	–
Closing balance	**10,382**	11,413	**577**	311	**86,595**	81,079	**103,650**	102,611

	Other structures		Infrastructure		Other assets		Total	
$ '000	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	**5,647**	5,379	**689,280**	685,783	**41,098**	32,962	**931,439**	**912,822**
Transfers from/(to) another asset class	**2,693**	42	**3,432**	280	**–**	1,795	**13,249**	**2,766**
Purchases	**836**	758	**23,085**	16,237	**6,008**	8,843	**32,834**	**39,178**
Disposals	**–**	(27)	**(1,532)**	(2,543)	**(12)**	(32)	**(1,790)**	**(3,125)**
Depreciation and impairment	**(847)**	(505)	**(6,249)**	(5,972)	**(2,756)**	(2,470)	**(17,064)**	**(15,697)**
Revaluation increments/decrements	**–**	–	**6,354**	(4,505)	**–**	–	**10,818**	**(4,505)**
Transfers from/(to) Note C1-9	**–**	–	**–**	–	**–**	–	**(1,245)**	**–**
Closing balance	**8,329**	5,647	**714,370**	689,280	**44,338**	41,098	**968,241**	**931,439**

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions for non 180 Point Members. Nil for 180 Point Members
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of $40.0 million per annum from 1 July 2018 to to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was $480,225. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

The amount of additional contributions included in the total employer contribution advised above is $337,700. Council's expected contribution to the plan for the next annual reporting period is $528,360.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of any surplus or deficit that is broadly attributed to Council is 0.84% as at 30 June 2021.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

E3-1 Contingencies (continued)

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

(iii) Legal Matters

Council is dealing with general matters as part of normal operations. No specific disclousre is made as these matters do not represent a significant and probable outflow of resources other than those already provided for.

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

$ '000	2021	2020
Compensation:		
Short-term benefits	3,762	3,893
Post-employment benefits	311	332
Termination benefits	292	279
Total	4,365	4,504

Other transactions with KMP and their related parties

Nature of the transaction $ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2021						
Director remuneration	1	53	–		–	–
Director remuneration	2	26	–		–	–
Payment of contributions, annual membership and advertising	3	590	–		–	–
Legal services	4	245	1		–	–
Tourism services and annual subscription	5	120	–		–	–
Training service	6	18	–		–	–
Cleaning services	7	23	–		–	–
Sub lease of Council buildings	8	68	–		–	–
Supply of goods, contributions, mayoral donation and painting services	9	299	–		–	–
Supply of goods	10	41	–		–	–
2020						
Director remuneration	11	66	–		–	–

continued on next page ...

F1-1 Key management personnel (KMP) (continued)

Nature of the transaction $ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
Director remuneration	2	32	–		–	–
Payment of contributions, annual membership and advertising	3	408	–		–	–
Legal services	4	215	–		–	–
Tourism services and annual subscription	5	92	–		–	–
Training service	6	10	–		–	–
Cleaning services	7	20	–		–	–
Sub lease of Council buildings	8	64	–		–	–
Supply of goods, contributions, mayoral donation and painting services	9	11	4		–	–
Supply of goods	10	26	–		–	–

1 Members of Council's KMP is remunerated for the provision of board member services by Newcastle Airport Pty Ltd which Port Stephens Council has a 50% shareholding in

2 Members of Council's KMP is remunerated for the provision of board member services by Greater Newcastle Aerotropolis Pty Ltd which Port Stephens Council has a 50% shareholding in.

3 A member of Council's KMP is a board member of Destination Port Stephens (a non profit organisation) which receives an annual contribution from Council towards generating economic activity within the LGA, payments were also made for annual membership and advertising services. The KMP member is not remunerated by Destination Port Stephens for their Directorship

4 Port Stephens Council paid for legal services from Local Government Legal (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship.

5 Port Stephens Council paid for tourism promotion services from Screen Hunter (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils and an annual subscription to core funding. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship

6 Port Stephens Council paid for training services from Local Government Training Solutions (a division of Strategic Services Australia Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Strategic Services Australia and is not remunerated for their Directorship.

7 Port Stephens Council purchased cleaning services from Crest Birubi Beach Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.

8 Crest Birubi Beach Pty Ltd (a company which has a member of Council's KMP as a director) have a sublease with Birubi Point Surf Lifesaving Club in relation to a Council owned building. The rent is based on current market rates and subject to periodic review.

F1-1 Key management personnel (KMP) (continued)

9 During the 2020 financial year Port Stephens Council paid expenses to Port Stephens Koalas in relation to a grant recieved on their behalf. During the 2021 financial year Port Stephens Council paid contributions, a mayoral donation and recieved payment for painting services provided to Port Stephens Koalas. Port Stephens Koalas has 2 members of Council's KMP as a director.

10 Port Stephens Council purchased products from S & K latham Pty Ltd during the year, a company which has a member of Council's KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following the council's procurement processes.

F1-2 Councillor and Mayoral fees and associated expenses

$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	**84**	63
Councillors' fees	**219**	184
Other Councillors' expenses (including Mayor)	**70**	60
Total	**373**	307

F1-3 Other related parties

$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2020						
Shareholder dividend	1	2,000	–		–	–

1 Port Stephens Council is a 50% shareholder in the joint operation of Newcastle Airport Pty Ltd for which it receives an annual dividend from. No dividend was received for the year ended 30 June 2021.

F2 Other relationships

F2-1 Audit fees

$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	**81**	99
Remuneration for audit and other assurance services	**81**	99
Total Auditor-General remuneration	**81**	99
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Internal audit services - PKF Lawler	**41**	47
Internal audit services - Newcastle airport partnership	**15**	13
Audit and review of financial statements - Newcastle airport partnership	**55**	31
Remuneration for audit and other assurance services	**111**	91
Total remuneration of non NSW Auditor-General audit firms	**111**	91
Total audit fees	**192**	190

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

$ '000	2021	2020
Net operating result from Income Statement	**32,809**	20,067
Adjust for non-cash items:		
Depreciation and amortisation	**18,331**	17,073
Net losses/(gains) on disposal of assets	**(2,349)**	2,570
Non-cash capital grants and contributions	**(8,790)**	(5,804)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	**(596)**	89
– Investment property	**(889)**	(13)
Amortisation of premiums, discounts and prior period fair valuations		
– Interest exp. on interest-free loans received by Council (previously fair valued)	**–**	1
Share of net (profits)/losses of associates/joint ventures using the equity method	**109**	(540)
+/– Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	**(1,020)**	159
Increase/(decrease) in provision for impairment of receivables	**(235)**	365
Decrease/(increase) in inventories	**157**	(14)
Decrease/(increase) in other current assets	**(97)**	1,401
Decrease/(increase) in contract assets	**(577)**	–
Increase/(decrease) in payables	**790**	2,633
Increase/(decrease) in other accrued expenses payable	**382**	661
Increase/(decrease) in other liabilities	**(130)**	(471)
Increase/(decrease) in contract liabilities	**3,826**	2,513
Increase/(decrease) in provision for employee benefits	**(196)**	1,355
Increase/(decrease) in other provisions	**(97)**	(1,827)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	**41,428**	40,218

(b) Non-cash investing and financing activities

Dedicated subdivisions	**8,790**	5,804
RFS assets	**–**	–
Total non-cash investing and financing activities	**8,790**	5,804

(c) Net cash flows attributable to discontinued operations

There are no cash flows that relate to discontinued operations

G2-1 Commitments

Capital commitments (exclusive of GST)

$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Road and civil infrastructure	**1,994**	–
Buildings	**1,285**	723
Plant and equipment	**676**	561
Newcastle airport	**901**	11,034
Aquatic Structures	**1,505**	–
Other	**564**	564
Total commitments	**6,925**	12,882
These expenditures are payable as follows:		
Within the next year	**6,925**	12,882
Total payable	**6,925**	12,882

Details of capital commitments
The majority of Councils capital commitments relate to the Newcastle Airport building terminal development and development of Little Beach boat ramp.

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Changes from prior year statements

G4-1 Changes in accounting policy

Adoption of new accounting standards – not retrospective

No newly adopted standards had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures for the year ended 30 June 2021.

G4-2 Correction of errors

Correction of prior period errors
There was no correction of prior period errors for the year ended 30 June 2021.

G4-3 Changes in accounting estimates

Changes in accounting estimates
There were no changes in accounting estimates for the year ended 30 June 2021.

G5 Statement of developer contributions as at 30 June 2021

G5-1 Summary of developer contributions [1,2]

$ '000	Opening balance at 1 July 2020	Contributions received during the year: Cash	Contributions received during the year: Non-cash	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
Civic Administration	7	**319**	–	–	**(242)**	–	**84**	–
Civic Administration - Works Depot	487	**263**	–	–	–	–	**750**	–
Town Centre Upgrades	68	**256**	–	–	–	–	**324**	–
Public Open Space, Parks and Reserves	243	**1,209**	–	–	**(120)**	–	**1,332**	–
Sports and Leisure Facilities	772	**3,357**	–	–	–	–	**4,129**	–
Community and Cultural Facilities	27	**734**	–	–	–	–	**761**	–
Road Works	145	**824**	–	–	**(313)**	–	**656**	–
Medowie, Traffic and Transport	68	**390**	–	–	–	–	**458**	–
Shared Paths	76	**145**	–	–	**(23)**	–	**198**	–
Bus Facilities	8	**6**	–	–	–	–	**14**	–
Fire and Emergency	11	**72**	–	–	–	–	**83**	–
Flood and Drainage Works	36	**213**	–	–	–	–	**249**	–
Cross Boundary Contributions	3	**(3)**	–	–	–	–	–	–
Haulage	2,450	**775**	–	**1**	**(1,044)**	–	**2,182**	–
Kings Hill Urban Release Area	–	**4**	–	–	–	–	**4**	–
S7.11 contributions – under a plan	4,401	**8,564**	–	**1**	**(1,742)**	–	**11,224**	–
S7.12 levies – under a plan	129	**374**	–	–	**(246)**	–	**257**	–
Total S7.11 and S7.12 revenue under plans	4,530	**8,938**	–	**1**	**(1,988)**	–	**11,481**	–
Fern Bay - Repealed Funds	1,510	–	–	**1**	–	–	**1,511**	–
Total contributions	6,040	**8,938**	–	**2**	**(1,988)**	–	**12,992**	–

(1) Interest is earned according to the opening balance for the year

(2) Total internally levied contributions included in 'Cash' contributions is $37,393

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G5-2 Developer contributions by plan

$ '000	Opening balance at 1 July 2020	Contributions received during the year: Cash	Contributions received during the year: Non-cash	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
CATCHMENT DISTRICT – RAYMOND TERRACE - RURAL								
Town Centre Upgrades	17	81	–	–	–	–	98	–
Public Open Space, Parks and Reserves	68	303	–	–	–	–	371	–
Sports and Leisure Facilities	240	922	–	–	–	–	1,162	–
Community and Cultural Facilities	–	123	–	–	–	–	123	–
Road Works	58	292	–	–	(313)	–	37	–
Shared Paths	9	51	–	–	(23)	–	37	–
Bus Facilities	–	–	–	–	–	–	–	–
Fire and Emergency	6	27	–	–	–	–	33	–
Flood and Drainage Works	2	13	–	–	–	–	15	–
Kings Hill Urban Release Area	–	1	–	–	–	–	1	–
Total	400	1,813	–	–	(336)	–	1,877	–
CATCHMENT DISTRICT – CENTRAL GROWTH CORRIDOR								
Town Centre Upgrades	28	77	–	–	–	–	105	–
Public Open Space, Parks and Reserves	85	431	–	–	–	–	516	–
Sports and Leisure Facilities	264	1,342	–	–	–	–	1,606	–
Community and Cultural Facilities	–	100	–	–	–	–	100	–
Road Works	62	276	–	–	–	–	338	–
Medowie, Traffic and Transport	68	390	–	–	–	–	458	–
Shared Paths	6	15	–	–	–	–	21	–
Bus Facilities	–	1	–	–	–	–	1	–
Flood and Drainage Works	17	96	–	–	–	–	113	–
Kings Hill Urban Release Area	–	2	–	–	–	–	2	–
Total	530	2,730	–	–	–	–	3,260	–
CATCHMENT DISTRICT – TOMAREE								
Town Centre Upgrades	15	77	–	–	–	–	92	–
Public Open Space, Parks and Reserves	33	473	–	–	(120)	–	386	–
Sports and Leisure Facilities	80	1,083	–	–	–	–	1,163	–
Community and Cultural Facilities	27	511	–	–	–	–	538	–
Road Works	25	256	–	–	–	–	281	–

G5-2 Developer contributions by plan (continued)

$ '000	Opening balance at 1 July 2020	Contributions received during the year: Cash	Contributions received during the year: Non-cash	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
Shared Paths	12	**63**	–	–	–	–	**75**	–
Bus Facilities	–	–	–	–	–	–	–	–
Fire and Emergency	5	**45**	–	–	–	–	**50**	–
Flood and Drainage Works	17	**104**	–	–	–	–	**121**	–
Kings Hill Urban Release Area	–	**1**	–	–	–	–	**1**	–
Total	214	**2,613**	–	–	**(120)**	–	**2,707**	–
CATCHMENT DISTRICT – FERN BAY								
Town Centre Upgrades	8	**21**	–	–	–	–	**29**	–
Public Open Space, Parks and Reserves	57	**2**	–	–	–	–	**59**	–
Sports and Leisure Facilities	188	**10**	–	–	–	–	**198**	–
Community and Cultural Facilities	–	–	–	–	–	–	–	–
Shared Paths	49	**16**	–	–	–	–	**65**	–
Road Works	–	–	–	–	–	–	–	–
Bus Facilities	8	**5**	–	–	–	–	**13**	–
Cross Boundary Contributions	3	**(3)**	–	–	–	–	–	–
Fern Bay - Repealed Funds	1,510	–	–	**1**	–	–	**1,511**	–
Total	1,823	**51**	–	**1**	–	–	**1,875**	–
CATCHMENT DISTRICT – SHIRE WIDE								
Haulage	2,450	**775**	–	**1**	**(1,044)**	–	**2,182**	–
Civic Administration	7	**319**	–	–	**(242)**	–	**84**	–
Civic Administration - Works Depot	487	**263**	–	–	–	–	**750**	–
Total	2,944	**1,357**	–	**1**	**(1,286)**	–	**3,016**	–

S7.12 Levies – under a plan

S7.12 LEVIES – UNDER A PLAN								
Section 7.12	129	**374**	–	–	**(246)**	–	**257**	–
Total	129	**374**	–	–	**(246)**	–	**257**	–

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

$ '000	Amounts 2021	Indicator 2021	Indicators 2020	Indicators 2019	Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses [1,2]	(284)	(0.22)%	(1.56)%	2.61%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions [1]	127,180				
2. Own source operating revenue ratio [3]					
Total continuing operating revenue excluding all grants and contributions [1]	112,148	71.63%	74.57%	76.86%	> 60.00%
Total continuing operating revenue [1]	156,576				
3. Unrestricted current ratio					
Current assets less all external restrictions	47,179	2.08x	2.17x	1.59x	> 1.50x
Current liabilities less specific purpose liabilities	22,692				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation [1]	18,901	3.83x	2.53x	3.71x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,936				
5. Rates and annual charges outstanding percentage [3]					
Rates and annual charges outstanding	2,192	3.29%	3.05%	2.95%	< 10.00%
Rates and annual charges collectable	66,650				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	49,797	5.01 mths	4.03 mths	5.22 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	9,933				

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(3) Reclassification has occurred on comparative figures for this line item

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:
116 Adelaide Street
Raymond Terrace NSW 2324

Contact details

Mailing Address:
PO Box 42
Raymond Terrace NSW 2324

Telephone: 02 4988 0255
Facsimile: 02 4988 0130

Opening hours:
8:30am - 5:00pm
Monday to Friday

Internet: www.portstephens.nsw.gov.au
Email: council@portstephens.nsw.gov.au

Officers
General Manager
Wayne Wallis

Responsible Accounting Officer
Tim Hazell

Public Officer
Tony Wickham

Auditors
The Audit Office of New South Wales
Level 19, Tower 2 Darling Park, 201 Sussex St,
Sydney NSW 2000

Elected members
Mayor
Ryan Palmer

Councillors
Cr John Nell
Cr Glen Dunkley
Cr Jaimie Abbott
Cr Chris Doohan
Cr Steve Tucker
Cr Sarah Smith
Cr Paul Le Mottee
Cr Ken Jordan
Cr Giacomo Arnott

Other information
ABN: 16 744 377 876

INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Port Stephens Council

To the Councillors of the Port Stephens Council

Opinion

I have audited the accompanying financial statements of Port Stephens Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information. The financial statements include the consolidated financial statements of the Council and the entities it controlled at the year's end or from time to time during the year.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Furqan Yousuf
Delegate of the Auditor-General for New South Wales

8 October 2021
SYDNEY

Cr Ryan Palmer
Mayor
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: D2120680/1779

8 October 2021

Dear Cr Palmer

Report on the Conduct of the Audit

for the year ended 30 June 2021

Port Stephens Council

I have audited the general purpose financial statements (GPFS) of Port Stephens Council (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2021 $m	2020 $m	Variance %
Rates and annual charges revenue	63.4	59.8	6.0
Grants and contributions revenue	45.0	37.2	21.0
Operating result from continuing operations	32.8	20.1	63.2
Net operating result before capital grants and contributions	2.8	(4.3)	165

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The Council's operating result from continuing operations ($32.8 million including depreciation and amortisation expense of $18.3 million) was $12.7 million higher than the 2019-20 result. This was mainly due to:

- $7.8 million higher grants and contributions revenue
- $3.6 million higher rates and annual charges revenue
- $2.3 million higher income from disposal of assets primarily due to sale of real estate assets.

The net operating result before capital grants and contributions ($2.8 million) was $7.1 million higher than the 2019-20 result. This was mainly due to higher revenue from rates, annual charges and income from disposal of real estate assets. This was partially offset by $2.2 million increase in capital grants and contributions revenue for the year.

Rates and annual charges revenue ($63.4 million) increased by $3.6 million (6.0 per cent) in 2020–21 mainly due to:

- annual rate peg increase applied to ordinary rates (2.6 per cent)
- increase of $1.1 million for non-domestic waste management services

Grants and contributions revenue ($45.0 million) increased by $7.8 million (21.0 per cent) in 2020-21 mainly due to $3.8 million increase in cash developer contributions collected under the *Environmental Planning & Assessment Act 1979* (EP&A Act) and $3.0 million increase in revenue from non-cash asset dedications.

STATEMENT OF CASH FLOWS

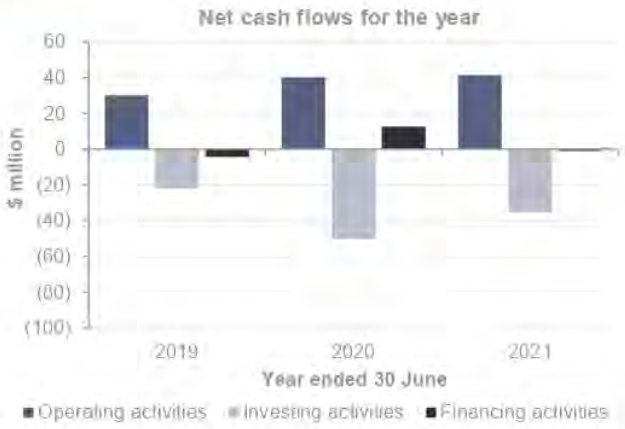
The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year.

The increase in cash provided from operating activities is mainly due to increase in grants and contributions receipt during the year.

The decrease in cash used in investing activities is mainly due to lower payments for purchases of infrastructure, property, plant and equipment.

The decrease in cash provided from financing activities is due to reduced borrowings during the year.

The Council's cash and cash equivalent balances at 30 June 2021 was $58.8 million (2020: $43.4 million). The net cash flow for the year was an increase of $5.0 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	$m	$m	
Total cash, cash equivalents and investments	**58.8**	**43.4**	• Cash and investments increased by $15.1 million. • Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased by $10.8 million primarily due to increase in available cash balance relating to the developer contributions and specific purpose unexpended grants. • Internally restricted cash and investments are due to Council policy or decisions to restrict funds for forward plans including strategic capital projects. The increase is mainly due to a in the internal restrictions of $4.6 million is mainly due to increase in Asset Rehabilitation, Commercial Properties and Fleet reserve balances. This increase was partially offset by the decrease in Repealed Fund balance.
Restricted cash and investments:			
• External restrictions	23.1	12.3	
• Internal restrictions	35.7	31.1	

Debt

The Council has $32.6 million of borrowings as at 30 June 2021 (2020: $32.8 million)

The Council has an accumulated drawdown facility limit of $36.0 million as at 30 June 2021 (2020: $36.0 million), of which $25.0 million pertains to the Newcastle Airport Partnership joint venture. As at 30 June 2021, $20.7 million of the total facility remains unutilised.

PERFORMANCE

Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

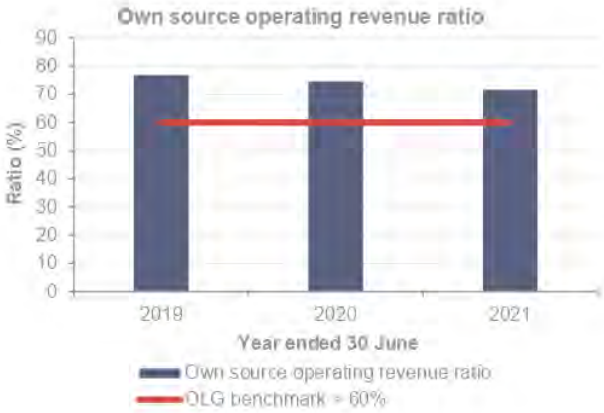
The Council did not meet the OLG benchmark for the current reporting period.

Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

The Council met the OLG benchmark for the current reporting period.

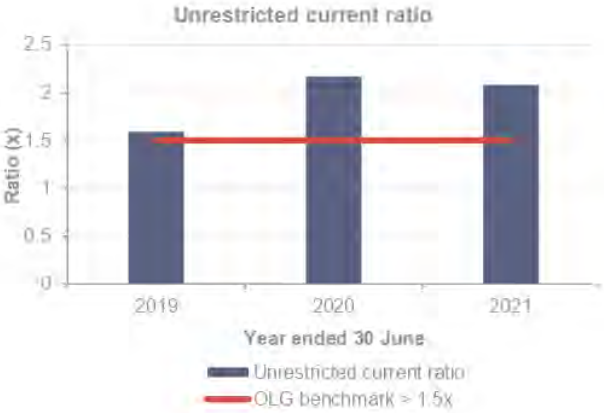
The 2019-20 ratio was restated as a result of the reclassifications in accordance with the Local Government Code of Accounting Practice and Financial Reporting 2020-21.



Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

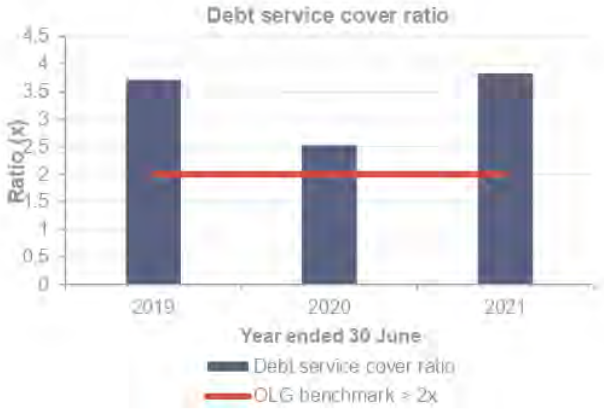
The Council met the OLG benchmark for the current reporting period.



Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

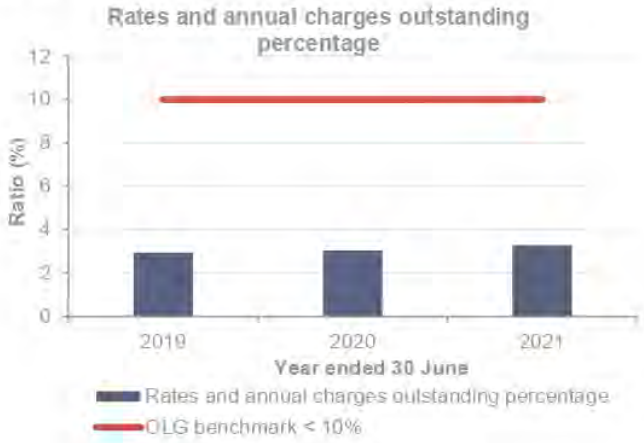
The Council met the OLG benchmark for the current reporting period.



Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

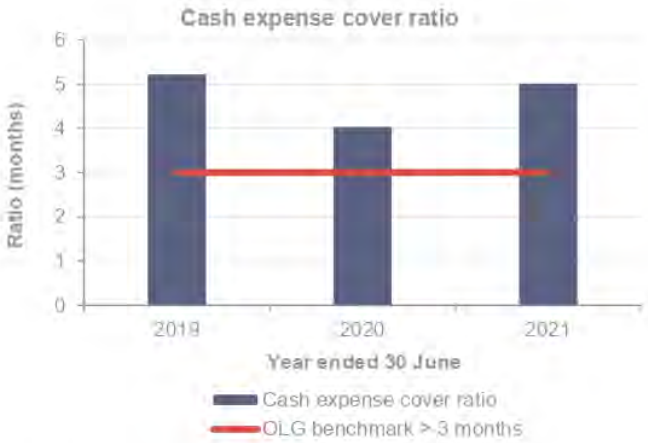
The Council met the OLG benchmark for the current reporting period.



Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

The Council met the OLG benchmark for the current reporting period.



Infrastructure, property, plant and equipment renewals

Council reported asset renewals of $16.6 million in 2020-21 ($24.3 million in 2019-20). Significant renewals included:

- road renewals of $7.8 million ($5.2 million in 2019-20)
- footpath renewals of $2.2 million (Nil in 2019-20).

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

Furqan Yousuf
Delegate of the Auditor-General for New South Wales

cc: Mr Wayne Wallis, General Manager
Mr Ben Niland, Chair of the Audit Committee
Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment

Port Stephens Council

SPECIAL SCHEDULES

for the year ended 30 June 2021

Port Stephens Council

Special Schedules
for the year ended 30 June 2021

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Port Stephens Council

Permissible income for general rates

$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation [1]			
Last year notional general income yield	a	43,572	45,065
Plus or minus adjustments [2]	b	334	385
Notional general income	c = a + b	**43,906**	**45,450**
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	1,142	909
Sub-total	k = (c + g + h + i + j)	**45,048**	**46,359**
Plus (or minus) last year's carry forward total	l	10	–
Less valuation objections claimed in the previous year	m	–	(7)
Sub-total	n = (l + m)	**10**	**(7)**
Total permissible income	o = k + n	45,058	**46,352**
Less notional general income yield	p	45,065	**46,296**
Catch-up or (excess) result	q = o – p	**(7)**	**56**
Plus income lost due to valuation objections claimed [4]	r	7	–
Carry forward to next year [6]	t = q + r + s	–	**56**

Notes

(1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

(2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.

(4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.

(6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Port Stephens Council

To the Councillors of Port Stephens Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Port Stephens Council (the Council) for the year ending 30 June 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

Furqan Yousuf

Delegate of the Auditor-General for New South Wales

8 October 2021
SYDNEY

Port Stephens Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard $ '000	Estimated cost to bring to the agreed level of service set by Council $ '000	2020/21 Required maintenance [a] $ '000	2020/21 Actual maintenance $ '000	Net carrying amount $ '000	Gross replacement cost (GRC) $ '000	Assets in condition as a percentage of gross replacement cost 1	2	3	4	5
Buildings	Other	1,781	1,781	2,498	2,012	103,650	194,745	21.4%	27.7%	43.0%	7.2%	0.7%
	Sub-total	**1,781**	**1,781**	**2,498**	**2,012**	**103,650**	**194,745**	**21.4%**	**27.7%**	**43.0%**	**7.2%**	**0.7%**
Other structures	Other structures	61	61	207	238	8,329	19,553	3.6%	51.1%	44.8%	0.4%	0.1%
	Sub-total	**61**	**61**	**207**	**238**	**8,329**	**19,553**	**3.6%**	**51.1%**	**44.8%**	**0.4%**	**0.1%**
Roads	Sealed roads	10,538	10,538	4,021	4,004	308,698	349,731	52.8%	29.2%	13.3%	4.0%	0.7%
	Unsealed roads	–	–	814	828	8,886	10,054	6.4%	41.4%	42.6%	9.6%	0.0%
	Bridges	–	–	20	27	12,983	15,057	38.2%	53.0%	0.7%	8.1%	0.0%
	Footpaths	282	282	302	232	60,294	71,398	20.0%	22.4%	51.0%	6.6%	0.0%
	Other road assets	491	491	2,175	2,379	72,803	84,265	12.1%	54.8%	23.3%	8.1%	1.7%
	Sub-total	**11,311**	**11,311**	**7,332**	**7,470**	**463,664**	**530,505**	**40.6%**	**33.3%**	**20.2%**	**5.2%**	**0.7%**
Stormwater drainage	Stormwater drainage	610	610	1,066	1,157	212,830	240,360	24.9%	71.0%	3.2%	0.8%	0.1%
	Sub-total	**610**	**610**	**1,066**	**1,157**	**212,830**	**240,360**	**24.9%**	**71.0%**	**3.2%**	**0.8%**	**0.1%**
Open space / recreational assets	Swimming pools	–	–	117	109	3,730	4,917	0.0%	15.0%	85.0%	0.0%	0.0%
	Open space	359	359	3,729	3,412	21,799	23,289	15.1%	47.3%	28.2%	7.8%	1.6%
	Sub-total	**359**	**359**	**3,846**	**3,521**	**25,529**	**28,206**	**12.5%**	**41.7%**	**38.1%**	**6.4%**	**1.3%**
Other infrastructure assets	Other	350	350	218	327	12,347	19,248	10.0%	48.0%	32.0%	10.0%	0.0%
	Sub-total	**350**	**350**	**218**	**327**	**12,347**	**19,248**	**10.0%**	**48.0%**	**32.0%**	**10.0%**	**0.0%**
	Total – all assets	**14,472**	**14,472**	**15,167**	**14,725**	**826,349**	**1,032,617**	**31.3%**	**41.8%**	**21.7%**	**4.6%**	**0.6%**

[a] Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required

Port Stephens Council

Report on infrastructure assets as at 30 June 2021 (continued)

3	**Satisfactory**	Maintenance work required
4	**Poor**	Renewal required
5	**Very poor**	Urgent renewal/upgrading required

Port Stephens Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

$ '000	Amounts 2021	Indicator 2021	Indicators 2020	Indicators 2019	Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals [1] / Depreciation, amortisation and impairment	16,269 / 11,808	**137.78%**	157.37%	114.92%	>=100.00%
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard / Net carrying amount of infrastructure assets	14,472 / 840,733	**1.72%**	1.69%	1.80%	<2.00%
Asset maintenance ratio					
Actual asset maintenance / Required asset maintenance	14,725 / 15,167	**97.09%**	98.93%	99.05%	>100.00%
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council / Gross replacement cost	14,472 / 1,032,617	**1.40%**	1.38%	1.48%	

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Port Stephens Council
Holiday Parks and Investment Property Report
Financial Year 2020/2021

Holiday Parks		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
Fingal Bay	Crown	4,906,642	3,757,151	1,149,491	10%	
Halifax	Crown	3,470,605	2,477,262	993,343	11%	
Shoal Bay	Crown	1,282,623	873,452	409,171		
	Council	2,382,014	1,622,125	759,889	8%	
		3,664,637	2,495,576	1,169,060		
Thou Walla	Council	1,252,759	1,004,784	247,975	5%	
TreEscape	Council	1,606,437	1,982,027	(375,591)	-3%	5

Investment Property		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
	Total	3,188,677	562,093	2,626,584	6%	2

Newcastle Airport		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (4)	Notes
	Total	11,301,175	10,089,913	1,211,263	2%	6

Notes

1 Net Yield = EBITDA/Capital
2 Councils policy on the required return on capital in commercial property investments is between 7-9%. This years returns have been affected by vacancies COVID-19
3 EBITDA used as the numerator for Return on Investment calculation in accordance with Crown Lands reporting
4 Net Yield = Net Profit/Capital
5 The Koala Sanctuary is in its first year of operation.
6 Due to the financial impacts of COVID-19, no dividend was paid by the Newcastle Airport Partnership to Council.

PORT STEPHENS
COUNCIL

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Annual Report

2020 to 2021

Volume 3

PORT STEPHENS COUNCIL

PORT STEPHENS COUNCIL

End of Term Report 2017 to 2021

Making a *difference*

About this report

Welcome to the Port Stephens Council End of Term Report 2017 to 2021. The theme of this report is reflective of our journey with the community, our partners and volunteers over the past four years - 'Making a Difference'.

This report is designed to provide a snapshot upfront of who we are, the highlights and challenges of 4 years at a glance (pages 6 to 20). We then look in more detail at what we said we would do and the progress made in achieving outcomes over the reporting period (page 29 to 64).

The report has been prepared in accordance with the Integrated Planning and Reporting requirements of the Local Government Act 1993 and is a report on Council's achievements and progress in implementing the Community Strategic Plan over the past four years 2017-2018 to 2020-2021.

Council continues to deliver on the Community's vision of *'A great lifestyle in a treasured environment'* and quadruple bottom line (social, economic, environmental and governance) considerations through 4 main focus areas of the Port Stephens Council Community Strategic Plan 2018 to 2028^

Our Community | Our Place | Our Environment | Our Council

Each key direction/goal of the Community Strategic Plan has a corresponding set of objectives which we deliver on through our 4-year Delivery Program and annual actions in our Operational plan.

We have formed partnerships with many other government departments, agencies and private enterprises (outlined on page 7 and 66 of our Operational Plan) to help deliver on all aspects of the community's aspirations and priorities. We effectively resource the community's priorities, delivery program and annual actions via our Long Term Financial Plan (finance), Strategic Asset Management Plan (assets) and Workforce Plan (people).

A number of Community Indicators measured over time help us to understand if the community is better off as a result of the work carried out by Council and our partners. More detail on these indicators, trends and outcomes can be found on pages 67 to 74, with highlights provided throughout the report wherever this symbol is shown.

Our Annual and Six Monthly reports also outline progress made on our Delivery Program and Operational Plans. These can be found on our website – www.portstephens.nsw.gov.au

In this report, we have taken a plain English, honest and authentic approach, as with many of our other reports. This is the fourth report of its type to be prepared for our Local Government Area (LGA).

We have made our best effort to provide the latest data available from external sources and Council's operations at the time of writing this report. The report has been prepared for the period ending 30 June 2021, with more detailed information on Council's financial and operational performance available in Volumes 1 and 2 of the 2020 to 2021 Annual Report.

As required under the Local Government Act, this report is presented at the last meeting of the outgoing Council – 26 October 2021.

^This report also captures the achievements of the last year of the Community Strategic Plan 2013 to 2023 under the 4 focus areas mentioned above.

Authorised by Port Stephens Council's General Manager Wayne Wallis 116 Adelaide Street Raymond Terrace NSW 2324 and printed by Port Stephens Council.

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We acknowledge the Worimi people as the traditional custodians of this land.

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Despite our best efforts Council makes no statements, warranties or representations about the accuracy, completeness or reliability of any information contained in the report. The Council disclaims all responsibility and liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs you might incur as a result of the information being inaccurate or incomplete in any way, and for any reason.

Our Port Stephens

SECTION 1

6 | Port Stephens snapshot

8 | Our vision and values

9 | Our elected Council

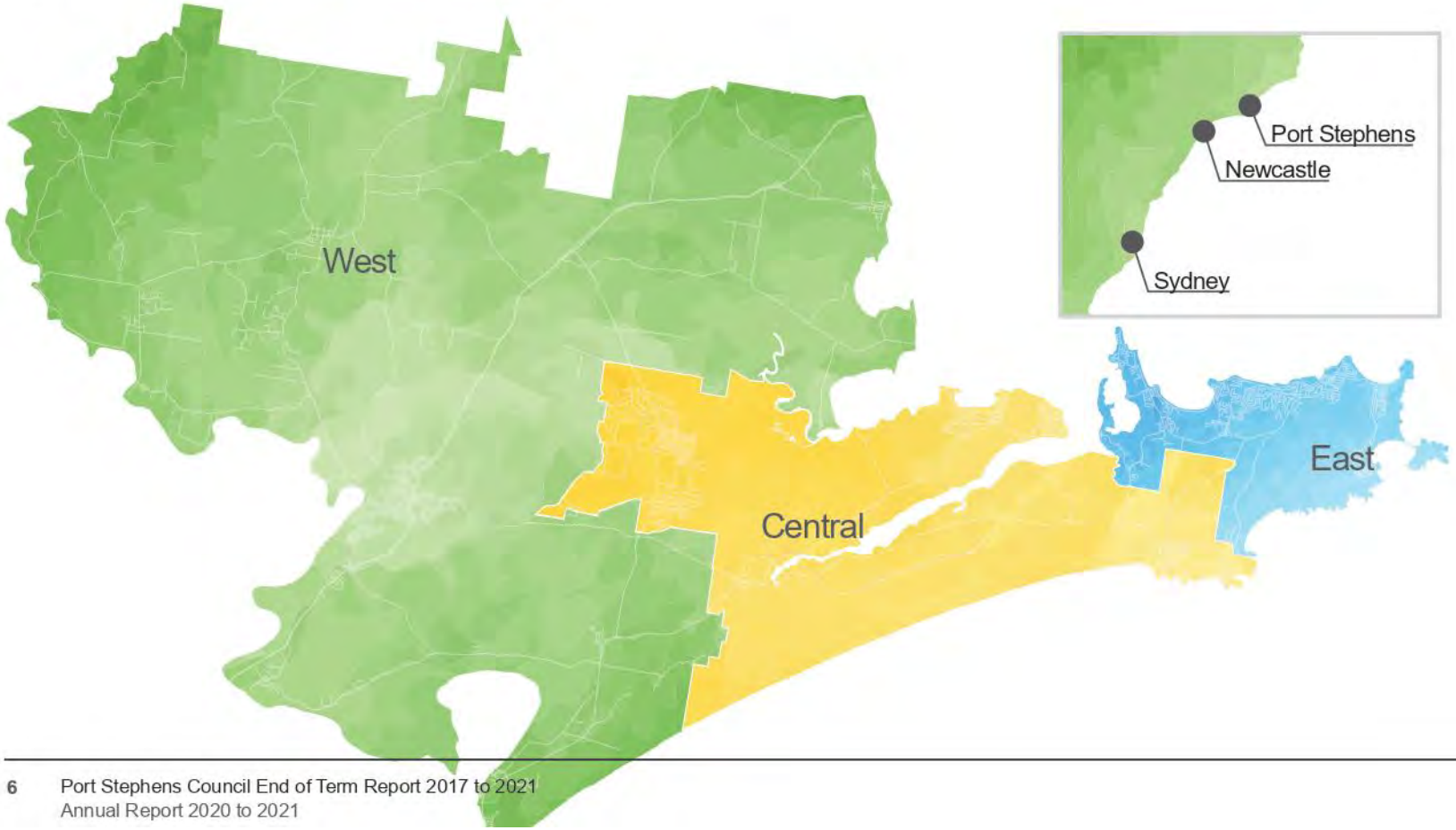
Port Stephens snapshot

Our location

Located on the east coast of Australia, about 2 hours north of Sydney, Port Stephens is known for its incredible natural beauty and vibrant community. These characteristics make our place an ideal tourist and retirement destination as well as a great place to live, work and play.

Area: 858.5 km² Protected Land: 322 km² Region: Hunter Suburbs: 44

Major centres: Raymond Terrace, Medowie, Nelson Bay



Our people

POPULATION

74,506 (2020 Estimated Resident Population)

5.5% Population change in last 5 years

MEDIAN AGE 45 YEARS

Population by ward — % of the land area

36%	West	73%
33%	Central	21%
31%	East	6%

35% FAMILIES ARE WITH CHILDREN

18% of our population is school aged children (5 to 19)

3297 Making up **4.74%** of our population

ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION

Our environment

42,000 HECTARES

LARGEST MOVING COASTAL DUNES IN SOUTHERN HEMISPHERE

26 PRISTINE BEACHES

Our economy

PEOPLE IN WORKFORCE 27,346 (ABS 2016)

6.65% UNEMPLOYMENT (March 2021)

NUMBER OF TRADING BUSINESSES 4900

$5.4 billion GROSS REGIONAL PRODUCT

Nominal GRP as at June 2020

MAIN EMPLOYING INDUSTRIES

Public administration and safety 15%

Manufacturing 12%

Construction 11% (ABS 2016)

Source: Remplan 29 September 2021

Read more about Port Stephens economic and community profiles:
app.remplan.com.au/portstephens/community/summary?state=YVQOuN014SLm9j6cG4Gya5F4F2F1Lz

Our vision and values

Our Community's vision
A great lifestyle in a treasured environment.

Council's vision
Engaged and resilient people in strong healthy relationships, working collaboratively, enhancing community wellbeing.

Council's purpose
To deliver services valued by our community in the best possible way.

Values

R

Respect - creating a unique, open and trusting environment in which each individual is valued and heard.

I

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

T

Teamwork - working together as one Council, supporting each other to achieve better results for everyone.

E

Excellence - improving the way we work, to meet the challenges of the future.

S

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

Council Administration Building, Raymond Terrace

Our elected Council

Port Stephens Council has a popularly elected Mayor and 9 Councillors representing 3 wards – East, Central and West.

The community normally elects its Council for a 4 year term. The current Council term was originally 3 years because the State Government's council amalgamation process delayed elections in 2017. The election due to be held in September 2020 was also postponed until December 2021 due to COVID-19.

Elected Council

17 September 2017 to current

Mayor
Ryan Palmer

West Ward

Councillor
Giacomo Arnott

Councillor
Ken Jordan

Councillor/Deputy Mayor
Paul Le Mottee

Central Ward

Councillor
Chris Doohan

Councillor
Sarah Smith

Councillor
Steve Tucker

East Ward

Councillor
Jaimie Abbott

Councillor
Glen Dunkley

Councillor
John Nell

Read more about our elected council at : **portstephens.nsw.gov.au/your-council/about-council/mayor-and-councillors**

Our journey

SECTION 2

12 | Message from the Mayor
13 | Message from the General Manager
14 | Our community advocacy priorities

Message from the Mayor

Together as a community we have continued to remain strong, resilient and have supported each other through the past 4 years. While we faced significant challenges in 2020 and 2021, we have also achieved many milestones that we as a community should celebrate and be proud of.

In September 2017, my first year as Mayor and alongside a new team of Councillors, we set out to make a difference in our Council term. We heard a number of community priorities — from accessible playgrounds, cycleways and footpaths to coastal management, key roads, revitalised town centres and more for business.

To ensure we delivered on these community priorities, we included several key projects in our Delivery Program 2018 to 2022. Today we can celebrate the work we've done including the Port Stephens Koala Sanctuary, Nelson Bay Next, 7 Day Makeovers at Anna Bay and Medowie, Medowie Sport and Community Facility Centre and a 20-year vision for land use as part of our Local Strategic Planning Statement.

We continue to check in with what our community values most. In September 2020, we teamed up with Place Score to hear from 3,700 people as part of our first Liveability Index. This score from our community helps to inform decisions we make, like which projects we should focus on, how these projects compare over time and whether our community is better off as a result of our actions. Through programs and projects such as Port Stephens 2020, Restart Port Stephens and the Liveability Index, we continue to make a difference to our community.

When preparing the Community Strategic Plan in 2018, we said that we alone 'cannot address all of our community's aspirations and must partner with others to achieve these outcomes'. Through strong leadership and stewardship we have worked with our partners to:

- secure the Williamtown Special Activation Precinct (SAP)
- develop Stage 2 of the Coastal Management Program
- restart Port Stephens through advocating for funding for economic stimulus packages and investment in infrastructure
- rebrand and promote Port Stephens through our Incredible Place Strategy
- secure competitive grants totalling $36 million
- sign the Yabang Gumba-Gu agreement
- develop a Community Wellbeing Strategy

It's my pleasure to share with you our highlights and challenges over the past 4 years as we worked to deliver on our community's priorities. I hope it makes a difference in the lives of our community and provides a platform for us to build our future together.

Ryan Palmer
Mayor of Port Stephens

Ryan Palmer

Message from the General Manager

We should be proud of what we have achieved over the past 4 years. Together with our community, our elected Council, highly engaged workforce, dedicated volunteers and strong relationships with our key partners, we have continued to deliver for Port Stephens.

I am extremely grateful to our Mayor and Councillors for working cooperatively with our management team over the term and our employees for getting on with the job particularly in the wake of the challenges we have experienced over the past year — continuing to come to work each day during the COVID-19 pandemic and the natural disaster in March 2021 which caused significant infrastructure damage across our region.

An unprecedented amount of rain having widespread impacts on our community, infrastructure and bottom line – causing delays in major projects and redirecting our crews and funds to repair infrastructure. With the total repair bill estimated at $7 million, we're firmly focused on fixing our roads.

All the while, our employees have adapted and continued to think of alternate ways to deliver services, connect and act as a key response agency for our community despite the challenges we have faced.

We've continued to carefully manage our resources amidst COVID-19 and following the natural disaster – despite the loss of airport dividends, reduced income and ongoing cost increases. Implementing a range of measures to ensure our financial and operational sustainability, which has enabled us to continue our services in the areas most valued by our community.

Through our service review program and commitment to Business Excellence, we have been able to continue to improve our efficiency and effectiveness. We don't keep just doing things the same way — every 4 years, we conduct a thorough review of our processes and have a strong culture of 'delivering services valued by our community in the best way'.

We are firmly focused on reviewing how we are meeting our community's 4 focus areas. We keep track of our progress by maintaining a scorecard (refer to page 21 for more) of our key results: service delivery, community satisfaction, employee engagement, governance, risk management, financial sustainability and infrastructure backlog.

Understandably, in the aftermath of the natural disaster and impacts of COVID-19, we weren't surprised when our Community Satisfaction score dropped and our infrastructure backlog gap widened. However, over the term, we have made a difference by delivering our largest ever capital works program, with $91 million of infrastructure and committing to focus on what matters most to our community.

Despite living in a global pandemic we have turned our financial situation around from a projected underlying deficit of $4.4M to a small underlying surplus at the end of June 2021.

In 2021, we have also achieved our highest ever employee engagement score all while ensuring our governance and risk frameworks were in check.

I am proud of what we have achieved together and I look forward to the next chapter in making a difference in our community's lives.

Wayne Wallis
General Manager of Port Stephens Council

Wayne Wallis

Our community advocacy priorities

Council cannot deliver on all the community priorities alone. We advocate to other levels of government to deliver and support for many aspects. Our focus over the term has been:

Advocacy continued

Project underway

Funding secured

Better connections

Sought firm commitment and funding for the extension of M1, upgrades for Cabbage Tree Road and Nelson Bay Road, sealing of unsealed roads and pathway connections across Port Stephens. A total of $3 million has been secured from the NSW Government Public Space Legacy fund.

Birubi Information Centre

We secured **$5.4 million** from the NSW Government for a purpose built tourism facility at Anna Bay. The centre will provide an improved visitor experience and ease congestion on the Birubi headland. Construction is scheduled for 2022

Connecting our community

Advocated to improve high-speed internet connectivity and addressing telecommunications 'black spots' throughout the Port Stephens area, particularly around the Williamtown aerospace precinct.

Expansion of Newcastle Airport

Runway upgrades to accommodate long-range international flights, terminal expansion and development of Hunter Defence Aerospace Zone. Government funding of **$66 million** has been announced for the runway upgrades.

Foreshore revitalisation

Funding to implement foreshore revitalisation works that seek to maximise the social and economic value of our foreshore areas through improving facilities to cater for visitors, tourism businesses and residents. Stage 1 of the Coastal Management Program has been completed, with Stage 2 final report received. Council will now apply for grant funding for stage 3 and 4 of this program.

Future-proofing Local Government

Indexing Federal Assistance Grants to future proof funding for local government. We have continued advocacy and maintained existing funding levels.

Innovation hub

In partnership with local industry associations, Council advocated for improved education opportunities in Port Stephens. Seeking a commitment to facilitate discussions with tertiary institutions regarding creation of a regional innovation hub in the local government area. Funding of **$7 million** was announced by the NSW State Government for a new Connected Learning Centre (CLC) TAFE campus in Salamander Bay.

Kings Hill urban development

Sought commitment to assist the Council and landowners to implement the Kings Hill urban release area, delivering approximately 4,000 dwellings.

Responding to PFAS

Continuing to engage with the Department of Defence around its ongoing PFAS contamination remediation program and liaise with relevant agencies, community groups and residents as appropriate.

Progressing the Williamtown Special Activation Precinct (SAP)

Advocated for the development of a masterplan for the Williamtown SAP. Progress planning for and funding of the establishment of a SAP at Williamtown. An allocation has been secured for the project from the State Government Snowy Hydro fund.

Sports and recreation infrastructure

Sought funding support for a high class, multi-functional sports complex that will cater for local, regional and national sporting organisations and events. **$2.4 million** from the NSW Government and over **$800K** from the Federal Government have been secured for sport and recreation infrastructure projects such as Tomaree and King Park Regional sports complex.

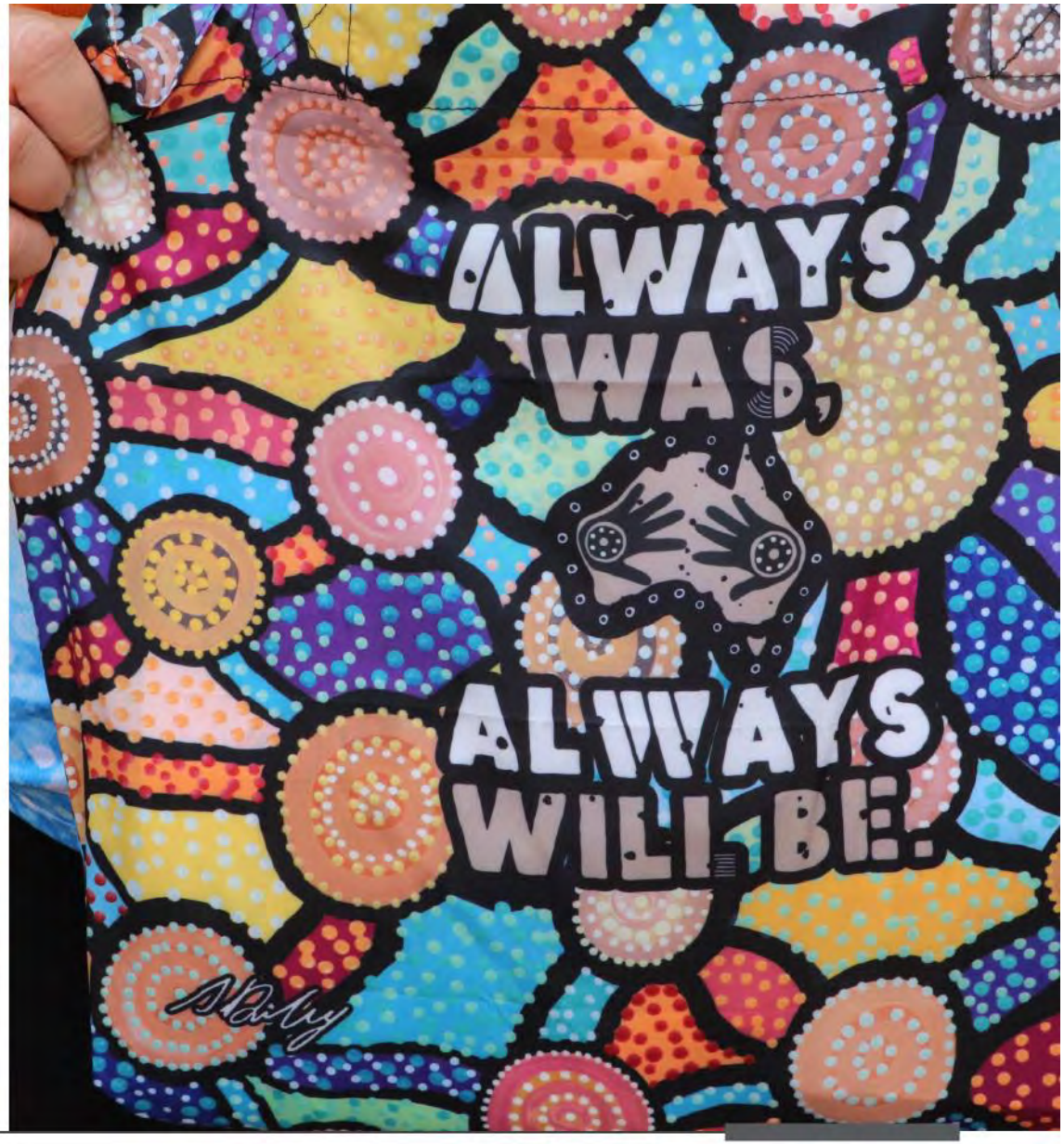
Town centre revitalisation

Sought support and funding opportunities to complement the Council's financial commitment to invest in and rejuvenate the town centres of Port Stephens. Over **$730,000** from the State government provided for trial temporary improvements to Nelson Bay and Raymond Terrace

4 years at a glance

SECTION 3

18 | Our highlights
20 | Our challenges
21 | Our scorecard
24 | Awards and recognition
25 | Engaging with our community
26 | Liveability index


ALWAYS
WAS,
ALWAYS
WILL BE.

Our highlights
Four years at a glance

Our Community

YABANG GUMBA-GU
historic agreement signed

FIRST EVER LIVEABILITY INDEX
to plan for our community's wellbeing

77%
average community satisfaction*

DOUBLING CHILDCARE PLACES
to 83,550 at our award-winning Thrive Kids*

RECOGNISING COMMUNITY CONTRIBUTION
through annual awards

$528 K IN COMMUNITY GRANTS*
through our Community Support, Mayoral and Ward funds

KEEPING CONNECTED DURING COVID
through our Community Connections Program including Have A Yarn

Our Environment

AWARD
Roadside Environmental Management

22,474 T^
OF RECYCLING
collected

1,840 HA^
bushland regeneration

42,210 TREES^
planted

REDUCING ELECTRICITY CONSUMPTION
by installing solar panels on Council buildings.

Our Place

$91 M^
in public infrastructure delivered

$44 M^
spent on roads

$6 M^
spent on open spaces

$6 M^
spent on footpaths and cycleways to construct 5.8km

$2.4 B^
in visitor expenditure

AWARD
Making housing more affordable

42 DAYS'
average pre-gateway assessment time (from 504 days^)

9,338
DEVELOPMENT APPLICATIONS^
determined with median turnaround reduced to 26 days

Our Council

DECREASE
in legal cases

$36 M^
in competitive grants received

AWARD
Excellence in Work Health and Safety Culture

299^
new citizens welcomed

BALANCING THE BUDGET through careful cash flow management and strong non-rate revenue

NEW DISASTER DASHBOARD
to manage emergencies including COVID-19

81%#
EMPLOYEE ENGAGEMENT
a record high

NEW RISK AND ENVIRONMENTAL
management systems implemented

#2020–21, *2017-18 to 2020-21, ^2017-2018

Highlights – Projects

1	East Seaham Road construction
2	Robinson Reserve rehabilitation
3	King Park and Tomaree Sports Complex Master Plans
4	Planning Acceleration Program
5	Koala Sanctuary construction and opening
6	Place activation and business support (Ranging from Incredible Place Strategy to Business Support Fund)
7	Lagoons Estate drainage
8	Smart parking
9	Medowie Social
10	Strategic Planning Framework (LSPS, Live Port Stephens)
11	Newline Road landfill capping
12	Town centre planning and improvements
13	Nelson Bay Next

Read more in our annual reports

Our challenges

As with all things in life, our journey has not been without a number of challenges along the way. There have been 7 natural disasters - 3 fires, 2 storms, 1 flood and a pandemic. Whilst challenging, these events have also connected us closer as a community together, given us further insight about what is most important and enhanced our approach to disaster management.

NATURAL DISASTERS

The drought, bush fires and rain events have all had wide-reaching effects on our community, environment and local infrastructure. We've reached out to support NSW farmers and continuing to do our best to repair our roads and infrastructure from these disastrous events. Read more on page 49.

COVID

One of our greatest challenges has been managing the social and economic impacts of COVID-19 on our community and our Council. We anticipate the effects of COVID-19 will be felt for many years to come. To help and unite our community Council adopted our Restart Port Stephens Plan.

DELIVERING MORE PROJECTS WITH LIMITED FUNDING

Following Council's unsuccessful application for a Special Rate Variation in 2019 Council endorsed a number of projects called PSC 2020 that were important to the community. Read more on page 40.

Our scorecard

Our 7 key result measures underpin everything we do at Port Stephens Council.

Read more about our result measures and integrated plans on our website - www.portstephens.nsw.gov.au

1. Service Delivery

Target: >95% Integrated Plans delivered on time

Achievement: 98% (June 2021)

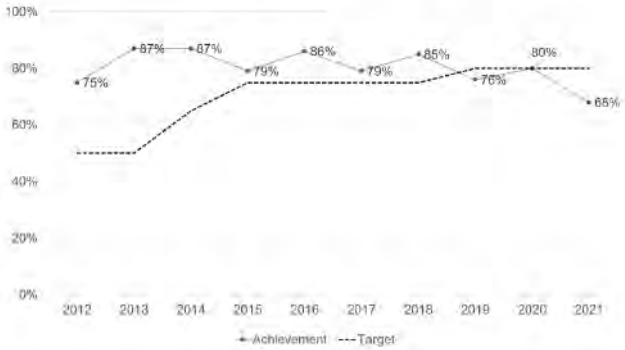
2. Community Satisfaction

Target: >80%

Achievement: 68% (June 2021)

For more detail read our Community Satisfaction Survey report on:

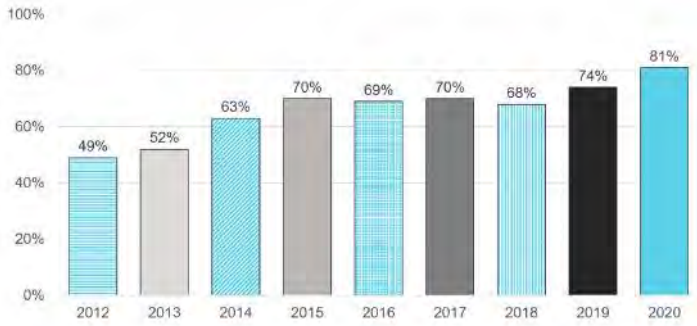
portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/community-satisfaction-survey



3. Employee engagement

Target: >70%

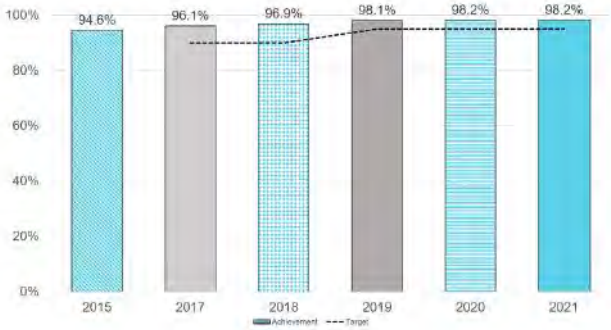
Achievement: 81% (October 2020)



4. Governance

Target: >95% governance health check

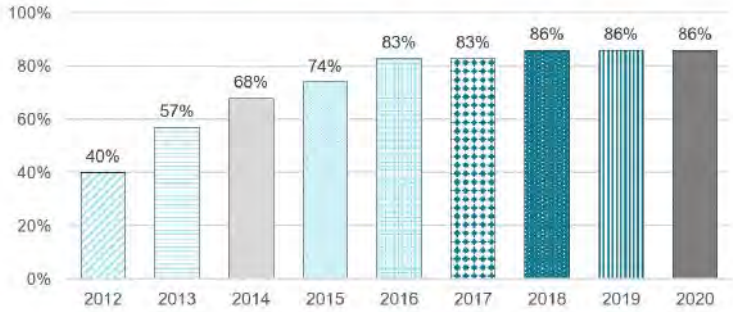
Achievement: 98.24% (June 2021)



5. Risk Management

Target: >80% risk management maturity score

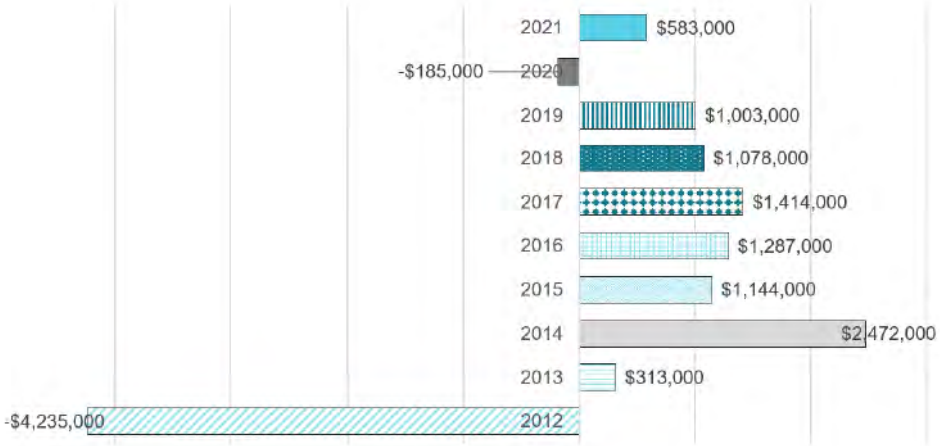
Achievement: 80% (October 2020)



6. Financial sustainability

Target: underlying surplus

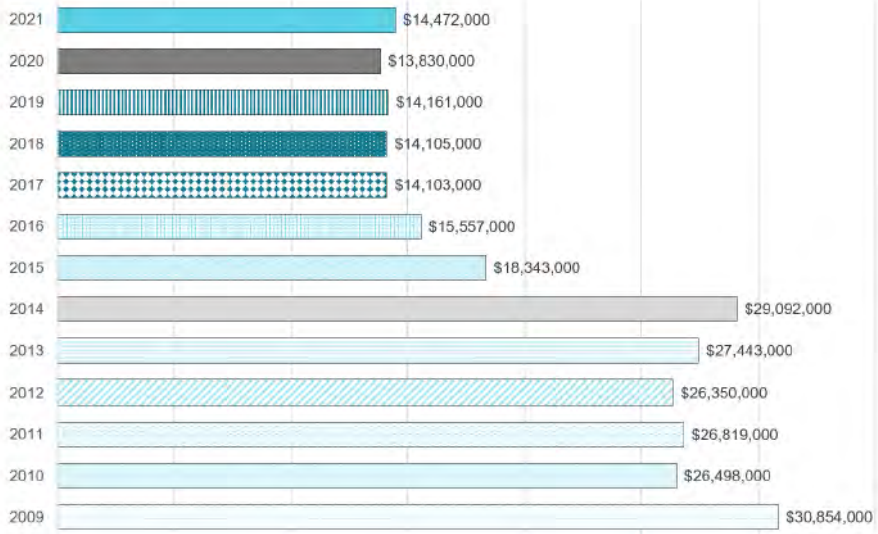
Achievement: $582,807 (June 2021)



7. Infrastructure backlog

Target: reduction in backlog

Achievement: $14.47 million gap (June 2021)



Awards and recognition

Council awards

At Port Stephens Council, we believe in doing the right things in the best possible way. We are proud of our culture of excellence and the recognition we have received for over **30 awards received** during this term - doing our best for our community and striving to make a difference. The awards span each of our focus areas from "Making housing more affordable" (Place) to "Winning our war on weeds" (Environment), "Thrive Kids expansion" (Community) to "Excellence in Workplace Health and Safety Culture" (Council).

For more detail read our Annual Reports on:
portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/annual-reports

Community awards

Over the term, we formally recognised outstanding contributions made by both individuals and groups to our community fabric, environment and culture. These awards are presented on Australia Day with winners recognised in the following categories. We applaud these individuals and groups who together with our council, partners and volunteers go a long way to making a difference in our community.

Read more on:
portstephens.nsw.gov.au/live/community/community-awards

Community Awards	2018	2019	2020
Freeman of Port Stephens		Lorraine Nicol	
Citizen of the Year	Ben Niland	Alicia Cameron	John Chambers
Young Citizen of the Year	Amy Dufour	Tasmyn Fellows	Daniel Howard
Port Stephens Medal	Hunter Region Botanic Gardens Michael Murray Lee Anlezark	Mambo Wanda Wetlands Reserves and Landcare Committee Kenyon Windeyer Donald 'Steve' Jones	Medowie Girl Guides Dennis Peters John de Ridder Andrew Smith
Sports person of the Year	Graeme Chamberlain	Dion Cooper	Maya Stewart
Cultural Endeavour	Michael Francis	Rhys Fabris	Kay Newton and Peter Robinson
Environmental Citizen of the Year		Nigel Waters	Lia and Ryan Pereira

Engaging with community

Community Engagement Strategy

We are committed to listening to our community and ensuring they are actively involved in shaping the future of Port Stephens through community engagement. Over the term, we have further refined our approach which is reflected in our Community Engagement Strategy endorsed by Council in November 2019. This strategy recognises that community information sharing, consultation and participation are vital for effective decision making. It includes a Community Participation Plan that sets out how we consult with our community on planning documents and development applications.

You can read more about our Community Engagement Strategy:
portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/community-engagement-strategy

We have a dedicated online community engagement platform: haveyoursay.portstephens.nsw.gov.au where community members can also learn and participate in current projects and programs.

Community Satisfaction Survey

We check in annually with our community to help plan for the future, find out how we are performing in our service delivery and what we can do to improve. Understandably it's a key driver for Council and one of our key result measures. You can read more about the results of our community satisfaction survey on our website.

portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/community-satisfaction-survey

Liveability Index 2020

Another dimension of our community engagement has been via a place census, conducted in September 2020 to better understand what our community values most and how they rate their neighbourhoods. This is different from the annual community satisfaction survey as it looks more broadly at community wellbeing, liveability and where the community is now to plan for the future. Read more on page 26.

In September 2020 we teamed up with Place Score to complete our first ever place census. Over 3,700 people told us what they value (CF – Care Factor) and how they rate their neighbourhood (PX – Place Experience).

The results allow us to focus on the things most valuable to our community and help us make decisions that will have the biggest impact on the community's wellbeing.

1,717 rated a neighbourhood

3,700 people shared their values

3,738 people shared ideas for change

LIVEABILITY

what a place is like to live in - a liveable place is a healthy place

Port Stephens	National Average
66 /100	67 /100

In Port Stephens our ideal neighbourhood has:

- Locally owned and operated businesses that provide the community with their daily needs
- A well maintained and managed public domain, footpaths, parks, roads and other public assets
- Easy to access shared community amenities, like the local shops, on foot or bike

Liveability is influenced by safety, the natural environment, infrastructure, accessibility, things to do, attractiveness and inclusivity.

OUR TOP COMMUNITY VALUES

Things most important to us in our ideal neighbourhood:

- Elements of natural environment
- General condition of public open space
- Sense of neighbourhood safety
- Protection of the natural environment
- Locally owned and operated businesses
- Local businesses that provide for daily needs
- Walking/jogging/bike paths that connect housing to communal amenity

OUR STRENGTHS

Things our community cares about and rated as performing well. We must continue to celebrate and protect these.

- Sense of personal safety
- Elements of natural environment
- Local businesses that provide for daily needs
- Access to neighbourhood amenities
- Locally owned and operated businesses

OUR LIVEABILITY PRIORITIES

Things important to our community and rated as under-performing. We must continue to work to improve these.

- Access and safety of walking, cycling and/or public transport
- Protection of the natural environment
- Sense of neighbourhood safety
- Walking/jogging/bike paths that connect housing to communal amenity
- General condition of public open space

The results of the Liveability Index highlighted a number of things important to the community that were under-performing. Some of these included walking paths/cycleways, condition of public open space and protection of the natural environment. Over the period, Council has undertaken a number of projects and activities in these areas as outlined in this report, with the place census providing a further platform for us to build on as we review the priorities for the next Community Strategic Plan. Read more on page 30 onwards.

Our progress

SECTION 4

29 | Overview
30 | Our Community
36 | Our Place
52 | Our Environment
60 | Our Council

Overview - our progress | making a difference

How have we contributed to the Community Strategic Plan?

To illustrate our contributions in making a difference to our community and the Community Strategic Plan we've provided our progress and community indicators under each key direction of Our Community, Our Place, Our Environment and Our Council.

- Community indicators to measure performance and effectiveness of long term strategies
- Challenges faced
- Port Stephens Council Liveability Index 2020 priorities

Our Community

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

Our Place

Port Stephens is a liveable place supporting local economic growth.

Our Environment

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

Our Council

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

Our community

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

C1 Goal:
Community diversity

Our community accesses a range of services that support diverse community needs.

C2 Goal:
Recognised traditions and lifestyle

Our community supports the richness of its heritage and culture.

C3 Goal:
Community partnerships

Our community works with Council to foster creative and active communities.

What we said we will do?

Provide facilities and services for children.

Provide support for young people to build their confidence and contribution to the community.

Encourage Port Stephens to be inclusive and access friendly.

Support needs of an ageing population.

Support volunteers to deliver appropriate community services.

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.

Assist community service providers to effectively deliver services in the region.

Support local community events that highlight and foster the creative, diverse nature of our community.

Provide recreational and leisure facilities.

Financially support creative and active communities.

Liveability priorities

Our community values **things to do** in their neighbourhoods and a **range of community activities**, for example, volunteering, gardening, art, community organised events and so on.

Ideal neighbourhoods should offer **sense of welcome** and have **access to shared community and commercial assets** such as library, sports facilities or gyms and so on.

C1 Community diversity | making a difference 2017 to 2021

Helping local kids thrive

We have proudly been supporting local families to help children thrive for more than 40 years by offering quality early education and childcare programs. Our trusted childcare service offers more than 75,000 childcare places for children attending OOSH (before and after school care and vacation care) in Port Stephens and the Hunter Region doubling the places filled since 2017. Additionally, Family Day Care provided over 7,000 childcare places across the Port Stephens, Hunter and Central Coast regions. We have:

Expanded - OOSH services to 8 locations and mobile preschool to 5 days a week.

Re-branded - our services so that all of our childcare options come under the same banner 'Thrive Kids'.

Provided vital service - to support working families throughout COVID.

Due to the impacts of COVID-19 we have faced a shortage of Educators - 42 Family Day Care Educators in 2020-2021 compared to 70 in 2018 -2019 and difficulty in recruiting Educators in OOSH.

Supporting our youth - keeping our youth connected

Youth activities, programs and services we've provided that make a difference include:

- Youth Week
- Youth Advisory Panel
- Pathways and Possibilities project
- Youth Strategy 2020 to 2025
- Mayoral Academic Scholarships.

More opportunities will be available through:

Tomaree Sports Complex - with funding from the NSW Government we plan to construct a state-of-the-art multipurpose building for youth services in conjunction with the local sporting community.

New TAFE campus in Salamander Bay – following Council approval of a DA in December 2020.

Highlights:

83,550 TOTAL CHILDCARE PLACES

THRIVE KIDS CHILDCARE RE-BRANDED

Making our place more inclusive

Accessibility and inclusivity have been a key priority of our Delivery Program 2018-2021, with a range of integrated plans, programs and projects occurring across the local government area, including:

- **Disability Inclusion Action Plan (DIAP)** - adopted in October 2017, we have undertaken 22 out of 24 actions to make Port Stephens more inclusive and accessible. Some of these projects include a new all-abilities playground at Bernie Thompson Reserve, a new playground with inclusive play elements at Bagnalls Beach East, floating wheelchairs at our beaches, making access improvements when upgrading our amenities and making our communications user friendly.
- **Volunteers** - supporting our 590 plus volunteers to do the great job they do.

Highlights:

22 / 24 ACTIONS COMPLETED OR MET ANNUAL TARGET

Disability Inclusion Action Plan

C2 Recognised traditions and lifestyles | making a difference 2017 to 2021

Supporting our rich heritage and culture

We signed a unique agreement in 2018 called **Yabang Gumba-Gu: the Road to Tomorrow**.

This agreement is our partnership with Worimi Local Aboriginal Land Council and Karuah Local Aboriginal Land Council to improve the lives and outcomes for Worimi and other Aboriginal people.

The agreement is managed through our Aboriginal Strategic Committee and evolves as actions are completed and new ideas are created.

In partnership with Worimi Local Aboriginal Land Council and funded by NSW Government we installed new interpretive signs at Soldiers Point and Birubi Point Aboriginal Places. We also produced and released 3 Worimi dreaming videos featuring Uncle Graeme Russell. The videos are on repeat at the digital sign at Birubi Point Surf Life Saving Club viewing platform.

Connecting with our community

We believe our libraries are a vital part of our social infrastructure in making a difference to our community, as can be seen from the very high level of user satisfaction with this service, refer to page 67.

Our library services go above and beyond what traditionally libraries may have. They provide literacy support for young children, bridge the digital divide, serve as inclusive community spaces where everyone is welcome and connect people from all walks of life.

Library Services have made a difference to our community through a number of innovations during the past 4 years. Some of these include:

- implementing a **Seed Library**
- an annual '**Food for Fines**' amnesty
- **Story time** and **Read and Rhyme** sessions
- **Call & collect** and homebound delivery throughout the COVID-19 pandemic.

Highlights:

690,000 + LIBRARY VISITS

CASE STUDY

Bringing our commun-knitty together

In 2020 during COVID, we were fighting social isolation with… knitting needles! 'The pandemic impacted our way of life, connections and social networks, creating a sense of isolation and loneliness for many,' said our Community Development and Engagement Coordinator, Amber Herrmann.

During the lockdown, we asked our community to pick up their knitting needles, dial up a friend and Have a Yarn.

'This was a fun, inclusive and creative project that gave people a feeling of contributing to the broader community, a sense of pride and connection to their local area while maintaining a physical distance,' Amber said.

We received over 600 knitted and crocheted pieces — from simple squares to koalas, flowers and hearts. 'I wanted to give back to the community I grew up in,' remarked a 92-year old participant.

'The best thing was picking up my knitting needles for the first time in 50 years and sharing the experience with my friends, family and partner,' said another.

The finished designs were installed across public spaces in Port Stephens adding vibrancy and fun to our streets. The project was funded by the NSW Department of Communities and Justice to provide social inclusion for seniors — a key priority of the NSW Ageing Strategy.

Read more here:

portstephens.nsw.gov.au/your-council/news/commun-knity-connects-post-lockdown-by-having-a-yarn

Our newest citizens, 2020

C3 Community Partnerships | making a difference 2017 to 2021

Diversity of our community

We have been supporting our diverse community needs through working with other levels of government, agencies and partners. Council and staff participate in a range of Committees, Panels and groups from the Local Traffic Committee to the Williamtown Consultative Committee to discuss pertinent issues with relevant stakeholders – refer to our Annual Reports for a full list of all Committees.

Council also has a Community Directory on its website with a full guide to non-profit, local groups and services in our region for our community.

We annually celebrate diversity and welcome new citizens at our citizenship awards.

Supporting active communities

With 26 beaches and a port more than twice Sydney Harbour, it's no wonder Port Stephens has a strong connection with the water, with **almost 3 million** people visiting our beaches during the past 4 years. We've been making a difference to our community by rescuing and providing first aid to **over 1000 people at our beaches**. In addition to our normal surveillance in 2020 we signed up Surf Life Saving to operate at One Mile Beach during the winter season - meaning for 2 years we have patrols that will be **looking after our swimmers all year round.**

We've also been working to support our active communities through our annual grant funding program running an altered program from 2020 to 2021, to **support our community during the COVID-19 pandemic**.

The 2020-2021 program was designed to support a range of activities and contributed to some amazing initiatives such as the Tomaree Museum Pop up Shop and Summer on Magnus Street.

Highlights:

299 New Citizens welcomed

$528,778 Community grants

(refer page 68)

Our place

Port Stephens is a liveable place supporting local economic growth

P1 Goal:

Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

P2 Goal:

Goal: Infrastructure and Facilities

Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

P3 Goal:

Goal:

Thriving and safe place to live

Our community supports a healthy, happy and safe place.

What we said we will do?

Support sustainable business development in Port Stephens.

Support and deliver services that attract sustainable visitation to Port Stephens.

Plan civil and community infrastructure to support the community.

Build Council's civil and community infrastructure to support the community.

Maintain Council's civil and community infrastructure to support the community.

Deliver road infrastructure services on behalf of Roads and Maritime services.

Provide land use plans, tools and advice that sustainably support the community.

Enhance public safety, health and liveability through use of Council's regulatory controls and services.

Support the amenity and identity of Port Stephens.

Support emergency services and protect Council assets from bushfires and extreme weather events.

Liveability priorities

Our community values neighbourhoods with **locally owned and operated businesses** that provide the community with their daily needs.

Neighbourhoods should have easy to access **shared community amenities** like local shops **within walking or cycling distance**.

Neighbourhoods should have **well maintained and managed public domain, footpaths, parks, roads** and other public assets.

P1 Strong economy, vibrant local businesses, active investment | making a difference 2017 to 2021

Sustainable business environment

Supporting and growing local business and our economy has and continues to be a priority for our Council and the community, as highlighted in the 2020 Liveability Index.

A few of the initiatives we have undertaken are:

- **'Easy To Do Business'** program - assisting businesses in Port Stephens to reduce red tape and make business growth easier
- **Economic Development and Tourism Strategy 2019 to 2021** – adopted in 2019 to provide a framework for creating a vibrant place that supports local economic growth
- **Port Stephens Investment Prospectus and Investor Concierge Service** – an integrated approach to attract and support investment
- **Visitor Economy Start House program** – a innovative education and training program designed to increase and expand business opportunities within the visitor economy
- **Small Business Support Service** – a helpline and dedicated web-page making a difference in providing businesses with up-to-date information and support amidst COVID.

Highlights:

$0.5 billion +
Visitor spend per annum

4900
Businesses

$32 million
Economic benefit from major events over past 4 years

Creating active and vibrant spaces

Place activation is a deliberate effort to bring public space to life.

We have seen many vibrant examples, big and small, of place activation across our local government area from:

- **Illuminate Raymond Terrace** - attracting 7000 visitors to celebrate the new facilities in Boomerang Park, Raymond Terrace
- **Fern Bay Fiesta** - a family-friendly event to support our community to have a say on their suburb's future
- **7 Day – Makeovers** - Anna Bay and Medowie
- **Street Eats and Beat music event** - as part of the Robinson Reserve development
- **It's On** - new seies of activities in Nelson Bay.

Over the term, we have attracted a wide variety of community events ranging from the **Port Stephens Seaside Scavenge** to the **Port Stephens Pro**, **Nations of Origin** to the **Tomaree Arts Festival**.

In 2019, in partnership with Destination Port Stephens we began to refresh our marketing pitch. In June 2020 we launched our new destination brand – **Incredible by Nature**.

Incredible by Nature perfectly captures what we all love about Port Stephens - **the amazing natural beauty and the personality of the people who call PS home.**

In September 2020, we also **opened the Koala Sanctuary**. Making a difference from an economic and environmental perspective:

- playing a vital role in caring for sick, injured and orphaned koalas
- research and education
- offering unique tourist accommodation

CASE STUDY

Better places. Better spaces. Power to the people.

7- Day Makeover for Anna Bay and Medowie

They say many hands make light work — that's certainly true for Anna Bay and Medowie's town centres. After the success at Anna Bay in December 2019, the community and Council joined together again in May 2021 to break ground again to makeover the town of Medowie.

The 7-Day Makeover program empowers communities to improve their town centres to create places that encourage people to gather, increase foot traffic, support business growth and improve liveability and wellbeing. That's a key part of our Council's commitment to creating a strong economy, vibrant communities and active investment.

Hundreds of community volunteers, Councillors and Council staff worked day and night to rejuvenate Anna Bay's town centre as part of the 7 Day Makeover in December 2019.

Medowie was also a record-breaker with the most volunteers in a single day at 201 and a new record for the highest number of sponsors of a 7 Day Makeover town.

Another marvellous example of Council, locals and partners working together to make a difference to our community.

See the results of the makeovers on YouTube:

youtube.com/watch?reload=9&v=_k9jAaxXCR8

youtube.com/watch?reload=9&v=v1R736XPmyU

Our progress 39

P2 Infrastructure and facilities | making a difference 2017 to 2021

Investing (Building and Maintaining) in our infrastructure backbone

One of our **key resources, alongside our employees and funding, is safe and reliable infrastructure**.

Following an unsuccessful application for a special rate variation in 2018-2019, where IPART deemed us as financially fit and unable to raise a special rate, we set about **making the projects that make a difference** to the community in other ways.

We went back to the community in July 2019 with a shortlist of projects that could be delivered without increasing rates. Many large and small projects have been completed in this extraordinary program **Port Stephens 2020 Projects** (PSC 2020 Projects) along with continuing to maintain our existing portfolio of assets.

Over the past 4 years, we have spent in excess of **$91 million on Public Infrastructure**, with these last 2 years our biggest capital works programs ever with PSC 2020 projects that include:

- **$6 million** spent on a number of **footpaths and cycleways** including along Anna Bay to Boat Harbour, Gan Gan Road, Anna Bay, Waropara Road, Medowie, Medowie Road (Ferodale Rd to South Street) Medowie, Boomerang Park, Raymond Terrace, Seaham Park path, Avenue of the Allies, Tanilba Bay and many more.
- major **upgrades to our parks, reserves and community facilities** as outlined below.

Highlights:

95%

Overall public asset condition rating

Apex Park
amphitheatre

Fern Bay
Community centre

Robinson Reserve
new skate park, gym equipment, accessible amenities, car park and signage

Boomerang Park, Raymond Terrace
new skate park, croquet court, accessible playground and fitness equipment

Lionel Morton Oval, Karuah
new multipurpose amenities building

Caswell Reserve, Mallabula
new playground, accessible public amenities, pathways and car park

Bagnalls Beach East
new playground

Stuart Park, Hinton
amenities/clubhouse

We know that there is more work to do as extreme temperature fluctuations, severe weather events have impacted the surface and appearance of our roads.

With over 720 kilometres of local and regional roads to maintain, we have made significant progress over the period delivering some major road upgrade projects.

Over the 4 years, we have **spent $44m on road projects**. Some of the **key road projects completed** include:

- Stage 1 Tomaree Road reconstruction,
- Lemon Tree Passage Road Salt Ash and Tanilba Bay,
- Vardon Road Fern Bay,
- Church Street, Nelson Bay,
- Tomaree Road, Shoal Bay (stage 1 and 2),
- Swan Bay Road,
- Holdom Road Karuah,
- Italia Road East Seaham
- East Seaham Road, East Seaham.

Highlights:

INFRASTRUCTURE BACKLOG

$29 million (2014) ▼ $14.47 million (2021)

Did you know Council is responsible for maintaining -

- 724 km local and regional roads
- 214 km of pathways
- 19 wharfs
- 329 hectares of natural bushland
- 298 hectares of watercourses
- 24 multipurpose community facilities
- 18 single use community buildings
- 46 public amenity buildings
- 5 depots
- 15 emergency services buildings
- 4 library branches
- 1 mobile library
- 45 sports grounds
- 57 playgrounds
- 9 skate parks
- 51 tennis courts
- 28 netball courts
- 4 fenced off-leash dog parks
- 3 aquatic centres
- 2 surf clubs
- 19 boat ramps
- 20 sea walls
- 122 km of open drains
- 319 km of drain pipes

This is not a full list.

BIRUBI POINT ABORIGINAL PLACE
Robinson Reserve
Worimi Barray – WORIMI COUNTRY
1

1

Shoal Bay Foreshore
Worimi Barray – Worimi Country
Toilets
2 min
BBQ facilities
1 min
Tomaree Headland walk
12 min to starting point
2

1	Robinson Reserve
2	Shoal Bay Foreshore
3	Shoal Bay Road - before
4	Shoal Bay Road - after
5	East Seaham Road - before
6	East Seaham Road - after

P3 Thriving and safe place to live | making a difference 2017 to 2021

Making Port Stephens a better place

As outlined in the 2020 Liveability Index, our community highly values neighbourhood amenities, the overall visual character of the neighbourhood and sense of neighbourhood safety, as well as personal safety.

Making a difference to amenity and identity across Port Stephens has been a key priority of Council as outlined in the Delivery Program 2018 -2021. We have prepared **Public Domain Plans for both Nelson Bay and Raymond Terrace** to activate both these town centres.

To provide housing choice, supply and affordability, we prepared a 20-year vision for land use in Port Stephens, our **Local Strategic Planning Statement (LSPS)** and planned for the future housing needs of our area in our **Local Housing Strategy: Live Port Stephens**. These 2 key planning documents contribute to the long term objectives of the Community Strategic Plan by supporting housing diversity and more affordable housing choices across Port Stephens. By investing in establishing the Liveability Index we will be able to measure over time if we are making a difference in these and many other aspects important to the community.

Improving housing affordability is a key focus of the Local Housing Strategy we prepared in 2020.

2017 Award - Premier's award for Making Housing more Affordable for Development Applications Turnaround times.

Read the LSPS and Live Port Stephens:
portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/port-stephens-local-strategic-planning-statement

The challenge for Port Stephens is to provide a sustainable supply of affordable housing choices at the right price and in the right locations. Many factors can influence property and rental prices, however there are opportunities for Council to plan for more affordable housing by reducing housing costs. This can be done through the local planning system and in partnership with developers, including community housing providers. We have made significant process improvements to lower costs for new homeowners by providing accelerated assessments and removing unnecessary requirements.

Port Stephens has been identified by the government as a pivotal location for economic growth. With **increasing private investment and substantial financial commitments** by state and federal government for projects ranging from infrastructure and residential development to defence, aviation, innovation and education; the future growth of the region is assured.

Council has invested significant resources over 20 years into supporting the development of a Defence and Airport Related Employment Zone —including the Williamtown Aerospace Centre. From 2014 to 2015 Council worked closely with the Department of Premier and Cabinet to determine the site's potential.

In May 2020 the State Government announced the establishment of the fifth **Special Activation Precinct (SAP)** in NSW to be established in Williamtown. The declaration of the SAP realises the alignment of the planning and investment necessary to realise Port Stephens Council's long term vision for the Williamtown area.

After more than 20 years of our Council advocating for a defence and airport employment zone, we are proud to have achieved this outcome for our community.

Planning Acceleration Program

We continue to make a difference to our community by reducing the net median development application (DA) turnaround (26 days) compared with the Premier's target of 40 days and reducing our planning proposal pre-gateway time from 504 days in 2017-2018 to 42 days in 2020-2021.

The community's satisfaction with new development has decreased over the period, requiring further investigation to establish the cause at a time when the capital investment from development applications is $235 million (2020-2021).

Highlights:

26 DAYS
Net median time for DA turnaround

42 DAYS
Average pre-gateway assessment time

CASE STUDY

Revamping Rezoning

In 2018, our Strategic Planning team began a 2-year project to 'revamp' the rezoning process, making our planning processes more efficient.

At the time there was an average processing times of over 2 years. Many rezonings were inconsistent with local and State strategies or lacked sufficient information to progress, meaning that land release had stalled in Port Stephens.

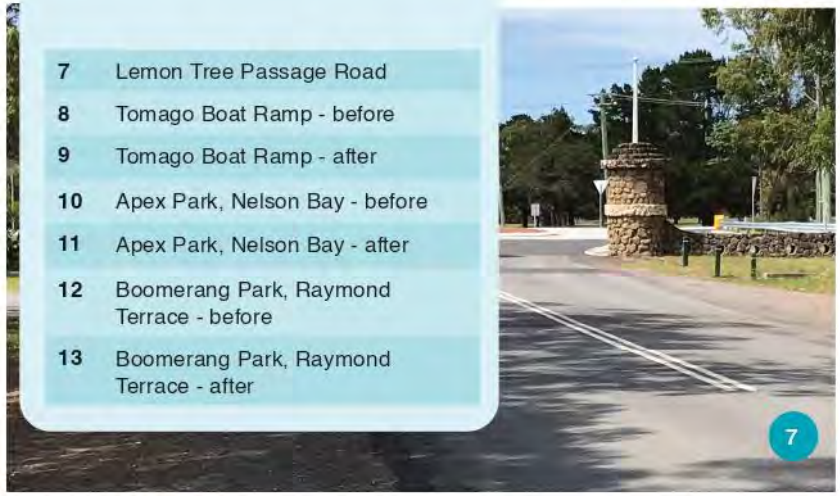
After a comprehensive review, our team developed a framework to better support decision-makers and made significant process changes to provide applicants with clearer guidance.

The changes have markedly **reduced the backlog of rezonings by 60%**, **fast-tracking delivery of land release in our growth areas**, and **increased transparency for applicants** and our community. Local assessment time-frames for rezonings are now some of the fastest in the State, with customer feedback overwhelmingly positive.

An efficient rezoning process helps us provide a sustainable supply of affordable housing choices for our community.

In 2021, the team was highly commended for the project by the Local Government Professionals Association.

7	Lemon Tree Passage Road
8	Tomago Boat Ramp - before
9	Tomago Boat Ramp - after
10	Apex Park, Nelson Bay - before
11	Apex Park, Nelson Bay - after
12	Boomerang Park, Raymond Terrace - before
13	Boomerang Park, Raymond Terrace - after



10

11

12

13

13

Importance of safety and emergency support

It is important that our community feels safe. Various factors contribute to the community feeling safe in their neighbourhood, including road safety, level of crime, environmental factors, only some of which can be influenced by Council. Our 2020 Liveability Index highlighted that sense of personal safety is a strength and something we should protect, however a sense of neighbourhood safety is a priority to work on.

Port Stephens Council is committed to reducing the crime rate, re-offending and anti-social behaviour. We have and continue to work closely with Port Stephens Police. Ongoing actions and initiatives relating to safety are undertaken by Council include statutory enforcement, ranger surveillance (animal compliance, illegal dumping) and education programs. These include:

- ranger services - enforcement of legislation (acts, regulations, codes and policies) and effective animal control to ensure compliance with statutory and safety requirements
- incorporating safer by design – Crime Prevention Through Environmental Design strategies into planning processes
- memorandum of understanding with Police
- facilitating the Local Emergency Management Committee
- Inspections/investigations – of on-site sewer management systems, food premises, private swimming pools, illegal waste and a range of other measures – Read more in our Annual Reports available on Councils website.

On page 49, we reflect on the journey we have faced together with the community amongst natural disasters and a global pandemic. Extraordinary and extreme circumstances! Whilst remaining agile to these situations, we prepare for emergency situations and support emergency services by:

- implementing and maintaining the Port Stephens Emergency Management Plan
- maintaining asset protection zones and registered fire trails on Council owned and managed land in accordance with Council agreed service levels
- construction of a much needed new Rural Fire Service facilities at Fingal Bay and Karuah
- ensuring the Rural Fire Service and State Emergency Service buildings are maintained within agreed levels.

Highlights:

65% Community members feel safe in their neighbourhood (2021 Community Satisfaction Survey)

CASE STUDY

EMERGENCY SUPPORT

Our community has seen and been impacted **by 7 natural disasters (drought, floods, fires, storms and a worldwide pandemic)**. At times a number of these emergencies have overlapped, adding to the challenges, disruption and despair felt by our community. The term '**unprecedented**' has been coined and used regularly over the past 18 months.

As the level of government closest to our community, we know the important role Council plays during times of emergency.

When COVID began, we quickly found ourselves as the first point of call for our community members and businesses who didn't know where to turn. To respond we connected our community and businesses with the information and support they needed, created programs to promote connection with each other and planned for how we'd help our people reconnect when it was safe to do so.

Having the right information straight from the source is so important. This dashboard provides our community with localised emergency updates, preparedness advice and seasonal awareness of potential risks.

The Port Stephens Disaster Dashboard is an online warehouse of real-time, local emergency information supported by Resilience NSW Regional Disaster Preparedness Program and rolled out to 27 councils across the state. The dashboard contains:

- real-time information related to live emergencies
- information to help prepare for an emergency
- guidance on the assistance available to recover from a recent emergency.

This dashboard has been an invaluable resource, particularly when the community was faced with the natural disaster in March 2021. Our community grappled with record rainfall which resulted in flooding, landslips, road closures and damage to property and infrastructure across our local government area.

Keeping the community and media up to date with the latest information all the while working hard with local authorities including the SES, Police and emergency services to support and respond to our community – *this is how all together we make a difference*. There is more work to be done in the recovery phase, which we will continue to keep the community updated on over the coming months.

14

FERN BAY
Community Centre
15

16

17

14	Fern Bay Community Hall - before
15	Fern Bay Community Hall - after
16	Fern Bay Sports Court - before
17	Fern Bay Sports Court - after
18	Lionel Morten Oval - before
19	Lionel Morten Oval - after

Our environment

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

E1 Goal: Ecosystem functions	E2 Goal: Environmental sustainability	E3 Goal: Environmental resilience
Our community has healthy and dynamic environmental systems that support biodiversity conservation.	Our community supports the richness community uses resources sustainably, efficiently and equitably.	Our community is resilient to environmental hazards and climate change.
What we said we will do?		
Protect and enhance local natural environment. Educate the community about the natural environment.	Reduce the community's environmental footprint.	Encourage community resilience to coastal hazards. Encourage community resilience to detrimental impacts from the environment. Encourage community resilience to the impacts of climate change.

Liveability priorities

Port Stephens community aspires to neighbourhoods that feature **unique natural elements**, views, landscapes or vegetation.

Our Council and residents must **protect and maintain the connection to nature** offered by the area by promoting sustainable **behaviours in the community**.

E1 Ecosystem functions | making a difference 2017 to 2021

Protecting our natural environment

A healthy natural environment is critical to our people, providing clean air, water and healthy soils. In turn, this supports ecological, cultural, recreational, economic and aesthetic values. As indicated in the Liveability Index our community highly values and wants Council and residents to protect our natural environment.

Council has continued to play an important role in protecting and enhancing the natural environment. Over the period we have been making a difference with a variety of programs and measures to do this including:

- Developing and implementing a **range of nature conservation programs**
- Rehabilitation and protection against invasive species of our significant environmental assets, **Mambo Wetlands**, through a $100,000 grant from the NSW Government
- Adopting and implementing our **Local Weed Prioritisation Policy**
- Adopting the **Raymond Terrace Flying Fox Camp Management Plan**
- Revising our **Tree Vandalism Policy**
- Adopting our **Environmental Policy**
- Developing our **Natural Assets Register**

We are finalising a **Biodiversity Strategy** and a **Local Biodiversity Offsets Policy**.

Did you know the benefit of planting just one tree?

One tree absorbs on average 21.5kg carbon per year

Planting 42,210 trees absorbs on average 908 tonnes of carbon per year

To find out about more the benefits of trees refer:

portstephens.nsw.gov.au/grow/land-environment-and-heritage/trees

Highlights:

2017 to 2021	42,210 TREES PLANTED	1,840 hectares BUSHLAND RESTORED	1,790 WEED TREATMENTS	7273 VOLUNTEERS

Volunteers at Bagnalls Beach

CASE STUDY

WAR AGAINST WEEDS

To win our war on weeds and make a difference we need to work smarter.

That's why our Natural Resources team developed an innovative model for prioritising and managing weeds.

'With 2700 introduced species to Australia, there are always going to be more weeds than there are resources,' said our Natural Resources team leader Jordan Skinner.

'Our model has ensured efforts are focused on managing the most significant weeds while maximising efficiency. It helps us work out what time and resources we'll need to make a real difference on the ground.'

The success of our model and the hard work of our team was recognised at the 2020 Local Government NSW Excellence in the Environment Awards.

Find out more about how we manage weeds in Port Stephens:

portstephens.nsw.gov.au/live/environment-and-sustainability/weeds-and-pests/your-responsibilities

Air and water quality

Air quality within Port Stephens is good[1]. It is influenced by factors such as local traffic and rural activities, with air pollution sources generally limited to 10 facilities that occur within our region. With data for this report analysed from the Stockton Monitoring Station. Monitoring occurs at a number of sites within the Lower Hunter.

The **Beach Watch Program** monitors and reports recreational water quality at swimming sites. Beaches with the best water quality consistently over the 2017 – 2021 reporting period include Zenith Beach, One Mile Beach, Fingal Bay, Box and Birubi Beach. Beach Watch only collects data from 4 sites.

For more information, visit:
environment.nsw.gov.au/topics/water/beaches/reporting-beach-water-quality/about-weekly-star-ratings

When sewage or storm-water contamination is suspected, as was the case in January 2021 when a sewage leak occurred at Nelson Bay, Council closed the beaches and swimming area. We then conducted water quality testing until samples indicated that the water quality was suitable for swimming.

Educating our community

We're continuing to make a difference by educating our community on a variety of environmental matters to increase awareness and appropriate action. Examples of the programs include:

- Western LG Koala Corridors
- Share the Shore videos
- Birubi Sand Dune Rehabilitation
- Sustainability and Climate Change Survey
- TAFE and Coastal Management Program, Bio-security Act presentations
- Volunteer Introduction to Bush Regeneration

[1]Air quality results from the Stockton Air Monitoring Station for the period July 2017 to March 2021 were all within the air quality category of 'Good' except for 2 occurrences of 'Fair' quality for particulate matter (PM10) during February to March 2019, and October to April 2019.

E2 Environmental sustainability | making a difference 2017 to 2021

Our environmental footprint

Water is a precious resource that we have become only too familiar with over the past few years with the effects of drought and necessary water restrictions.

We have been making a difference by:

- participating in the **Hunter Water Corporation (HWC) Community Consultative Committee**, (an advisory committee), to advise HWC on matters affecting Port Stephens
- preparing Drought Management Plans for our key water use areas in conjunction with HWC
- saving 71 Olympic swimming pools of water[2] in just one year through water saving initiatives.

Reducing our energy consumption

Our community is doing its bit to help the environment and reduce our environmental footprint, with yearly Ausgrid reports for our LGA, showing a **decrease in the daily electricity average** (kWh per customer per day) and an increase in the number of solar customers and solar energy exported to the grid[3].

Council is also doing its bit by:

- proudly **joining the City Power Partnership**
- installing solar panels on Council's Administration Building, Salamander Waste Transfer Station, many of our libraries, community centres and Rural Fire Service buildings
- installing **solar pool pre-heating** at Lakeside Leisure Centre, Tomaree Aquatic Centre and Tilligerry Aquatic Centre
- we used recycled glass 'greencrete' in the upgrade of Tanilba Bay roundabout
- installing a **Building Management System** at our Administration Building, Lakeside Leisure Centre and many sports and community buildings to **deliver energy efficiencies and lower operating costs**
- commencing preparation of a **Sustainability Strategy and Action plan** to help our Council manage resources and energy consumption.

[2] Visit for more detail: **portstephens.nsw.gov.au/your-council/news/council-saves-$70k,-71-olympic-swimming-pools-of-water-in-just-one-year**

[3] Refer to Ausgrid website for more detail: **ausgrid.com.au/Industry/Our-Research/Data-to-share/Average-electricity-use**

Managing our waste

The way we currently manage waste has been in place since 1999 and it's now time to plan for the next 20 years. We are planning to make a difference to our community and the environment with our **war on waste**, by developing a **waste strategy** that will look at how we deal with garbage, recycling, green waste, litter, kerbside collections and drop-off days. It will also include how we'll educate our community on what they can do to reduce waste and make sure it goes in the right place. In late 2020 we held a number of face to face sessions with the community to help develop the strategy.

As we welcome over 1.5 million visitors to our area each year, using indicators like waste per capita becomes a bit problematic as an increase in visitation ultimately impacts the amount of waste generated and collected. Whilst some of the indicators on page 73 do not show an improvement over time we have continued with our war on waste despite the challenging impacts of both COVID-19 (more waste generated) and mixed organic waste by a number of **waste education programs**. These include:

- Waste avoidance and reuse workshops
- Youth education on better recycling practices and reducing litter

Did you know?

Managing litter costs more than $180 million per year in NSW

43% of litter is cigarette butts

Waterways get polluted by litter

In 2018 the NSW Environment Protection Authority (EPA) made a surprise announcement that has significantly impacted how we manage waste in Port Stephens. For 20 years, our domestic waste was composted with our state-of-the-art system. It allowed us to recycle 100% of green and food waste without the need for a separate green bin, diverting more than 50% of waste from landfills. In October 2018, a regulation known as the Resource Recovery Exemption Order was revoked for mixed organic waste. The order had allowed this compost to be used on land for grazing agriculture, forestry plantations and rehabilitated mine sites. Suddenly, this was forbidden due to potential physical contaminants and environmental risks. This meant an immediate stop to an important part of our waste management process.

E3 Environmental resilience | making a difference 2017 to 2021

Resilience to coastal hazards

Our community values the **coast, being one of our greatest assets** in living in a 'treasured environment'.

The coast though is an ever-changing and dynamic environment with many threats which have the potential to impact how our community enjoys and uses the coast both now and into the future.

One of our key priorities is **making a difference for the long term**. A 10-year **Coastal Management Program (CMP)** will build resilience against environmental risks and help retain the unique natural environment we have in Port Stephens.

We've also been making a difference at the Little Beach boat ramp near Shoal Bay which is often being covered in the sand despite regular maintenance by our Council. In 2020 and 2021 we've taken action to address the cause of the problem — sand migrating around from Shoal Bay and inundating the boat launch site. We used drones to survey the beach and find where to remove sand and how much to take.

Supporting our community from environmental impacts

It has been 6 years since Williamtown residents were told their land had been contaminated by **PFAS** (per and poly-fluoroalkyl substances) from the historical use of firefighting foam at RAAF Williamtown. A Community Reference Group was originally created to keep affected communities informed and provide a forum to raise issues with government agencies — with our General Manager participating since its inception. Despite opposition from the community and our Council, the NSW Government abolished the group in October 2019 in preference of agencies speaking directly with the community as required.

Our Council asked the Premier to reinstate the Community Reference Group so that we could continue to support those who have been impacted by PFAS. Department of Defence has developed a remediation plan for the PFAS management zone and is progressively implementing remediation works.

In 2018-2019 we continued supporting landholders at Williamtown affected by PFAS contamination with a special sub-category of rates – a discount of 50% for residents in the primary zone, 25% in the secondary zone and 10% in the broader zone. Council has continued with **providing this rate relief** and monitors the Department of Defence's remediation activities along with supporting the affected communities however we can.

Highlights:

Quarterly monitoring of decommissioned waste landfill sites as per schedule

Completed capping and rehabilitation of the former waste landfill site (Newline Road, Raymond Terrace)

Taking action on climate change

Climate change action benefits everyone — it reduces potential damage to community and council assets, protects our environment and improves community wellbeing. We're seeking to make a difference which is why in 2020, Council **endorsed a Climate Change Policy** - an overarching guide for how our Council will **respond to climate change now and in the future**. The Policy has 3 main focus areas – education, mitigation and adaptation.

Read more: **portstephens.nsw.gov.au/live/environment-and-sustainability/sustainability-and-climate-change**

We're also committed to working in partnership with other councils, our community and all levels of government to respond to the challenges of climate change. Council also agreed that as part of the review of the Community Strategic Plan for 2022-2032 that climate change would form part of discussions with the community.

We're also in the process of updating our Climate Change Adaptation Action Plan to identify our priority actions to address climate change risks. Results in late 2020 of the review of the Climate Change Adaptation Action Plan were that:

- progress of the 35 treatment actions has been ongoing – the Coastal Management Program is expected to drive the completion of more actions over the next 18 months.
- updated climate data and modelling saw a moderate increase in risk level across 30% of priority risks, a minor increase across 65% and no change across 5%
- we lead our peers across 14% of key performance areas, the average for 57% of operational activities, lagging in 29% of operations (dedicated climate change officers and total funding dedicated to climate change).
- engage with the community on climate change actions through the Community Strategic Plan

Highlights:

26 actions completed
(out of 35)

CLIMATE CHANGE ADAPTATION ACTION PLAN

Our council

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

L1 Goal:

Governance

Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety.

L2 Goal:

Financial management

Our Council is financially sustainable to meet community needs.

L3 Goal:

Communication and engagement

Our community understands Council's services and can influence outcomes that affect them.

What we said we will do?

Develop and encourage the capabilities and aspirations of a contemporary workforce.

Provide strong civic leadership and government relations.

Provide a strong ethical governance structure.

Provide strong supportive business systems for Council's Operations.

Reduce risk across Council.

Maintain strong financial sustainability.

Maximize non-rate revenue and investment to support Council services.

Provide a customer first organisation.

Provide information in a range of accessible formats.

Strengthen Council's reputation.

Provide a voice for the community.

Highlights:

81% EMPLOYEE ENGAGEMENT SCORE

October 2020

OUR HIGHEST SCORE

98%

GOVERNANCE HEALTH CHECK

77% AVERAGE COMMUNITY SATISFACTION SCORE

2018 to 2021

L1 Governance | making a difference 2017 to 2021

Employer of choice and excellence

Our organisational culture, the way we carry out our work through **business excellence** and having a **highly engaged workforce** are some of the key ingredients to making a difference to our community. People who go the extra mile and don't just do things the way we always have are critical to a **stable, efficient and productive workforce**. With many challenges faced over the past 4 years, moving from the threat of a merger to the impacts of COVID, our workforce has remained resilient, continuing to get on with doing the job, thinking of alternate ways to deliver services and connect with the community.

Valuing staff as your number one asset and investing in their mental and physical health with an **employee wellbeing program** is the true testament of being an employer of choice. This is a workforce that is willing to go above and beyond to serve its community, with staff available around the clock to communicate, direct help and assist a community in need during the many natural disasters over the past 4 years.

We have been able to govern the ship and ensure that our 7 key result measures, refer to page 21 are maintained amidst a global pandemic. These result measures are not mutually exclusive - we need to effectively balance and manage these together in a sustainable way.

Strong advocacy, governance, leadership

Council has been actively making a difference for our community in seeking funding and commitments to several projects from the NSW and Federal Government. This can take a long time and as with the **Special Activation Precinct**, it took over 20 years of lobbying to bring to fruition.

But getting the money and having the right people is only part of the equation in getting these projects off the ground for the community. At Port Stephens Council safety always comes first! We have a well-developed approach to risk management and safety through our Risk Management Framework.

We've been leading the way with our safety culture, **receiving multiple awards** in recognition of our approach.

Our annual Governance Health Check also provides reassurance to the community that we are **operating in a sound way meeting our legislative and operational requirements**. This is across the spectrum of ethics, risk management, information management and reporting.

L2 Financial Management | making a difference 2017 to 2021

Financially responsible and sustainable

The difference we have made to the community over the past 10 years can be seen in the **turnaround** from a large underlying deficit of $4.235m in 2011-2012 to an underlying surplus of $582,807 in 2020-2021. Despite the pandemic and 6 natural disasters, through careful management of our cash flow, reducing non-essential projects and reprioritising our spending, we have continued to:

- keep our **rates amongst the lowest** in the Hunter region,
- **meet asset renewal targets**, while improving service delivery to the community
- **balance our budget**.

In the past 4 years, we have increased returns from property developments and investments in our Holiday Parks operations and (prior to COVID) a dividend of $2 million per annum for the Newcastle Airport.

A financially sustainable local government delivering prioritised services.

Whilst being financially responsible we've always been there to support our community no matter what. Realising that many businesses and our community were experiencing significant challenges from COVID-19, in 2019-2020 we offered several measures to **increase access to financial hardship**. Additionally, we reallocated funds from the PS 2020 projects to the Restart Port Stephens Plan.

L3 Communication and engagement | making a difference 2017 to 2021

Customers come first and foremost

We've been making a difference to our customer's experience by:

- being the first point of call during COVID – seeing a **25% increase in customer enquiries** from April to June 2020 alone
- continuing to update our **dedicated COVID-19 webpage** and **Disaster Dashboard** to ensure our community has quick access to all information they need
- continuing to actively review and **improve our website** to ensure information is easily accessible
- re-branding and **launching our e-newsletter PSToday** (previously known as Informe) to focus on good news in our community
- moving with the times from newspaper advertisements to digital as our main source of information. For more information, refer to our 2019-2020 Annual Report available on our website
- streamlining our customer request management
- launched a number of online forms.

Our Customer Relations team

Importance of community voice

Providing **a real voice for our community** is of the utmost importance to our Council.

It is not surprising that the impacts of the damage and devastation from both the March 2021 natural disaster and COVID-19 have been echoed in the Community Satisfaction Survey results in 2021 - with a reduction in overall satisfaction to 68% and a marked decline in satisfaction with maintaining local roads and stormwater management systems.

We know we have to work on this, which is why in 2020 we reached out to the community via the Liveability index to ensure we get a whole of community perspective on priorities. Over 3,700 people across our community told us what the value and how they rate their neighbourhoods. It will inform the review of the Community's Strategic Plan for the next 10 years, place planning, Wellbeing Strategy and so much more – but we know that the community is not interested in plans but on the ground results which is why we will be checking in with the community over the next 12 months to hone in on these priorities.

Having said that, we have done much to make a difference in engaging with our community over the past 4 years. We've been committed and do believe we've been listening to our community to ensure they are actively involved in shaping the future of Port Stephens.

The benefits are clear — we earn our community's trust, identify solutions to complex problems and get the best result for all.

Our Community Engagement Strategy, endorsed in November 2019, reflects this commitment and our approach. It includes a community participation plan that sets out how we'll consult with our community on planning documents and development applications - a legislative requirement for all NSW councils.

Below are a few of the many projects and activities that we've engaged our community on over the past 4 years:

- Local Strategic Planning Statement (LSPS) and Local Housing Statement (LHS)
- Coastal Management Program (CMP)
- Port Stephens 2020 projects and other major works
- Raymond Terrace Public Domain Plan
- Smart Parking System
- Special Rate Variation proposal
- Fern Bay and North Stockton Strategy
- Boomerang Park off-leash dog park and Robinson reserve
- Kings Park Sports Complex master plan
- Birubi Point Aboriginal Place
- Location of Karuah Rural Fire Service building
- Nelson Bay Public Domain Plan
- Waste Strategy
- and many more.

Community engagement at Shoal Bay, 2020

Appendices

SECTION 5

67 | Community Indicators

Community Indicators

▲ Progressing towards community outcome ▼ Progressing away from community outcome — Stable

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C1 Community Diversity	Usage of Council child care centres	Number of family day care places filled	6,837	6,735	7,843	7,113	▲
		Total number of childcare places filled (before and after school care)	36,406	58,354	70,926	75,227	▲
	Participation in Council youth activities	Data not available. Refer to page 31 for youth activities.					
	Usage of community halls	Percentage of community halls users (of total responses from annual community satisfaction survey)	-	36% n = 431	36% n = 524	18% n = 2028	▼
	Access friendly infrastructure	Disability Inclusion Action Plan - actions completed/met annual target	13* out of 24	15* out of 24	22* out of 24	22* out of 24	—
		Overall accessibility of facilities in the local area (% of total responses from annual community satisfaction survey)	-	65% n = 1146	68% n = 1507	74% n = 2187	▲
	Sustainable Volunteer Groups	Participation with a volunteer group (% of total responses from annual community satisfaction survey)	-	32% n = 1159	42% n = 1482	35% n = 2105	▼

- Data not available

* 8 of the above are ongoing.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C2 Recognised traditions and lifestyles	Cooperative activities with local Aboriginal and Torres Strait Islander people	% of actions completed or commenced in Yabang Gumba-Gu Plan	100%	95%	95%	100%#	—
	Participation in cultural activities and events	Average overall participation at cultural/ community activities or events (% of total responses from annual community satisfaction survey)	-	66%	88%	77%	▼
	Preservation of Port Stephens heritage	Heritage Projects Fund grants	$6,000	$6,000	$5,500	$4,597	▼
		Heritage advice on Development Applications (DA), Council Projects (CP) and requests for information (RI) within 10 days	-	-	DA - 11 CP - 34 RI - 10	DA - 23 CP - 35 RI - 19	—
	Public library usage (within Port Stephens Council local government area)	Library user satisfaction	99%	99%	# #	88%	▼
		Number of people visited library branches	217,360	199,610	146,881	134,673	▼
		Library use of resources - internet and Wifi (number of individual sessions)	42,176	35,485	27,336	19,900	▼
		Library use of resources - number of collection item loaned (checkouts)	318,869	299,371	243,337	233,795	▼
		Library use of resources - attendance at programs	8,126	9,184	6,471	3,246	▼

- Data not available
Comparative data not available

#15 out of 19 actions in the Yabang Gumba-Gu Plan are completed. Remaining 4 actions are on going over multiple years. Actions in the plan are reviewed annually with the Aboriginal Strategic Committee.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C3 Community partnerships	Diversity of services available to the community	Current number and type of community services available	Data not available. Wide reaching variety of service available. For a guide on services available refer to the Community Directory on Council's website.				
	Participation in community activities and events	Number of community-run events supported and managed by Council	7	9	5	6	▼
		Average overall participation at cultural/community activities or events (% of total responses from annual community satisfaction survey)	-	66%	88%	77%	▼
	Usage of recreation and leisure facilities	Number of people/ attendance at swimming pools	225,167	263,838	183,632	101,318	▼
		Usage of recreation and leisure facilities	-	51% n = 1,159	56% n = 1,482	50% n = 2,105	▼
		Number of people/ attendance at beaches and surf clubs	617,469	764,840	767,273	738,786	—
	Usage of Council's financial assistance program	Annual grant funding (comprising Community project funds, Mayoral and Ward funds)	93 grants $122,922	120 grants $91,815	101 grants $123,011	97 grants $190,960	▲
P1 Strong economy, vibrant local businesses, active investment	Tourism spend	Number of tourists	1.5 million	1.8 million	1.7 million	1.7 million	—
		Total visitor expenditure	$535 million	$606 million	$568 million	$705 million	▲
		Financial support for Destination Port Stephens	$397,500	$397,500	$407,962	$400,000	—

- Data not available

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
	Competitive and sustainable business environment	Number of active businesses in Port Stephens	4,799	4,865	4,900	-	▲
		Business satisfaction survey result (Port Stephens is a good place to conduct business)	-	57%	-	82%	▲
	Range of and attendance at iconic events	Economic benefit from major events	$8.2 million	$10 million	$7.8 million	$5.6 million	▼
		Number and attendance at iconic events held	Data not available. Refer to page 38.				
P2 Infrastructure and facilities	Reduction in infrastructure gap	Infrastructure backlog (Infrastructure gap shown per annum)	$14.11 million	$14.16 million	$13.83 million	$14.47 million	▼
	Condition of public assets	Overall Council infrastructure assets between satisfactory to excellent condition as a percentage of gross replacement cost (buildings, storm water drainage, open spaces and recreational assets excluding roads)	94%	94%	95%	95%	—
		Community satisfaction with maintenance of parks and gardens	92%	91%	93%	88%	▼
		Community satisfaction with maintenance of operational cemeteries	94%	95%	92%	90%	▼
		Community satisfaction with maintenance of swimming pools	90%	91%	90%	88%	▼
		Community satisfaction with sports and recreational facilities	90%	91%	92%	89%	▼
		Community is confident that Council is managing its resources (assets) (% of total responses from annual community satisfaction survey)	73%	61%	63%	59%	▼

- Data not available

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
	Condition of Council controlled roads	Overall Council Roads between satisfactory to excellent condition as a percentage of gross replacement cost	90%	92%	95%	94%	▼
		Community satisfaction with maintenance of local roads	75%	71%	68%	45%	▼
		Community satisfaction with roadside maintenance	84%	81%	79%	68%	▼
P3 Thriving and safe place to live	Efficient planning processes	Number of development applications determined	871	801	775	964	▲
		Net median time for DA turnaround (Number of days)	34	38	34	26	▲
		Average planning proposal review time (Number of days)	504	344	174	42	▲
	Perception of safety	Perception of safety in the LGA 'How safe do you feel in your neighbourhood?'	-	72%	74%	65%	▼
	Housing affordability and stress	Number of residential building approvals (New houses and other residential) (Data Source - Remplan)	333	343	266	-	▼
		Value of residential building approvals (million) (Data Source - Remplan)	$141 million	$125 million	$110 million	-	▼
	Emergency services support	Data not available. Refer to page 48 and 49					
	Increased community satisfaction with new development	Community satisfaction with new developments	-	76%	69%	66%	▼

- Data not available.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
E1 Ecosystem function	Air and water quality	Refer to page 55					
	Habitat preserved and regenerated	Bushland restoration works (hectares)	968 ha	377 ha	346 ha	149 ha	▼
		Number of bushland sites managed	415	400	429	419	—
		Number of volunteers engaged	1,748	1,524	1,899	2,102	▲
		Number of trees planted	23,541	6,532	4,629	7,508	—
	Noxious weed infestations	Bio-security (weed) treatments on Council land	294	264	672	560	▲
		Bio-security (weed) private property inspections	513	583	823	1504	▲
		Number of compliance & enforcement actions	4	12	103	69	▲
	Participation in environmental education programs	Number of public events	9	6	18	2	▼
		Number of community members engaged	169	102	473	29	▼
		Number of face to face training sessions for weed management	91	93	559	1188	▲

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
E2 Environmental sustainability	Improved water consumption	Data not available for the local government area. Refer to page 56 for more information on what Council has been doing to make a difference.					
	Improved energy consumption	LGA daily average usage (residential) (kWh per customer per day)*	17.1	17.1	16.7	-	▲
		Energy exported to the grid from Solar (MWh)*	12,081	15,702	21,711	-	▲
		Council's usage of electricity (MWh)	8,400	8,400	7,137	7,004	▲
	Waste per capita (landfill, recycle, green)	Landfill - Red bin waste (tonnes)	20,137	19,727	25,318	23,533	▼
		Green waste (tonnes)	3,097	3,003	3,011	2,398	▼
		Recycling – yellow bin (tonnes)	6,382	5,892	5,069	5,132	▼
		Recycling - compost (tonnes)	5,783	6,022	6,085	5,213	▼
		Waste diverted from landfill (tonnes)	13,669	12,863	13,992	14,276	—
		Community satisfaction with waste collection service and access to waste depot/transfer stations	91%	92%	92%	95%	▲
E3 Environmental resilience	Coastal hazards mitigation and response	Develop a Coastal Management Program (CMP)	Data not available. Refer to page 58 for Coastal Management Program progress.				
	Rehabilitated landfill sites	Monitor and manage environmental impacts from decommissioned waste landfill sites	100%	100%	100%	100%	—
	Climate change mitigation and response	Development and implementation of actions in the Climate Change Adaptation Action Plan (Number of actions completed)	-	13 out of 35	26 out of 35	26 out of 35	—

- Data not available

* Data source - Ausgrid: **ausgrid.com.au/Industry/Our-Research/Data-to-share/Average-electricity-use**

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
L1 Governance	Stable and productive workforce	Employee Engagement	70%	68%	74%	81%	▲
		Community's confidence that Council is managing its resources (workforce)	75%	66%	67%	60%	▼
	Community satisfaction with Council	Community Satisfaction score	85%	76%	80%	68%	▼
L2 Financial management	A financially sustainable local government delivering prioritised services	Community confidence in Council's management of Finance	73%	51%	58%	56%	▼
		Underlying financial surplus ($,'000)	$1,078	$1,003	-$185	$583	▼
L3 Communication and engagement	Positive media coverage	Media sentiment	-	-	-	96%**	
	Community perceptions of Community engagement	Community's perception of opportunity to provide input in Council projects	-	39%	27%	20%	▼
	Community perception of Council	Community's perception of trust that Council is working towards the community needs	-	42%	46%	-	—

- Data not available
** Aggregate of 'Neutral' and 'Positive'

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PORT STEPHENS COUNCIL

End of Term Report 2017 to 2021

Making a difference

About this report

Welcome to the Port Stephens Council End of Term Report 2017 to 2021. The theme of this report is reflective of our journey with the community, our partners and volunteers over the past four years - 'Making a Difference'.

This report is designed to provide a snapshot upfront of who we are, the highlights and challenges of 4 years at a glance (pages 6 to 20). We then look in more detail at what we said we would do and the progress made in achieving outcomes over the reporting period (page 29 to 64).

The report has been prepared in accordance with the Integrated Planning and Reporting requirements of the Local Government Act 1993 and is a report on Council's achievements and progress in implementing the Community Strategic Plan over the past four years 2017-2018 to 2020-2021.

Council continues to deliver on the Community's vision of '*A great lifestyle in a treasured environment*' and quadruple bottom line (social, economic, environmental and governance) considerations through 4 main focus areas of the Port Stephens Council Community Strategic Plan 2018 to 2028^

Our Community | Our Place | Our Environment | Our Council

Each key direction/goal of the Community Strategic Plan has a corresponding set of objectives which we deliver on through our 4-year Delivery Program and annual actions in our Operational plan.

We have formed partnerships with many other government departments, agencies and private enterprises (outlined on page 7 and 66 of our Operational Plan) to help deliver on all aspects of the community's aspirations and priorities. We effectively resource the community's priorities, delivery program and annual actions via our Long Term Financial Plan (finance), Strategic Asset Management Plan (assets) and Workforce Plan (people).

A number of Community Indicators measured over time help us to understand if the community is better off as a result of the work carried out by Council and our partners. More detail on these indicators, trends and outcomes can be found on pages 67 to 74, with highlights provided throughout the report wherever this symbol is shown.

Our Annual and Six Monthly reports also outline progress made on our Delivery Program and Operational Plans. These can be found on our website – www.portstephens.nsw.gov.au

In this report, we have taken a plain English, honest and authentic approach, as with many of our other reports. This is the fourth report of its type to be prepared for our Local Government Area (LGA).

We have made our best effort to provide the latest data available from external sources and Council's operations at the time of writing this report. The report has been prepared for the period ending 30 June 2021, with more detailed information on Council's financial and operational performance available in Volumes 1 and 2 of the 2020 to 2021 Annual Report.

As required under the Local Government Act, this report is presented at the last meeting of the outgoing Council – 26 October 2021.

^This report also captures the achievements of the last year of the Community Strategic Plan 2013 to 2023 under the 4 focus areas mentioned above.

Authorised by Port Stephens Council's General Manager Wayne Wallis 116 Adelaide Street Raymond Terrace NSW 2324 and printed by Port Stephens Council.

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We acknowledge the Worimi people as the traditional custodians of this land.

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Despite our best efforts Council makes no statements, warranties or representations about the accuracy, completeness or reliability of any information contained in the report. The Council disclaims all responsibility and liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs you might incur as a result of the information being inaccurate or incomplete in any way, and for any reason.

Our Port Stephens

SECTION 1

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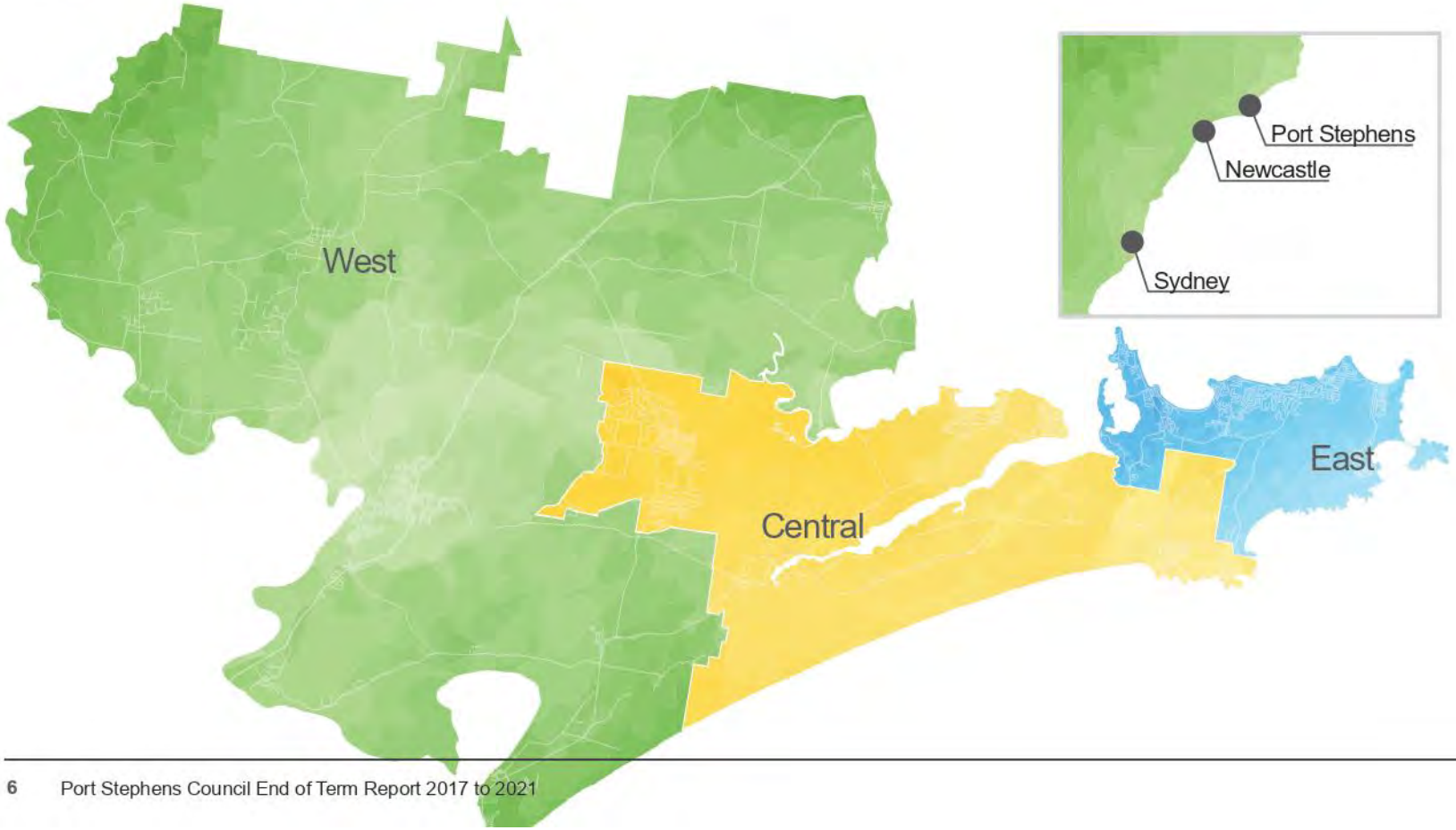
Port Stephens snapshot

Our location

Located on the east coast of Australia, about 2 hours north of Sydney, Port Stephens is known for its incredible natural beauty and vibrant community. These characteristics make our place an ideal tourist and retirement destination as well as a great place to live, work and play.

Area: 858.5 km² Protected Land: 322 km² Region: Hunter Suburbs: 44

Major centres: Raymond Terrace, Medowie, Nelson Bay



Our people

POPULATION

74,506 (2020 Estimated Resident Population)

5.5% Population change in last 5 years

MEDIAN AGE 45 YEARS

Population by ward — % of the land area

36%	West	73%
33%	Central	21%
31%	East	6%

35% FAMILIES ARE WITH CHILDREN

18% of our population is school aged children (5 to 19)

3297 Making up **4.74%** of our population

ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION

Our environment

42,000 HECTARES

LARGEST MOVING COASTAL DUNES IN SOUTHERN HEMISPHERE

26 PRISTINE BEACHES

Our economy

PEOPLE IN WORKFORCE 27,346 (ABS 2016)

6.65% UNEMPLOYMENT (March 2021)

NUMBER OF TRADING BUSINESSES 4900

$5.4 billion GROSS REGIONAL PRODUCT Nominal GRP as at June 2020

MAIN EMPLOYING INDUSTRIES

Public administration and safety 15%

Manufacturing 12%

Construction 11% (ABS 2016)

Source: Remplan 29 September 2021

Read more about Port Stephens economic and community profiles:
app.remplan.com.au/portstephens/community/summary?state=YVQOuN014SLm9j6cG4Gya5F4F2F1Lz

Our Port Stephens 7

Our vision and values

Our Community's vision
A great lifestyle in a treasured environment.

Council's vision
Engaged and resilient people in strong healthy relationships, working collaboratively, enhancing community wellbeing.

Council's purpose
To deliver services valued by our community in the best possible way.

Values

R I T E S

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.

Council Administration Building, Raymond Terrace

Our elected Council

Port Stephens Council has a popularly elected Mayor and 9 Councillors representing 3 wards – East, Central and West.

The community normally elects its Council for a 4 year term. The current Council term was originally 3 years because the State Government's council amalgamation process delayed elections in 2017. The election due to be held in September 2020 was also postponed until December 2021 due to COVID-19.

Elected Council

17 September 2017 to current

Mayor
Ryan Palmer

West Ward

Councillor
Giacomo Arnott

Councillor
Ken Jordan

Councillor/Deputy Mayor
Paul Le Mottee

Central Ward

Councillor
Chris Doohan

Councillor
Sarah Smith

Councillor
Steve Tucker

East Ward

Councillor
Jaimie Abbott

Councillor
Glen Dunkley

Councillor
John Nell

Read more about our elected council at : **portstephens.nsw.gov.au/your-council/about-council/mayor-and-councillors**

Our journey

SECTION 2

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Message from the Mayor

Together as a community we have continued to remain strong, resilient and have supported each other through the past 4 years. While we faced significant challenges in 2020 and 2021, we have also achieved many milestones that we as a community should celebrate and be proud of.

In September 2017, my first year as Mayor and alongside a new team of Councillors, we set out to make a difference in our Council term. We heard a number of community priorities — from accessible playgrounds, cycleways and footpaths to coastal management, key roads, revitalised town centres and more for business.

To ensure we delivered on these community priorities, we included several key projects in our Delivery Program 2018 to 2022. Today we can celebrate the work we've done including the Port Stephens Koala Sanctuary, Nelson Bay Next, 7 Day Makeovers at Anna Bay and Medowie, Medowie Sport and Community Facility Centre and a 20-year vision for land use as part of our Local Strategic Planning Statement.

We continue to check in with what our community values most. In September 2020, we teamed up with Place Score to hear from 3,700 people as part of our first Liveability Index. This score from our community helps to inform decisions we make, like which projects we should focus on, how these projects compare over time and whether our community is better off as a result of our actions. Through programs and projects such as Port Stephens 2020, Restart Port Stephens and the Liveability Index, we continue to make a difference to our community.

When preparing the Community Strategic Plan in 2018, we said that we alone 'cannot address all of our community's aspirations and must partner with others to achieve these outcomes'. Through strong leadership and stewardship we have worked with our partners to:

- secure the Williamtown Special Activation Precinct (SAP)
- develop Stage 2 of the Coastal Management Program
- restart Port Stephens through advocating for funding for economic stimulus packages and investment in infrastructure
- rebrand and promote Port Stephens through our Incredible Place Strategy
- secure competitive grants totalling $36 million
- sign the Yabang Gumba-Gu agreement
- develop a Community Wellbeing Strategy

It's my pleasure to share with you our highlights and challenges over the past 4 years as we worked to deliver on our community's priorities. I hope it makes a difference in the lives of our community and provides a platform for us to build our future together.

Ryan Palmer
Mayor of Port Stephens

Ryan Palmer

Message from the General Manager

We should be proud of what we have achieved over the past 4 years. Together with our community, our elected Council, highly engaged workforce, dedicated volunteers and strong relationships with our key partners, we have continued to deliver for Port Stephens.

I am extremely grateful to our Mayor and Councillors for working cooperatively with our management team over the term and our employees for getting on with the job particularly in the wake of the challenges we have experienced over the past year — continuing to come to work each day during the COVID-19 pandemic and the natural disaster in March 2021 which caused significant infrastructure damage across our region.

An unprecedented amount of rain having widespread impacts on our community, infrastructure and bottom line – causing delays in major projects and redirecting our crews and funds to repair infrastructure. With the total repair bill estimated at $7 million, we're firmly focused on fixing our roads.

All the while, our employees have adapted and continued to think of alternate ways to deliver services, connect and act as a key response agency for our community despite the challenges we have faced.

We've continued to carefully manage our resources amidst COVID-19 and following the natural disaster – despite the loss of airport dividends, reduced income and ongoing cost increases. Implementing a range of measures to ensure our financial and operational sustainability, which has enabled us to continue our services in the areas most valued by our community.

Through our service review program and commitment to Business Excellence, we have been able to continue to improve our efficiency and effectiveness. We don't keep just doing things the same way — every 4 years, we conduct a thorough review of our processes and have a strong culture of 'delivering services valued by our community in the best way'.

We are firmly focused on reviewing how we are meeting our community's 4 focus areas. We keep track of our progress by maintaining a scorecard (refer to page 21 for more) of our key results: service delivery, community satisfaction, employee engagement, governance, risk management, financial sustainability and infrastructure backlog.

Understandably, in the aftermath of the natural disaster and impacts of COVID-19, we weren't surprised when our Community Satisfaction score dropped and our infrastructure backlog gap widened. However, over the term, we have made a difference by delivering our largest ever capital works program, with $91 million of infrastructure and committing to focus on what matters most to our community.

Despite living in a global pandemic we have turned our financial situation around from a projected underlying deficit of $4.4M to a small underlying surplus at the end of June 2021.

In 2021, we have also achieved our highest ever employee engagement score all while ensuring our governance and risk frameworks were in check.

I am proud of what we have achieved together and I look forward to the next chapter in making a difference in our community's lives.

Wayne Wallis
General Manager of Port Stephens Council

Wayne Wallis

Our community advocacy priorities

Council cannot deliver on all the community priorities alone. We advocate to other levels of government to deliver and support for many aspects. Our focus over the term has been:

Advocacy continued

Project underway

Funding secured

Better connections

Sought firm commitment and funding for the extension of M1, upgrades for Cabbage Tree Road and Nelson Bay Road, sealing of unsealed roads and pathway connections across Port Stephens. A total of $3 million has been secured from the NSW Government Public Space Legacy fund.

Birubi Information Centre

We secured **$5.4 million** from the NSW Government for a purpose built tourism facility at Anna Bay. The centre will provide an improved visitor experience and ease congestion on the Birubi headland. Construction is scheduled for 2022

Connecting our community

Advocated to improve high-speed internet connectivity and addressing telecommunications 'black spots' throughout the Port Stephens area, particularly around the Williamtown aerospace precinct.

Expansion of Newcastle Airport

Runway upgrades to accommodate long-range international flights, terminal expansion and development of Hunter Defence Aerospace Zone. Government funding of **$66 million** has been announced for the runway upgrades.

Foreshore revitalisation

Funding to implement foreshore revitalisation works that seek to maximise the social and economic value of our foreshore areas through improving facilities to cater for visitors, tourism businesses and residents. Stage 1 of the Coastal Management Program has been completed, with Stage 2 final report received. Council will now apply for grant funding for stage 3 and 4 of this program.

Future-proofing Local Government

Indexing Federal Assistance Grants to future proof funding for local government. We have continued advocacy and maintained existing funding levels.

Innovation hub

In partnership with local industry associations, Council advocated for improved education opportunities in Port Stephens. Seeking a commitment to facilitate discussions with tertiary institutions regarding creation of a regional innovation hub in the local government area. Funding of **$7 million** was announced by the NSW State Government for a new Connected Learning Centre (CLC) TAFE campus in Salamander Bay.

Kings Hill urban development

Sought commitment to assist the Council and landowners to implement the Kings Hill urban release area, delivering approximately 4,000 dwellings.

Responding to PFAS

Continuing to engage with the Department of Defence around its ongoing PFAS contamination remediation program and liaise with relevant agencies, community groups and residents as appropriate.

Progressing the Williamtown Special Activation Precinct (SAP)

Advocated for the development of a masterplan for the Williamtown SAP. Progress planning for and funding of the establishment of a SAP at Williamtown. An allocation has been secured for the project from the State Government Snowy Hydro fund.

Sports and recreation infrastructure

Sought funding support for a high class, multi-functional sports complex that will cater for local, regional and national sporting organisations and events. **$2.4 million** from the NSW Government and over **$800K** from the Federal Government have been secured for sport and recreation infrastructure projects such as Tomaree and King Park Regional sports complex.

Town centre revitalisation

Sought support and funding opportunities to complement the Council's financial commitment to invest in and rejuvenate the town centres of Port Stephens. Over **$730,000** from the State government provided for trial temporary improvements to Nelson Bay and Raymond Terrace

4 years at a glance

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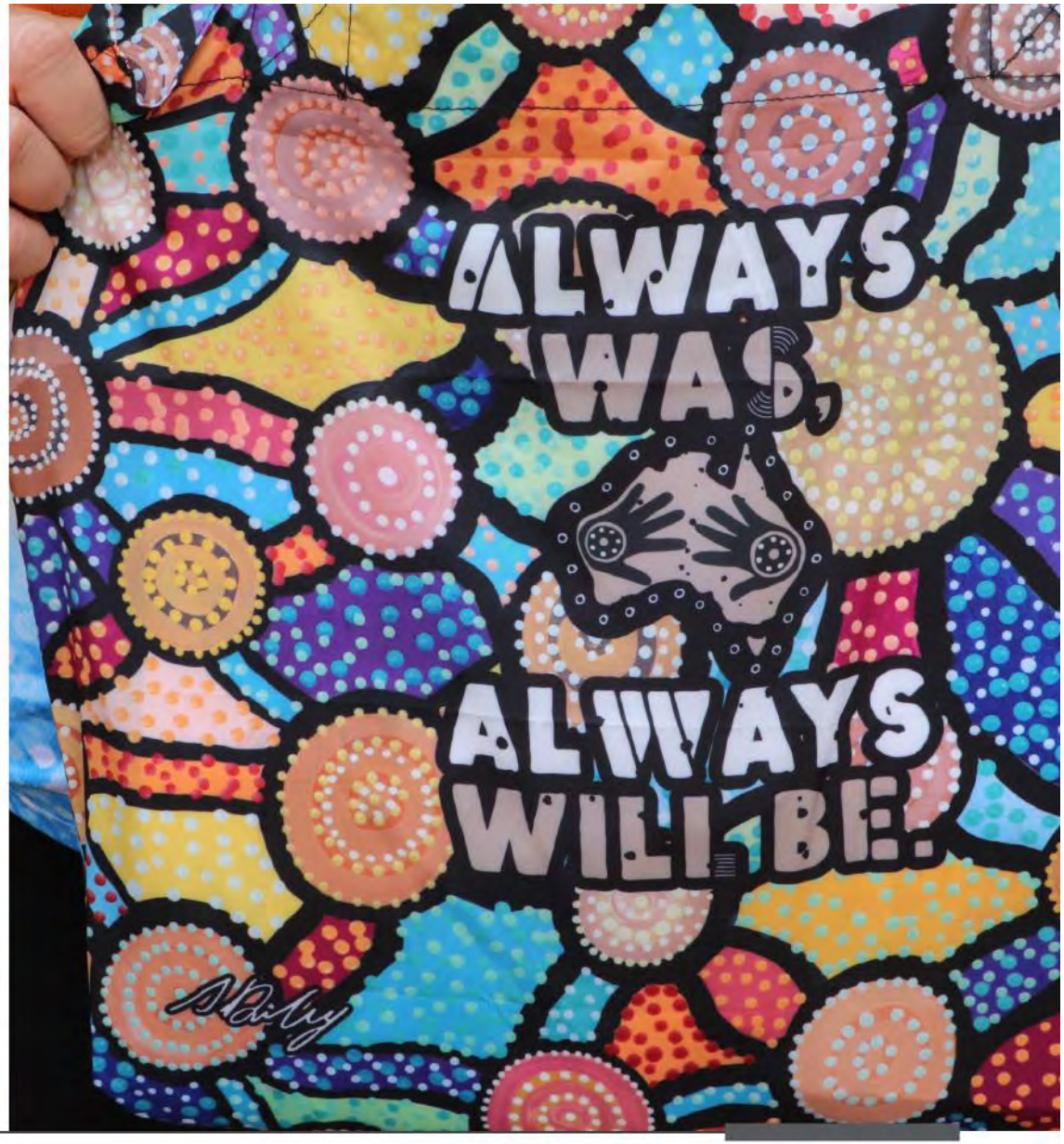

ALWAYS
WAS,
ALWAYS
WILL BE.

Our highlights
Four years at a glance

Our Community

YABANG GUMBA-GU
historic agreement signed

FIRST EVER LIVEABILITY INDEX
to plan for our community's wellbeing

77%
average community satisfaction*

DOUBLING CHILDCARE PLACES
to 83,550 at our award-winning Thrive Kids*

RECOGNISING COMMUNITY CONTRIBUTION
through annual awards

$528 K IN COMMUNITY GRANTS*
through our Community Support, Mayoral and Ward funds

KEEPING CONNECTED DURING COVID
through our Community Connections Program including Have A Yarn

Our Environment

AWARD
Roadside Environmental Management

22,474 T* OF RECYCLING
collected

1,840 HA*
bushland regeneration

42,210 TREES*
planted

REDUCING ELECTRICITY CONSUMPTION
by installing solar panels on Council buildings.

Our Place

$91 M*
in public infrastructure delivered

$44 M*
spent on roads

$6 M*
spent on open spaces

$6 M*
spent on footpaths and cycleways to construct 5.8km

$2.4 B*
in visitor expenditure

AWARD
Making housing more affordable

42 DAYS*
average pre-gateway assessment time (from 504 days^)

9,338 DEVELOPMENT APPLICATIONS*
determined with median turnaround reduced to 26 days

Our Council

DECREASE
in legal cases

$36 M*
in competitive grants received

AWARD
Excellence in Work Health and Safety Culture

299*
new citizens welcomed

BALANCING THE BUDGET* through careful cash flow management and strong non-rate revenue

NEW DISASTER DASHBOARD
to manage emergencies including COVID-19

81%#
EMPLOYEE ENGAGEMENT
a record high

NEW RISK AND ENVIRONMENTAL
management systems implemented

*2020–21, *2017-18 to 2020-21, ^2017-2018

18 Port Stephens Council End of Term Report 2017 to 2021

Highlights – Projects

1	East Seaham Road construction
2	Robinson Reserve rehabilitation
3	King Park and Tomaree Sports Complex Master Plans
4	Planning Acceleration Program
5	Koala Sanctuary construction and opening
6	Place activation and business support (Ranging from Incredible Place Strategy to Business Support Fund)
7	Lagoons Estate drainage
8	Smart parking
9	Medowie Social
10	Strategic Planning Framework (LSPS, Live Port Stephens)
11	Newline Road landfill capping
12	Town centre planning and improvements
13	Nelson Bay Next

Read more in our annual reports

Our challenges

As with all things in life, our journey has not been without a number of challenges along the way. There have been 7 natural disasters - 3 fires, 2 storms, 1 flood and a pandemic. Whilst challenging, these events have also connected us closer as a community together, given us further insight about what is most important and enhanced our approach to disaster management.

NATURAL DISASTERS

The drought, bush fires and rain events have all had wide-reaching effects on our community, environment and local infrastructure. We've reached out to support NSW farmers and continuing to do our best to repair our roads and infrastructure from these disastrous events. Read more on page 49.

COVID

One of our greatest challenges has been managing the social and economic impacts of COVID-19 on our community and our Council. We anticipate the effects of COVID-19 will be felt for many years to come. To help and unite our community Council adopted our Restart Port Stephens Plan.

DELIVERING MORE PROJECTS WITH LIMITED FUNDING

Following Council's unsuccessful application for a Special Rate Variation in 2019 Council endorsed a number of projects called PSC 2020 that were important to the community. Read more on page 40.

Our scorecard

Our 7 key result measures underpin everything we do at Port Stephens Council.

Read more about our result measures and integrated plans on our website - www.portstephens.nsw.gov.au

1. Service Delivery

Target: >95% Integrated Plans delivered on time

Achievement: 98% (June 2021)

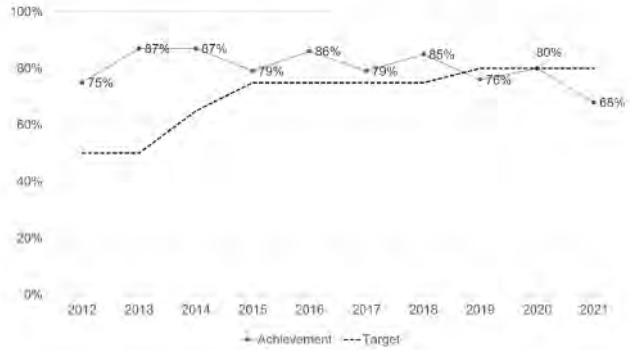
2. Community Satisfaction

Target: >80%

Achievement: 68% (June 2021)

For more detail read our Community Satisfaction Survey report on:

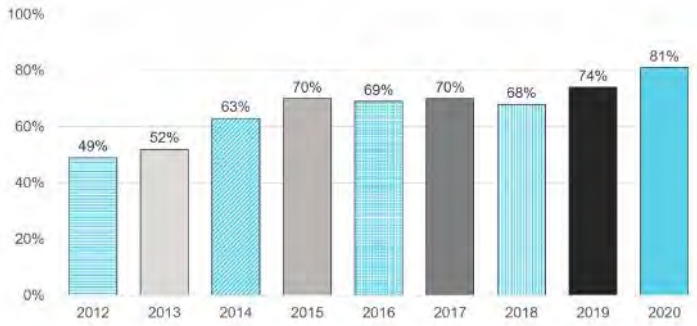
portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/community-satisfaction-survey



3. Employee engagement

Target: >70%

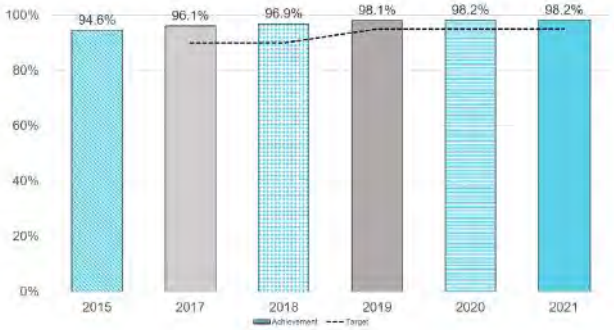
Achievement: 81% (October 2020)



4. Governance

Target: >95% governance health check

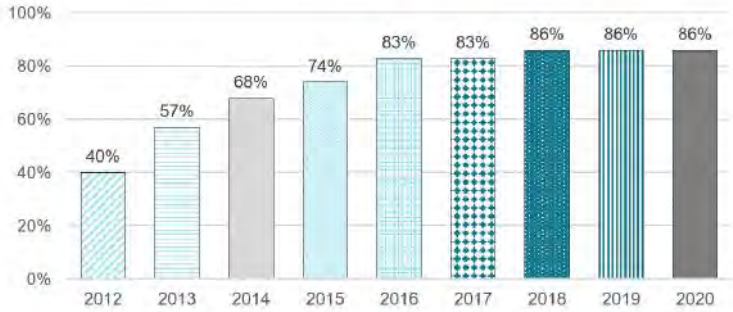
Achievement: 98.24% (June 2021)



5. Risk Management

Target: >80% risk management maturity score

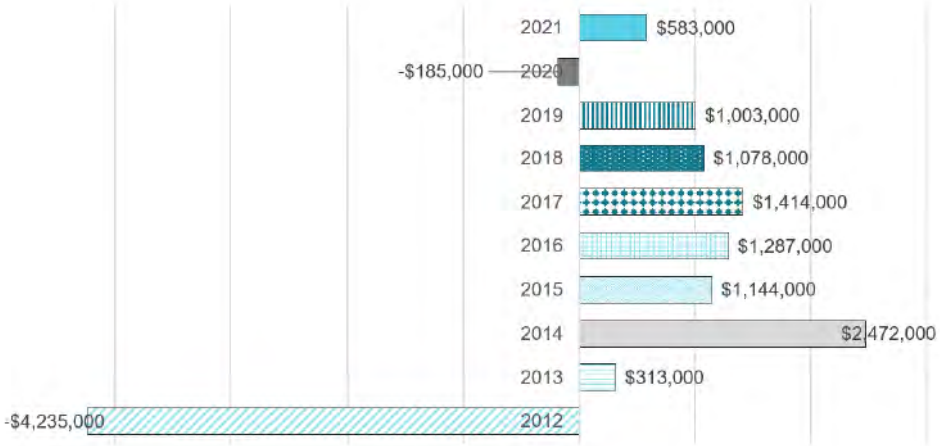
Achievement: 80% (October 2020)



6. Financial sustainability

Target: underlying surplus

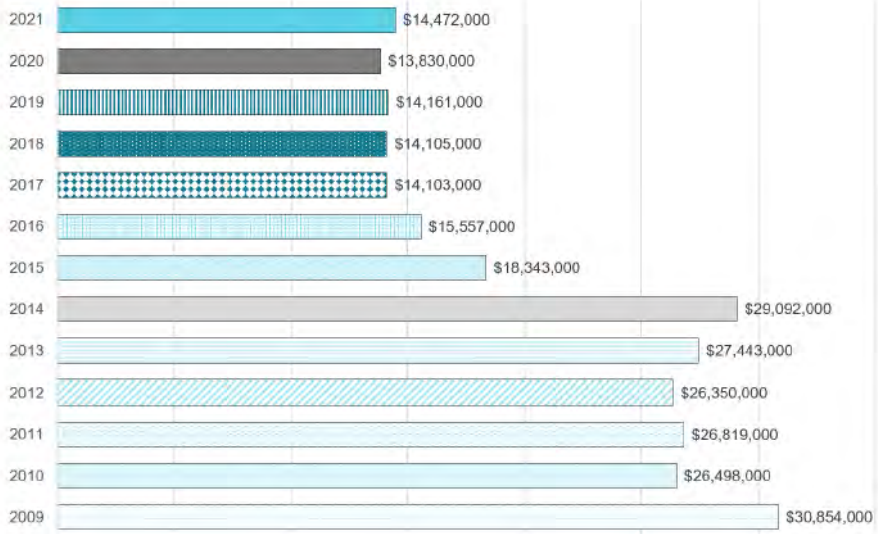
Achievement: $582,807 (June 2021)



7. Infrastructure backlog

Target: reduction in backlog

Achievement: $14.47 million gap (June 2021)



Awards and recognition

Council awards

At Port Stephens Council, we believe in doing the right things in the best possible way. We are proud of our culture of excellence and the recognition we have received for over **30 awards received** during this term - doing our best for our community and striving to make a difference. The awards span each of our focus areas from "Making housing more affordable" (Place) to "Winning our war on weeds" (Environment), "Thrive Kids expansion" (Community) to "Excellence in Workplace Health and Safety Culture" (Council).

For more detail read our Annual Reports on:
portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/annual-reports

Community awards

Over the term, we formally recognised outstanding contributions made by both individuals and groups to our community fabric, environment and culture. These awards are presented on Australia Day with winners recognised in the following categories. We applaud these individuals and groups who together with our council, partners and volunteers go a long way to making a difference in our community.

Read more on:
portstephens.nsw.gov.au/live/community/community-awards

Community Awards	2018	2019	2020
Freeman of Port Stephens		Lorraine Nicol	
Citizen of the Year	Ben Niland	Alicia Cameron	John Chambers
Young Citizen of the Year	Amy Dufour	Tasmyn Fellows	Daniel Howard
Port Stephens Medal	Hunter Region Botanic Gardens Michael Murray Lee Anlezark	Mambo Wanda Wetlands Reserves and Landcare Committee Kenyon Windeyer Donald 'Steve' Jones	Medowie Girl Guides Dennis Peters John de Ridder Andrew Smith
Sports person of the Year	Graeme Chamberlain	Dion Cooper	Maya Stewart
Cultural Endeavour	Michael Francis	Rhys Fabris	Kay Newton and Peter Robinson
Environmental Citizen of the Year		Nigel Waters	Lia and Ryan Pereira

Engaging with community

Community Engagement Strategy

We are committed to listening to our community and ensuring they are actively involved in shaping the future of Port Stephens through community engagement. Over the term, we have further refined our approach which is reflected in our Community Engagement Strategy endorsed by Council in November 2019. This strategy recognises that community information sharing, consultation and participation are vital for effective decision making. It includes a Community Participation Plan that sets out how we consult with our community on planning documents and development applications.

You can read more about our Community Engagement Strategy:
portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/community-engagement-strategy

We have a dedicated online community engagement platform: haveyoursay.portstephens.nsw.gov.au where community members can also learn and participate in current projects and programs.

Community Satisfaction Survey

We check in annually with our community to help plan for the future, find out how we are performing in our service delivery and what we can do to improve. Understandably it's a key driver for Council and one of our key result measures. You can read more about the results of our community satisfaction survey on our website.

portstephens.nsw.gov.au/your-council/policies-forms-publications/publications-and-information/community-satisfaction-survey

Liveability Index 2020

Another dimension of our community engagement has been via a place census, conducted in September 2020 to better understand what our community values most and how they rate their neighbourhoods. This is different from the annual community satisfaction survey as it looks more broadly at community wellbeing, liveability and where the community is now to plan for the future. Read more on page 26.

In September 2020 we teamed up with Place Score to complete our first ever place census. Over 3,700 people told us what they value (CF – Care Factor) and how they rate their neighbourhood (PX – Place Experience).

The results allow us to focus on the things most valuable to our community and help us make decisions that will have the biggest impact on the community's wellbeing.

1,717
rated a neighbourhood

3,700
people shared their values

3,738
people shared ideas for change

LIVEABILITY

what a place is like to live in - a liveable place is a healthy place

Port Stephens	National Average
66 /100	67 /100

In Port Stephens our ideal neighbourhood has:

- Locally owned and operated businesses that provide the community with their daily needs
- A well maintained and managed public domain, footpaths, parks, roads and other public assets
- Easy to access shared community amenities, like the local shops, on foot or bike

Liveability is influenced by safety, the natural environment, infrastructure, accessibility, things to do, attractiveness and inclusivity.

OUR TOP COMMUNITY VALUES

Things most important to us in our ideal neighbourhood:

- Elements of natural environment
- General condition of public open space
- Sense of neighbourhood safety
- Protection of the natural environment
- Locally owned and operated businesses
- Local businesses that provide for daily needs
- Walking/jogging/bike paths that connect housing to communal amenity

OUR LIVEABILITY PRIORITIES

Things important to our community and rated as under-performing. We must continue to work to improve these.

- Access and safety of walking, cycling and/or public transport
- Protection of the natural environment
- Sense of neighbourhood safety
- Walking/jogging/bike paths that connect housing to communal amenity
- General condition of public open space

OUR STRENGTHS

Things our community cares about and rated as performing well. We must continue to celebrate and protect these.

- Sense of personal safety
- Elements of natural environment
- Local businesses that provide for daily needs
- Access to neighbourhood amenities
- Locally owned and operated businesses

The results of the Liveability Index highlighted a number of things important to the community that were under-performing. Some of these included walking paths/cycleways, condition of public open space and protection of the natural environment. Over the period, Council has undertaken a number of projects and activities in these areas as outlined in this report, with the place census providing a further platform for us to build on as we review the priorities for the next Community Strategic Plan. Read more on page 30 onwards.

Our progress

SECTION 4

29 | Overview
30 | Our Community
36 | Our Place
52 | Our Environment
60 | Our Council

Overview - our progress | making a difference

How have we contributed to the Community Strategic Plan?

To illustrate our contributions in making a difference to our community and the Community Strategic Plan we've provided our progress and community indicators under each key direction of Our Community, Our Place, Our Environment and Our Council.

- Community indicators to measure performance and effectiveness of long term strategies
- Challenges faced
- Port Stephens Council Liveability Index 2020 priorities

Our Community

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

Our Place

Port Stephens is a liveable place supporting local economic growth.

Our Environment

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

Our Council

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

Our community

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

C1 Goal:

Community diversity

Our community accesses a range of services that support diverse community needs.

C2 Goal:

Recognised traditions and lifestyle

Our community supports the richness of its heritage and culture.

C3 Goal:

Community partnerships

Our community works with Council to foster creative and active communities.

What we said we will do?

Provide facilities and services for children.

Provide support for young people to build their confidence and contribution to the community.

Encourage Port Stephens to be inclusive and access friendly.

Support needs of an ageing population.

Support volunteers to deliver appropriate community services.

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.

Assist community service providers to effectively deliver services in the region.

Support local community events that highlight and foster the creative, diverse nature of our community.

Provide recreational and leisure facilities.

Financially support creative and active communities.

Liveability priorities

Our community values **things to do** in their neighbourhoods and a **range of community activities**, for example, volunteering, gardening, art, community organised events and so on.

Ideal neighbourhoods should offer **sense of welcome** and have **access to shared community and commercial assets** such as library, sports facilities or gyms and so on.

C1 Community diversity | making a difference 2017 to 2021

Helping local kids thrive

We have proudly been supporting local families to help children thrive for more than 40 years by offering quality early education and childcare programs. Our trusted childcare service offers more than 75,000 childcare places for children attending OOSH (before and after school care and vacation care) in Port Stephens and the Hunter Region doubling the places filled since 2017. Additionally, Family Day Care provided over 7,000 childcare places across the Port Stephens, Hunter and Central Coast regions. We have:

Expanded - OOSH services to 8 locations and mobile preschool to 5 days a week.

Re-branded - our services so that all of our childcare options come under the same banner 'Thrive Kids'.

Provided vital service - to support working families throughout COVID.

Due to the impacts of COVID-19 we have faced a shortage of Educators - 42 Family Day Care Educators in 2020-2021 compared to 70 in 2018 -2019 and difficulty in recruiting Educators in OOSH.

Supporting our youth - keeping our youth connected

Youth activities, programs and services we've provided that make a difference include:

- Youth Week
- Youth Advisory Panel
- Pathways and Possibilities project
- Youth Strategy 2020 to 2025
- Mayoral Academic Scholarships.

More opportunities will be available through:

Tomaree Sports Complex - with funding from the NSW Government we plan to construct a state-of-the-art multipurpose building for youth services in conjunction with the local sporting community.

New TAFE campus in Salamander Bay – following Council approval of a DA in December 2020.

Highlights:

83,550 TOTAL CHILDCARE PLACES

THRIVE KIDS CHILDCARE RE-BRANDED

Making our place more inclusive

Accessibility and inclusivity have been a key priority of our Delivery Program 2018-2021, with a range of integrated plans, programs and projects occurring across the local government area, including:

- **Disability Inclusion Action Plan (DIAP)** - adopted in October 2017, we have undertaken 22 out of 24 actions to make Port Stephens more inclusive and accessible. Some of these projects include a new all-abilities playground at Bernie Thompson Reserve, a new playground with inclusive play elements at Bagnalls Beach East, floating wheelchairs at our beaches, making access improvements when upgrading our amenities and making our communications user friendly.
- **Volunteers** - supporting our 590 plus volunteers to do the great job they do.

Highlights:

22 / 24 ACTIONS COMPLETED OR MET ANNUAL TARGET

Disability Inclusion Action Plan

C2 Recognised traditions and lifestyles | making a difference 2017 to 2021

Supporting our rich heritage and culture

We signed a unique agreement in 2018 called **Yabang Gumba-Gu: the Road to Tomorrow**.

This agreement is our partnership with Worimi Local Aboriginal Land Council and Karuah Local Aboriginal Land Council to improve the lives and outcomes for Worimi and other Aboriginal people.

The agreement is managed through our Aboriginal Strategic Committee and evolves as actions are completed and new ideas are created.

In partnership with Worimi Local Aboriginal Land Council and funded by NSW Government we installed new interpretive signs at Soldiers Point and Birubi Point Aboriginal Places. We also produced and released 3 Worimi dreaming videos featuring Uncle Graeme Russell. The videos are on repeat at the digital sign at Birubi Point Surf Life Saving Club viewing platform.

Connecting with our community

We believe our libraries are a vital part of our social infrastructure in making a difference to our community, as can be seen from the very high level of user satisfaction with this service, refer to page 67.

Our library services go above and beyond what traditionally libraries may have. They provide literacy support for young children, bridge the digital divide, serve as inclusive community spaces where everyone is welcome and connect people from all walks of life.

Library Services have made a difference to our community through a number of innovations during the past 4 years. Some of these include:

- implementing a **Seed Library**
- an annual '**Food for Fines**' amnesty
- **Story time** and **Read and Rhyme** sessions
- **Call & collect** and homebound delivery throughout the COVID-19 pandemic.

Highlights:

690,000 + LIBRARY VISITS

CASE STUDY

Bringing our commun-knitty together

In 2020 during COVID, we were fighting social isolation with… knitting needles! 'The pandemic impacted our way of life, connections and social networks, creating a sense of isolation and loneliness for many,' said our Community Development and Engagement Coordinator, Amber Herrmann.

During the lockdown, we asked our community to pick up their knitting needles, dial up a friend and Have a Yarn.

'This was a fun, inclusive and creative project that gave people a feeling of contributing to the broader community, a sense of pride and connection to their local area while maintaining a physical distance,' Amber said.

We received over 600 knitted and crocheted pieces — from simple squares to koalas, flowers and hearts. 'I wanted to give back to the community I grew up in,' remarked a 92-year old participant.

'The best thing was picking up my knitting needles for the first time in 50 years and sharing the experience with my friends, family and partner,' said another.

The finished designs were installed across public spaces in Port Stephens adding vibrancy and fun to our streets. The project was funded by the NSW Department of Communities and Justice to provide social inclusion for seniors — a key priority of the NSW Ageing Strategy.

Read more here:

portstephens.nsw.gov.au/your-council/news/commun-knity-connects-post-lockdown-by-having-a-yarn

Our newest citizens, 2020

C3 Community Partnerships | making a difference 2017 to 2021

Diversity of our community

We have been supporting our diverse community needs through working with other levels of government, agencies and partners. Council and staff participate in a range of Committees, Panels and groups from the Local Traffic Committee to the Williamtown Consultative Committee to discuss pertinent issues with relevant stakeholders – refer to our Annual Reports for a full list of all Committees.

Council also has a Community Directory on its website with a full guide to non-profit, local groups and services in our region for our community.

We annually celebrate diversity and welcome new citizens at our citizenship awards.

Supporting active communities

With 26 beaches and a port more than twice Sydney Harbour, it's no wonder Port Stephens has a strong connection with the water, with **almost 3 million** people visiting our beaches during the past 4 years. We've been making a difference to our community by rescuing and providing first aid to **over 1000 people at our beaches**. In addition to our normal surveillance in 2020 we signed up Surf Life Saving to operate at One Mile Beach during the winter season - meaning for 2 years we have patrols that will be **looking after our swimmers all year round.**

We've also been working to support our active communities through our annual grant funding program running an altered program from 2020 to 2021, to **support our community during the COVID-19 pandemic**.

The 2020-2021 program was designed to support a range of activities and contributed to some amazing initiatives such as the Tomaree Museum Pop up Shop and Summer on Magnus Street.

Highlights:

299 New Citizens welcomed

$528,778 Community grants

(refer page 68)

Our place

Port Stephens is a liveable place supporting local economic growth

P1 Goal:

Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

P2 Goal:

Goal: Infrastructure and Facilities

Our community's infrastructure and facilities are safe, convenient, reliable and environmentally sustainable.

P3 Goal:

Goal:

Thriving and safe place to live

Our community supports a healthy, happy and safe place.

What we said we will do?

Support sustainable business development in Port Stephens.

Support and deliver services that attract sustainable visitation to Port Stephens.

Plan civil and community infrastructure to support the community.

Build Council's civil and community infrastructure to support the community.

Maintain Council's civil and community infrastructure to support the community.

Deliver road infrastructure services on behalf of Roads and Maritime services.

Provide land use plans, tools and advice that sustainably support the community.

Enhance public safety, health and liveability through use of Council's regulatory controls and services.

Support the amenity and identity of Port Stephens.

Support emergency services and protect Council assets from bushfires and extreme weather events.

Liveability priorities

Our community values neighbourhoods with **locally owned and operated businesses** that provide the community with their daily needs.

Neighbourhoods should have easy to access **shared community amenities** like local shops **within walking or cycling distance**.

Neighbourhoods should have **well maintained and managed public domain, footpaths, parks, roads** and other public assets.

P1 Strong economy, vibrant local businesses, active investment | making a difference 2017 to 2021

Sustainable business environment

Supporting and growing local business and our economy has and continues to be a priority for our Council and the community, as highlighted in the 2020 Liveability Index.

A few of the initiatives we have undertaken are:

- **'Easy To Do Business'** program - assisting businesses in Port Stephens to reduce red tape and make business growth easier
- **Economic Development and Tourism Strategy 2019 to 2021** – adopted in 2019 to provide a framework for creating a vibrant place that supports local economic growth
- **Port Stephens Investment Prospectus and Investor Concierge Service** – an integrated approach to attract and support investment
- **Visitor Economy Start House program** – a innovative education and training program designed to increase and expand business opportunities within the visitor economy
- **Small Business Support Service** – a helpline and dedicated web-page making a difference in providing businesses with up-to-date information and support amidst COVID.

Highlights:

$0.5 billion +
Visitor spend per annum

4900
Businesses

$32 million
Economic benefit from major events over past 4 years

Creating active and vibrant spaces

Place activation is a deliberate effort to bring public space to life.

We have seen many vibrant examples, big and small, of place activation across our local government area from:

- **Illuminate Raymond Terrace** - attracting 7000 visitors to celebrate the new facilities in Boomerang Park, Raymond Terrace
- **Fern Bay Fiesta** - a family-friendly event to support our community to have a say on their suburb's future
- **7 Day – Makeovers** - Anna Bay and Medowie
- **Street Eats and Beat music event** - as part of the Robinson Reserve development
- **It's On** - new seies of activities in Nelson Bay.

Over the term, we have attracted a wide variety of community events ranging from the **Port Stephens Seaside Scavenge** to the **Port Stephens Pro**, **Nations of Origin** to the **Tomaree Arts Festival**.

In 2019, in partnership with Destination Port Stephens we began to refresh our marketing pitch. In June 2020 we launched our new destination brand – **Incredible by Nature**.

Incredible by Nature perfectly captures what we all love about Port Stephens - **the amazing natural beauty and the personality of the people who call PS home.**

In September 2020, we also **opened the Koala Sanctuary**. Making a difference from an economic and environmental perspective:

- playing a vital role in caring for sick, injured and orphaned koalas
- research and education
- offering unique tourist accommodation

CASE STUDY

Better places. Better spaces. Power to the people.

7- Day Makeover for Anna Bay and Medowie

They say many hands make light work — that's certainly true for Anna Bay and Medowie's town centres. After the success at Anna Bay in December 2019, the community and Council joined together again in May 2021 to break ground again to makeover the town of Medowie.

The 7-Day Makeover program empowers communities to improve their town centres to create places that encourage people to gather, increase foot traffic, support business growth and improve liveability and wellbeing. That's a key part of our Council's commitment to creating a strong economy, vibrant communities and active investment.

Hundreds of community volunteers, Councillors and Council staff worked day and night to rejuvenate Anna Bay's town centre as part of the 7 Day Makeover in December 2019.

Medowie was also a record-breaker with the most volunteers in a single day at 201 and a new record for the highest number of sponsors of a 7 Day Makeover town.

Another marvellous example of Council, locals and partners working together to make a difference to our community.

See the results of the makeovers on YouTube:

youtube.com/watch?reload=9&v=_k9jAaxXCR8

youtube.com/watch?reload=9&v=v1R736XPmyU

Our progress 39

P2 Infrastructure and facilities | making a difference 2017 to 2021

Investing (Building and Maintaining) in our infrastructure backbone

One of our **key resources, alongside our employees and funding, is safe and reliable infrastructure**.

Following an unsuccessful application for a special rate variation in 2018-2019, where IPART deemed us as financially fit and unable to raise a special rate, we set about **making the projects that make a difference** to the community in other ways.

We went back to the community in July 2019 with a shortlist of projects that could be delivered without increasing rates. Many large and small projects have been completed in this extraordinary program **Port Stephens 2020 Projects** (PSC 2020 Projects) along with continuing to maintain our existing portfolio of assets.

Over the past 4 years, we have spent in excess of **$91 million on Public Infrastructure**, with these last 2 years our biggest capital works programs ever with PSC 2020 projects that include:

- **$6 million** spent on a number of **footpaths and cycleways** including along Anna Bay to Boat Harbour, Gan Gan Road, Anna Bay, Waropara Road, Medowie, Medowie Road (Ferodale Rd to South Street) Medowie, Boomerang Park, Raymond Terrace, Seaham Park path, Avenue of the Allies, Tanilba Bay and many more.
- major **upgrades to our parks, reserves and community facilities** as outlined below.

Highlights:

95%

Overall public asset condition rating

Apex Park
amphitheatre

Fern Bay
Community centre

Lionel Morton Oval, Karuah
new multipurpose amenities building

Robinson Reserve
new skate park, gym equipment, accessible amenities, car park and signage

Caswell Reserve, Mallabula
new playground, accessible public amenities, pathways and car park

Bagnalls Beach East
new playground

Boomerang Park, Raymond Terrace
new skate park, croquet court, accessible playground and fitness equipment

Stuart Park, Hinton
amenities/clubhouse

We know that there is more work to do as extreme temperature fluctuations, severe weather events have impacted the surface and appearance of our roads.

With over 720 kilometres of local and regional roads to maintain, we have made significant progress over the period delivering some major road upgrade projects.

Over the 4 years, we have **spent $44m on road projects**. Some of the **key road projects completed** include:

- Stage 1 Tomaree Road reconstruction,
- Lemon Tree Passage Road Salt Ash and Tanilba Bay,
- Vardon Road Fern Bay,
- Church Street, Nelson Bay,
- Tomaree Road, Shoal Bay (stage 1 and 2),
- Swan Bay Road,
- Holdom Road Karuah,
- Italia Road East Seaham
- East Seaham Road, East Seaham.

Highlights:

INFRASTRUCTURE BACKLOG

$29 million (2014) ▼ $14.47 million (2021)

Did you know Council is responsible for maintaining -

- 724 km local and regional roads
- 214 km of pathways
- 19 wharfs
- 329 hectares of natural bushland
- 298 hectares of watercourses
- 24 multipurpose community facilities
- 18 single use community buildings
- 46 public amenity buildings
- 5 depots
- 15 emergency services buildings
- 4 library branches
- 1 mobile library
- 45 sports grounds
- 57 playgrounds
- 9 skate parks
- 51 tennis courts
- 28 netball courts
- 4 fenced off-leash dog parks
- 3 aquatic centres
- 2 surf clubs
- 19 boat ramps
- 20 sea walls
- 122 km of open drains
- 319 km of drain pipes

This is not a full list.

BIRUBI POINT ABORIGINAL PLACE
Robinson Reserve
Worimi Barray – WORIMI COUNTRY
1

1

Shoal Bay Foreshore
Worimi Barray – Worimi Country
Toilets
2 min
BBQ facilities
1 min
Tomaree Headland walk
12 min to starting point
2

1 Robinson Reserve
2 Shoal Bay Foreshore
3 Shoal Bay Road - before
4 Shoal Bay Road - after
5 East Seaham Road - before
6 East Seaham Road - after

P3 Thriving and safe place to live | making a difference 2017 to 2021

Making Port Stephens a better place

As outlined in the 2020 Liveability Index, our community highly values neighbourhood amenities, the overall visual character of the neighbourhood and sense of neighbourhood safety, as well as personal safety.

Making a difference to amenity and identity across Port Stephens has been a key priority of Council as outlined in the Delivery Program 2018 -2021. We have prepared **Public Domain Plans for both Nelson Bay and Raymond Terrace** to activate both these town centres.

To provide housing choice, supply and affordability, we prepared a 20-year vision for land use in Port Stephens, our **Local Strategic Planning Statement (LSPS)** and planned for the future housing needs of our area in our **Local Housing Strategy: Live Port Stephens**. These 2 key planning documents contribute to the long term objectives of the Community Strategic Plan by supporting housing diversity and more affordable housing choices across Port Stephens. By investing in establishing the Liveability Index we will be able to measure over time if we are making a difference in these and many other aspects important to the community.

Improving housing affordability is a key focus of the Local Housing Strategy we prepared in 2020.

2017 Award - Premier's award for Making Housing more Affordable for Development Applications Turnaround times.

Read the LSPS and Live Port Stephens:
portstephens.nsw.gov.au/grow/port-stephens-planning-strategies/port-stephens-local-strategic-planning-statement

The challenge for Port Stephens is to provide a sustainable supply of affordable housing choices at the right price and in the right locations. Many factors can influence property and rental prices, however there are opportunities for Council to plan for more affordable housing by reducing housing costs. This can be done through the local planning system and in partnership with developers, including community housing providers. We have made significant process improvements to lower costs for new homeowners by providing accelerated assessments and removing unnecessary requirements.

Port Stephens has been identified by the government as a pivotal location for economic growth. With **increasing private investment and substantial financial commitments** by state and federal government for projects ranging from infrastructure and residential development to defence, aviation, innovation and education; the future growth of the region is assured.

Council has invested significant resources over 20 years into supporting the development of a Defence and Airport Related Employment Zone —including the Williamtown Aerospace Centre. From 2014 to 2015 Council worked closely with the Department of Premier and Cabinet to determine the site's potential.

In May 2020 the State Government announced the establishment of the fifth **Special Activation Precinct (SAP)** in NSW to be established in Williamtown. The declaration of the SAP realises the alignment of the planning and investment necessary to realise Port Stephens Council's long term vision for the Williamtown area.

After more than 20 years of our Council advocating for a defence and airport employment zone, we are proud to have achieved this outcome for our community.

Planning Acceleration Program

We continue to make a difference to our community by reducing the net median development application (DA) turnaround (26 days) compared with the Premier's target of 40 days and reducing our planning proposal pre-gateway time from 504 days in 2017-2018 to 42 days in 2020-2021.

The community's satisfaction with new development has decreased over the period, requiring further investigation to establish the cause at a time when the capital investment from development applications is $235 million (2020-2021).

Highlights:

26 DAYS
Net median time for DA turnaround

42 DAYS
Average pre-gateway assessment time

CASE STUDY

Revamping Rezoning

In 2018, our Strategic Planning team began a 2-year project to 'revamp' the rezoning process, making our planning processes more efficient.

At the time there was an average processing times of over 2 years. Many rezonings were inconsistent with local and State strategies or lacked sufficient information to progress, meaning that land release had stalled in Port Stephens.

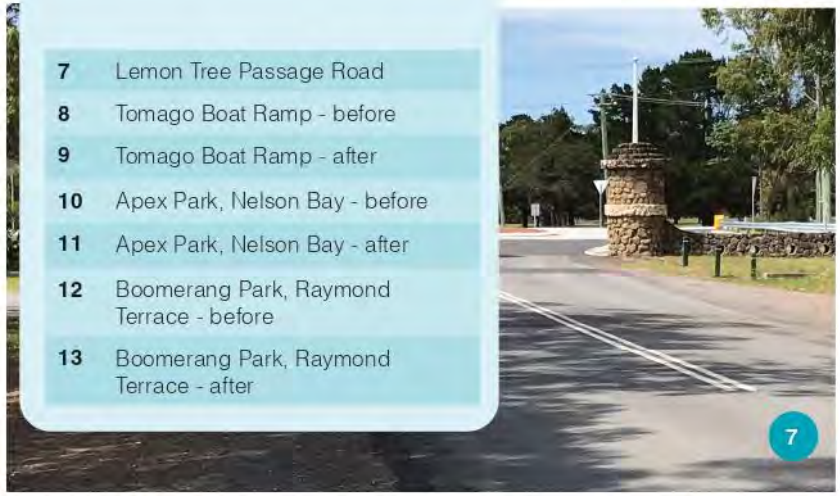
After a comprehensive review, our team developed a framework to better support decision-makers and made significant process changes to provide applicants with clearer guidance.

The changes have markedly **reduced the backlog of rezonings by 60%**, **fast-tracking delivery of land release in our growth areas**, and **increased transparency for applicants** and our community. Local assessment time-frames for rezonings are now some of the fastest in the State, with customer feedback overwhelmingly positive.

An efficient rezoning process helps us provide a sustainable supply of affordable housing choices for our community.

In 2021, the team was highly commended for the project by the Local Government Professionals Association.

7	Lemon Tree Passage Road
8	Tomago Boat Ramp - before
9	Tomago Boat Ramp - after
10	Apex Park, Nelson Bay - before
11	Apex Park, Nelson Bay - after
12	Boomerang Park, Raymond Terrace - before
13	Boomerang Park, Raymond Terrace - after



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Importance of safety and emergency support

It is important that our community feels safe. Various factors contribute to the community feeling safe in their neighbourhood, including road safety, level of crime, environmental factors, only some of which can be influenced by Council. Our 2020 Liveability Index highlighted that sense of personal safety is a strength and something we should protect, however a sense of neighbourhood safety is a priority to work on.

Port Stephens Council is committed to reducing the crime rate, re-offending and anti-social behaviour. We have and continue to work closely with Port Stephens Police. Ongoing actions and initiatives relating to safety are undertaken by Council include statutory enforcement, ranger surveillance (animal compliance, illegal dumping) and education programs. These include:

- ranger services - enforcement of legislation (acts, regulations, codes and policies) and effective animal control to ensure compliance with statutory and safety requirements
- incorporating safer by design – Crime Prevention Through Environmental Design strategies into planning processes
- memorandum of understanding with Police
- facilitating the Local Emergency Management Committee
- Inspections/investigations – of on-site sewer management systems, food premises, private swimming pools, illegal waste and a range of other measures – Read more in our Annual Reports available on Councils website.

On page 49, we reflect on the journey we have faced together with the community amongst natural disasters and a global pandemic. Extraordinary and extreme circumstances! Whilst remaining agile to these situations, we prepare for emergency situations and support emergency services by:

- implementing and maintaining the Port Stephens Emergency Management Plan
- maintaining asset protection zones and registered fire trails on Council owned and managed land in accordance with Council agreed service levels
- construction of a much needed new Rural Fire Service facilities at Fingal Bay and Karuah
- ensuring the Rural Fire Service and State Emergency Service buildings are maintained within agreed levels.

Highlights:

65% Community members feel safe in their neighbourhood (2021 Community Satisfaction Survey)

CASE STUDY

EMERGENCY SUPPORT

Our community has seen and been impacted **by 7 natural disasters (drought, floods, fires, storms and a worldwide pandemic)**. At times a number of these emergencies have overlapped, adding to the challenges, disruption and despair felt by our community. The term '**unprecedented**' has been coined and used regularly over the past 18 months.

As the level of government closest to our community, we know the important role Council plays during times of emergency.

When COVID began, we quickly found ourselves as the first point of call for our community members and businesses who didn't know where to turn. To respond we connected our community and businesses with the information and support they needed, created programs to promote connection with each other and planned for how we'd help our people reconnect when it was safe to do so.

Having the right information straight from the source is so important. This dashboard provides our community with localised emergency updates, preparedness advice and seasonal awareness of potential risks.

The Port Stephens Disaster Dashboard is an online warehouse of real-time, local emergency information supported by Resilience NSW Regional Disaster Preparedness Program and rolled out to 27 councils across the state. The dashboard contains:

- real-time information related to live emergencies
- information to help prepare for an emergency
- guidance on the assistance available to recover from a recent emergency.

This dashboard has been an invaluable resource, particularly when the community was faced with the natural disaster in March 2021. Our community grappled with record rainfall which resulted in flooding, landslips, road closures and damage to property and infrastructure across our local government area.

Keeping the community and media up to date with the latest information all the while working hard with local authorities including the SES, Police and emergency services to support and respond to our community – *this is how all together we make a difference*. There is more work to be done in the recovery phase, which we will continue to keep the community updated on over the coming months.

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FERN BAY
Community Centre
15

16

17

14	Fern Bay Community Hall - before
15	Fern Bay Community Hall - after
16	Fern Bay Sports Court - before
17	Fern Bay Sports Court - after
18	Lionel Morten Oval - before
19	Lionel Morten Oval - after

Our environment

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

E1 Goal: Ecosystem functions	E2 Goal: Environmental sustainability	E3 Goal: Environmental resilience
Our community has healthy and dynamic environmental systems that support biodiversity conservation.	Our community supports the richness community uses resources sustainably, efficiently and equitably.	Our community is resilient to environmental hazards and climate change.
What we said we will do?		
Protect and enhance local natural environment. Educate the community about the natural environment.	Reduce the community's environmental footprint.	Encourage community resilience to coastal hazards. Encourage community resilience to detrimental impacts from the environment. Encourage community resilience to the impacts of climate change.

Liveability priorities

Port Stephens community aspires to neighbourhoods that feature **unique natural elements**, views, landscapes or vegetation.

Our Council and residents must **protect and maintain the connection to nature** offered by the area by promoting sustainable **behaviours in the community**.

E1 Ecosystem functions | making a difference 2017 to 2021

Protecting our natural environment

A healthy natural environment is critical to our people, providing clean air, water and healthy soils. In turn, this supports ecological, cultural, recreational, economic and aesthetic values. As indicated in the Liveability Index our community highly values and wants Council and residents to protect our natural environment.

Council has continued to play an important role in protecting and enhancing the natural environment. Over the period we have been making a difference with a variety of programs and measures to do this including:

- Developing and implementing a **range of nature conservation programs**
- Rehabilitation and protection against invasive species of our significant environmental assets, **Mambo Wetlands**, through a $100,000 grant from the NSW Government
- Adopting and implementing our **Local Weed Prioritisation Policy**
- Adopting the **Raymond Terrace Flying Fox Camp Management Plan**
- Revising our **Tree Vandalism Policy**
- Adopting our **Environmental Policy**
- Developing our **Natural Assets Register**

We are finalising a **Biodiversity Strategy** and a **Local Biodiversity Offsets Policy**.

Did you know the benefit of planting just one tree?

One tree absorbs on average 21.5kg carbon per year

Planting 42,210 trees absorbs on average 908 tonnes of carbon per year

To find out about more the benefits of trees refer:

portstephens.nsw.gov.au/grow/land-environment-and-heritage/trees

Highlights:

2017 to 2021	42,210 TREES PLANTED	1,840 hectares BUSHLAND RESTORED	1,790 WEED TREATMENTS	7273 VOLUNTEERS

Volunteers at Bagnalls Beach

CASE STUDY

WAR AGAINST WEEDS

To win our war on weeds and make a difference we need to work smarter.

That's why our Natural Resources team developed an innovative model for prioritising and managing weeds.

'With 2700 introduced species to Australia, there are always going to be more weeds than there are resources,' said our Natural Resources team leader Jordan Skinner.

'Our model has ensured efforts are focused on managing the most significant weeds while maximising efficiency. It helps us work out what time and resources we'll need to make a real difference on the ground.'

The success of our model and the hard work of our team was recognised at the 2020 Local Government NSW Excellence in the Environment Awards.

Find out more about how we manage weeds in Port Stephens:

portstephens.nsw.gov.au/live/environment-and-sustainability/weeds-and-pests/your-responsibilities

Air and water quality

Air quality within Port Stephens is good[1]. It is influenced by factors such as local traffic and rural activities, with air pollution sources generally limited to 10 facilities that occur within our region. With data for this report analysed from the Stockton Monitoring Station. Monitoring occurs at a number of sites within the Lower Hunter.

The **Beach Watch Program** monitors and reports recreational water quality at swimming sites. Beaches with the best water quality consistently over the 2017 – 2021 reporting period include Zenith Beach, One Mile Beach, Fingal Bay, Box and Birubi Beach. Beach Watch only collects data from 4 sites.

For more information, visit:
environment.nsw.gov.au/topics/water/beaches/reporting-beach-water-quality/about-weekly-star-ratings

When sewage or storm-water contamination is suspected, as was the case in January 2021 when a sewage leak occurred at Nelson Bay, Council closed the beaches and swimming area. We then conducted water quality testing until samples indicated that the water quality was suitable for swimming.

Educating our community

We're continuing to make a difference by educating our community on a variety of environmental matters to increase awareness and appropriate action. Examples of the programs include:

- Western LG Koala Corridors
- Share the Shore videos
- Birubi Sand Dune Rehabilitation
- Sustainability and Climate Change Survey
- TAFE and Coastal Management Program, Bio-security Act presentations
- Volunteer Introduction to Bush Regeneration

[1]Air quality results from the Stockton Air Monitoring Station for the period July 2017 to March 2021 were all within the air quality category of 'Good' except for 2 occurrences of 'Fair' quality for particulate matter (PM10) during February to March 2019, and October to April 2019.

E2 Environmental sustainability | making a difference 2017 to 2021

Our environmental footprint

Water is a precious resource that we have become only too familiar with over the past few years with the effects of drought and necessary water restrictions.

We have been making a difference by:

- participating in the **Hunter Water Corporation (HWC) Community Consultative Committee**, (an advisory committee), to advise HWC on matters affecting Port Stephens
- preparing Drought Management Plans for our key water use areas in conjunction with HWC
- saving 71 Olympic swimming pools of water[2] in just one year through water saving initiatives.

Reducing our energy consumption

Our community is doing its bit to help the environment and reduce our environmental footprint, with yearly Ausgrid reports for our LGA, showing a **decrease in the daily electricity average** (kWh per customer per day) and an increase in the number of solar customers and solar energy exported to the grid[3].

Council is also doing its bit by:

- proudly **joining the City Power Partnership**
- installing solar panels on Council's Administration Building, Salamander Waste Transfer Station, many of our libraries, community centres and Rural Fire Service buildings
- installing **solar pool pre-heating** at Lakeside Leisure Centre, Tomaree Aquatic Centre and Tilligerry Aquatic Centre
- we used recycled glass 'greencrete' in the upgrade of Tanilba Bay roundabout
- installing a **Building Management System** at our Administration Building, Lakeside Leisure Centre and many sports and community buildings to **deliver energy efficiencies and lower operating costs**
- commencing preparation of a **Sustainability Strategy and Action plan** to help our Council manage resources and energy consumption.

[2] Visit for more detail: **portstephens.nsw.gov.au/your-council/news/council-saves-$70k,-71-olympic-swimming-pools-of-water-in-just-one-year**

[3] Refer to Ausgrid website for more detail: **ausgrid.com.au/Industry/Our-Research/Data-to-share/Average-electricity-use**

Managing our waste

The way we currently manage waste has been in place since 1999 and it's now time to plan for the next 20 years. We are planning to make a difference to our community and the environment with our **war on waste**, by developing a **waste strategy** that will look at how we deal with garbage, recycling, green waste, litter, kerbside collections and drop-off days. It will also include how we'll educate our community on what they can do to reduce waste and make sure it goes in the right place. In late 2020 we held a number of face to face sessions with the community to help develop the strategy.

As we welcome over 1.5 million visitors to our area each year, using indicators like waste per capita becomes a bit problematic as an increase in visitation ultimately impacts the amount of waste generated and collected. Whilst some of the indicators on page 73 do not show an improvement over time we have continued with our war on waste despite the challenging impacts of both COVID-19 (more waste generated) and mixed organic waste by a number of **waste education programs**. These include:

- Waste avoidance and reuse workshops
- Youth education on better recycling practices and reducing litter

Did you know?

Managing litter costs more than $180 million per year in NSW

43% of litter is cigarette butts

Waterways get polluted by litter

In 2018 the NSW Environment Protection Authority (EPA) made a surprise announcement that has significantly impacted how we manage waste in Port Stephens. For 20 years, our domestic waste was composted with our state-of-the-art system. It allowed us to recycle 100% of green and food waste without the need for a separate green bin, diverting more than 50% of waste from landfills. In October 2018, a regulation known as the Resource Recovery Exemption Order was revoked for mixed organic waste. The order had allowed this compost to be used on land for grazing agriculture, forestry plantations and rehabilitated mine sites. Suddenly, this was forbidden due to potential physical contaminants and environmental risks. This meant an immediate stop to an important part of our waste management process.

E3 Environmental resilience | making a difference 2017 to 2021

Resilience to coastal hazards

Our community values the **coast, being one of our greatest assets** in living in a 'treasured environment'.

The coast though is an ever-changing and dynamic environment with many threats which have the potential to impact how our community enjoys and uses the coast both now and into the future.

One of our key priorities is **making a difference for the long term**. A 10-year **Coastal Management Program (CMP)** will build resilience against environmental risks and help retain the unique natural environment we have in Port Stephens.

We've also been making a difference at the Little Beach boat ramp near Shoal Bay which is often being covered in the sand despite regular maintenance by our Council. In 2020 and 2021 we've taken action to address the cause of the problem — sand migrating around from Shoal Bay and inundating the boat launch site. We used drones to survey the beach and find where to remove sand and how much to take.

Supporting our community from environmental impacts

It has been 6 years since Williamtown residents were told their land had been contaminated by **PFAS** (per and poly-fluoroalkyl substances) from the historical use of firefighting foam at RAAF Williamtown. A Community Reference Group was originally created to keep affected communities informed and provide a forum to raise issues with government agencies — with our General Manager participating since its inception. Despite opposition from the community and our Council, the NSW Government abolished the group in October 2019 in preference of agencies speaking directly with the community as required.

Our Council asked the Premier to reinstate the Community Reference Group so that we could continue to support those who have been impacted by PFAS. Department of Defence has developed a remediation plan for the PFAS management zone and is progressively implementing remediation works.

In 2018-2019 we continued supporting landholders at Williamtown affected by PFAS contamination with a special sub-category of rates – a discount of 50% for residents in the primary zone, 25% in the secondary zone and 10% in the broader zone. Council has continued with **providing this rate relief** and monitors the Department of Defence's remediation activities along with supporting the affected communities however we can.

Highlights:

Quarterly monitoring of decommissioned waste landfill sites as per schedule

Completed capping and rehabilitation of the former waste landfill site (Newline Road, Raymond Terrace)

Taking action on climate change

Climate change action benefits everyone — it reduces potential damage to community and council assets, protects our environment and improves community wellbeing. We're seeking to make a difference which is why in 2020, Council **endorsed a Climate Change Policy** - an overarching guide for how our Council will **respond to climate change now and in the future**. The Policy has 3 main focus areas – education, mitigation and adaptation.

Read more: **portstephens.nsw.gov.au/live/environment-and-sustainability/sustainability-and-climate-change**

We're also committed to working in partnership with other councils, our community and all levels of government to respond to the challenges of climate change. Council also agreed that as part of the review of the Community Strategic Plan for 2022-2032 that climate change would form part of discussions with the community.

We're also in the process of updating our Climate Change Adaptation Action Plan to identify our priority actions to address climate change risks. Results in late 2020 of the review of the Climate Change Adaptation Action Plan were that:

- progress of the 35 treatment actions has been ongoing – the Coastal Management Program is expected to drive the completion of more actions over the next 18 months.
- updated climate data and modelling saw a moderate increase in risk level across 30% of priority risks, a minor increase across 65% and no change across 5%
- we lead our peers across 14% of key performance areas, the average for 57% of operational activities, lagging in 29% of operations (dedicated climate change officers and total funding dedicated to climate change).
- engage with the community on climate change actions through the Community Strategic Plan

Highlights:

26 actions completed
(out of 35)

CLIMATE CHANGE ADAPTATION ACTION PLAN

Our council

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

L1 Goal:

Governance

Our Council's leadership is based on trust and values of Respect, Integrity, Teamwork, Excellence and Safety.

L2 Goal:

Financial management

Our Council is financially sustainable to meet community needs.

L3 Goal:

Communication and engagement

Our community understands Council's services and can influence outcomes that affect them.

What we said we will do?

Develop and encourage the capabilities and aspirations of a contemporary workforce.

Provide strong civic leadership and government relations.

Provide a strong ethical governance structure.

Provide strong supportive business systems for Council's Operations.

Reduce risk across Council.

Maintain strong financial sustainability.

Maximize non-rate revenue and investment to support Council services.

Provide a customer first organisation.

Provide information in a range of accessible formats.

Strengthen Council's reputation.

Provide a voice for the community.

Highlights:

81% EMPLOYEE ENGAGEMENT SCORE

October 2020

OUR HIGHEST SCORE

98%

GOVERNANCE HEALTH CHECK

77% AVERAGE COMMUNITY SATISFACTION SCORE

2018 to 2021

L1 Governance | making a difference 2017 to 2021

Employer of choice and excellence

Our organisational culture, the way we carry out our work through **business excellence** and having a **highly engaged workforce** are some of the key ingredients to making a difference to our community. People who go the extra mile and don't just do things the way we always have are critical to a **stable, efficient and productive workforce**. With many challenges faced over the past 4 years, moving from the threat of a merger to the impacts of COVID, our workforce has remained resilient, continuing to get on with doing the job, thinking of alternate ways to deliver services and connect with the community.

Valuing staff as your number one asset and investing in their mental and physical health with an **employee wellbeing program** is the true testament of being an employer of choice. This is a workforce that is willing to go above and beyond to serve its community, with staff available around the clock to communicate, direct help and assist a community in need during the many natural disasters over the past 4 years.

We have been able to govern the ship and ensure that our 7 key result measures, refer to page 21 are maintained amidst a global pandemic. These result measures are not mutually exclusive - we need to effectively balance and manage these together in a sustainable way.

Strong advocacy, governance, leadership

Council has been actively making a difference for our community in seeking funding and commitments to several projects from the NSW and Federal Government. This can take a long time and as with the **Special Activation Precinct**, it took over 20 years of lobbying to bring to fruition.

But getting the money and having the right people is only part of the equation in getting these projects off the ground for the community. At Port Stephens Council safety always comes first! We have a well-developed approach to risk management and safety through our Risk Management Framework.

We've been leading the way with our safety culture, **receiving multiple awards** in recognition of our approach.

Our annual Governance Health Check also provides reassurance to the community that we are **operating in a sound way meeting our legislative and operational requirements**. This is across the spectrum of ethics, risk management, information management and reporting.

L2 Financial Management | making a difference 2017 to 2021

Financially responsible and sustainable

The difference we have made to the community over the past 10 years can be seen in the **turnaround** from a large underlying deficit of $4.235m in 2011-2012 to an underlying surplus of $582,807 in 2020-2021. Despite the pandemic and 6 natural disasters, through careful management of our cash flow, reducing non-essential projects and reprioritising our spending, we have continued to:

- keep our **rates amongst the lowest** in the Hunter region,
- **meet asset renewal targets**, while improving service delivery to the community
- **balance our budget**.

In the past 4 years, we have increased returns from property developments and investments in our Holiday Parks operations and (prior to COVID) a dividend of $2 million per annum for the Newcastle Airport.

A financially sustainable local government delivering prioritised services.

Whilst being financially responsible we've always been there to support our community no matter what. Realising that many businesses and our community were experiencing significant challenges from COVID-19, in 2019-2020 we offered several measures to **increase access to financial hardship**. Additionally, we reallocated funds from the PS 2020 projects to the Restart Port Stephens Plan.

L3 Communication and engagement | making a difference 2017 to 2021

Customers come first and foremost

We've been making a difference to our customer's experience by:

- being the first point of call during COVID – seeing a **25% increase in customer enquiries** from April to June 2020 alone
- continuing to update our **dedicated COVID-19 webpage** and **Disaster Dashboard** to ensure our community has quick access to all information they need
- continuing to actively review and **improve our website** to ensure information is easily accessible
- re-branding and **launching our e-newsletter PSToday** (previously known as Informe) to focus on good news in our community
- moving with the times from newspaper advertisements to digital as our main source of information. For more information, refer to our 2019-2020 Annual Report available on our website
- streamlining our customer request management
- launched a number of online forms.

Our Customer Relations team

Importance of community voice

Providing **a real voice for our community** is of the utmost importance to our Council.

It is not surprising that the impacts of the damage and devastation from both the March 2021 natural disaster and COVID-19 have been echoed in the Community Satisfaction Survey results in 2021 - with a reduction in overall satisfaction to 68% and a marked decline in satisfaction with maintaining local roads and stormwater management systems.

We know we have to work on this, which is why in 2020 we reached out to the community via the Liveability index to ensure we get a whole of community perspective on priorities. Over 3,700 people across our community told us what the value and how they rate their neighbourhoods. It will inform the review of the Community's Strategic Plan for the next 10 years, place planning, Wellbeing Strategy and so much more – but we know that the community is not interested in plans but on the ground results which is why we will be checking in with the community over the next 12 months to hone in on these priorities.

Having said that, we have done much to make a difference in engaging with our community over the past 4 years. We've been committed and do believe we've been listening to our community to ensure they are actively involved in shaping the future of Port Stephens.

The benefits are clear — we earn our community's trust, identify solutions to complex problems and get the best result for all.

Our Community Engagement Strategy, endorsed in November 2019, reflects this commitment and our approach. It includes a community participation plan that sets out how we'll consult with our community on planning documents and development applications - a legislative requirement for all NSW councils.

Below are a few of the many projects and activities that we've engaged our community on over the past 4 years:

- Local Strategic Planning Statement (LSPS) and Local Housing Statement (LHS)
- Coastal Management Program (CMP)
- Port Stephens 2020 projects and other major works
- Raymond Terrace Public Domain Plan
- Smart Parking System
- Special Rate Variation proposal
- Fern Bay and North Stockton Strategy
- Boomerang Park off-leash dog park and Robinson reserve
- Kings Park Sports Complex master plan
- Birubi Point Aboriginal Place
- Location of Karuah Rural Fire Service building
- Nelson Bay Public Domain Plan
- Waste Strategy
- and many more.

ITEM 13 - ATTACHMENT 1 END OF TERM REPORT 2017 TO 2021.

Community engagement at Shoal Bay, 2020

Appendices

SECTION 5

67 | Community Indicators

Community Indicators

▲ Progressing towards community outcome ▼ Progressing away from community outcome — Stable

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C1 Community Diversity	Usage of Council child care centres	Number of family day care places filled	6,837	6,735	7,843	7,113	▲
		Total number of childcare places filled (before and after school care)	36,406	58,354	70,926	75,227	▲
	Participation in Council youth activities	Data not available. Refer to page 31 for youth activities.					
	Usage of community halls	Percentage of community halls users (of total responses from annual community satisfaction survey)	-	36% n = 431	36% n = 524	18% n = 2028	▼
	Access friendly infrastructure	Disability Inclusion Action Plan - actions completed/met annual target	13* out of 24	15* out of 24	22* out of 24	22* out of 24	—
		Overall accessibility of facilities in the local area (% of total responses from annual community satisfaction survey)	-	65% n = 1146	68% n = 1507	74% n = 2187	▲
	Sustainable Volunteer Groups	Participation with a volunteer group (% of total responses from annual community satisfaction survey)	-	32% n = 1159	42% n = 1482	35% n = 2105	▼

- Data not available

* 8 of the above are ongoing.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C2 Recognised traditions and lifestyles	Cooperative activities with local Aboriginal and Torres Strait Islander people	% of actions completed or commenced in Yabang Gumba-Gu Plan	100%	95%	95%	100%#	—
	Participation in cultural activities and events	Average overall participation at cultural/ community activities or events (% of total responses from annual community satisfaction survey)	-	66%	88%	77%	▼
	Preservation of Port Stephens heritage	Heritage Projects Fund grants	$6,000	$6,000	$5,500	$4,597	▼
		Heritage advice on Development Applications (DA), Council Projects (CP) and requests for information (RI) within 10 days	-	-	DA - 11 CP - 34 RI - 10	DA - 23 CP - 35 RI - 19	—
	Public library usage (within Port Stephens Council local government area)	Library user satisfaction	99%	99%	# #	88%	▼
		Number of people visited library branches	217,360	199,610	146,881	134,673	▼
		Library use of resources - internet and Wifi (number of individual sessions)	42,176	35,485	27,336	19,900	▼
		Library use of resources - number of collection item loaned (checkouts)	318,869	299,371	243,337	233,795	▼
		Library use of resources - attendance at programs	8,126	9,184	6,471	3,246	▼

- Data not available
Comparative data not available

#15 out of 19 actions in the Yabang Gumba-Gu Plan are completed. Remaining 4 actions are on going over multiple years. Actions in the plan are reviewed annually with the Aboriginal Strategic Committee.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
C3 Community partnerships	Diversity of services available to the community	Current number and type of community services available	Data not available. Wide reaching variety of service available. For a guide on services available refer to the Community Directory on Council's website.				
	Participation in community activities and events	Number of community-run events supported and managed by Council	7	9	5	6	▼
		Average overall participation at cultural/community activities or events (% of total responses from annual community satisfaction survey)	-	66%	88%	77%	▼
	Usage of recreation and leisure facilities	Number of people/ attendance at swimming pools	225,167	263,838	183,632	101,318	▼
		Usage of recreation and leisure facilities	-	51% n = 1,159	56% n = 1,482	50% n = 2,105	▼
		Number of people/ attendance at beaches and surf clubs	617,469	764,840	767,273	738,786	—
	Usage of Council's financial assistance program	Annual grant funding (comprising Community project funds, Mayoral and Ward funds)	93 grants $122,922	120 grants $91,815	101 grants $123,011	97 grants $190,960	▲
P1 Strong economy, vibrant local businesses, active investment	Tourism spend	Number of tourists	1.5 million	1.8 million	1.7 million	1.7 million	—
		Total visitor expenditure	$535 million	$606 million	$568 million	$705 million	▲
		Financial support for Destination Port Stephens	$397,500	$397,500	$407,962	$400,000	—

- Data not available

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
	Competitive and sustainable business environment	Number of active businesses in Port Stephens	4,799	4,865	4,900	-	▲
		Business satisfaction survey result (Port Stephens is a good place to conduct business)	-	57%	-	82%	▲
	Range of and attendance at iconic events	Economic benefit from major events	$8.2 million	$10 million	$7.8 million	$5.6 million	▼
		Number and attendance at iconic events held	Data not available. Refer to page 38.				
P2 Infrastructure and facilities	Reduction in infrastructure gap	Infrastructure backlog (Infrastructure gap shown per annum)	$14.11 million	$14.16 million	$13.83 million	$14.47 million	▼
	Condition of public assets	Overall Council infrastructure assets between satisfactory to excellent condition as a percentage of gross replacement cost (buildings, storm water drainage, open spaces and recreational assets excluding roads)	94%	94%	95%	95%	—
		Community satisfaction with maintenance of parks and gardens	92%	91%	93%	88%	▼
		Community satisfaction with maintenance of operational cemeteries	94%	95%	92%	90%	▼
		Community satisfaction with maintenance of swimming pools	90%	91%	90%	88%	▼
		Community satisfaction with sports and recreational facilities	90%	91%	92%	89%	▼
		Community is confident that Council is managing its resources (assets) (% of total responses from annual community satisfaction survey)	73%	61%	63%	59%	▼

- Data not available

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
	Condition of Council controlled roads	Overall Council Roads between satisfactory to excellent condition as a percentage of gross replacement cost	90%	92%	95%	94%	▼
		Community satisfaction with maintenance of local roads	75%	71%	68%	45%	▼
		Community satisfaction with roadside maintenance	84%	81%	79%	68%	▼
P3 Thriving and safe place to live	Efficient planning processes	Number of development applications determined	871	801	775	964	▲
		Net median time for DA turnaround (Number of days)	34	38	34	26	▲
		Average planning proposal review time (Number of days)	504	344	174	42	▲
	Perception of safety	Perception of safety in the LGA 'How safe do you feel in your neighbourhood?'	-	72%	74%	65%	▼
	Housing affordability and stress	Number of residential building approvals (New houses and other residential) (Data Source - Remplan)	333	343	266	-	▼
		Value of residential building approvals (million) (Data Source - Remplan)	$141 million	$125 million	$110 million	-	▼
	Emergency services support	Data not available. Refer to page 48 and 49					
	Increased community satisfaction with new development	Community satisfaction with new developments	-	76%	69%	66%	▼

- Data not available.

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
E1 Ecosystem function	Air and water quality	Refer to page 55					
	Habitat preserved and regenerated	Bushland restoration works (hectares)	968 ha	377 ha	346 ha	149 ha	▼
		Number of bushland sites managed	415	400	429	419	—
		Number of volunteers engaged	1,748	1,524	1,899	2,102	▲
		Number of trees planted	23,541	6,532	4,629	7,508	—
	Noxious weed infestations	Bio-security (weed) treatments on Council land	294	264	672	560	▲
		Bio-security (weed) private property inspections	513	583	823	1504	▲
		Number of compliance & enforcement actions	4	12	103	69	▲
	Participation in environmental education programs	Number of public events	9	6	18	2	▼
		Number of community members engaged	169	102	473	29	▼
		Number of face to face training sessions for weed management	91	93	559	1188	▲

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
E2 Environmental sustainability	Improved water consumption	Data not available for the local government area. Refer to page 56 for more information on what Council has been doing to make a difference.					
	Improved energy consumption	LGA daily average usage (residential) (kWh per customer per day)*	17.1	17.1	16.7	-	▲
		Energy exported to the grid from Solar (MWh)*	12,081	15,702	21,711	-	▲
		Council's usage of electricity (MWh)	8,400	8,400	7,137	7,004	▲
	Waste per capita (landfill, recycle, green)	Landfill - Red bin waste (tonnes)	20,137	19,727	25,318	23,533	▼
		Green waste (tonnes)	3,097	3,003	3,011	2,398	▼
		Recycling – yellow bin (tonnes)	6,382	5,892	5,069	5,132	▼
		Recycling - compost (tonnes)	5,783	6,022	6,085	5,213	▼
		Waste diverted from landfill (tonnes)	13,669	12,863	13,992	14,276	—
		Community satisfaction with waste collection service and access to waste depot/transfer stations	91%	92%	92%	95%	▲
E3 Environmental resilience	Coastal hazards mitigation and response	Develop a Coastal Management Program (CMP)	Data not available. Refer to page 58 for Coastal Management Program progress.				
	Rehabilitated landfill sites	Monitor and manage environmental impacts from decommissioned waste landfill sites	100%	100%	100%	100%	—
	Climate change mitigation and response	Development and implementation of actions in the Climate Change Adaptation Action Plan (Number of actions completed)	-	13 out of 35	26 out of 35	26 out of 35	—

- Data not available

* Data source - Ausgrid: **ausgrid.com.au/Industry/Our-Research/Data-to-share/Average-electricity-use**

CSP Key Direction	Community Indicator	Measure	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	Making a difference
L1 Governance	Stable and productive workforce	Employee Engagement	70%	68%	74%	81%	▲
		Community's confidence that Council is managing its resources (workforce)	75%	66%	67%	60%	▼
	Community satisfaction with Council	Community Satisfaction score	85%	76%	80%	68%	▼
L2 Financial management	A financially sustainable local government delivering prioritised services	Community confidence in Council's management of Finance	73%	51%	58%	56%	▼
		Underlying financial surplus ($,'000)	$1,078	$1,003	-$185	$583	▼
L3 Communication and engagement	Positive media coverage	Media sentiment	-	-	-	96%**	
	Community perceptions of Community engagement	Community's perception of opportunity to provide input in Council projects	-	39%	27%	20%	▼
	Community perception of Council	Community's perception of trust that Council is working towards the community needs	-	42%	46%	-	—

- Data not available
** Aggregate of 'Neutral' and 'Positive'

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