

ATTACHMENTS UNDER SEPARATE
COVER

ORDINARY COUNCIL MEETING
13 DECEMBER 2022



PORT STEPHENS
C O U N C I L

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Annual Report

2021 to 2022

Striking a **balance**.

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Welcome to the 2022 Port Stephens Council Annual Report

This report is designed to show you our highlights, challenges and performance between 1 July 2021 and 30 June 2022 and to outline our next steps for key areas.

We're committed to a transparent reporting and accountability process. We want our community to understand the organisation, our opportunities and constraints and help guide decision making. The report takes a plain English, honest and authentic approach.



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 2022. This is the final Annual report for the Delivery Program 2018 to 2022. This follows Council's adoption of the revised Community Strategic Plan 2022 to 2032, Delivery Program 2022 to 2026, Operational Plan 2022 to 2023 and Resourcing Strategy 2022 to 2032 on 28 June 2022.

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 2021.

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Our Port Stephens

SECTION 1

04 | Port Stephens snapshot

Our location
Our history
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09 | Who are we?

Community's vision
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Values

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:

Hunter

Area:

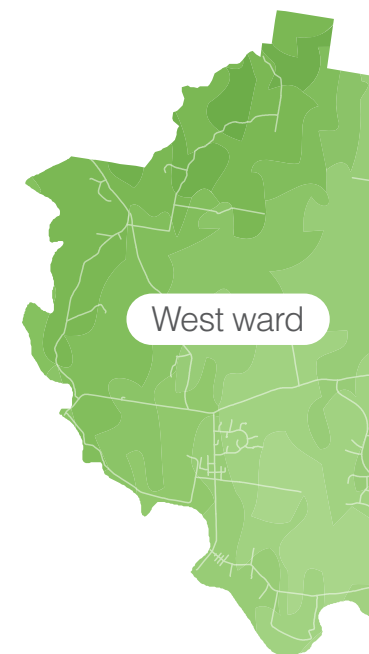
858.5 km²

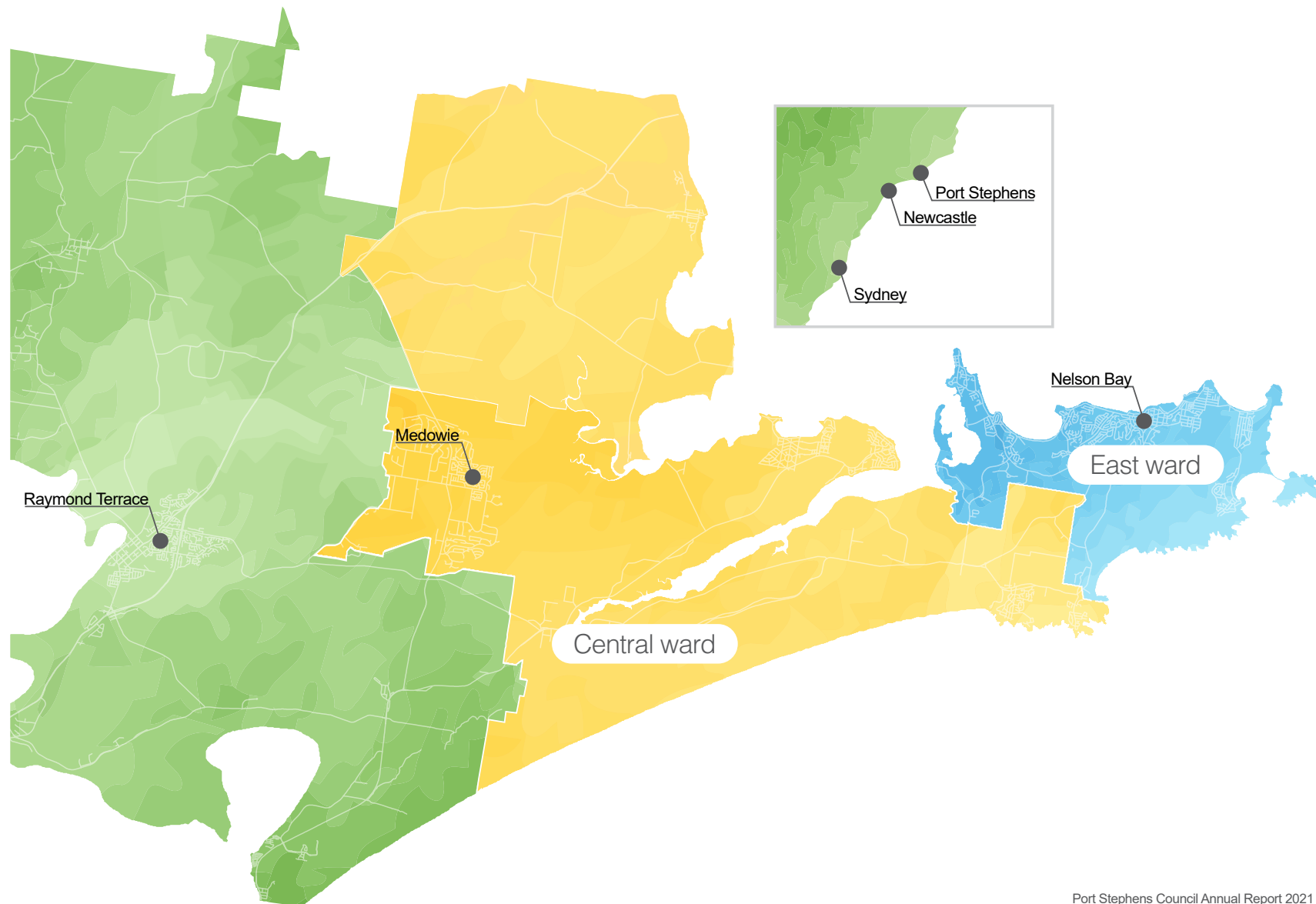
Population
density:

81 persons/km²

Major centres:

Raymond Terrace
Medowie
Nelson Bay





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.

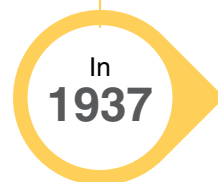
Our Council

Port Stephens Council's history stretches back almost

200 years



when the Raymond Terrace and Dungog District Council was formed.



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

560 EQUIVALENT
FULL-TIME
EMPLOYEES




who work hard to deliver
our community's vision
of a great lifestyle in a
treasured environment.



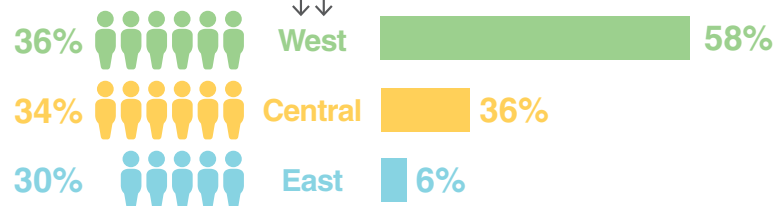
Our people

POPULATION
75,282
(2021 Census Population)




POPULATION
PROJECTION
87,933
BY 2040
(2021 Census)

POPULATION BY WARD



MEDIAN AGE **47 YEARS** OLDER THAN NSW MEDIAN AGE OF **39 YEARS**
(2021 Census)




ABORIGINAL AND
TORRES STRAIT
ISLANDER POPULATION

4885

Making up **6.5%** of our population
(2021 Census)

Our economy

27,346
NUMBER OF JOBS
IN PORT STEPHENS
(ABS 2016)



4.3% UNEMPLOYMENT
(March 2022)

4835
BUSINESSES TRADING
IN PORT STEPHENS
(as at June 2021)



\$5.494 billion
GROSS REGIONAL PRODUCT
(Nominal GRP as at June 2021)



MAIN EMPLOYING INDUSTRIES

Public Administration and Safety **15%**
Manufacturing **12%**
Construction **11%** (ABS 2016)

Source: Remplan 1 September 2022.

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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



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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Sunset Cinema, Raymond Terrace

Port Stephens is diverse – with coastal villages, riverside suburbs, rural lands and historic town centres. Those that call it home have a strong sense of community and unique identity.

The priorities and values of the people who live, work and visit our towns and villages are also unique – there's no one size fits all approach across our community.

Striking a balance is about achieving what we can with the resources we have while making sure our community's values and priorities are considered, to best improve their liveability and wellbeing.

This year, we've enjoyed re-starting various programs and activities after what seemed like endless periods of lock downs and restrictions, providing opportunity for our community to get out and enjoy where they live. Much of this has been with the assistance of grant funding from State and Federal Government.

It's been important for us to focus on providing a balance between continued COVID-19 restrictions and the opportunity for our community to reconnect.

Balancing our budget has also been a major focus for our organisation. The known impacts of increasing insurance, construction and transport costs combined with the ongoing impacts of the pandemic and natural disasters forced us to stop, reset and renew our focus.

We worked hard to reduce costs and improve productivity while ensuring we retained services and continued to deliver on key projects. We're now ready to have conversations with our community to find a way forward together, ensuring we strike a balance between our budget and the services we deliver – achieving a financially sustainable future.

The lasting rains and regular flooding added a new set of challenges for Council and our community. Throughout the year, we had residents isolated, houses damaged, businesses closed and at times, roads beyond repair.

With our limited resources we worked to prioritise projects to best reduce the impacts as quickly as we could, striking a balance between emergency management, community support and infrastructure repairs.

Every day has brought new and unpredictable challenges. Instead of

staying rigid, we've found balance – sometimes things have moved quickly and sometimes they've flowed much slower than planned. The purpose has always been to make sure we manage our organisation as best as we can while balancing the best possible outcomes to our community.

We know the journey isn't over – we have a long way to go and we're ready for another challenging year. With a new Council in place, we're working in partnership with our community to look at how we do business. We want to understand what's really important to our community, making sure we can successfully deliver these services, while still making Port Stephens a great place to live, work and visit.

It's not an easy task but it's one we're all committed to – together we can strike a balance to ensure the long term sustainability of our place, our people, our environment and our Council.

Our year in review

Our community highlights

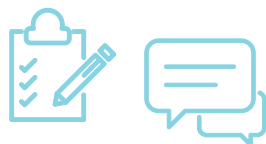
89,286

CHILDCARE PLACES

provided to families
throughout Port Stephens*



*Places takes into account the total number of sessions delivered across the year. E.g. if a child attended OOSH every morning and afternoon for 40 weeks of the year it would be counted as 400 places filled.



RECEIVED

17,974

CUSTOMER SERVICE
REQUESTS

and closed 83% within 21
days



MORE THAN

\$350,000

grants and sponsorships
for community and
business to help post
COVID-19

29,370

LIBRARY MEMBERS

who we loaned 204,424 items



Our place highlights



\$7.2 MILLION

IN ECONOMIC
BENEFIT

from major events



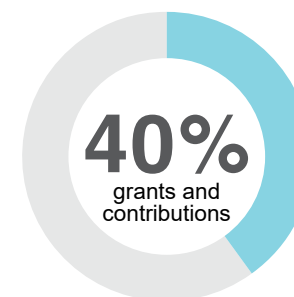
1,043

DEVELOPMENT
APPLICATIONS

determined with a median
turnaround time of 21 days
and a total capital investment
value of \$319.4 million

\$42 MILLION
OF CAPITAL EXPENDITURE

including accessible amenities,
shared pathways, foreshore
improvements and significant
road upgrades for Clarendtown
Road, Duns Creek Road, and
Foreshore Drive bridge



Our environment highlights



5965 TONNE
OF RECYCLING

collected



\$91,000
SAVED

on yearly energy costs



10,821
TREES PLANTED

with the help of
volunteers



679
COMMUNITY
MEMBERS ENGAGED

through 10 environmental
education programs



178 MEGA
LITRES
OF WATER SAVED

in just 1 year

Our Council highlights



NEW SUITE OF
IPR DOCUMENTS

endorsed by Council
including Community
Strategic Plan 2022
to 2032



GOLD AWARD

for Annual Report 2020-21 from
Australasian Reporting Awards



\$25 MILLION
GRANT FUNDING

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



93 NEW
CITIZENS

from 40 countries
welcomed during
citizenship ceremonies

1m WEBSITE
PAGE VIEWS

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



Challenges

- Rain continued to be a huge challenge through this year, with May 2022 recorded as the wettest May since 1996. The constant rain and regular flooding caused widespread impacts across our community, our infrastructure and budget. It resulted in delays to many of our major projects, as we redirected crews and funds to repair infrastructure. While we estimate the total repair bill to be in the millions, we're firmly focused on fixing our roads as quickly as possible. After the natural disaster we implemented the new Emergency Management Plan, learning what works and what doesn't for future emergencies.
- Learning to live with COVID-19 has brought its own challenges to our community, our economy, our employees, our services and our finances. We've implemented ongoing business continuity plans to manage staff shortages and with financial austerity measures in place, we've adjusted our work plans and programs to continue to deliver the services needed most by our community.
- Community engagement for a number of projects was impacted due to further lockdowns and flooding that left parts of our LGA isolated. We learnt how to strike a balance to ensure everyone

had an opportunity to contribute to the conversation by moving workshop sessions to online platforms. Now that we're able to meet face-to-face again, we've continued to offer online engagement options to ensure everyone has an opportunity to contribute to our projects.

- An annual review in 2018 to 2019 of our Long Term Financial Plan (LTFP) identified that the 2022 financial year would see Council facing financial pressures that would negatively impact the budget. The impacts of COVID-19 added to this problem with reduced income from our holiday parks and Newcastle Airport dividend; and construction, transport and insurance costs increasing significantly. These impacts have been further exacerbated by natural disasters over the last couple of years. The increased cost of materials has also affected Council's ageing assets, which require capital investment for maintenance to ensure they are kept up to standard.
- The results from our latest Community Satisfaction Survey (CSS) showed a drop in satisfaction within the community with 64% of respondents at least somewhat satisfied. We're hearing the biggest opportunity for improvement is in the maintenance of our roads, with 17%

of respondents somewhat satisfied with roads. This is understandable with the constant rain and regular flooding causing major impacts to our road maintenance schedule. We've listened to the community and are reviewing what action needs to be taken.

What's next?

- We'll continue to fix our roads in a prioritised manner for our community and our Council. We'll also be focusing on educating the community about how and why we prioritise roadworks across our community.
- We're committed to listening to our community more than ever. In the coming year we'll be adopting a new Communications and Engagement Strategy making it easier for everyone in our community to understand and get involved in decisions for the future of their place.
- We'll be continuing the conversation with our community about ways to ensure the long term financial sustainability of our organisation.
- Using feedback and data from the CSS, we'll be working across each section of the organisation to review the results and determine the opportunities for improvement and actions that need to be taken.





Mayor's message

The past 12 months have been another incredible journey and I'm proud to be part of such a strong and resilient community. As residents of Port Stephens we've once again continued to balance the greater needs of our community with our own personal needs. We stayed focused on helping local business through our second lockdown. We showed support to those more vulnerable during periods of long isolation and reached out to our neighbours as we faced the terrible impacts of ongoing weather events.

Bouncing back stronger than before

As a community we learnt to live with the ongoing impacts of COVID-19, adapting to ever changing circumstances. The start of the financial year saw a second lockdown, putting many social activities on hold – except of course the exciting 2-hour wait at COVID-19 testing stations.

As lockdowns lifted, we planned a spectacular New Year's Eve celebration to

bring in 2022 with a bang. We felt hopeful about a new year filled with exciting new projects, events and activations.

As we welcomed 2022, we remained optimistic and invested in our future. We began to see the vision of our community become a reality with the completion of major projects like the new Bruce Scott Pavilion at the Tomaree Sports Complex – the development of which was fully funded through external grants. The new facility was a game changer for our region and a wonderful example of local sporting clubs and Council working together to achieve amazing things.

Resilience in the face of adversity

Disaster struck in March 2022 with heavy rainfall hitting again. Recovery from flood damage slowed due to both resourcing issues and ongoing wet weather. Just when we thought we'd started to recover, Port Stephens had the wettest May since 1996, causing more flooding, land slips, and extensive road damage and we were again declared a natural disaster zone. Our local coastline also took a hit during the storms.

While many of our damaged assets still require repairs, we need the weather

to stay dry for us to undertake these. In the meantime, our teams are doing the best they can to balance priorities and ensure there isn't any further deterioration of assets.

I want to thank our community for their continued patience as we work to repair the damage.

Our commitment to the community

As a Council, we're committed to our community, understanding their values and delivering projects and services that improve liveability and wellbeing. Our Community Satisfaction Survey showed that 64% of respondent's were at least somewhat satisfied with Council's services, down from an average rating of 75% over the previous 5 years. Road and roadside drainage, as well as the management of storm water drainage, were key areas for improvement. We've been working to strike a balance between these long term repairs with the urgent requests for water damage to keep our roads as safe as possible.

We've held many workshops across the LGA to hear your thoughts on our 10 year Community Strategic Plan, Place Plans and much more. In consultation with the

community, we've launched the Karuah Place Plan – recognising the values and priorities of the Karuah community and identifying additional opportunities for residential development, employment lands and public infrastructure.

With PFAS contamination still an issue in Williamstown, we've extended the rate relief for impacted residents and we're continuing to advocate for the community while the issue persists.

Growing together

Despite all the challenges, we continue planning for the future and looking for opportunities to improve by listening to our community, understanding their needs and working through their priorities.

We'll continue to be adaptable, future focused and work together to balance our community's needs with the resources we have. In all of this, we'll make sure we retain the culture, community and place that we all love so much.

Ryan Palmer
Mayor of Port Stephens





General manager's message

I know we say it all the time but this year did really seem to move faster than most.

Just one year ago, we started this financial year back in lockdowns. Businesses were closed, our children were being schooled at home and borders were still shut.

Then, just when we thought we were starting to return some sense of normality, our community and our local business owners were hit with a new wave of COVID-19 and a whole new set of challenges – balancing illness, staff availability, isolation and peak holiday season. With our usual resilience and can do attitude, we pushed forward and made it through to 2022.

But the challenges didn't stop there. Natural disasters, an exceptionally wet May and ongoing flooding tested our spirits and pushed our resources to their limit. The damage to our road network has been severe and like many other Councils around the state, we've had to work to balance

repairs and resources. This challenge is not over yet and with more wet weather predicted, we have a long way to go to get things back to normal.

Financial sustainability

Striking a balance between the needs of our community and Council's long term financial sustainability is an ongoing challenge for our organisation.

Council's Long Term Financial Plan (LTFP) has identified for some time that this year and next would be tough with operational costs associated with insurance, workers compensation and legislated changes in superannuation negatively impacting the budget.

Like many other businesses around the world, the last two years have also impacted our budget. Income from our holiday parks, childcare centres and Newcastle Airport has reduced while at the same time costs associated with construction and transport have significantly increased. Major storm events have increased our maintenance costs, insurance prices and diverted funds away from planned projects.

To save money, we focused on improving our productivity, streamlining services, containing our costs, and increasing revenue. We know from the most recent Community Satisfaction Survey that the

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community noticed these measures were at the expense of services delivered.

Now, with a new Council in place, it's time to look at how we do business – where we can increase our income, find savings and strike a balance between the needs of our community and our financial sustainability. We'll continue to meet with residents and business to make sure they have a complete understanding of our financial position, giving everyone the chance to participate in decision making for financial sustainability.

Supporting our community

Council is the level of government that works closest with the community, and we continue to provide support where our community needs us most. I'm proud of what our staff have achieved over the past 12 months, despite the various challenges of lockdowns, inflationary pressures, supply chain issues, resource constraints and continued wet weather events. With financial austerity measures in place, we've adjusted our work plans and programs to continue to deliver the services needed most by our community.

Our operational budget has been stretched, but thanks to our success in receiving significant grants and funding from both State and Federal Governments, we've delivered another large capital works program.

Our team processed development applications within the legislated 40 day timeframe, supporting our region's economic growth and the growth of our communities. We've cleared a backlog of planning proposals over the past year and had our first in our series of Place Plans endorsed by our Council.

We've been working on improving the way we interact with our customers by developing a Customer Experience Action Plan. In January 2022 we also launched a new website, allowing our community to access information anywhere, anytime. The new site provides a responsive, relevant, and user-friendly experience for everyone.

Focused on the future

Our new Council hit the ground running following the election in December 2021. They've spent a lot of time working to understand the way in which Council operates and have been out listening to the concerns and priorities of residents across Port Stephens.

One of the most important resources we have here at Port Stephens Council is our people. Through these challenging times we've invested in the wellbeing of our workforce and managed to maintain a highly engaged team that go the extra mile – we're proud of our employee engagement score

which is at an all-time high of 83%.

This year showed us once again that change is inevitable and challenges are ongoing. The lesson is how we stay focused, remain resilient and share the responsibility of our place, our people, and our environment.

In my first Annual Report as General Manager of Port Stephens Council, I'd like to take this opportunity to thank Wayne Wallis who was the General Manager for the 2021-22 period.

Wayne successfully led this organisation through a period of huge change and it's been a pleasure to work alongside a leader with a strong work ethic and an ambition for better outcomes for our council, our place and our people.

As I take on this new responsibility, I'm very excited about the road ahead. I know my team has the drive and determination to keep moving forward and delivering the very best for our community.

Together with our Mayor, Councillors and the community, we'll strike a balance to ensure the long term sustainability of our place, our people, our environment and our council.

Tim Crosdale
General Manager of Port Stephens Council

Tim Crosdale

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 47 to 113.

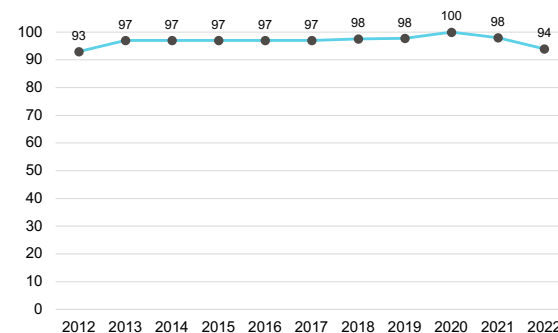


For more information, visit
portstephens.nsw.gov.au/integrated-plans

1. Service delivery

🎯 **Target:** > 95%
Integrated Plans
delivered on time

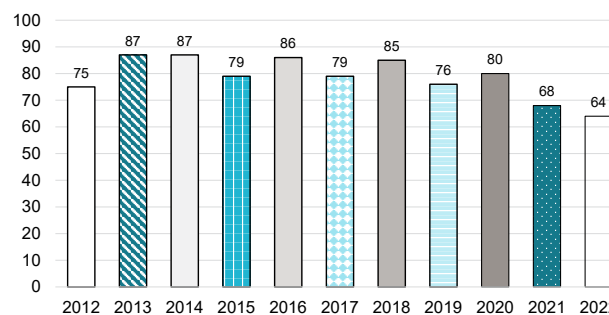
★ **Achievement:** 94%
(78 of 83 actions on
track)



2. Community satisfaction

🎯 **Target:** > 80%

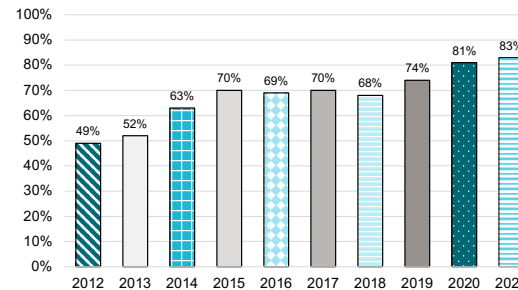
★ **Achievement:** 64%
of respondents are
at least somewhat
satisfied.



3. Employee engagement

🎯 **Target:** > 75% employee engagement

☆ **Achievement:** 83%
Read more about the result on page 103.

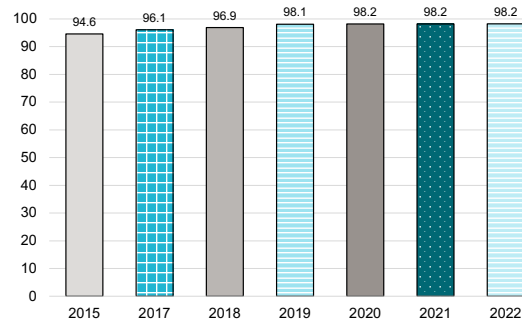


4. Governance

🎯 **Target:** > 95% Governance Health Check

☆ **Achievement:** 98.2%

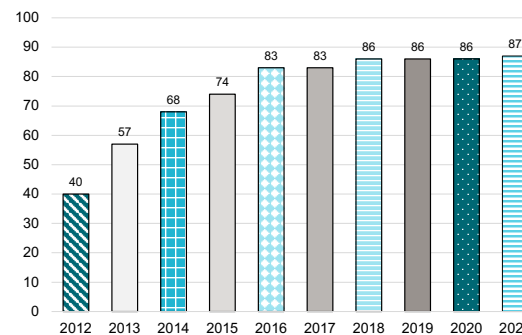
Survey was not conducted in 2016.



5. Risk management

🎯 **Target:** > 80% risk management maturity score

☆ **Achievement:** 87%



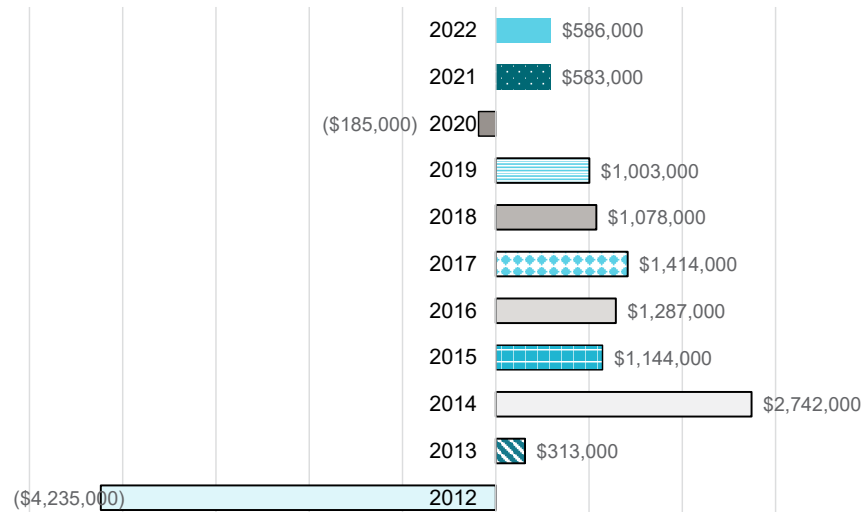
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6. Financial sustainability

🎯 **Target:** underlying financial surplus

☆ **Achievement:** \$586,494 surplus

Read more about the result on page 106.

**7. Asset Maintenance Ratio**

🎯 **Target:** 100%

☆ **Achievement:** 97%

In 2021-22 we commenced using a more contemporary metric for tracking our asset maintenance.

Expenditure on asset maintenance is essential to ensuring assets continue to meet their service delivery requirements. If actual maintenance expenditure is less than the estimated required annual maintenance a council may not be investing enough funds within the year to stop its infrastructure backlog from growing.

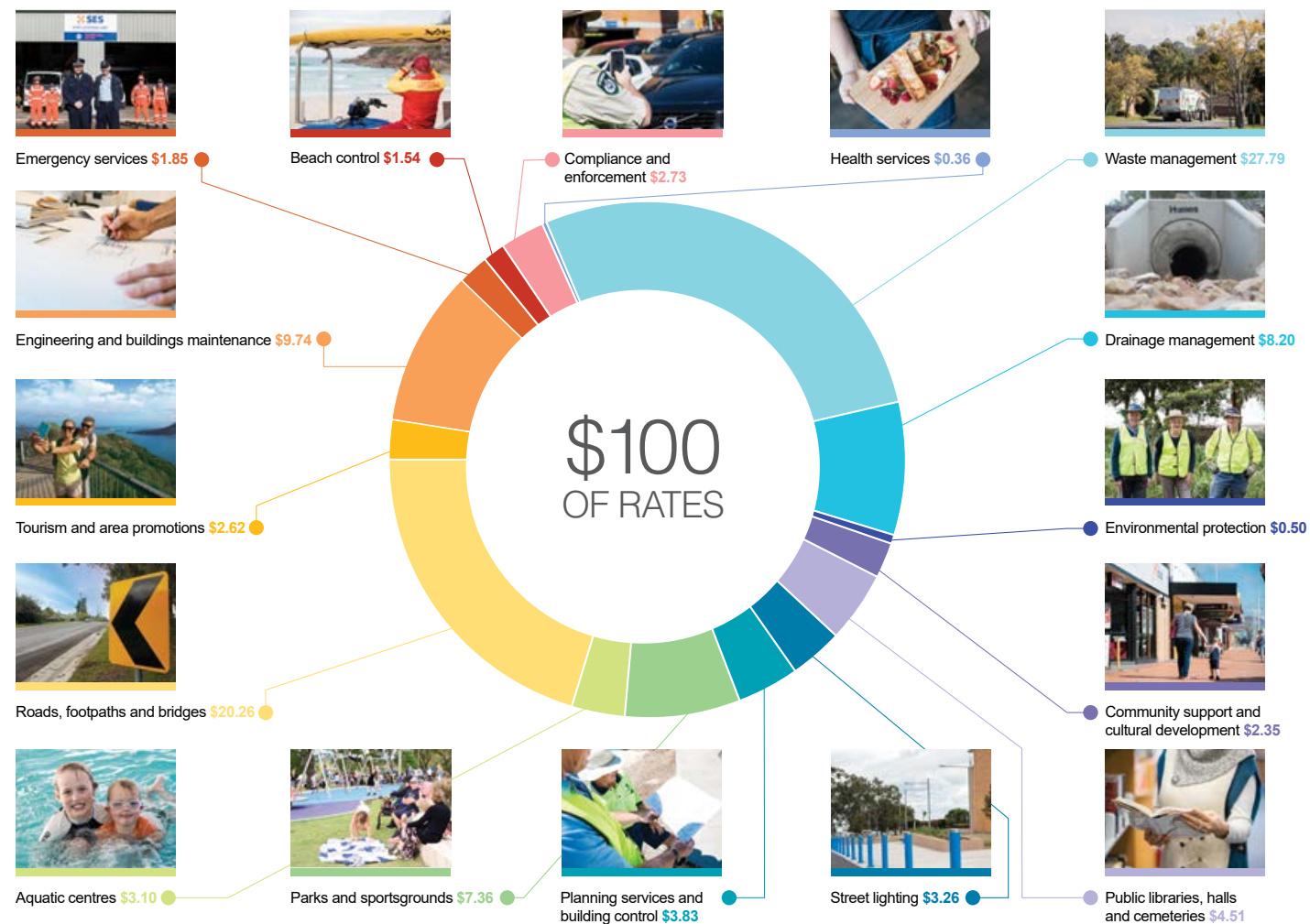
Ongoing natural disasters have widened Council's infrastructure backlog from \$14.47 million as at 30 June 2021 to \$15.85 million as of 30 June 2022. Other contributing factors to the widening included increases in inflation, construction and labour cost and additional works discovered during inspections.

Asset maintenance ratio =

Actual asset maintenance

Required asset maintenance

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 \$586,494.

This has been achieved through ongoing austerity measures and Council endorsing a \$1 million reduction from our operating budget from March 2022. This is a testament to the financial discipline of Port Stephens Council.

Financial overview 2021 to 2022

The income statement summarises Port Stephens Council's financial result for 2021-2022. Including capital income, the 2021-2022 operating result was a surplus of \$41.8 million. This surplus is higher than the 2020-21 surplus of \$32.8 million and also higher than the 2019-20 surplus of \$20 million.

When capital grants and contributions are excluded, the operating result is a surplus of \$8.9 million for the 2021-2022 financial year, this is higher than the surplus of \$2.8 million for the 2020-2021 financial year.

The operating result excluding capital income was higher in 2021-2022 compared to 2020-2021 due to total income from

continuing operations increasing which resulted from:

- An increase in rates and annual charges
- An increase in grants and contributions provided for operating purposes
- An increase in user charges and fees.

Income statement \$'000	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022
Total income from continuing operations	136,833	147,497	146,900	160,410	172,936
Total expenses from continuing operations	116,759	122,293	126,833	127,601	131,154
Operating result from continuing operations	20,074	25,204	20,067	32,809	41,782
Net operating result for the year before grants and contributions provided for capital purposes	4,949	3,892	-4,251	2,817	8,853

The balance sheet provides a snapshot of Port Stephens Council's financial position, including assets, liabilities and net wealth (equity) at 30 June 2022.

For detailed information on our financial performance, refer to volume 2 of this report.

Balance sheet \$'000	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022
Total current assets	65,380	63,701	53,939	70,007	62,737
Total current liabilities	31,856	35,876	37,093	41,692	48,999
Total non-current assets	981,134	1,015,884	1,064,256	1,095,591	1,249,305
Total non-current liabilities	20,910	15,806	37,635	36,501	40,117
Total equity	993,748	1,027,903	1,043,467	1,087,405	1,222,926

This balance sheet provides a snapshot of our financial position including assets, liabilities and net wealth (equity) at 30 June 2022. For detailed information on our financial performance, refer to volume 2 of this report.

Our revenue

Where the money came from

We received \$172.9 million in revenue in the 2021-2022 financial year. The largest income sources were rates and annual charges, which totalled \$66.3 million and user charges and fees, which totalled \$42.4 million. Rates and annual charges and user charges and fees were also our largest sources of income in 2020-2021.

Rates and annual charges such as domestic waste management services are crucial income sources for Council. User charges and fees such as holiday park fees and Transport for NSW works charges are also important sources of income.

\$2.5 m | Net gains from the disposal of assets

\$5.5 m | Other income

\$0.5 m | Interest and investment income

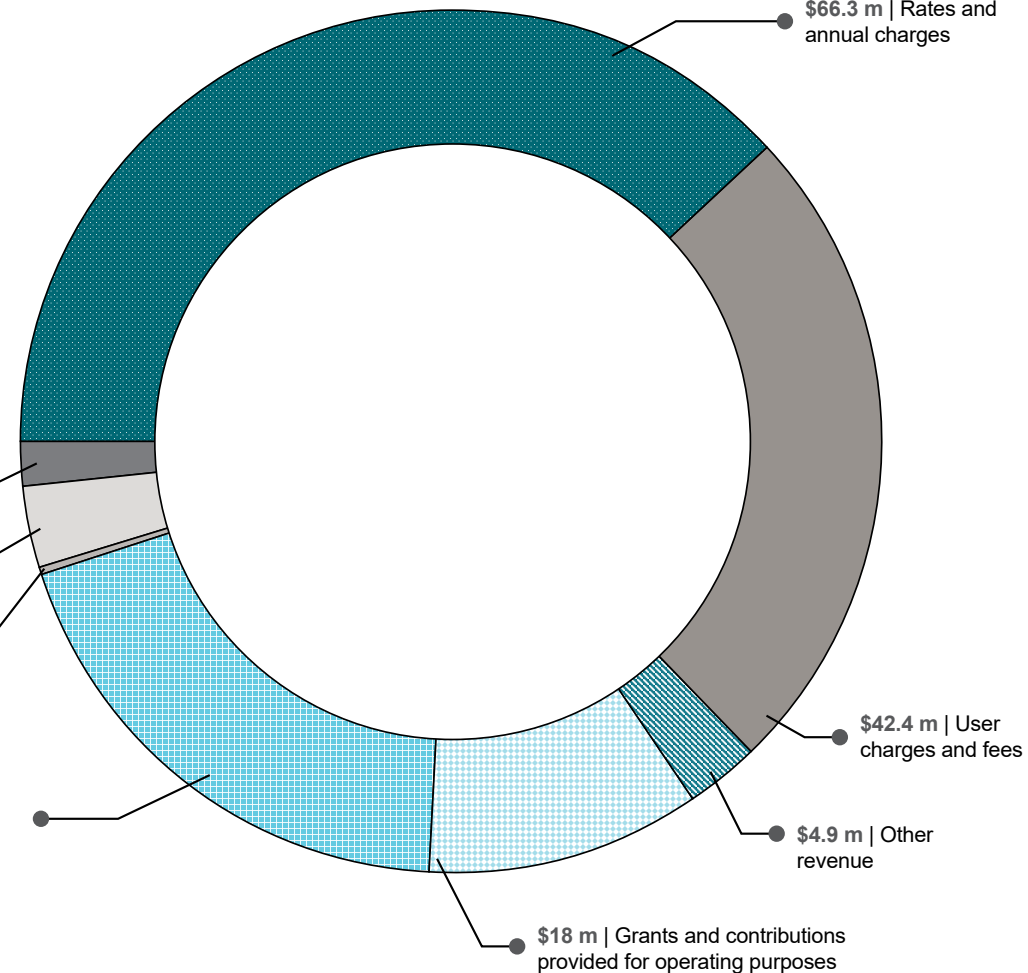
\$33 m | Grants and contributions provided for capital purposes

\$18 m | Grants and contributions provided for operating purposes

\$66.3 m | Rates and annual charges

\$42.4 m | User charges and fees

\$4.9 m | Other revenue




Our expenses


Where the money was spent

We spent \$192.9 million during the year – \$131.2 million on operations and \$61.7 million on capital projects.


Major Infrastructure spending included:

 Roads, bridges, footpaths and car parks \$21 million

 Drainage \$7.6 million

 Buildings \$8.7 million

 Newcastle Airport \$6.9 million


 Other open space or recreational assets \$1.8 million


The above figures include assets that have been dedicated to Council. The total value of assets dedicated to Council in 2021-2022 is \$13.4 million.


Our assets


What we own

Our infrastructure, property, plant and equipment was valued at \$1.2 billion and our investment property assets were valued at \$41.7 million at 30 June 2022. The value of our infrastructure is:


 Plant and equipment \$9.2 million


 Office equipment, furniture and fittings \$1.3 million


 Land \$178.7 million


 Land improvements \$8 million

 Roads, bridges, footpaths and carparks \$515 million

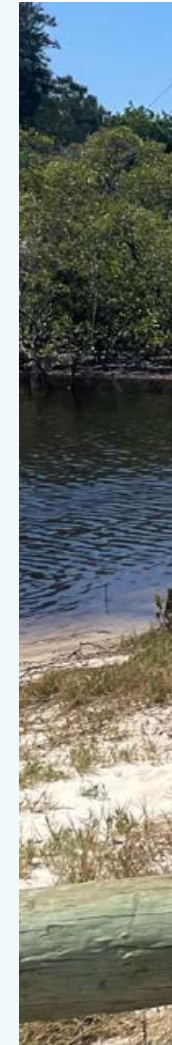
 Buildings \$119.4 million

 Drainage \$229.7 million

 Other infrastructure \$48.2 million

 Other assets \$2 million

 Newcastle Airport \$36.4 million





Major events



Disaster strikes:
COVID 19 lockdown

YAAP Relaunch Event

Christmas

NYE Fireworks



Doggies Day Out

Seagrass Saunter (Summer Coastal Activities)

Karuah Skate Park

Bug Walk (Summer Coastal Activities)

Rockpool Ramble (Summer Coastal Activities)

Tanilba Bay Foreshore Walk (Summer Coastal Activities)

Port Stephens Annual Awards



Australia Day Pool Parties



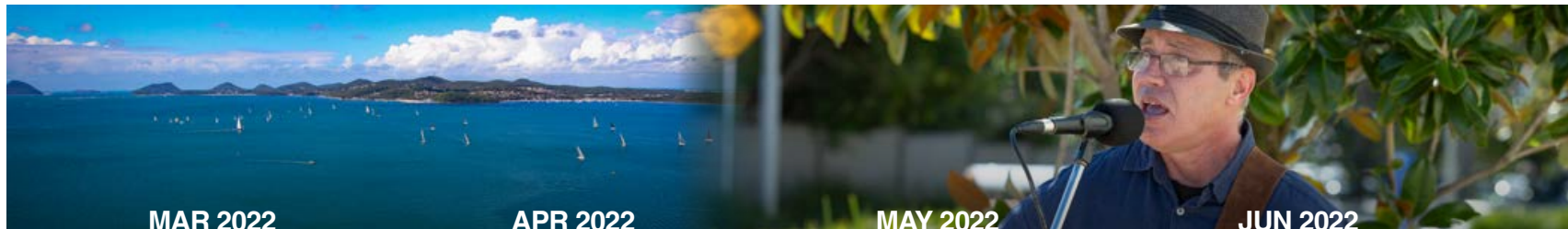
It's On! Bootcamp

It's On! Zumba

Summer Nights Markets

Mayoral Academic
Scholarship Ceremony

Back of Beach Activation



It's On! Pilates

Small Business Month luncheon:
'Change is the new normal'
keynote speech

Summer Nights Markets – LTP

Clean Up Australia Day

International Women's
Day Scholarship



Seniors Festival and seniors
guide launch



It's On! KidZone

Youth Week

Clean Up Australia Day

It's On! School Holiday Program

ANZAC Day

First face to face Citizenship
Ceremony since April 2021

Sail Port Stephens

Karuah Place Plan launch

Clean up Australia Day

National Volunteer Week



Step Back into King Street
Heritage Festival



Building Digital Skills launch

It's On! Lights On Raymond Terrace

It's On! Lights On Nelson Bay

It's On! Winter Chalk the Walk

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 current 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/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, LinkedIn 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.

49

COMPLETED
ENGAGEMENT
PROJECTS

63

OPEN OR
ONGOING
PROJECTS

Our major community engagements were on:



PLACE PLANS



COMMUNITY
STRATEGIC PLAN



ECONOMIC
DEVELOPMENT
STRATEGY



NEW COMMUNICATIONS
AND ENGAGEMENT
STRATEGY



TILLIGERRY PROJECTS
including Mallabula to Lemon
Tree Passage shared pathway,
Mallabula Sports Complex,
Tanilba Bay shared paths

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 – 2020–2021 Annual Report
Hunter Business Awards	Finalist – 2021 Outstanding Employer of Choice
Hunter Business Awards	Finalist – 2021 Start-up Superstar
NSW Top Tourism Town Awards	Finalist – 2022 Tiny Top Town (Karuah)
Local Government NSW	Finalist – 2021 LGNSW Planning Award
Excellence in Family Day Care Awards	Belinda Wolstenholme nominated as Coordinator of the Year 2021 Port Stephens Family Day Care nominated as Service of the Year 2021 Newcastle Family Day Care nominated as Service of the Year 2021

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

33 | Our elected Council

39 | Our governance

40 | Our Executive Team

42 | Organisation structure

43 | Our employees

Equity, diversity and inclusion

Work Health and Safety

45 | Our volunteers





Council Chambers

Our elected council

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

The NSW Local Government Elections were postponed due to the pandemic in September 2020 and rescheduled to September 2021. After lockdowns were reinstated this year, the election was again postponed and held in December 2021.



Learn more about our elected council at
[portstephens.nsw.gov.au/
mayor-and-councillors](https://portstephens.nsw.gov.au/mayor-and-councillors)



Mayor Ryan Palmer

A lifetime resident of Port Stephens, Ryan was popularly elected Mayor in 2017 and in 2021. He is passionate about the Port Stephens area and has brought a new level of transparency and consultation to the Council.

Since being elected, Ryan is proud of the actions he has taken to create a place for all generations to live an active and healthy lifestyle.

Ryan has a strong interest in economic development activities and believes in providing employment opportunities, not only for today but for future generations, like his 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

Chris Doohan has lived in Medowie for nearly 2 decades, and the greater Port Stephens region for more than 40 years. He was elected as a Central Ward Councillor in 2012 and has been Deputy Mayor in 2015, 2016, 2017, 2018 and 2020.

Chris is passionate about Port Stephens and is incredibly proud to represent his community, participating in many local committees, councils, associations and groups.

Chris has 2 children, Holly and Jaikie, who have been schooled locally and are active in local sporting teams.

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



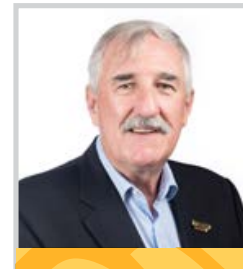
Councillor Jason Wells

Jason has called Medowie home since 2006 where he lives with his wife and 2 children. He's worked in a local NSW public school for 16 years.

For the last 5 years Jason has held the role of President of Medowie Little Athletics Club, engaging with the local community and supporting young people.

Jason has a thorough understanding of the needs of local families of Central Ward and advocates strongly for the provision of high quality and cared for public spaces and safe and accessible pathways.

PO Box 42
Raymond Terrace 2324
0408 001 980
jason.wells@portstephens.nsw.gov.au



Councillor Steve Tucker

Steve was first elected to Council in 2004 and lives at Tanilba Bay.

He has served as Deputy Mayor on 2 occasions in 2006 and 2014.

A retired engineer, he 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 Leah Anderson**

Leah relocated from her original home town of Camden to Port Stephens in 2005, where she's raised her 2 children.

Leah has been actively involved in the community for many years. She founded and was President of Port Stephens Women In Business, and she is the past President of Business Port Stephens.

Leah was proud to be awarded Port Stephens Woman of the year in 2018, and to be nominated for a Port Stephens medal in 2019. Leah wants the best for the people of Port Stephens, and she will listen, care and act, to work hard for the community.

PO Box 306
Nelson Bay 2315
0448 354 668
leah.anderson@portstephens.nsw.gov.au

**Councillor Glen Dunkley**

Glen is another lifetime Port Stephens resident. Married to Kate with 2 young children, Glen is in his second term on Council as a representative of the East Ward. The safety and environment manager holds a degree in Occupational Health and Safety.

A life member of the Fingal Bay Surf Lifesaving Club and President between 2007 and 2011, Glen has picked up a number of National Awards as a result of his outstanding service that stretches back to 1992.

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

**Councillor Matthew Bailey**

Matt Bailey is a first time Councillor on Port Stephens Council and has a background in financial planning and education.

Matt has spent most of his career as a financial planner and has a Bachelor of Business from the University of Newcastle where he majored in Human Resources and Management. He also has a Diploma in Financial Planning.

Matt is a father-of-two boys and grew up in Tamworth before moving to the Hunter Region in 2006. Matt is currently studying a Master of Primary Teaching at the University of Newcastle.

PO Box 451
Salamander Bay 2317
0423 418 530
matthew.bailey@portstephens.nsw.gov.au

West Ward Councillors



Councillor Giacomo Arnott

Giacomo has lived and worked in Raymond Terrace his whole life. He's a Law and Business graduate and has his Diploma of Legal Practice. He's a professional firefighter with Raymond Terrace Fire and Rescue and volunteers with many local groups and community-based initiatives.

Giacomo has spent his time on Council delivering for the ratepayers of Port Stephens, standing up for what's right and improving communications with the Port Stephens community. 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 Peter Francis

Peter has been involved in communications, marketing, advocacy, sales, and influencing people's opinions for most of his professional career.

He's been granted several National and International awards in recognition of his various acts in the areas of diplomacy and humanitarian works.

Peter is a mental health advocate, presenter, facilitator, public speaker, blogger, writer, and master of ceremonies and his views on community consultation and advocacy are ones which are integral to bringing about a cohesive and integrated whole.

127 Richardson Road
Raymond Terrace NSW 2324
0493 217 117
peter.francis@portstephens.nsw.gov.au



Councillor Peter Kafer

PO Box 42
Raymond Terrace 2324
peter.kafer@portstephens.nsw.gov.au

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Councillor attendance 1 July 2021 to 30 June 2022

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 and Councillors wish to discuss. They form part of an elected members' ongoing professional development.

Port Stephens also has 24 community committees and a further 34 groups in which the Mayor and Councillors represent Council. These can be viewed on page 139.

COUNCILLOR ATTENDANCE 1 July 2021 to 3 December 2021*				
	Ordinary meeting	Extra ordinary meeting	All meetings combined	2 Way conversations ¹
Number of meetings	8	0	8	24
Councillor Abbott	8	0	8	14
Councillor Arnott	8	0	8	23
Councillor Doohan	8	0	8	18
Councillor Dunkley	7	0	7	22
Councillor Jordan	7	0	7	8
Councillor Le Mottee	7	0	7	22
Councillor Nell	8	0	8	24
Mayor Palmer	8	0	8	24
Councillor Smith	7	0	7	20
Councillor Tucker	7	0	7	9

COUNCILLOR ATTENDANCE 23 December 2021 to 30 June 2022				
	Ordinary meeting	Extra ordinary meeting	All meetings combined	2 Way conversations ¹
Number of meetings	9	1	10	41
Councillor Anderson	9	1	10	37
Councillor Arnott	9	1	10	39
Councillor Bailey	8	1	9	32
Councillor Doohan	9	1	10	35
Councillor Dunkley	8	1	9	26
Councillor Francis	9	1	10	37
Councillor Kafer	5	1	6	13
Mayor Palmer	9	1	10	31
Councillor Tucker	9	1	10	35
Councillor Wells	9	1	10	39

*Local Government election was held on 4 December 2021. ¹Two Way conversations are informal meetings held between the Mayor, Councillors and staff with specific subjects that the Mayor/Councillors wish to discuss.



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 a councillor induction program conducted during this period following the Local Government election in December 2021.

The total cost of professional development including accommodation and training for this period is \$26,409 (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 Dunkley, Cr Tucker, Cr Nell
ALGA National General Assembly	Mayor Palmer, C Doohan, Cr Dunkley
Business Hunter Seminar	Mayor Palmer, Cr Anderson, Cr Wells
Code of Conduct training	Mayor Palmer, Cr Anderson, Cr Arnott, Cr Bailey, Cr Doohan, Cr Dunkley, Cr Francis, Cr Kafer, Cr Tucker, Cr Wells
Councillors' Strategic Workshop	Mayor Palmer, Cr Anderson, Cr Arnott, Cr Bailey, Cr Doohan, Cr Dunkley, Cr Tucker, Cr Wells
Hunter Directors' Briefing	Cr Dunkley
LGNSW Online Conference	Mayor Palmer, Cr Abbott, Cr Doohan, Cr Le Mottee
LGNSW Special Conference	Mayor Palmer, Cr Arnott, Cr Francis, Cr Tucker
LGNSW Destination and Visitor Economy Conference	Mayor Palmer, Cr Dunkley, Cr Tucker
Planning for Non-Planners	Mayor Palmer, Cr Anderson, Cr Doohan, Cr Francis

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, Mayor, Councillors and volunteers.

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

During 2021 to 2022, there were 29 Code of Conduct complaints about Councillors and the General Manager. Of the 29 complaints, 18 were addressed by alternate means, 5 were referred to an

external reviewer, 4 were referred to the Office of Local Government and no action was taken on 2 complaints.

Privacy and personal information

The Privacy Management Plan was reviewed and adopted by Council on 25 August 2020. There was 1 internal review 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 Leah Anderson

- Councillor Chris Doohan
- Councillor Glen Dunkley (alternate)

The 2021 to 2022 Internal Audit program included 5 audits into:

- section 7.11 contributions
- capital projects/works management – in progress
- cyber security – in progress
- National Heavy Vehicle Accreditation Scheme compliance audit
- RMS Drives compliance report.



Find out more about our audit committee at portstephens.nsw.gov.au/committees



Our leadership team

Port Stephens Council is led by General Manager Tim Crosdale, who is supported by 3 group managers.



Learn more about our Executive Team at
portstephens.nsw.gov.au/executive-team



General Manager Tim Crosdale

Appointed 2022

Tim joined Port Stephens Council as Group Manager Development Services in 2018 and since 2020 was Group Manager of Corporate Services.

With extensive experience at senior and executive level management across private consulting and in local government, Tim has a successful track record in leadership, professional services provision, business and staff management.

He brings extensive skills and experience in development and strategic planning, project delivery, and business operations including HR, marketing, financial management and business development.

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



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 (Acting) Zoë Pattison

Appointed (Acting) July 2022

Zoë has worked at Port Stephens Council for nearly 25 years, providing strategic Senior and Executive leadership across the Corporate Services Group, including Human Resources, ICT, Corporate Reporting, Strategic Property and Business Improvement

With a number of post graduate qualifications including a Master of Business Leadership, Zoë is Graduate Membership of the Australian Institute of Company Directors and holds two Board positions.

With a focus on building capability and capacity amongst our people, in alignment with the future direction of the organisation, Zoë is passionate about providing strategic leadership to improve the services we deliver to our customers.



Development Services Group Manager
Steven Peart

Appointed 2020

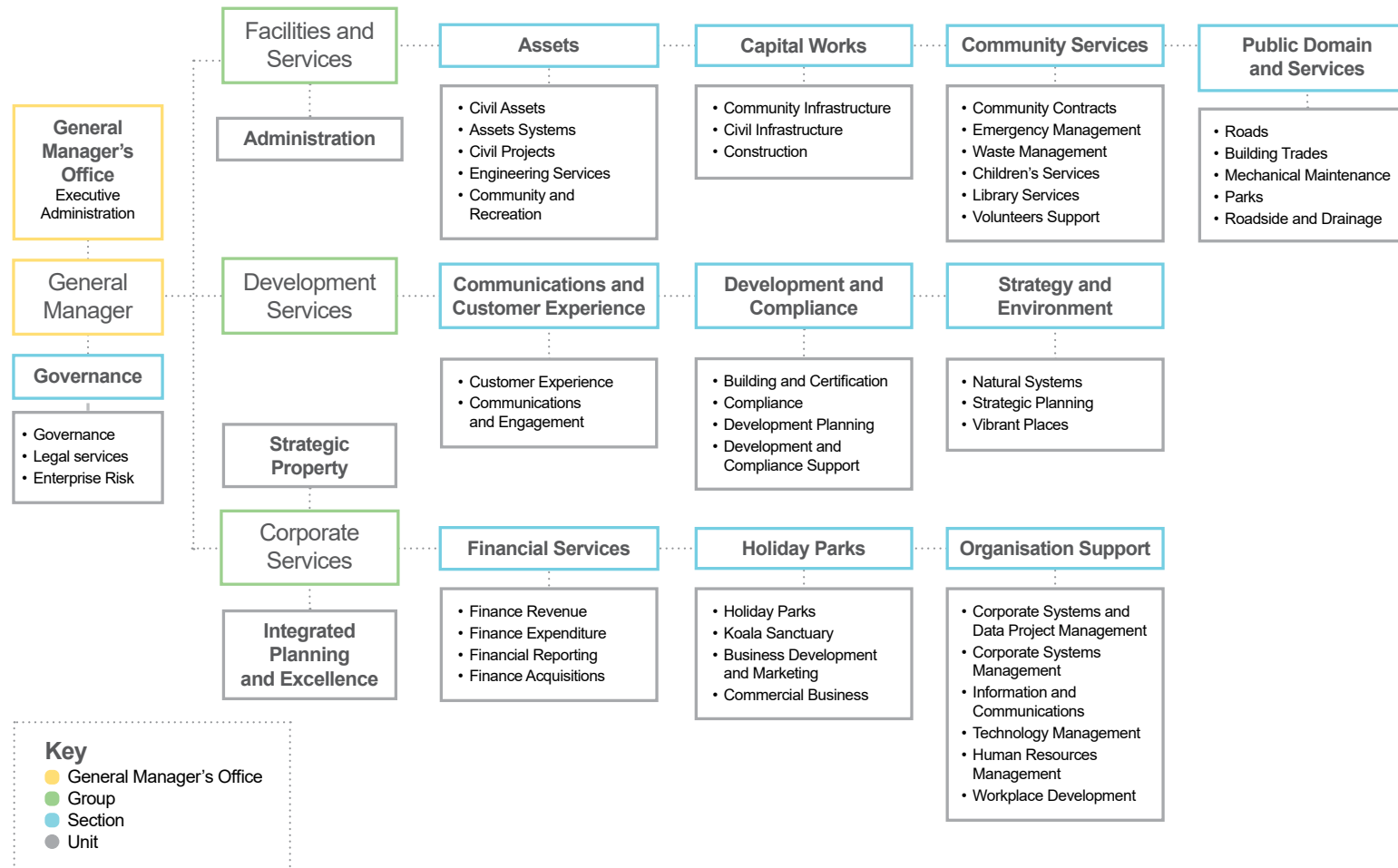
Steven joined Port Stephens Council as Strategy and Environment Section Manager in 2018.

He was appointed Acting Development Services Group Manager in 2020 and after a competitive recruitment process, was appointed permanently to the role 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.

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 2022-2025 sets out our commitment to being an employer of choice.

It's important that our Council's workforce reflects the community we serve. As at 30 June 2022, we employed:

3 GROUP MANAGERS OF WHICH **ALL ARE MALE**

11 SECTION MANAGERS OF WHICH **5 ARE FEMALE**

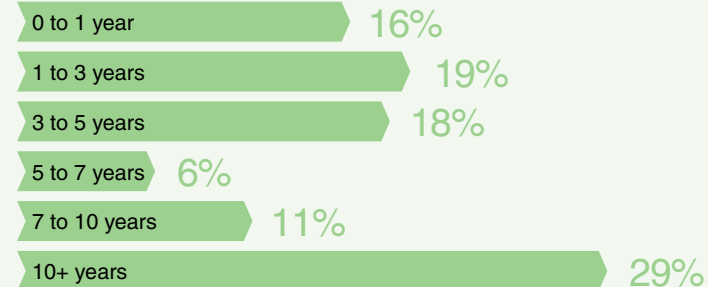
560 EQUIVALENT FULL-TIME POSITIONS IN OUR STRUCTURE (587 EMPLOYEES)

50% ARE FEMALE
50% ARE MALE

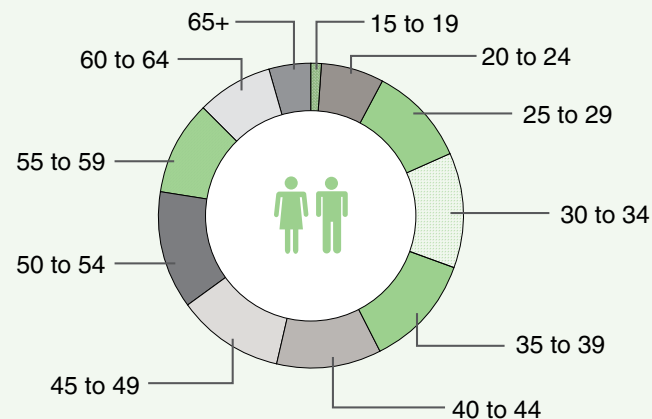
Almost three quarters of our workforce are employed on a full-time basis.



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've 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 2021 to 2022:

- We have almost a full complement of EDI representatives covering most teams and locations across Council.
- We celebrated International Women's Day by hosting guest speaker Jane Caro. Jane is a feminist social commentator, writer and lecturer based in the Northern Beaches and the author of the 'Accidental Feminist'. Jane provided wonderful insight into the adversity that women have faced in the past and the real issues still facing women today.
- We promoted Harmony Week to employees in celebration of inclusiveness, respect and belonging for everyone. Some Council staff wrote and performed a song, sharing their backgrounds, empowering staff to feel valued. We celebrated NAIDOC Week with employees and our community, recognising the valuable contribution Aboriginal and Torres Strait Islander people make.

Work health and safety

We're 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 at least 2 safety observations per month. This year, we conducted:

Employee consultation

Our Health and Safety Committee and Health and Safety Representatives have an important role in consulting with employees on health and safety matters.

1520 SAFETY OBSERVATIONS THAT IDENTIFIED

95 ACTIONS TO ENHANCE WORKER SAFETY.



The committee consists of 13 employees – half appointed by management and half appointed by employees – and met 6 times during the year to oversee safety in Council.

Workers compensation

Our workers compensation premiums stabilised this financial year due to improved safety performances in recent years. We remain focused on injury prevention and wellness, channelled through our injury management, safety observation and PSCare employee wellness programs.

Our injury profile

Safety events (incidents and near misses) were reduced by 19% to 145. The main types of injury were sprains and strains (47%) and lacerations (14%). Lost time injury hours have decreased this year, noting a general reduction in injury severity.

Incidents by type –
2021 to 2022

41

FIRST AID



4

LOST TIME INJURY



17

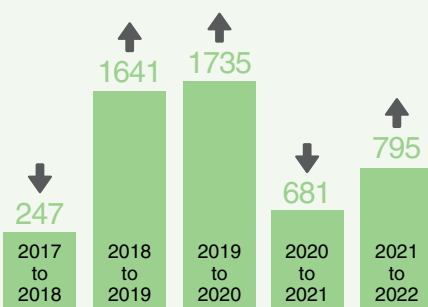
MEDICAL INJURY



26

NEAR MISS

Lost time hours



Our volunteers

Our 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 and we are gradually seeing an increase in volunteer numbers.

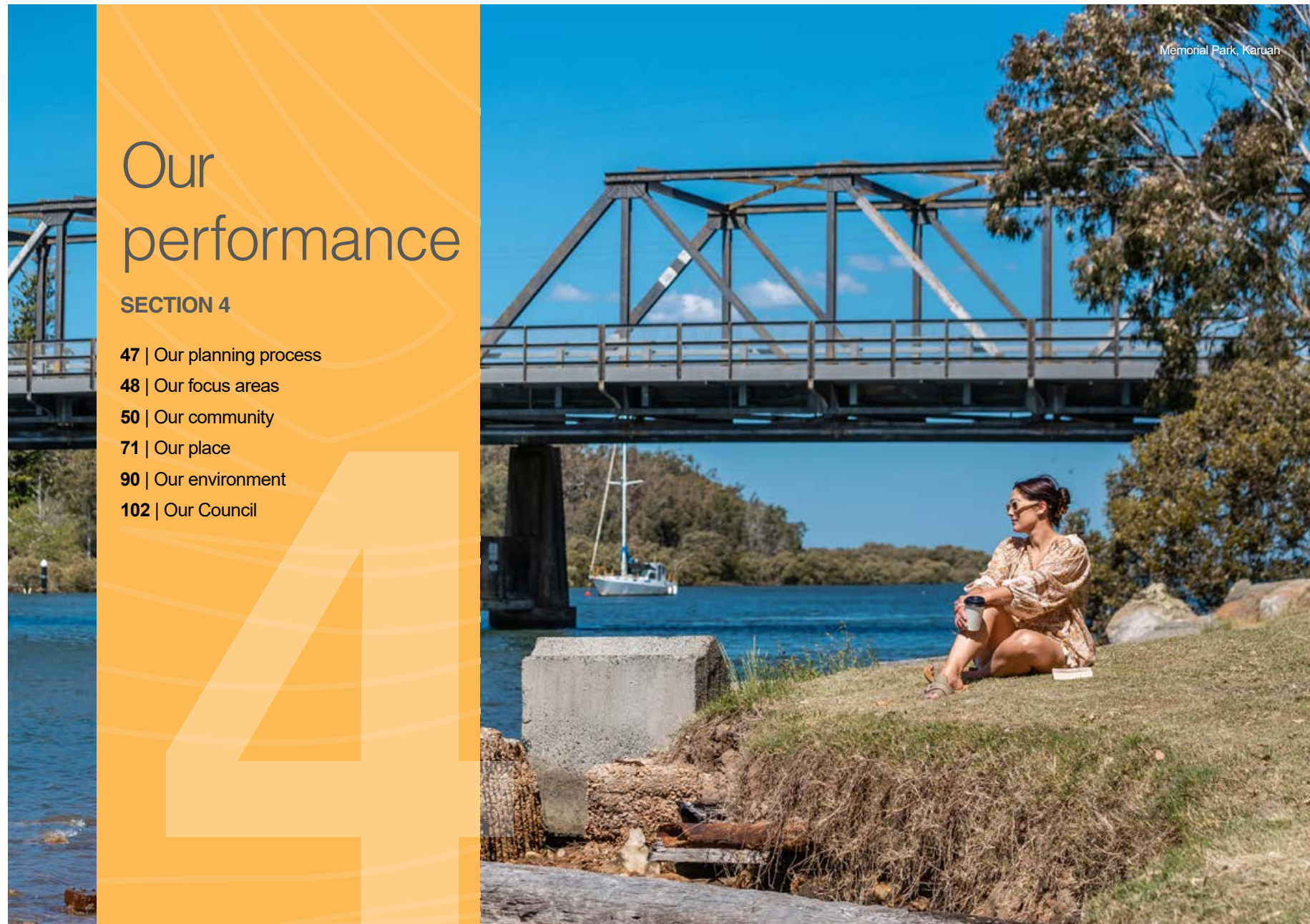
We regularly encourage new volunteers to join us at portstephens.nsw.gov.au/volunteer

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, a strong social network 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. We're currently reviewing how we can provide a better model of supporting our volunteers.

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!



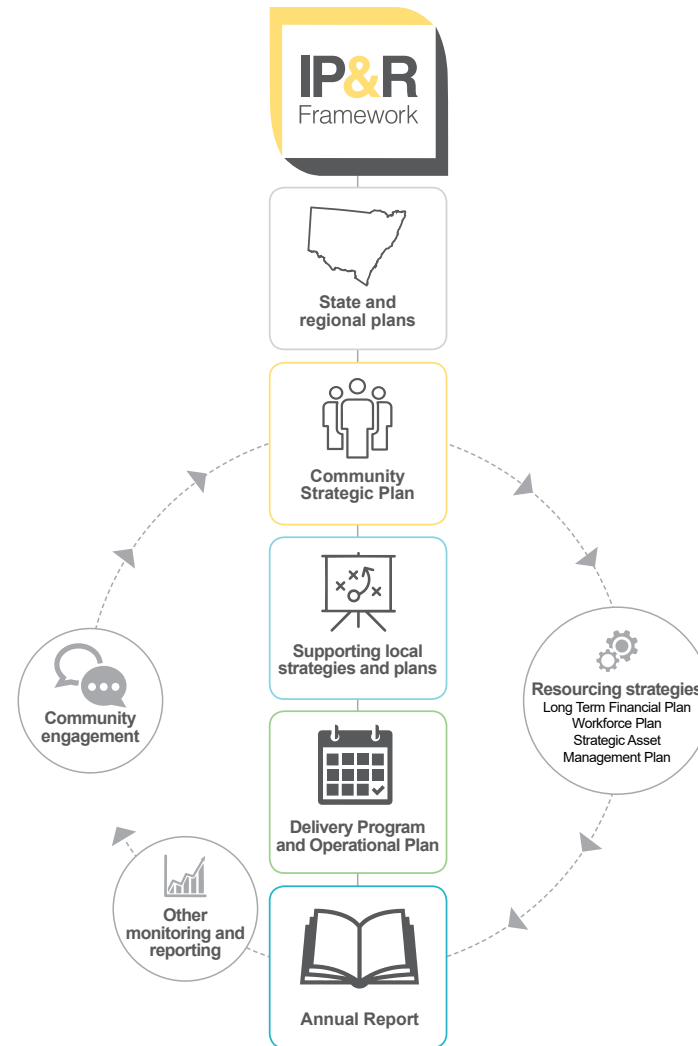
Our planning process

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.

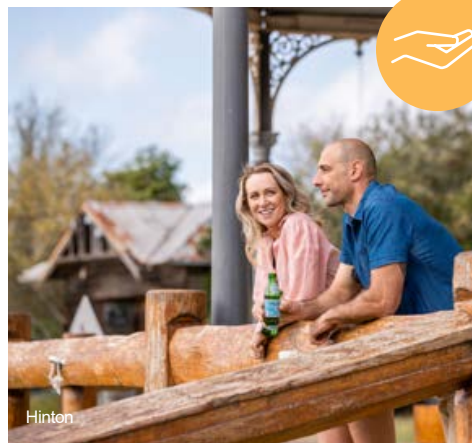


Read more about our integrated planning process at portstephens.nsw.gov.au/integrated-plans



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 2022.



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.



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.



Whale watching at Boat Harbour

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.



Nelson Bay depot

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



what's next?

Look for the **KP** icon next to headings to identify our key priorities for the Delivery Program period of 2018 to 2022.

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.



Fall in love with our libraries

This year, we celebrated Library Lovers' Day and recognised the valuable role libraries play in our lives – whether it's fostering a love of reading through children's story-time, or helping seniors master new technology.

Here in Port Stephens, our libraries are treasured spaces that connect our community. There are four branches across our region; Raymond Terrace, Tomaree, the Mobile Library and Tilligerry Community Library.

Across the 4 branches, there's more than 91,000 physical books, CDs, magazines, audio books and movies available for loan. The Mobile Library alone has over 10,000 items on board. Our library members also have access to more than 65,000 eBooks, eNewspapers, eMusic, eFilms and more at their fingertips through the digital 'eLibrary'.

Our libraries were closed to the public for 9 weeks during COVID-19 lockdowns, however, our staff continued to work behind the scenes, adapting and adjusting to our modified program of service delivery

and continuing to meet the needs of our community. We offered a 'Click & Collect' service, online resources and programs and also introduced contactless printing and a Home Delivery Service, all of which were greatly appreciated by library members.

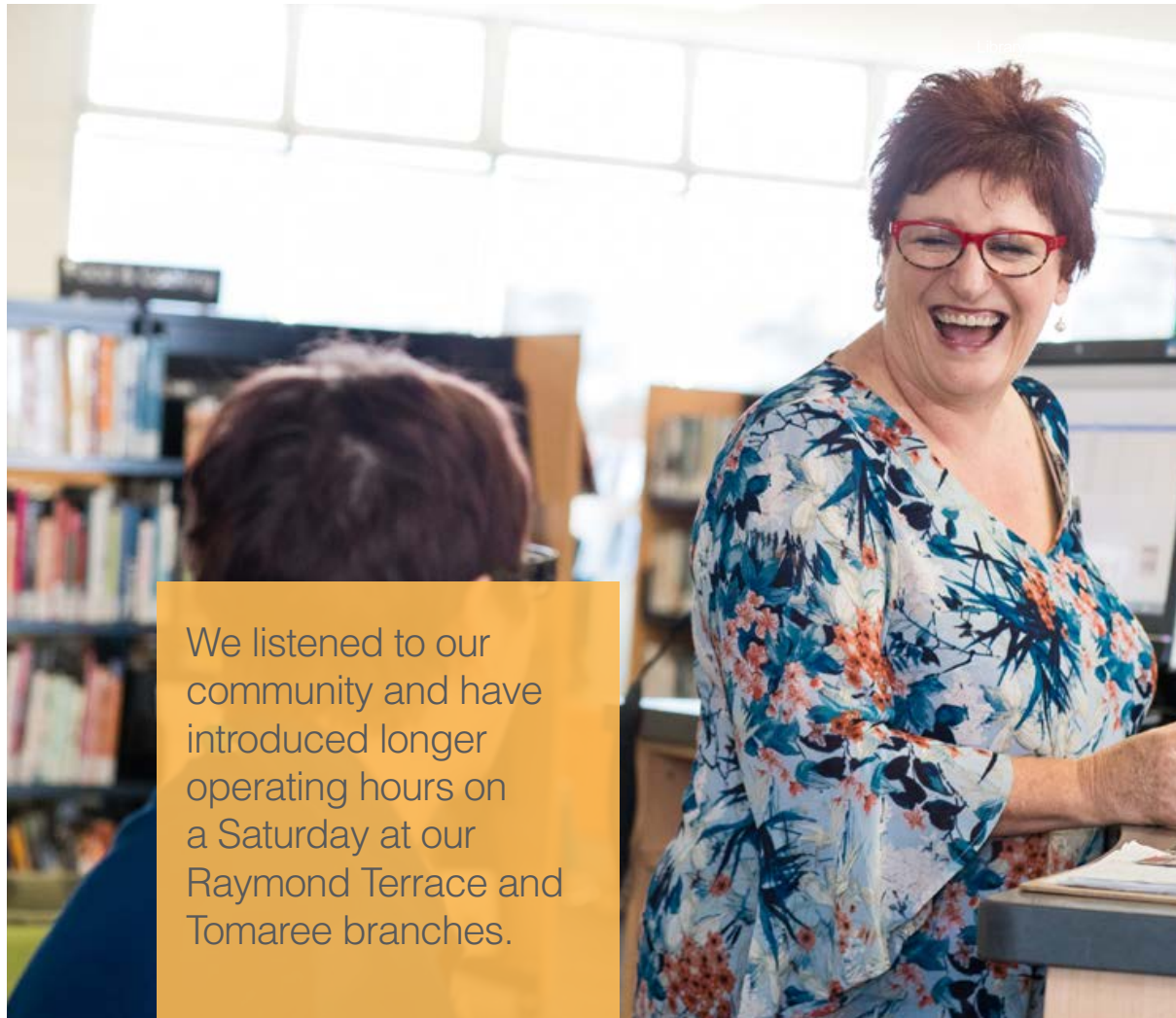
Our libraries re-opened to the public in October 2021 and the Mobile Library was back on road with the addition of the free Wi-Fi service.

We've started getting back to a more 'normal' level of service delivery implementing a new Library Management System in April 2022. We recommenced our full range of programs, activities and events, including new free loanable STEAM Kits (Science, Technology, Engineering, Arts and Maths) for budding scientists and engineers.

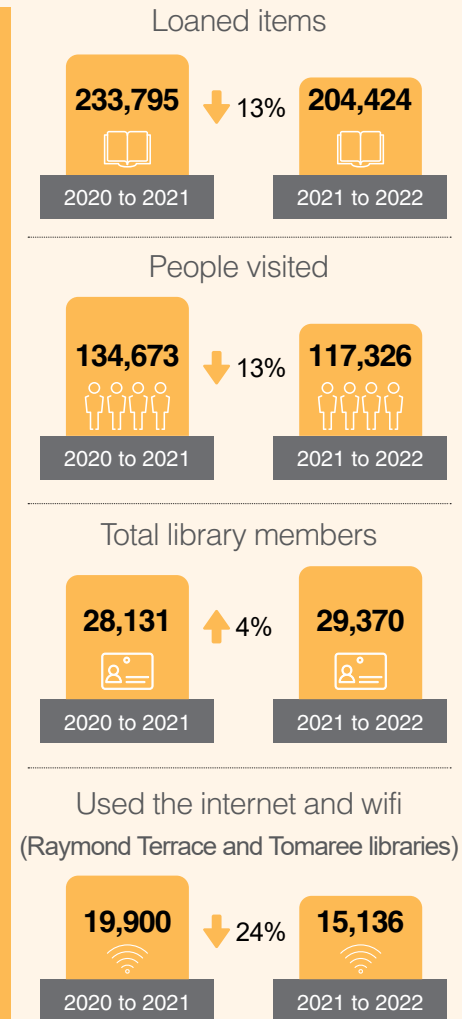
Despite the challenges, we've enjoyed being innovative and thinking outside the box. We'll continue to explore new and exciting programs to reach further into our community.



Sign-up today and show your local library a little bit of love. Visit portstephens.nsw.gov.au/libraries to get started.



We listened to our community and have introduced longer operating hours on a Saturday at our Raymond Terrace and Tomaree branches.





Supporting our volunteers

Our volunteers are the lifeblood of the Port Stephens community. From making a hands-on contribution through Landcare or our libraries, or managing programs and services in our local community halls. They give their time and energy to make Port Stephens a better place.

Unfortunately COVID-19 made it difficult for us to consistently stay in touch with our volunteers and manage their services, particularly those who take care of our local community halls. This has given us the chance to review our processes and improve the way we do things. Over the year, we made the following changes:

- Updated the hall booking process
- Provided more information and a clear communication process to our volunteers
- Rolled out consistent procedures across all locations

These improvements will help us maintain our facilities, manage volunteers and more importantly, increase hall hire bookings with a better customer experience.



Housing affordability

Like many regional areas, Port Stephens is experiencing unprecedented demand for housing. This is due to affordability (compared to Sydney), better lifestyle opportunities, and the increasing ability to work remotely.

In 2020, Port Stephens was identified as a top 3 destination for people moving to regional NSW and 1 in 3 people are 'regional returners', moving back to raise families, pursue career opportunities or to take advantage of flexible working arrangements and more affordable housing in regional areas (The Big Movers Population Mobility Report, Regional Australia Institute, 2020).

As more people look for properties outside of capital cities, an imbalance between demand and supply is placing pressure on housing prices and availability. Delays in land release and the reduced volume of actual supply available to the market over the short to medium term are impacting growth across Port Stephens.

Increased demand is also contributing to tight rental markets and driving up rental costs. As a result, the availability

of affordable rental housing has seen a steady decline. Rental stress in Port Stephens for lower income earners is at nearly 10 percentage points above State averages. We also know businesses in our local government area are struggling to attract workers, as many are unable to find affordable housing options.



What's next?

The right type of housing in the right location is critical to improving housing affordability. We're currently working on a housing diversity plan which will increase the variability of available housing, to ensure lower cost options are also available to service the community. This will require all new housing supply to cater to all segments of the housing market.



Read more about housing in Port Stephens at portstephens.nsw.gov.au/local-housing-strategy






Connecting the generations

Our new Building Digital Skills program has connected our tech savvy young people with our older generation.

Funded through an Australian Government Be Connected grant and facilitated by Youngster.Co, the goal is to promote intergenerational engagement with the “youngsters” working together.

 **40%**
OF PORT STEPHENS
POPULATION
AGED 50+ YEARS

With 40% of the Port Stephens population aged over 50 years, the program, launched in June 2022 helps to alleviate the challenges many of our older generation face.

With communication moving online at a faster rate than ever anticipated, the struggles our older residents face became even more apparent during the pandemic.

This program has encouraged our residents to venture out, visit their local libraries, reignite their sense of belonging and reinforce the importance of their contributions to our community.

We're addressing isolation and loneliness in our older generation while our youngsters tap into their strengths, build confidence and gain essential life skills.

Our vision is to see a world where our seniors are engaged and respected, and our young people feel valued, find meaning in their work and are part of a vibrant community.

The Building Digital Skills program is ongoing with more information sessions being made available due to its growing popularity. To book a session, pop into your local library or visit [youngster.co](https://www.youngster.co).



Launch of the Building Digital Skills program

We're addressing isolation and loneliness in our older generation while our youngsters tap into their strengths, build confidence and gain essential life skills.



Celebrating our Youth

Young people are the future of Port Stephens, so it's important they have a say in the decisions that affect them, feel a sense of belonging and are provided opportunities and pathways for success.

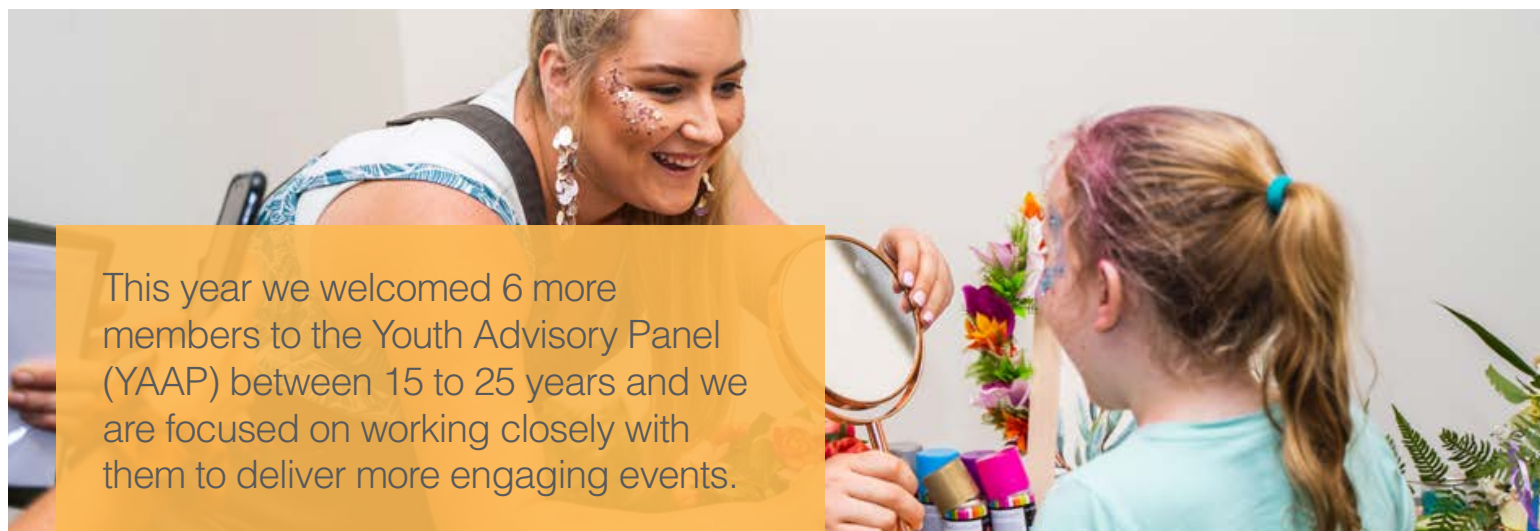
Thousands of young people across NSW aged 12 to 25 get together annually to celebrate Youth Week, where they can share ideas, attend live events and celebrate their contribution to our community.

Youth Week provides a great opportunity for young people to connect, express their ideas and views, create, and enjoy activities and events. This year, thanks to grant funding, we collaborated with UP&UP, The Totem Collective, PCYC Port Stephens – Nelson Bay, Lakeside Leisure Centre, and Snak N Rap to present a fun and engaging calendar of events.

Port Stephens Council's Youth Strategy has been created in partnership with local young people and guides the delivery of youth-friendly services, infrastructure and programs across our region.

A sense of connection to our places and people is paramount, which is why Council has been working with locals to create more youth-friendly spaces.

When it comes to being heard, Council's Youth Advisory Action Panel (YAAP) puts local young people front and centre in the decision-making process. Members advise on important issues for young people and how they can be addressed, help develop local projects, comment on Council plans and strategies and represent Council at youth events.



This year we welcomed 6 more members to the Youth Advisory Panel (YAAP) between 15 to 25 years and we are focused on working closely with them to deliver more engaging events.

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What we did to promote inclusion in 2021 to 2022

- With the assistance of grant funding, we built new accessible amenities at Tomaree Sports Complex and Boyd Oval Medowie.
- With the assistance of grant funding, we constructed accessible public toilet facilities at Shoal Bay Foreshore and another at Bettles Park Raymond Terrace.
- We completed a shared pathway connecting Mallabula to Lemon Tree Passage, as well as shared pathways along the Raymond Terrace Levee Bank,

with the assistance of grant funding.

- We updated our website to offer more self-serve options and in June, added a ReadSpeaker function, converting text to audio for people who are vision impaired or who have difficulty reading online text. We had more than 300 people access this function within the first few weeks.
- We were able to increase accessibility to the Nelson Bay stage thanks to a Streets as Shared Spaces funded project.
- Thanks to grant funding, we revitalised Robinson Reserve, Anna Bay and transformed it into a community hub with a skate and scooter park to cater for all ages and skill types

- With the assistance of grant funding, we recently upgraded the Mallabula Sports Complex, making it another great facility that not only encourages young people to be active and healthy, but fosters a feeling of inclusion and belonging by giving them a space to share their passions and hobbies.



What's next?

The Disability Inclusion Action Plan (DIAP) is reviewed and developed every four years and reported on annually. We're currently working on a new, more integrated Wellbeing Strategy which will focus on inclusion, accessibility and diversity for our community.

Disability Inclusion
Action Plan
2021 to 2022
action status



COMPLETED OR MET
ANNUAL TARGET

23



NOT COMMENCED OR NOT
DUE TO COMMENCE

1



What we did to plan for an ageing population in 2021 to 2022

- We launched our 'Better With Age' seniors guide to reconnect and inspire our older residents. The guide provides information regarding social groups, activities and features individual stories from various inspirational seniors of Port Stephens.
- We ran many Building Digital Skills sessions throughout the LGA to educate our older residents in digital technologies. This also provided employment for our younger residents who were teaching the education sessions.
- Our libraries hosted a program called 'Rite to the Finish' which compassionately covered aspects of end of life, with topics ranging from organ donation to funeral planning.
- We welcomed Meals on Wheels as a new tenant of the Tomaree Library and Community Centre.





FEATURE

Better with Age



Growing older in Port Stephens has never been more enjoyable, thanks to our new guidebook aimed at promoting connection and wellbeing among local seniors.

'Better with age: A guide to the good life for modern elders in Port Stephens' was launched as part of the 2022 NSW Seniors Festival. It features some amazing local legends with stories that will both tug at the heartstrings and lift your spirits, as well as a comprehensive list of local services and facilities, things to do, helpful tips for ageing well and inspiring stories.

With around a third of all residents in Port Stephens aged over 55, this guide celebrates the important contribution seniors make to our community, as well as their wisdom and experience. It was created with the intention of facilitating connections following the isolation we've had to endure over the past few years.

So before you say 'I'm too old for that', take a wander through 'Better with age' and you'll discover ageing isn't 'lost youth' but just a new stage of opportunity!



Read more about the discovery at
portstephens.nsw.gov.au/seniors

Goal 2: Recognised traditions and lifestyles

Our community supports the richness of its heritage and culture.



Growing a cultural community

We're committed to growing the capacity and capability of our community through education, training and skills.

In February 2022 we launched the Culture Club forum, bringing local creatives, volunteers and businesses together to grow their practice, learn new skills and develop new cultural opportunities in Port Stephens.

Hosted by the Murrook Educational Centre, the first forum featured guest speaker Terri Janke sharing about how to engage with Aboriginal Artists, followed by workshops covering everything from growing a business to events management, and making the jump to public art.

The meeting of creative and cultural experts gave us a vision for what a unique cultural festival in Port Stephens could look like, fuelling ideas for future programs and events.

The beautiful Murrook Educational Centre provided a great space for the forum and an opportunity for the Worimi People to show a facility that is available for community use.



What's next?

We're planning to deliver on Our Incredible Place Strategy with a vibrant and diverse program of activities dispersed across Port Stephens that promote social connection, support local business and boost the

night-time economy following extended COVID-19 restrictions. Depending on external funding, the program will include lighting projections and installations, live music and food, cultural storytelling, and performances.



We're planning to expand and diversify our It's On! program across more of Port Stephens with a series of community classes, activities and workshops, developed to support local businesses and boost the night time economy.



KP Birubi cultural works

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.

This year our focus at Birubi was dune stabilisation around the bottom carpark at the headland. The works involved re-construction of an eroded dune, construction of sand-catch fences and dune vegetation planting. These works will help protect these valuable lands.

The main works were completed in March 2022, with vegetation planted in partnership with the Worimi Green Team. Once sand builds up around the existing

sand catch fences, we'll add further fencing and vegetation planting.

Sometimes we love Birubi just a bit too much, causing large traffic jams of buses and cars moving in and out of the beach car park.

Last year we were successful in securing the final piece of funding to develop the Birubi Point Aboriginal Place Tourism Transport Interchange.

The interchange will provide better access to the incredible Worimi Conservation Lands and ultimately improve the experience of locals and visitors, while protecting the cultural significance of this place.

This is possible thanks to funding from the Australian Government's Building Better Regions Fund, the NSW Government's investment and Council investment.

The initial preparation work has started on-site, with major works expected to begin in late 2022.



To stay up to date with the progress of the interchange visit portstephens.nsw.gov.au/projects





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 Land Councils during NAIDOC Week in July 2018.

It's now a living roadmap that outlines actions to realise our shared vision for the future of Port Stephens.

This year:

- We established a formal process that identifies Worimi and Karuah LALC Aboriginal Land Claims and status
- We established protocols for the development of Management Plans for Aboriginal Place gazettal
- We continued to integrate Aboriginal curated art for our 'Raymond Terrace Reflections' and Yacaaba Street public art projects. Funding from the NSW Cultural Tourism Accelerator Fund was redirected to activate these spaces.
- We finalised the Memorandum of Understanding with Transport for NSW for a mural on the Karuah Bridge. Murals and public art are growing, with many funding applications being received as well as large-scale DA's requiring elements of public art.



Goal 3: Community partnerships

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



Australia Day festivities relaunch post COVID-19 events

After celebrating events virtually with our community for the past few years, this year in partnership with our volunteer committees, we celebrated Australia Day together.

We count ourselves lucky to live in a place that's not only brimming with natural beauty, but that is diverse, inclusive and has a wonderful community spirit. This year's theme, 'We're all part of the story', focussed on celebrating our history and the people who make it great.

We hosted a family fun day at Riverside Park with marching band, a big Aussie Breakfast, market stalls and award ceremonies.

The Citizenship ceremony officially welcomed the region's newest Australians as they made the pledge of commitment in front of their family, friends and community members.

For those that wanted to avoid the heat, Lakeside Leisure Centre hosted a pool party, with free entry to the pool, where the

community enjoyed a BBQ, swim, local performers and some fun.

Australia Day also provided a perfect opportunity for us to thank local groups and individuals for their service and generosity through our 2021 Port Stephens Annual Awards. Each of our annual award recipients stand out as shining lights, whether it's through donating their time to community programs, championing local sports, or raising environmental awareness.

Our 2021 Port Stephens Annual Award winners are:

Citizen of the Year – November Sheehan

November Sheehan is the founder of Heart Letter Pen, an online initiative created during the peak of the COVID-19 pandemic to assist people who are feeling lonely, anxious and isolated. Humble, but infinitely encouraging, November donates significant time to manage the group's Facebook page, coordinate drop-off and collection of boxes across the local community, and individually check, sort and mail card batches.

Young Citizen of the Year – Brigid Douglas

Brigid Douglas is a volunteer gymnastics coach at PCYC Port Stephens, generously volunteering an estimated 350 hours a year to support programs for young people.

Brigid has built wonderful relationships with her students and the community, and is an example of hard work and dedication to the sport of gymnastics. Brigid also helps with the club's school holiday programs and works closely with NSW Police on the Fit for Life program.

Sportsgroup of the Year – Clontarf Foundation

The Clontarf Foundation helps to improve the education, discipline, life-skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men. The Foundation has helped to make a difference in the lives of young people in Port Stephens by running programs with students at Hunter River High and Irrawang High School.

Cultural Endeavour – Madeline Crockett

Madeline Crockett gives back to her community by volunteering her time at the Twilight markets in Fingal Bay. Among her many duties, Madeline helps to organise signs and COVID-19 updates, recruiting market stall holders, advertising via social media and providing updates to the community. Previously Madeline spent time volunteering to assist her fellow students with their school assignments.

Environmental Award – Leonie Bryson

Leonie Bryson is the vice-president and a key member of Climate Action Port Stephens. Leonie has been actively involved in educating the Port Stephens community about climate change and sustainability and has worked on events such as School Strike for Climate. Through her dedication and hard work, Leonie secured grant funding to install renewable street furniture in Raymond Terrace – known as a Smart Solar Bench – that uses energy from the sun to enable users to charge their phones and connect to Wi-Fi.

Freeman of Port Stephens – Kevin Stokes

Kevin Stokes is a founding member of the Hunter Region Botanic Gardens. A passionate advocate for the environment, Kevin has spent more than 36 years volunteering at the Gardens. He has worked tirelessly to develop and maintain the Gardens' traditions, its volunteer basis and its focus on displaying and conserving Australian plants.

Freeman of Port Stephens – John Nell

As a former Councillor, John Nell contributed 34 years to Port Stephens Council both as an East Ward Councillor and Mayor. He is the second longest-serving Councillor on Port Stephens

Council. John is passionate about the Port Stephens environment and was a long-standing member of many committees including the Marine Park Committee, Estuary Management Committee and the Tomaree Sports Council. During his tenure, he was a strong advocate for the environment and oversaw improvements to the Nelson Bay town centre, more shared paths and new sporting infrastructure.

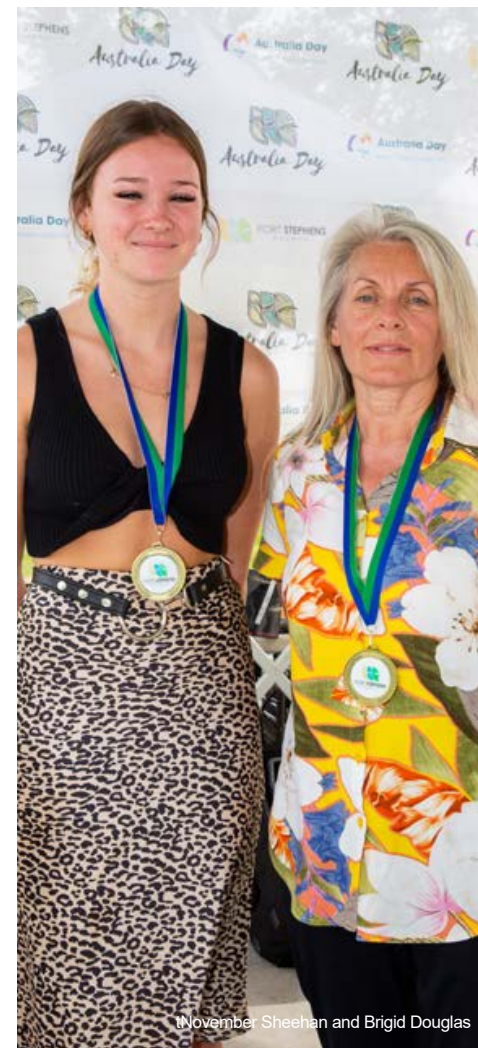
Freeman of Port Stephens – Ken Jordan

Ken Jordan was first elected to Port Stephens Council in 2004 and represented the West Ward community for 17 years. He served as Deputy Mayor from 2011 to 2012 and was an active community group member. Ken was passionate about creating greater job opportunities for local young people.

During his tenure, he helped to reshape the Developer Contributions Plan to increase funding for local projects and was a strong advocate for the Men's Shed movement locally. He was also a passionate member of the Seaham Park & Wetlands Committee and the West Ward Sports Council.



Find out more information about the Port Stephens Annual Awards at portstephens.nsw.gov.au/annual-awards



November Sheehan and Brigid Douglas

**Event toolkit to kickstart COVID-19 recovery**

It's no secret the pandemic has had a devastating impact on the visitor economy – an industry that's worth more than \$1.9 million every day to the local economy.

Events play a vital role in attracting visitors, generating local jobs, investment and growth. They also bring our community together and improve the vibrancy of our town centres. Pre-pandemic, Port Stephens played host to more than 120 events annually.

The launch of our new Events Toolkit came at a critical time, providing a 'one-stop-shop' for event organisers with advice and information all in one handy location. By streamlining the process we hope to attract more high-quality community, national and international events that will benefit the entire region.

Successful events need careful and considerate planning, which can be daunting if you're a volunteer or small community group. We wanted to provide clear guidance on the application process to make it quicker and simpler to understand exactly what's required.

The Events Toolkit includes a checklist, information on statutory requirements and practical advice on delivering a safe, well-organised and successful event.

We're focussed on continuing to look at how we can further support our community and event organisers as a way to grow our local economy. We want to showcase everything that's great about Port Stephens – including developing an event attraction campaign and event sponsorship prospectus.

**Delivering to vulnerable communities**

In 2021, we joined Port Stephens Hunter Police in distributing COVID-19 personal protective equipment (PPE) to community groups and organisations across Port Stephens.

Former Councillor Paul Le Mottee joined NSW Police Superintendent Chad Gillies and Karuah Local Aboriginal Land Council (LALC) CEO Dave Kernick onsite at the LALC to deliver 6000 face masks, 48 bottles of sanitiser and 200 packets of cleaning wipes. Council also provided face mask recycling bins.

We provided equipment to youth and family services, surf lifesaving clubs and other Aboriginal services – the organisations that were on the frontline, doing amazing work during COVID-19. The PPE better enabled them to support the community through a tough time.

Providing this essential equipment ensured some of our community's most vital organisations could continue to operate safely and helped minimise the spread of COVID-19 in the Karuah Mission.

The PPE was made available thanks to Resilience NSW and Healthshare, who provided the items to NSW Councils to equip community organisations to help reduce the spread of COVID-19.

**Supporting local women in their goals**

For the past 5 years, we've encouraged local women to reach their goals whether it's related to the arts, culture, environment, business, community, health or sport through our International Women's Day scholarships.

Annually, we offer 3 scholarships worth \$1,000 each. It's a small way Council recognises the important contribution women make to our community.

Many women are already doing incredible things across our region, and we know

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there are many more out there who have an important goal or idea and just need a hand to get them off the ground. These scholarships provide that added financial support to help make their dreams a reality.

Read about the 2022 International Women's Day Scholarship recipients:

Beth Innes is the Director of Sports 4 All, a not-for-profit organisation that works to increase the participation of women and girls in sport. Beth's aim is to introduce 'Sports 4 All' to more sporting clubs within Port Stephens, assisting them to create an inclusive and family-friendly culture that supports female recruitment and participation. She also aspires to work

with local community organisations to encourage more vulnerable women to get involved in sport.

Shannon Whyte is an Aboriginal woman who hopes to inspire the next generation of young people, particularly young Aboriginal women. Shannon aims to build on her career in project management by undertaking further leadership training and mentoring. She plans to use her leadership skills to assist local community organisations that work with women, Aboriginal people, or vulnerable residents.

Renee Goreham-Selby is a physics lecturer and researcher in nanotechnology for biomedical applications at the University

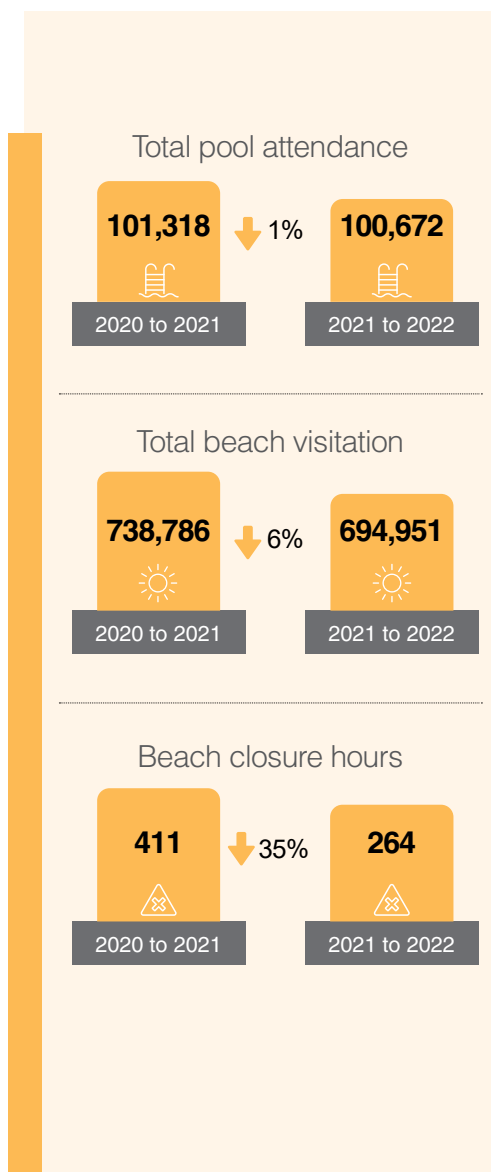
of Newcastle. Renee held online science sessions during the COVID lockdown, and she's passionate about promoting science and maths among school-aged children, also creating educational materials. Renee's aim is to develop a suite of permanent science resources for schools and families.



Find out more information about our International Women's Day Scholarships, at portstephens.nsw.gov.au/international-womens-day-scholarship



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**Leisure centre struggles**

Our local leisure centres are not just swimming pools – they're affordable social and recreation spaces for all parts of our community.

When restrictions eased, our leisure centres struggled to keep on top of ever changing COVID-19 safety plans and had to postpone or cancel regular classes due to the availability of staff who were isolating.

This year we welcomed 100,672 people to our leisure centres and despite the challenges, we're finally starting to return to regular operations.

We've also celebrated a number of highlights over the last year:

- We completed upgrades at our facilities including the Café at Lakeside Leisure Centre, pool liner replacement at Tilligerry Aquatic Centre and kiosk upgrade at Tomaree Aquatic Centre
- We hosted the annual Australia Day pool party
- All our venues passed the March 2022 RLSA audits
- We received multiple 5-star google reviews for all sites
- We exceeded our learn-to-swim targets

- We secured a grant for a new playground at Lakeside Leisure Centre through the Stronger Country Communities Fund, Round 4
- We installed new heat pumps at Lakeside Leisure Centre, and we've tendered for new ones at Tomaree and Tilligerry pool.



Find out more information about our pools and leisure centres, at portstephens.nsw.gov.au/pools-and-leisure-centres



FEATURE

Helping our kids Thrive



Planning for the future isn't just about parks, roads and housing – it's about people, both big and little.

For more than 40 years, our award-winning Thrive Kids has provided childcare services for children aged up to 12 with family day care, OOSH (out of school hours and vacation care) and a mobile preschool.

We've worked hard to manage the ongoing impacts of COVID-19 on these services. Not only was attendance impacted across our centres, but we had to juggle reduced staff availability on a daily basis.

Despite this, we've opened 2 new OOSH centres, at Raymond Terrace and Clarence Town and started a much loved Bush Kindy program for children enrolled at our Anna Bay facility.

We've managed to maintain a balance and keep our centres open, keep our kids safe and made sure our community had the support they needed to keep their children and their family thriving.



Read more about the discovery at portstephens.nsw.gov.au/thrive-kids

OUR PERFORMANCE

Our performance

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

100%

Community diversity

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
C1.1.1 Deliver early education and care of children	Customer satisfaction with Thrive Kids	≥ 85%	99%	99%	93%	98%	✓
	Annual accreditation	Compliant	Compliant	Compliant	Compliant	Compliant	✓
C1.2.1 Deliver youth projects and support youth services provided by other agencies	Deliver 5 contract milestones in the NSW Department of Community and Justice Service Delivery Schedule	100%	-	-	-	100%	✓
C1.3.1 Identify and plan for an inclusive and access friendly community	Actions completed in Disability Inclusion Action Plan	≥ Baseline	7 of 24 ¹	14 of 24 ¹	14 of 24 ¹	15 of 24 ¹	✓
	New DIAP developed and adopted	30-Oct-21	-	-	-	Extended to July 2023	✗
	Comment: Extension requested. Refer to page 56.						
C1.4.1 Identify and plan for the needs of an ageing population	Actions completed in Ageing Strategy	≥ Baseline	4 of 7	6 of 7	6 of 7	6 of 7	✓
C1.5.1 Coordinate Council's volunteer program	Variety of activities volunteers support at Council ²	Maintain	7	8	6	8	✓

Recognised traditions and lifestyles

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
C2.1.1 Support initiatives and projects to promote Aboriginal culture and protect Aboriginal places	Actions completed or commenced in Yabang Gumba-Gu Plan from the Aboriginal Strategic Committee	≥ 90%	95%	95%	100% ³	100% ³	✓
	Develop an Aboriginal Place Advisory Panel annual works plan for Birubi Point	≥ 90%	100%	100%	100%	100%	✓
C2.2.1 Support initiatives and projects to encourage local cultural activities	Developed an action plan for 'Our Incredible Places Strategy'	100%	-	-	-	100%	✓

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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	2021 to 2022	
C2.3.1 Support the preservation of Port Stephens heritage	Providing Heritage Projects Funds	Maintain	\$6000	\$5,500 ⁴	\$4,597	\$6000	✓
	Heritage advice on Development Applications and Council projects	Within 10 days	-	-	-	10 days	✓
C2.4.1 Deliver public library services, resource and community literacy programs	Customer Satisfaction with Library Services	≥ 85%	99%	93% ⁵	88%	Library survey to be conducted later in 2022	✓
	Customer Satisfaction with outreach and homebound services	New				Library survey to be conducted later in 2022	✓
	Number of visits to library branches	230,000	199,610	146,881	134,673	117,326	✗
Comment: Library branches were closed for 3 months due to COVID-19 lockdown							
	Internet and Wi-Fi usage at Raymond Terrace and Tomaree Library branches.	45,000	35,485	27,336	19,900	15,136	✗
Comment: Library branches were closed for 3 months due to COVID-19 lockdown							
	Attendance at programs, Activities and events	8,300	9,184	6,471	3,246	3,575	✗
Comment: Library branches were closed for 3 months due to COVID-19 lockdown							
	Use of resources (collection items borrowed)	300,000	299,371	243,337	233,795	204,424	✗
Comment: Library branches were closed for 3 months due to COVID-19 lockdown							
	Community Satisfaction with Library Programs, Activities & Events	New				Library survey to be conducted later in 2022	

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Community partnerships

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022
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	Refer to C2.2.1	-	-	-	-	-
C3.3.1 Initiate and manage leisure contracts with recreational and leisure services	Community satisfaction with Council's swimming pools	≥ 90%	91%	90%	88%	87%
	Maintain a score above the NSW 3 year average in the Royal Life Safety Assessment Audit	≥ 84.62%	91.67%	91.67%	87%	83.3% ⁶
C3.4.1 Provide financial assistance for the community	Annual grant funding	Maintain	120 grants \$91,815	101 grants \$123,011	97 grants \$190,960	\$222,188 ⁷

¹8 of 24 are ongoing ²Parks, halls, sports, community engagement, library, visitor information centre ³15 of 19 completed 4 actions are ongoing over multiple years ⁴NSW Government grant funding to Council reduced to \$5,500 ⁵Survey result from Community Satisfaction Survey ⁶Lakeside 87%, Tilly 79% & Tomaree 84% ⁷Refer itemisation on page 121

 **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.



KP We waited so long, now It's On!

We know how hard everyone has been impacted by COVID-19 and the wet weather, and our Vibrant Places team is no exception. This year, we had many of our favourite events called off at the last minute due to rain, wind and floods.

Through all this, we continued to expand our Its On! activation program

and in partnership with business and the community, delivered a fun and unique range of events.

Thanks to various grants and funding programs, the It's On! program held free bootcamps, music and cinema events, yoga in the park and pop up shows for kids during holiday periods. We also hosted the It's On! Lights On! events at both Raymond Terrace and Nelson Bay, the Chalk the Walk artworks, and the New Year's firework display at d'Albora Marina, Nelson Bay.

To help ease seasonal fluctuations and drive economic outcomes we also sponsored major events including the Port Stephens Pro, the Peter Wilson Memorial Touch Football Championship, King Street Heritage Festival and the NSW Outrigger Titles.

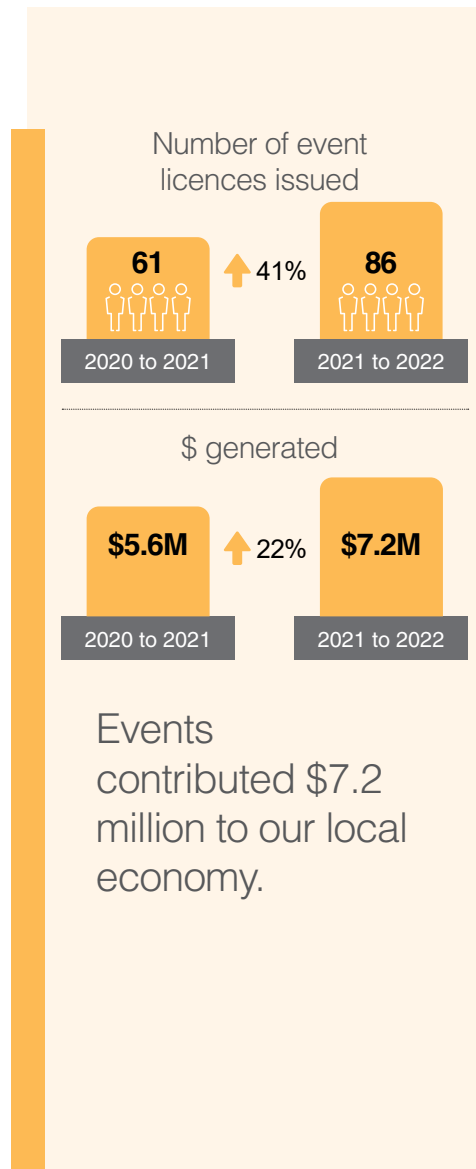
We know events are coming back bigger and better than ever. We're working on some exciting new ideas for the year ahead including a new sponsorship prospectus and event attraction campaign.



To find out more about our upcoming events, visit portstephens.nsw.gov.au/events



ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

**Visitors return to Port Stephens**

Port Stephens was better positioned than most regions to recover from the impacts of COVID-19. Our new brand, Incredible by Nature had been launched the previous year and our local tourism businesses were well and truly ready for lockdowns to end.

Our last holiday period wasn't as busy as we expected, with a lot of our fellow Aussies heading overseas for their holidays, rather than travelling domestically.

Despite this, we're enjoying welcoming back our international visitors to our picturesque region.

With Destination Port Stephens securing a \$50,000 grant for the next stage of the Incredible by Nature marketing campaign targeting visitors from Sydney and Regional NSW, we're hopeful we'll experience a tourism bounce-back as the year progresses.

**KP Housing supply**

We know that Port Stephens is always changing. As jobs, town centres and economies evolve and our population changes, we're committed to a balanced approach to planning.

Over the last year, we've continued implementing actions from our Local Strategic Planning Statement (LSPS) and

Housing Strategy (Live Port Stephens).

These two key documents create a vision for land use and housing in Port Stephens over the next 20 years.

Supporting this, our strategic planning team have been busy implementing a wide range of actions including:

- The development of a Housing Supply Plan
- The development of the Raymond Terrace Economic Zone Action Plan
- The preparation of place plans for Karuah, Shoal Bay, Medowie and the Hinterland to support housing growth opportunities.

With a strong and robust planning framework, we've been able to reduce our backlog of rezonings by more than 90%.

This has fast-tracked land release in our growth areas, and achieved greater transparency for applicants and our community.

We know homelessness and affordable housing continue to be an ongoing issue with resources and support stretched thin trying to meet the needs of homeless people in our community.

**What's next?**

We're finalising our Housing Supply Plan to guide actions to unlock housing

opportunities, increase transport links, amend location planning provisions and support new and affordable housing around our key employment hubs and continue to work with Council.



Beating the state standard for processing DAs

In December 2021, we celebrated a milestone of 1000 DAs approved in 2021, a 23% increase from previous years.

The sheer volume of DAs lodged reflects the economic growth in the Port Stephens LGA. Government building grants, plus ongoing lockdowns limiting spend on leisure and travel, has allowed people to buy into the great Australian dream of building or renovating their dream home.

Despite the booming development industry and the increase in demand on staff and resources, we surpassed industry benchmarks set by the NSW Department and Environment. They allow up to 40 days for processing times and our average determination time is 33 days.

We've established a dedicated fast-track DA assessment team to deliver improved

processing times. The DA process is a critical component of the housing supply chain that helps to deliver new housing to the market to keep up with the demand in our region.

The Port Stephens building and renovation boom this year totaled \$319M of approved developments, which ultimately has a positive impact on our local business economy.



Read more about the development application process at portstephens.nsw.gov.au/development-applications



Williamstown Management area

We're continuing to support landholders at Williamstown affected by PFAS (per and poly-fluoroalkyl substances) contamination.

The contamination was caused by the historical use of firefighting foam containing chemicals known as PFAS at RAAF Base Williamstown.

In June 2021, Council resolved to continue the rate reduction for properties in the Williamstown Management Area for 2021 to 2022 financial year.

A special sub-category of rates applies 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 advocate for our community wherever possible.



FEATURE

Planning our places



Planning for the future of our places is one of the most important roles we play.

Balancing the needs of our community now and the needs of our community into the future is critical to successful planning – we're developing plans that put people and places first.

The Karuah Place Plan is the first in a new series of place plans designed to improve liveability, increase wellbeing and deliver economic growth – and it's a first for Hunter region councils.

So what is a place plan? It starts with our community's values and priorities for their place. Together, we identify the unique local character of a place and the ways our community can shape, enhance or protect these aspects.

A place plan is an easy-to-read plan for the future of a place – it outlines the community's vision for their place and actions to achieve that vision.

Every place is unique and so is every place plan. A place plan may include things like events and activities, major projects and works, land use changes and more.

These actions can be championed by our community – including community groups, local businesses, schools, clubs or individuals.

A place plan is an action plan to create more vibrant places for people to connect, discover and enjoy with their community.



Find out more by visiting
[portstephens.nsw.gov.au/
place-plans](https://portstephens.nsw.gov.au/place-plans)

Goal 2: Infrastructure and facilities

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



Parking smarter

During the COVID-19 lockdowns, we turned off our parking meters in Nelson Bay and made it free to park in our town centre.

Since Christmas this year, our Smart Parking system was back on track managing supply and demand, encouraging the turnover of parking spaces and more importantly, increasing the number of people in our town centre.

We also switched on our digital signage, highlighting available parking across the town centre. We've continued to review the system, iron out kinks and make changes as needed.

We're now developing plans to roll out smart parking to other locations in the LGA.



What's next?

We'll implement Smart Parking in Shoal Bay and engage with the community about extending to Little Beach and Fly Point. We'll also chat with the community about also introducing Smart Parking in Anna Bay, Birubi, Fingal Bay and One Mile.

We'll continue to keep Smart Parking free for residents and businesses, and reinvest the funds generated into projects to improve the wellbeing and liveability of the communities where the funds are sourced.



**Boyd Oval benefits**

We know how important quality recreational facilities are for the health and wellbeing of our community.

Last year, rugby union and touch football clubs in Medowie received a brand new \$1.4 million building at Boyd Oval. The new, modern building includes change rooms, referees rooms, a canteen, unisex bathrooms and accessible amenities.

We worked closely with the community who use this facility to make sure it met their needs. It was constructed in a more centralised location that improved the connection to both playing fields and widened the viewing corridor to make for a better player and spectator experience.

This new facility is much loved by the community hosting weekend sport, mid week training and evolving further into a quality location for events and activation.



Australian Government Local Roads and Community Infrastructure Program provided \$120,000 to the project. Port Stephens Council contributed a further \$1.4M in repealed developer contribution funds.

**Revamp for skaters in Anna Bay**

Our skaters, scooter and bike riders at Anna Bay have enjoyed the improved skate park at Robinson Reserve.

Robinson Reserve Skate Park was identified as a key project through the Birubi Point Aboriginal Place Management Plan. The park was designed together with our traditional owners and young residents who were keen to see a recreational space for both beginner and more advanced users.

This project was delivered in two stages with stage 1 focusing on the beginner elements and stage 2 adding a quarter pipe extension, camel hump rollers and ski jump kicker.

We know the Anna Bay community and people from all across our area love this new skate park – it's always busy, particularly in the holidays.

The completion of this skate park has transformed Robinson Reserve into a recreational hub catering for a range of ages and abilities.



The upgrades were made possible through external grants from the **Australian Government Local Roads and Community Infrastructure Program.**

**Bettles Park Raymond Terrace**

We're committed to creating more inclusive and accessible places to play for our growing community.

Our community told us they wanted a playground to suit a range of ages and abilities to help improve accessibility and inclusivity for young families in Raymond Terrace and surrounding areas.

Bettles Park is a highly visible reserve at the southern gateway to Raymond Terrace. It was once a very popular highway stop before Raymond Terrace was bypassed and used to house the Sabre Jet, which is now on display nearby at Fighter World.

The new Bettles Park playground is a play space supported by pathways, seating and shade. We sourced design options that met the NSW Government's 'Everyone Can Play' guidelines and engaged with the local students and parents who selected a design that best suited their needs.



The funding for this project came from external grants including the **Australian Government Local Roads and Community Infrastructure Program.**



Little Beach boat ramp ready for launch

With a port 2.5 times the size of Sydney harbour, amazing rivers and estuaries all abundant with sea life, it's no surprise that boating and fishing are such a popular activities across the LGA.

This year, we invested in the redevelopment of the very popular Little Beach Boat ramp with the new and improved boat ramp is designed to ensure safer and easier experience for users. It has an elevated profile that extends further into the water allowing boats to launch at lower tide levels without worrying about reversing off the toe of the ramp.

The ramp is also designed to prevent sand inundation – it is built on piles to allow for natural sand movement under the ramp instead of it accumulating on top.

The completed work means water craft now have safer and easier access to the waterways of Port Stephens.



Transport for NSW (TfNSW) provided close to \$1.9 million for the upgrade under the NSW Government's Boating Now program.

Port Stephens Council contributed a further \$350,000 to the project.

Maintenance Stats - roads, drains, parks and buildings

	2020-2021	2021-2022	YonY	
Potholes repaired	47176	54075	15%	▲
Heavy patching (m2)	11878	10872	-8%	▼
Drains total (m)	220,500	300500	36%	▲
Drains sprayed	154,000	255000	66%	▲
Drains excavated	6500	5500	-15%	▼
Drains mowed	60,000	40,000	-33%	▼
Mowing services	2115	2158	2%	▲
Defects fixed (open space)	826	1303	58%	▲
Hectares of fields and reserves renovated	248	321	29%	▲
Defects raised (building trades)	3265	2889	-12%	▼
Defects accomplished (building trades)	2950	2486	-16%	▼
Electrical items tested	14945	20932	40%	▲



Goal 3: Thriving and safe place to live

Our community supports a healthy, happy and safe place.



Our little slice of paradise, Karuah

Just off the Pacific Motorway lies our hidden gem with natural beauty and small town hospitality. The welcome holiday destination of Karuah was even in the running for NSW Top Tourism Town Awards for 2022.

The nomination was a collaborative effort, thanks to Coles Brothers (oyster farmers), Karuah Big 4 Holiday Park, Port Stephens

Council's Visitor Information Satellite Centre and the local hotels and motels in Karuah.

Karuah is one of Australia's classic riverside towns with fresh air, wide open spaces and locals ready to showcase the best this village has to offer. It's a favourite spot for holiday makers, with many coming back year after year.

Karuah is renowned for its fresh oysters, friendly locals and a calm scenic setting on the river, ideal for boating, paddle boarding, kayaking, fishing and swimming. Visitors can hike through the Karuah National Park and discover the rich Aboriginal history. It's obvious

why many choose to live and visit this incredible area.

Local community, businesses and tourism providers came together with Port Stephens Council to help develop the first ever Karuah Place Plan which was endorsed by Council in early 2022.

The Karuah Place Plan provides a roadmap for the growth of this community – it outlines future land use, strategies for managing the protection of the local environment along with ideas for increasing vibrancy and a sense of place.

What's next?

The community of Karuah embraced the adopted Place Plan and working together on a number of projects to improve the vibrancy of the town.

The Karuah river bank restoration project, the Garuwa Community Market Project, the Karuah Konnect community transport project, a main street beautification program and a new cruise tour from Nelson Bay to Karuah are all well underway.



Check out the projects and more information about the Karuah Place Plan portstephens.nsw.gov.au/karuah-place-plan



Grants guide sporting complex improvements

Investing in sporting infrastructure is an investment in the health of our community – it improves the livability and wellbeing of our residents both now and into the future. It's also an investment in keeping our community connected and creates economic opportunities through hosting of events.

We work hard to apply for funding from the Australian and NSW Governments to finance necessary upgrades and maintenance of our sporting facilities.



More than \$840,000 went to King Park Regional Sport Complex to help us continue to deliver the King Park masterplan.

We'll be upgrading the existing amenities building with new unisex change rooms, revamping the meeting and function area, creating new pathways to connect the complex, building tiered and sheltered seating for spectators, and installing new signage.

We're aiming to transform King Park Sports Complex into a regional sporting destination that can host major events like championships and carnivals. This will be an important catalyst for Raymond Terrace and our surrounding communities.

At Tomaree, the new complex is already a game-changer for the region.



It is set to be even better with a further \$260,000 received to revitalise the Elizabeth Waring building.

We've also built new pathways, seating and signage. The new modern function room is perfect for community events, meetings and training programs. We're one step closer to realising the Tomaree Sports Complex masterplan.

The funding for this project came from the NSW Government to continue their commitment to create spaces and facilities that meet the current and future needs of communities and support participation at all levels.



Peter Wilson Memorial Cup,
Tomaree Sports Complex



Strategic Asset Management Plan (SAMP)

The Strategic Asset Management Plan (SAMP) is an important document for our Council and our community. The SAMP provides the framework for the sustainable management of our current and future assets – it guides our work programs and balances resources against priorities.

We have a big and varied list of assets in our SAMP that include infrastructure like roads, footpaths, buildings, drainage, seawalls, surf clubs, lifeguard towers, wharves and jetties.

The SAMP sets out timelines for the maintenance of these projects, outlines the budget required and prioritises what we will do when.



Infrastructure planning and renewal

We continue to deliver a large capital works program, primarily funded through external grants, and it's been busier than ever as we manage a high volume of projects.

Some of our key highlights have been:

- Foreshore Drive bridge and culvert
- Port Stephens Drive upgrades
- Completing and adopting the Strategic Asset Management Plan (SAMP) for 2022 to 2032.
- Removal of the Victoria Parade pedestrian bridge to undertake testing
- Trialing a recycled asphalt product on Salamander Way.
- Continuing investigations of potential additional sites for SMART parking.
- Progressing natural disaster claims for 2021 and 2022.
- Completing a regional roads review and transfer, with a response from the independent panel pending.
- Submitting an active transport grant application.
- Processing 274 out of 279 flood certificate requests, 172 out of 181 Development Application (DA) referrals and 367 out of 425 DAs that required engineering assessments, within required timeframes.



What's next?

We've been able to utilise resources to help us catch up on tasks that we fell behind on during COVID-19 and various natural disasters. We're focusing on improving processing timeframes for our community.

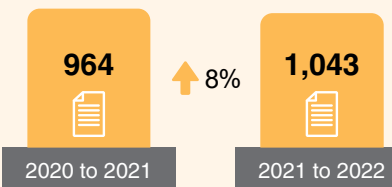
We're invested in improving our facilities for the community to have healthy, happy and safe places. There are many grants provided from the Australian and State Governments that partially or fully finance these projects.



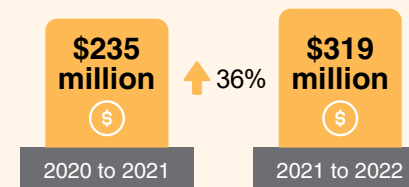
Development and planning highlights

We saw a 8% increase in the number of development applications (DAs) lodged with our Council this year. We still achieved a fast turnaround time averaging 21 days thanks to process improvements.

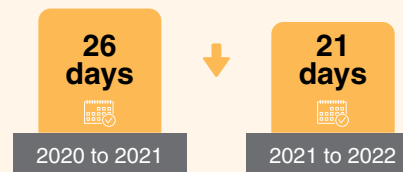
Development applications
(DAs) determined



Value of development
approved



Net median determination time (days)



This was under the
Premier's target of

40
DAYS

Building certification
market share

44.4%

with a turnaround time
(net median) of under



Only

31 DAs

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

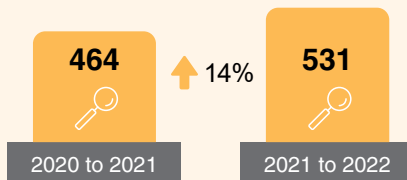
402
CONSTRUCTION
CERTIFICATES
ISSUED



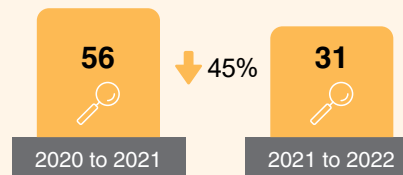
4 DAYS

Environmental health stats

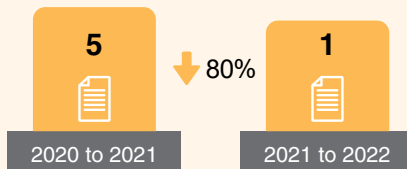
Primary food shop inspections



Reinspections



Warning Letters

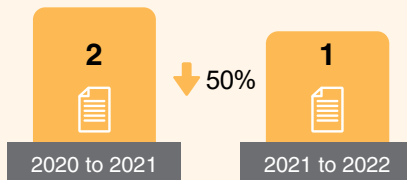


0 IMPROVEMENT NOTICES
DOWN FROM 2 IN 2020-2021

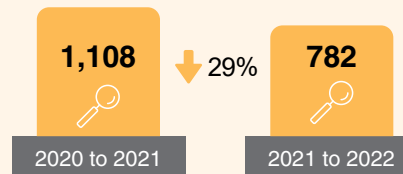
6 PENALTY NOTICES ↓ 70%

79 PUBLIC SWIMMING POOL INSPECTIONS

Prohibition orders



Onsite sewer management system inspections





FEATURE

Managing our emergencies

We have a strong connection with our community – we're usually the first point of contact when residents need help, support or information – and this becomes even more evident in an emergency or natural disaster.

We know our community. We have a first-hand knowledge of the social, economic, infrastructure and environmental needs of those that live and work in Port Stephens.

When things don't go to plan – when there is a natural disaster or emergency, it's our role to not only support emergency services, but connect our community with the help they need when they need it most.

This year, we strengthened our resilience, updating our Emergency Management Plan by building on lessons learnt from past disasters and emergencies.

We're continually advocating for funding to alleviate the impact of natural disasters and recently secured \$1.8 million funding from NSW Government to reconstruct the landslide at Marine Drive, Fingal Bay, following the March 2021 storms.

When flood waters receded following the June 2022 storms, the rain continued at an unprecedented rate with water rising from below the ground and above, severely damaging our road pavements.

Potholes increased on a daily basis and many of our road surfaces, particularly those built on old infrastructure or in locations subject to flooding, deteriorated quickly.

This year (at the time of writing) our teams have repaired more than 54,119 recorded potholes and an estimated 10,000 repaired during storms, making over 65,000 pothole repairs. We are also continuing to manage a backlog.

Following the 2021/2022 storm events, we've sustained infrastructure damage in excess of \$5 million dollars. This damage is mainly focused on urgent repair works, maintenance, landslides, roads repairs and drainage remediation. Thankfully a large portion of this expenditure is supported and funded by a number of disaster and emergency funding grants.



OUR PERFORMANCE

Our performance

Strong economy, vibrant local businesses, active investment

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

89%

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
P1.1.1 Support sustainable business in Port Stephens	Number of active businesses in Port Stephens	Annual increase	4865	4900	4835	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	Annual increase	57%	-	82%	Survey conducted every 2 years	
P1.1.3 Coordinate place management and activation	Implementation of place activation delivery plan	Number of actions completed	-	-	-	157	✓
P1.2.1 Manage an integrated event licensing process	Number of licences issued	Annual increase	123	112	61	86	✗
Comment: Due to COVID-19 restrictions, a number of events were postponed or cancelled.							
	Visitors to www.portstephens.org.au	Annual increase	12% increase	10.5% decrease	21% increase	21% decrease	✗
Comment: Website traffic was impacted by COVID-19 restrictions from June to November 2021 and extreme wet weather conditions in 2022.							
P1.2.2 Manage the Nelson Bay Visitor Information Centre	Number of tour and accommodation bookings on behalf of operators	Maintain	6,523	4,586	6,648	4,056	✗
Comment: The Visitor Information Centre has continued to operate however, the number bookings were reduced due to COVID-19 restrictions and wet weather events.							
P1.2.3 Provide strategic and financial support to Destination Port Stephens	Financial support for Destination Port Stephens	Maintain	\$397,500	\$407,962	\$400,000	\$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	\$7.2 m	✓

Infrastructure and facilities

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
P2.1.1 Plan for and initiate civil assets	Civil assets work pre-initiated within the agreed timeframe	100%	100%	100%	100%	85%	✗
	Comment: All civil assets work was pre-initiated, however, some timeframes were extended due to a number of factors including timing of grant approvals and resource limitations.						
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	73,407	✓
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%	100%	✓
	Strategic Asset Management Plan conforms with IP&R checklist	Compliant	Compliant	Compliant	Compliant	Compliant	✓
P2.1.4 Plan, design and provide advice services for drainage and flooding	Flooding and drainage development application referrals completed to the agreed service standard	≥ 90%	100%	100%	96%	93%	✓
P2.1.5 Provide traffic engineering services and conduct road safety programs	Road Safety Projects (funded by Transport for NSW) conducted and completed to the agreed service standard	100%	100%	100%	100%	90%	✗
	Comment: In consultation with Transport for NSW, some road safety projects were put on hold due to COVID-19 restrictions and resource limitations.						
P2.1.6 Provide development engineering assessment and advice services	Engineering development application referrals completed to the agreed service standard	≥ 90%	100%	100%	89%	86%	→
P2.1.7 Provide, manage and maintain community, recreation and corporate assets	Community, recreation and corporate assets inspection program up to date	100%	100%	100%	100%	100%	✓
	Strategic Asset Management Plan conforms with IP&R checklist	Compliant	Compliant	Compliant	Compliant	Compliant	✓
P2.1.8 Coordinate and report on asset finances and data systems	Meeting customer needs	≥ 90%	100%	100%	100%	100%	✓
P2.2.1 Provide survey services	Deliver Capital Works program on time and budget (including approved variations)	≥ 95%	100%	100%	100%	100%	✓
P2.2.2 Provide design and specialist engineering services	Deliver Capital Works program on time and budget (including approved variations)	≥ 95%	100%	100%	100%	100%	✓
P2.2.3 Provide project and contract management services	Deliver Capital Works program on time and budget (including approved variations)	≥ 95%	100%	100%	100%	100%	✓
P2.2.4 Construct Council's Capital Works projects	Deliver Capital Works program on time and budget (including approved variations)	≥ 95%	100%	100%	100%	100%	✓

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Infrastructure and facilities continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
P2.3.1 Provide roads maintenance	High priority roads defects fixed on time	100%	92%	100%	90%	90%	✗
	Comment: Some high priority road defects were not completed due to continuous wet weather.						
	Community satisfaction with roads maintenance	≥ Baseline	71%	68%	45%	17%	✗
	Comment: Refer to L1.3.3						
P2.3.2 Provide roadside and drainage maintenance	High priority roadside drainage and maintenance defects fixed within required timeframes	100%	100%	100%	95%	90%	✗
	Comment: Some high priority roadside drainage and maintenance defects were not completed due to resource limitations.						
	Community satisfaction with roadside maintenance	≥ Baseline	81%	79%	68%	43%	✗
	Comment: Refer to L1.3.3						
P2.3.3 Provide open space and foreshore maintenance	High priority open space and foreshore maintenance defects fixed within required timeframes	100%	95%	95%	95%	80%	✗
	Comment: Some high priority open spaces and foreshore maintenance were not completed due to continuous wet weather						
	Community satisfaction with maintaining parks and gardens	≥ Baseline	84%	85%	88%	79%	✗
	Comment: Refer to L1.3.3						
P2.3.4 Provide building trades services	High priority actions fixed within required timeframes	≥ Baseline	88%	95%	90%	100%	✓
P2.3.5 Provide depot and workshop services	Number of pre rego check repairs conducted	142	184	172	172	174	✓
P2.3.6 Provide cemetery administration and cemetery maintenance services	Community satisfaction with cemetery services	≥ Baseline	85%	92%	90%	87%	✓
P2.4.1 Maintain roads as contracted with Transport for NSW	Average Transport for NSW contractor performance grading	Good	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	2021 to 2022	
P3.1.1 Optimising land use and managing Council's key planning documents	No overdue planning certificates (certificates issued within 7 days)	None overdue	None overdue	None overdue	None overdue	None overdue	✓
	Completed actions in the Local Strategic Planning Statement	Annual Increase	-	-	-	11 actions completed	✓
	Completed actions in the Local Housing Strategy	Annual Increase	-	-	-	8 Actions completed	✓
P3.2.1 Provide development assessment services	Median net determination time for Development Applications	< 40 days	38 days	34 days	26 days	21 days	✓
P3.2.2 Provide building certification services	Market share of certification	Maintain	Maintain	43.8%	44%	44.4%	✓
	Premises added to the fire safety program	Annual Increase	1,103	9 added Total 1,672	7 added Total 1,295	305 Total 1,580	✓
P3.2.3 Provide environmental health services	Onsite sewer management systems inspected	≥ Baseline	892 111%	717 89%	1,108 138%	782	✗
	Comment: Program on hold for several months in the period due to wet weather and COVID-19 restrictions.						
P3.2.3 Provide environmental health services	Food premises inspected (Schedule changes each year depending on number of inspections and inspection frequency)	≥ Baseline	657 of 636 103%	428 of 800 53.5%	464 of 539 86%	562 inspections completed ¹	✗
	Comment: Despite the program being on hold for several months due to COVID-19 restrictions, at least 1 inspection per premises was completed.						
P3.2.4 Provide land use compliance services	Development compliance customer requests closed	≥ 95%	96%	113% ²	93%	75%	✗
	Comment: Due to resource limitations a reduced number of customer requests were closed.						
P3.2.5 Provide regulatory ranger services	Ranger customer requests closed	≥ 95%	99%	98%	98%	99.5%	✓

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

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	2021 to 2022	
P3.2.6 Provide illegal waste compliance services	Number of successful waste investigations (Perpetrator found)	≥ 85% ³	88%	84%	90%	89% (perpetrator found) 92% (completed investigations)	✓
P3.3.1 Develop and monitor Town Centre strategies	Completed actions in town centre strategies: Medowie (M), Nelson Bay (NB), Raymond Terrace (RT) and 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	M 11 of 20 NB 23 of 27 RT 23 of 35	✓
P3.4.1 Manage asset protection zones and fire trails on Council property	Contractor's performance against the agreed program	100%	100%	100%	100%	100%	✓
P3.4.2 Maintain and implement a Local Emergency Management Plan	Review Local Emergency Management Plan every 3 year	100%	100%	100%	100%	100%	✓

² More customer requests closed than opened due to carry over from earlier reporting period ³ Include total number of reported incidents as well as proportion of successfully investigated

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



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.



Environmental e-newsletter launched

We love our environment in Port Stephens and so do our community. That's why our Natural Systems team started a quarterly digital newsletter that covers everything environment.

The 'Your Environment' e-newsletter keeps our community up to date about events, workshops, sustainability issues, waste minimisation, local ecology, Landcare activities and weed alerts.

The first edition of Your Environment featured upcoming events such as My Little Ecosystem Workshops focusing on frogs, insects, native plants and pollinators along with the popular Less Mess Workshops run by Sydney based

professional organisers, teaching us to live with less.

Updates showed the community our environmental project priorities with the protection and connectivity of the Anna Bay Koala Hub, Port Stephens Drive Koala Blackspot Project and the Port Stephens Coastal Management Plan. A spotlight was also put on the Blue-banded Bee and a weed alert on Pampas Grass – a current home décor trend.

The e-newsletter was given a thumbs up (green ones too) by our community, because it provides a balanced look at the range of services Council offers.

We look forward to continuing to share all that we do when it comes to our Environment into the future.



Subscribe to Your Environment, or any of our newsletters by visiting portstephens.nsw.gov.au/council/newsletters



Funding our eco-friendly future

Our region has a unique and beautiful environment that deserves to be treasured and preserved.

Our Environmental Project Grants gives our community and schools the opportunity to deliver environmentally focussed projects that benefit our local environment.

The focus of these projects and activities should be to improve biodiversity and sustainability, protect local ecosystems, encourage student participation and educate our community.

The program also helps to strengthen partnerships between local community groups, schools and Port Stephens Council.

Here's some information about a few of the projects we funded last year:

- Plastic Free Port Stephens – to run an incursion project within local schools promoting innovative ways to reduce the use of single-use plastics.
- Shoal Bay Landcare group – to establish a native community garden along the Shoal Bay foreshore and carry out dune restoration.
- Lemon Tree Passage Parks, Reserves and Landcare Group – to restore parts of John Parade Reserve affected by previous fires.
- Other recipients were Seaham Preschool, Soldiers Point Landcare Group, Tilligerry Landcare Group, Corlette Reserves and Landcare group and Nelson Bay West Landcare Group and EcoPollinators.



Urban Ecosystems

This year, as part of NAIDOC Week the natural systems teams presented a number of My Little Ecosystem workshops. The workshops were aimed at teaching our community how to create and improve their own backyard ecosystem. The assortment of workshops are designed to promote improving habitat in urban environments and educating our community on the importance of our native species.

The workshops taught attendees how to create a frog hotel, native insect hotel, worm farms and composting and included pollinator talks. We also gave away native plants.



Busy bees planting trees

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

Over the past 2 years, we've planted 1200 trees in the Mambo Wetlands! This impressive effort is thanks to funding received in 2019 from a NSW Environmental Trust grant to restore the health of the wetlands.

Working closely with the community, we've completely transformed the Mambo Wetlands –



TREATING
25
HECTARES OF
WEEDS



REGENERATING
50
HECTARES
OF BUSHLAND



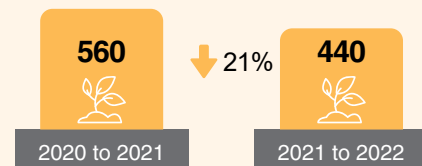
AND PLANTING
1,200
NATIVE TREES.

We've enjoyed sharing about our incredible wetlands through educational videos and workshops, highlighting our wonderful volunteers who dedicate their time to protecting and enhancing this asset.

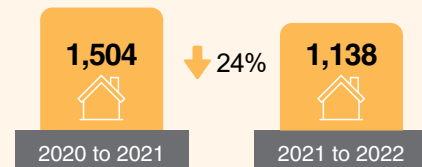
When you visit the wetlands, check out the 6 educational signs we've installed that will tell you all about the ecological importance of Mambo Wetlands, its cultural significance, the weeds that threaten the wetlands, our treasured koala population, endangered ecological communities and threatened animals.

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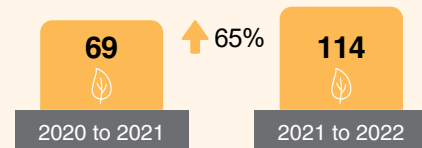
Weed treatments on Council land



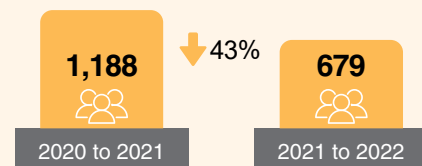
Weed inspections on private property



Weeds compliance and enforcement actions



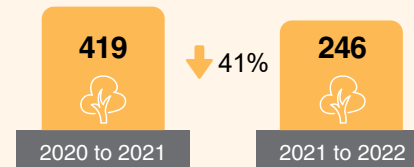
Face-to-face training sessions for weed management



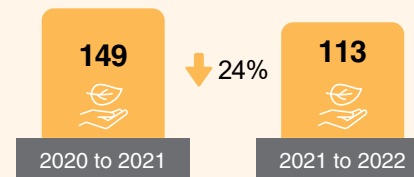
Next Steps

- We're working on stage 3 and 4 of our Coastal Management Plan, which will see further engagement with our community. We'll work through the issues, determine the costs and together balance the priorities of our community.
- We're working to secure funding to update our koala mapping to make sure we have the latest data available to help us protect and grow our local koala population
- We've begun the Port Stephens Drive Koala Blackspot Project to reduce the interactions between cars and koalas on this busy road. Read more on page 93.

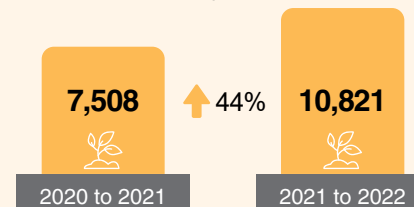
Number of bushland sites managed



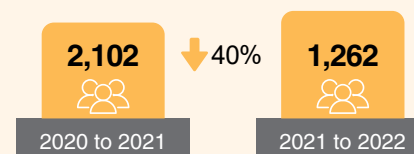
Hectares regenerated



Trees planted



Number of times volunteers regenerated bushland





FEATURE

Port Stephens, our place for koalas

Our community understands the value of the natural environment – our economy, our residents and our place are all deeply connected to our local environment.

We're proud to be home to one of the last remaining koala populations on the east coast of Australia and we're working hard to protect them for future generations.

This year, we moved one step closer, securing a total of \$1.3 million funding from the NSW Government to reduce accidents between koalas and cars on the very busy Port Stephens Drive. Stage 1 of the works has kicked off and include new signage, an underpass crossing and new koala friendly fencing.

We also celebrated the one year anniversary of the Port Stephens Koala Sanctuary this year. A partnership between Council, the NSW Government and volunteer care group Port Stephens Koalas, the Koala Sanctuary is focused on sustaining and protecting the threatened

species for years to come.

The Koala Sanctuary offers tailored and educational tours by local guides on how we care for sick, injured and orphaned koalas to give them the best opportunity to return to the wild.

Over the past year, despite lockdowns and weather events, the Sanctuary welcomed almost 25,000 day visitors and 2,848 overnight visitors.

Each one of these visitors becomes an advocate for koalas and contributes directly to the preservation of the species within Port Stephens. A percentage of all Sanctuary income generated goes back into daily operations of the Port Stephens Koala Hospital.

We're continuing to research our local koalas to learn more about population numbers and movements, to help us inform and develop ongoing protection plans.



Port Stephens Koala Sanctuary,
Destination NSW

Goal 2: Environmental sustainability

Our community uses resources sustainably, efficiently and equitably.



Nothing goes to waste

We're proud that Council has always been at the forefront of the waste industry. We were one of the first Councils to introduce and adopt the Bedminster System to compost our waste stream into a reusable product through the Mixed Waste Organic Output (MWOO) model.

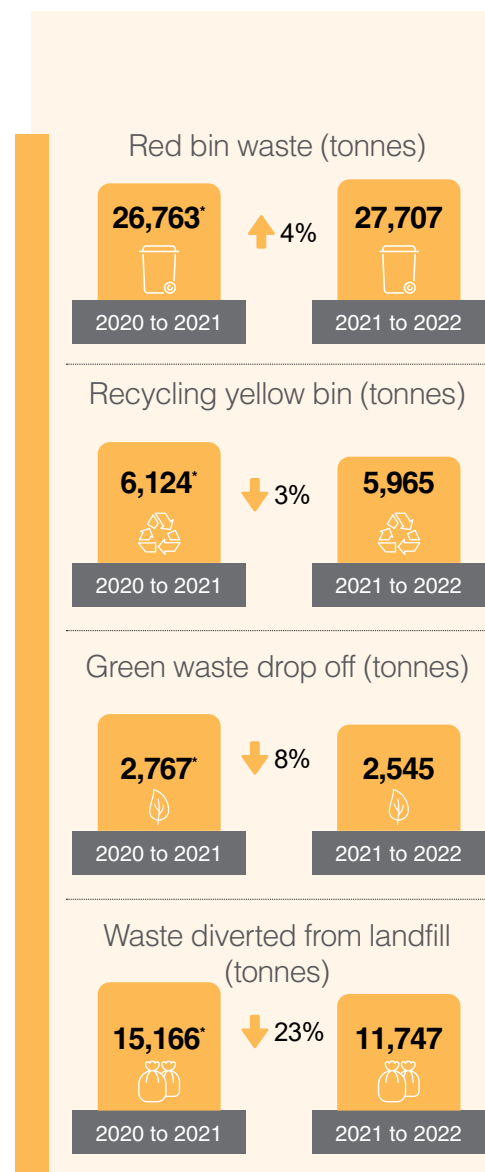
One of the most encouraging things to come out of our engagement with the community is that we all share the same objectives for reducing our environmental footprint, and reducing landfill – that's why we're excited to have developed our new Waste Management Strategy in 2021.

Our environment is our most treasured asset and through better waste management we can look after it. One of the main reasons we developed the strategy is to drive the research of future options for waste management, and to ensure the best environmental and financial outcomes for our community into the future.

As part of the new Waste Management Strategy you'll see:

- The introduction of a third bin (green bin)
- Improved community information and awareness through educational programs
- An increase in the use of recycled materials through circular economy initiatives in conjunction with regional partners
- Improved resource recovery and waste reduction
- The investigation of future options that transform waste into sustainable resources
- Increased processing options are becoming available for a variety of recycling, resource recovery and waste disposal methods.

The Strategy is the framework that guides Council's future decisions regarding waste management and resource recovery and ensures Council remains compliant, at the forefront of the waste industry, and produces better outcomes to benefit the financial, environmental and social impacts of the region.



*2021-22 information updated due to administrative correction



FEATURE

Driving our circular economy



Balancing our economic prosperity with our environmental values is a constant challenge for Council and our community. As we grow, we need to keep finding solutions to minimise impact on our environment. More importantly, we need to start thinking about how we can use waste in a way that benefits of our community and environment, rather than disposing of it.

We're starting to recover and reuse items that would usually be considered waste. Known as a Circular Economy, it's where

we 'close the loop' on waste. This is critical to the long term sustainability of our community.

This year, Council invested in a range of projects designed to close the loop on waste. We included Circular Economy initiatives as one of two drivers in our new waste strategy. We adopted new Circular Economy guidelines as part of our Strategic Asset Management Plan, we joined the Hunter Joint Organisation Circular Economy Procurement Project, and we completed our

first Circular Economy road replacement project in Salamander Bay.

We also hosted a number of community 'drop-off days' to capture problematic waste. We ensure that unwanted resources are recovered and reused, which includes the recovery of 7,824 mattresses, 5,668 tyres, 67 tonnes of eWaste, 1,019 tonnes of scrap steel and 4,085 tonnes of green waste.

Goal 3: Environmental resilience

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



Solar Panels support a sustainable future

We're investing in initiatives that protect the incredible natural beauty of Port Stephens so that it can be enjoyed by future generations. One way we're doing this is by installing more solar panels on community buildings across Port Stephens.

We've already installed solar at our Administration Building, Raymond Terrace Library, Tomaree Library, community centres linked to Rural Fire Service (RFS) stations and at our Salamander Bay Waste Transfer Station. This year we've also installed panels at 4 sports complexes, all 3 aquatic centres, the Visitor Information Centre, the Nelson Bay Depot and Fingal Surf Club.

By installing these solar photovoltaic systems on 14 community buildings,

we're saving \$91,920 on our yearly energy costs and reducing the total energy usage on these facilities annually by 25%.

We recognise the role we have as a community leader in environmental sustainability and minimising the environmental impacts of our facilities – with these small changes, we hope to start making a big difference.



What's next?

We'll continue to roll out additional solar panels on all our buildings along with trialling new hydrogen vehicles as part of our fleet.



Port Stephens Council goes green

We know that climate change is a significant global challenge and we're proud to join with various other councils in working towards a brighter and cleaner future for our communities and our environment.

We're one of 25 NSW councils to sign up to the \$180 million retail renewable energy deal, brokered by the Southern Sydney Regional Organisation of Councils (SSROC) to supply electricity from three solar farms.

It's an important step in our commitment to achieving carbon neutrality by 2025.

We've opted for 100% renewable energy under the deal, which will significantly reduce our carbon footprint by supplying green electricity to more than 1790 residential streetlights and 142 Council owned and managed sites including holiday parks, libraries, car parks, aquatic centres and the Raymond Terrace Administration Building.

The agreement compliments a number of initiatives already implemented as part of Council's carbon neutral target. Reducing our greenhouse emissions and adapting to our changing climate are important steps in protecting and enhancing the incredible natural beauty of Port Stephens, so that it can be enjoyed by future generations.



ENERGY USAGE

(MEGAWATT HOURS)

↓ 7%

7,004



2020 to 2021

↓ 7%

6,487



2021 to 2022



Find out more at
[portstephens.nsw.gov.au/
sustainability](https://portstephens.nsw.gov.au/sustainability)

Our performance

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



Ecosystem function

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
E1.1.1 Develop and monitor environmental policies, strategies and technical information	Refer to E1.1.2, E1.1.3 and E3.3.1	-	-	-	-	-	-
E1.1.2 Develop and implement a range of nature conservation programs	Scheduled actions completed in the Bushland Enhancement Program	≥ Baseline	71	175	435 149 ha of natural area management, 7508 trees planted	113 ha of natural area management, 10,821 trees planted	✓
E1.1.3 Provide environmental impact assessment services	Number of Environmental Impact Assessments conducted within agreed timeframes	≥ Baseline	66%	82% Env planning 76% Tree management	82% Env planning 84% Tree management	85% Env planning 90% Tree management	✓
E1.1.4 Manage biosecurity risks (weeds and pests)	Actions completed in the Hunter Strategic Weed Management Plan 2017-2022	≥ Baseline	29 of 37	36 of 37	36 of 37	36 of 37 actions complete	✓
E1.1.5 Develop a biodiversity strategy (stage 1)	Completion of stage 1	30-Jun-22	-	-	New	Preliminary work commenced	✓
E1.2.1 Provide environmental education programs to the community	Number of environmental education programs developed and implemented	Maintain	28	20	15	10	✗
	Number of participants	≥ Baseline	312	503	29	679	✓

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Environmental sustainability

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
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%	85% & 83%	
	Comment: Refer to L1.3.3						
	Waste diverted from landfill	≥ 40%	33%	41%	44%	35%	✗
	Comment: Due to changes in the legislation banning the use of Mixed Waste Organic Material (MWOO) composting and the subsequent decision by EPA to move to Food Organics Green Organics; previously composted material are being sent to landfill.						
	Participation in 'problem waste' days	≥ Baseline	43%	43%	40%*	34%	✗
	Comment: Reduced participation due to COVID-19 restrictions.						
E2.1.2 Improve Council's energy usage	MWh usage year on year	Maintain	8,400MWh	7,137MWh	7,004MWh	6,487MWh	✓

Environmental resilience

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
E3.1.1 Develop a Coastal Management Program	Certified Coastal Management Plan (CMP)	30-Jun-22	-	-	Stage 2 mapping and modelling studies undertaken and final report received	Stage 2 risk assessment undertaken and final report received to be presented to management by August 2022	✓
E3.2.1 Support affected communities in the Williamstown PFAS Management Area and surrounds	Participation in consultation/ advocacy activities	Maintain	Yes	Yes	Yes	Yes	✓

*Administrative correction in accordance with Community Satisfaction Survey report

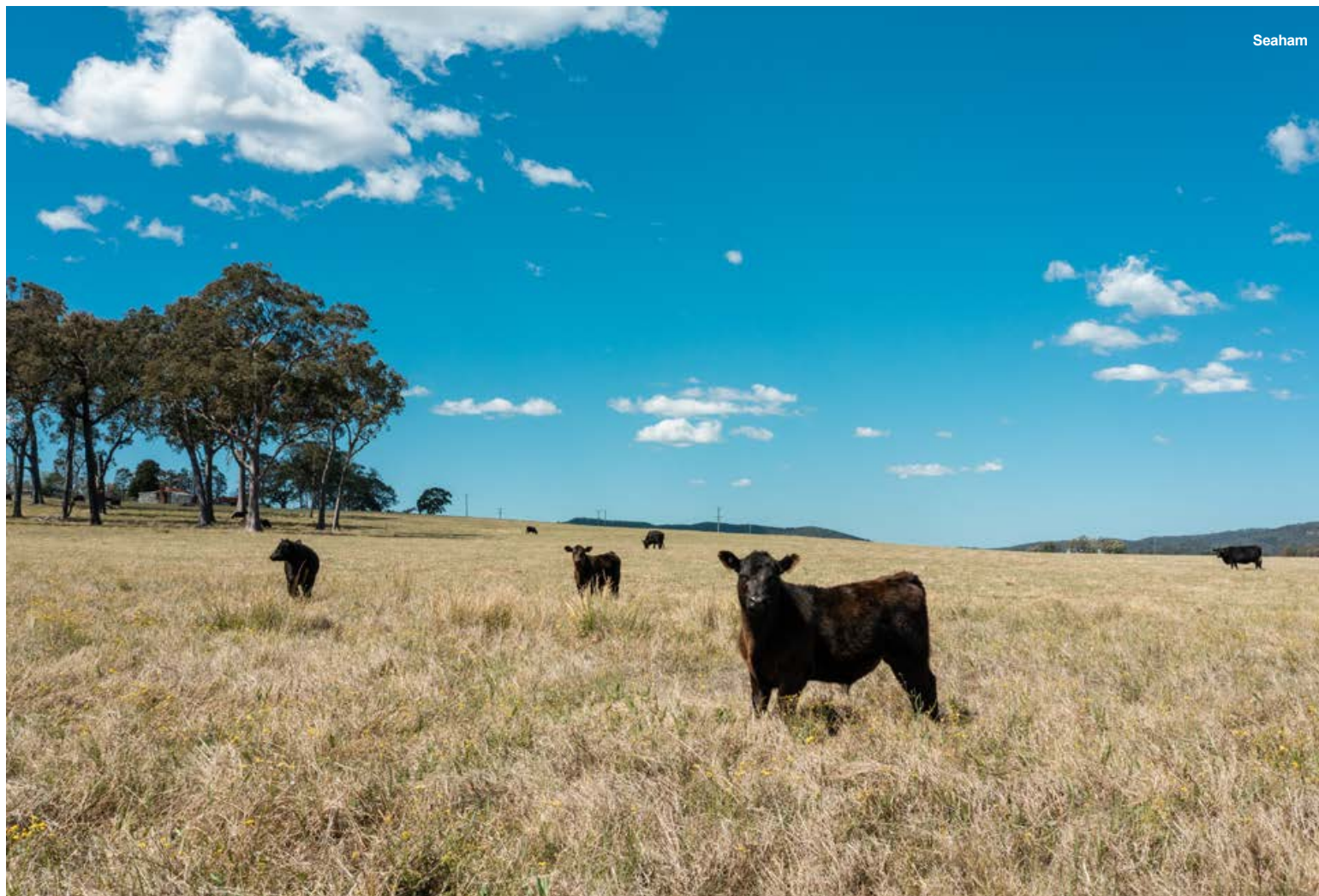
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Environmental sustainability continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
E3.2.2 Monitor and manage environmental impacts from waste management activities	Quarterly monitoring of Council's decommissioned landfill sites.	100%	100%	100%	100%	100%	✓
	Annual reporting to the EPA	Compliant	-	-	New	Compliant	✓
	Quarterly site auditing	Compliant	-	-	New	Compliant	✓
E3.3.1 Review Climate Change Adaptation Action Plan	Number of actions complete in the Climate Change Adaptation Action Plan	Maintain	13 of 35	26 of 35 ¹	26 of 35 ¹	26 of 35 ¹	✓
	Develop a revised Climate Change Adaptation Action Plan	30-Jun-22	-	-	New	Included as part of 2022 to 2023 workplan.	⚠

¹ Recommended actions commenced

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



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).



Our new elected Council

In January 2022, we welcomed 5 new Councillors including Jason Wells (Central Ward), Matthew Bailey (East Ward), Leah Anderson (East Ward), Peter Kafer (West Ward) and Peter Francis (West Ward). They joined re-elected Mayor Ryan Palmer, Councillors Steve Tucker (Central Ward), Giacomo Arnott (West Ward) Chris Doohan (Central Ward) and Glen Dunkley (East Ward).

Steve Tucker was elected as the new Deputy Mayor for a term of one year. At the heart of it, the role of our Councillors is to serve our community.

Council is focussed on reviewing the key major issues raised by the community, including:

- Improvements to our road networks
- Better pathways and playgrounds
- Improvements to our community engagement
- The protection of our natural environment.

Take the time to get to know your local Councillors and speak to them about how they can best represent the needs of your community.



Find out more on by visiting portstephens.nsw.gov.au/mayor-and-councillors



Highest ever employee engagement score

We value our employees as much as we value our community, and want them to feel cared for and supported.

Each year, our employees complete a survey to let us know where they think we're performing well and where we can do better, as part of continuous improvement.

This year, we had the



HIGHEST
EVER
EMPLOYEE
ENGAGEMENT
SCORE OF

83%

That means 8 out of 10 employees are engaged and happy to be working for Port Stephens Council.

The top five themes that our employees value are:

- Access to ongoing learning and development
- Flexible working arrangements
- Open and honest communication
- Feedback and support from management
- Sufficient staffing and financial resources.

We're focussed on continually improving our employee experience and are working on developing actions to meet the values of our team.



Funding secured for Newcastle Airport

Newcastle Airport is set to soar with a future expansion on the way.

Planning is underway with the new terminal offering convenience for travellers from Port Stephens and surrounds to fly internationally. The development will drive huge, sustainable economic benefits to Port Stephens via inbound tourism, and freight related industries, including import and export.

This year the Federal Government announced \$55 million in funding towards the significant upgrade that will include:

- the widening and strengthening of the airport runway to enable Code E

(wide bodied) aircraft such as Boeing 787's and Airbus A300's to use Newcastle Airport

- Expanded terminal over two levels with additional food, beverage and retail businesses
- Runway aprons for aircraft to be parked, unloaded or loaded, refuelled and boarded
- Creation of a pedestrian plaza and additional car parking areas and offerings
- Major modifications to integrate ground transport and road access
- Creation of a 'campus' style business precinct.

In Port Stephens we already have a well-established international brand, but this funding will further drive transformational change. It'll create an attractive international airport with the ability to fly long haul, bringing key markets directly to Port Stephens and fast-track our economic growth.

We'll continue to work in partnership with Newcastle Airport, attending bi-monthly meetings with the Board of the Newcastle Airport PTY LTD, jointly owned by Port Stephens and Newcastle Councils.





We're 6 months Lost Time Injury Free

Safety of our community is important to us but so is the safety of our employees.



THIS YEAR WE
CELEBRATED ACHIEVING

6 MONTHS

LOST TIME INJURY (LTI) FREE

LTI is a key metric we report on and refers to a significant injury that results in an employee being unable to work in any capacity. By working safe there are less injuries and the severity is reduced, which results in a healthier workplace, employees going home in the same condition (or better) than they arrived at work and Council being able to deliver the services our community needs.

We've kept Loss Time Injury Free by:

- Building relationships between our teams
- Educating employees so they're more aware of how to keep safe and what to do in the event of an injury

- Being better at providing a wider variety of light duties, with lots of flexibility to support recovery at work
- Ensuring our supervisors are experienced in supporting our workers
- Having a strong work ethic among our employees
- Having a good process that assists recovering at work.

We're focussed on making it to one year Lost Time Injury Free and continually looking at where we can improve our process to achieve this goal.



Goal 2: Financial management

Our Council is financially sustainable to meet community needs.



Record Council investment in Medowie

We've heard through consultation that having a well-planned town centre and high quality recreation facilities is a key priority for the Medowie Community.

To future-proof Medowie we've purchased 7.6 hectares to drive investment and cater for planned growth over the next 20 years.

The key site, located on 38 Ferodale Road, was identified in the 2016 Medowie Planning Strategy. It's an ideal location opposite Coles and Woolworths and the new development will include a mix of recreation facilities, open space and residential housing.

This purchase is a catalyst for new development and growth in Medowie and provides opportunity for better connectivity between housing and recreational facilities.

As we develop this land, we'll look forward to hosting more events and building a large scale playground.

We're working with residents and businesses on the development of a Place

Plan for Medowie, concentrating our conversations on how they want to see this new space evolve. Working with the community, we'll design a place that looks and feels great.

By investing in quality open space and infrastructure, we can improve the liveability and wellbeing of our community and create great places for people to enjoy.



What's next?

We'll develop a concept plan for the Town Centre



site, seek feedback from the community and incorporate a revised plan as part of the Medowie Place Plan.



World Class Holiday Parks

Despite the last 12 months of public health orders, a natural disaster and plenty of cold, windy weather, our Holiday Parks are still considered world class facilities to visit when staying in Port Stephens.

Our Holiday Parks have maintained a solid Net Promoter Score (NPS). The NPS reflects the loyalty of customers to our holiday parks and examines how likely our customers are to recommend the holiday parks to others.

Any NPS score above 70% is considered world class – our Holiday Parks achieved results of 70.78% and 70.36% NPS for each 6 monthly period respectively.

Our Koala Sanctuary achieved an incredible average NPS of 88% for the 6 months from January to June 2022.

It's not just about the scores – even though we're in the list of top customer centric companies, what's more important is that our customers love our facilities and are happy to generate ongoing word of mouth referrals.



FEATURE

Financial Sustainability



We have an ongoing commitment to securing long term financial sustainability.

Like many government and non-government organisations, the last two years of COVID-19 impacts have taken their toll. Income from our holiday parks, childcare centres and the Newcastle Airport was reduced, while at the same time, construction, transport and insurance costs have continued to increase. These impacts were further exacerbated by two natural disasters.

Rate capping is also impacting our long term financial sustainability with the Independent Pricing and Regulatory Tribunal (IPART) setting a maximum rate increase of 4.4% – well below the forecasted CPI increase currently at 6%.

With a cumulative deficit of \$80 million over the next 10 years, we need to look at how we do business, where we can improve our revenue, find savings and ensure financial sustainability for the residents of Port Stephens well into the future.

Changes to our rate revenue is definitely an option but if our community wants to keep rates low, we need to understand what services our community are prepared to see reduced into the future.

We need to work together with the community to find the best possible solutions to strike a balance and ensure Port Stephens Council remains financially sustainable for the long term.



For more information visit
portstephens.nsw.gov.au/rate-rise-options

Goal 3: Communication and engagement

New website goes live

The internet is the centre of all of the world's communication. It allows us to talk with our community anywhere, anytime. In January 2022, we launched our new Council website providing a responsive, relevant, searchable and customer-friendly experience for everyone.

Our community told us they wanted a website that was easier to navigate and was a single source of truth.

With our new website, we're providing a better digital experience for users, with improved accessibility, functionality and searchability.

We currently reach over 1 million views each year and with continued development and investment into the site, we'll focus on creating a single source of truth where our community can access information about our programs, projects and services.

What's next?

Over the next year, we'll continue to work on making our website content accessible and engaging for our community.

Furry friends have their day on our beaches

One winner throughout COVID-19 was our furry friends, receiving lots of love and attention, as walking the dog/s was essential exercise. We've spent a lot of time over the last year talking with the community about dog off lead trials at Anna Bay, Fishermans Bay and Boat Harbour Beach.

Community input and trialling different options has been key to striking a balance between beach lovers and dog lovers. We're a dog loving country but we know not everyone wants to share the sand with a playful pooch.



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When we're considering changes to the way people use our fantastic outdoor areas – whether it's beaches, parks or other open spaces – understanding how different people use these areas is key to making good decisions, and is why temporary trials and community consultation have been so important.

A trial of dog off lead arrangements was put in place at Boat Harbour Beach from August 2021 to February 2022 and included a survey to gather levels of support for the proposed changes and capture experiences from the trial period. We had a strong response rate of 542 individual surveys completed.

Dog off-lead areas provide a recreational space for dogs and their owners to safely interact with each other and other dogs. This helps with social contact and cohesion in our community. Based on the survey results we are now allowing dogs off-lead at Boat Harbour Beach from May to September, and on-lead outside of peak times from October to April. Now everyone gets the chance to enjoy the area.

The recent review of dog off-lead areas at Anna Bay, Fishermans Bay and Boat Harbour aligns with Port Stephens Councils' strategic priority to provide civil and community infrastructure to support the community.



New blueprint for communication and engagement

A new blueprint for communication and engagement is on its way. Its aim is to engage and involve the community in influencing the future of our region.

Our community is passionate and their involvement is central to the planning and decision making that shapes our future.

Effective communication and engagement are directly linked to the liveability and wellbeing of communities. By providing genuine opportunities to engage, and listening to our community we create a greater sense of ownership. It also allows us to ensure the delivery of Council services is aligned to the needs of the people that live, work and visit Port Stephens.

Over the past few years Council has been working hard to engage with, and inform our community. We've heard that we can do better and we're committed to working closely with our community to act on this feedback.

The Communication and Engagement Strategy reflects Council's commitment to inform and improve community awareness of programs, activities

and services. More importantly, it shows Council's commitment to listen to the community and use their ideas to help shape the future direction of Port Stephens.

The Communication and Engagement Strategy 2022 to 2027 highlights:

- Ensuring diverse engagement opportunities enabling time for considered thought and contribution
- Community input into design of engagement planning
- Continued investment in the growth and improvement of Council's website
- Building on the use of social media.
- Maximising use of livestreaming and video.

What's next?

We'll use the data from community feedback to revise the plan before presenting it to Council and commencing implementation.



Our performance

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



Governance

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
L1.1.1 Manage and deliver the Human Resources and Workplace Development program of works	Employee engagement	≥ 75%	68%	74%	81%	83%	✓
	Workforce plan conforms with IP&R checklist	Compliant	Compliant	Compliant	Compliant	Compliant	✓
L1.2.1 Coordinate and deliver Councillor and executive support services	Elected member's satisfaction with services	Maintain	100%	100%	100%	100%	✓
L1.2.2 Conduct citizenship ceremonies	Number of citizens conferred	Citizens conferred	68	90	80	93	✓
L1.2.3 Develop and manage relationships with all levels of government and stakeholders	Participation in consultation/ advocacy activities with other levels of government or agencies	Maintain	Yes	Yes	Yes	Yes	✓
L1.2.4 Develop shareholder value through an effective partnership with Newcastle Airport	Participation in NAPL/GNAPL Board meetings	Maintain	Yes	Yes	Yes	Yes	✓
	Airport traveller numbers per annum	≥ Baseline	1,277,473	930,000	480,953	578,306	✗
	Comment: COVID-19 continued to impact travel and airport traveller numbers.						
	Airport dividends received per annum	≥ Baseline	\$1.943M	\$2M	nil	nil	✗
	Comment: We did not receive a dividend for 2021-2022 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	Maintain	Yes	Yes	Yes	Yes	✓
L1.3.1 Coordinate and deliver governance and legal services	Governance Health Check score	≥ 95%	98%	98%	98%	98%	✓
L1.3.2 Coordinate and report on the internal audit process	Audit-identified issues resolved within expected timeframe	≥ Baseline	100%	100%	43%	100%	✓
L1.3.3 Undertake a community satisfaction survey	Overall community satisfaction with Council	≥ 80%	76%	80%	68%	64%	✗
Comment: The 2022 Community Satisfaction Survey results reflect the impacts of COVID-19, natural disasters and our financial situation.							

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Governance continued

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
L1.3.4 Manage the Integrated Planning & Reporting Framework	Integrated Plans delivered on time	≥ 95%	98%	100%	98%	93.98%	🟡
	IP&R documents conform with IP&R checklist	Compliant	Compliant	Compliant	Compliant	Compliant	🟢
L1.3.5 Manage access to information and privacy processes	Number of privacy complaints/breaches	< Baseline	4	1	0	1	🟢
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 ADRI	24 SRs 14 ADRI	15 SRs 18 ADRI	22 SRs 34 ADRI (3 unscheduled, 9 structural reviews)	🟢
L1.4.2 Manage the Corporate Improvement and Business Systems program of work	Maintain system uptime	Maintain 99.99%	100%	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	87%	🟢
	Percentage of incidents reported to Corporate Risk outside 24 hours	< Baseline	13%	14%	15%	12.6%	🟢
	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 \$1.2m Paid \$1.7m 140%	Base \$1.2m Paid \$2.1m 175%	🔴
Comment: Our compensation premiums increased due to the severity of claims over the past two years.							

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

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Financial management

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
L2.1.1 Manage Council's financial resources	Underlying financial surplus of 1% of budget	Maintain	Achieved	Not achieved	Not achieved	Not achieved	✗
Comment: Read more on page 24 and 106							
	Unqualified Annual Financial Statements	Maintain	Unqualified	Unqualified	Unqualified	Unqualified	✓
	Long Term Financial Plan conforms with IP&R checklist	Compliant	Compliant	Compliant	Compliant	Compliant	✓
L2.2.1 Manage Council's commercial businesses and investment assets	Maintain yield on the commercial investment portfolio	7 to 10%	8%	7%	8%	8.04% Gross Yield	✓
	Property vacancy rate	< 20%	14%	6%	6%	7%	✓
L2.2.2 Manage land acquisition, development projects and biodiversity sites	Scheduled works delivered on time, on budget	≥ Baseline	100%	100%	100%	100%	✓
	Land and Property Strategy adopted	30-Jun-21	-	-	-	Refer to comment below	✗
Comment: Property Investment Strategy endorsed December 2021							
L2.2.3 Manage Council's tourist accommodation	Average nightly rate (per site/cabin)	≥ Baseline	Cabins \$192 Sites \$52	Cabins \$217 Sites \$52	Cabins \$232 Sites \$62	Cabins \$260 Sites \$69	✓
	Annual day visitation into the Koala Sanctuary	> 38,600	-	-	-	24,595 day visitors	✗
Comment: COVID-19 restrictions and weather events impacted the number of visitors							
	Net promoter scores for Council's Holiday Parks	≥ Baseline	64.2%	64.95%	69%	72.47%	✓

Communication and engagement

What we said we'd do	How effective were we?	Target	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	
L3.1.1 Develop, implement and monitor Council's Customer First Framework	Develop a Customer First Framework program of work stage 2	100%	Stage 1 completed in 2019	New	New	90%	✗
Comment: New Customer Experience Roadmap and Action plan currently being finalised for implementation from August 2022.							
L3.2.1 Manage Council's communications	Proportion of internal and external communication plans completed on time	≥ 95%	95%	95%	95%	95%	✓
L3.2.2 Manage Council's digital services	Growth in website users per year	≥ 2%	2%	11%	7%	-16.48%	✗
Comment: Due to launch of the new website and issues with migration in the first few weeks as well as reduced spending on digital advertising							
L3.3.1 Manage Council's brand and reputation	Actions commenced or completed in Graphic Design work plan	≥ 90%	-	-	-	95%	✓
L3.4.1 Conduct Council's community engagement activities	Scheduled actions completed or commenced in the Capital Works Program	≥ 95%	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

Statutory information

SECTION 4

The following information is required by such instruments as Local Government (General) Regulation 2021 – REG 217 and other NSW Government acts. The relevant clause is highlighted beside each report.

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Nelsons Plains

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 2021 (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 2022 – Section 428(1)	Yes
Implementing the Community Strategic Plan 2018 to 2028 – Section 428(2)	Not applicable for 2021 to 2022. Reported in Volume 2 of 2020 to 2021.
Integrated Planning and Reporting Guidelines – Section 428(3)	Yes
Audited financial reports - Section 428(4)(a)	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.
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
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.
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

Overview of reporting requirements continued

Legislation	Achieved
Environmental Upgrade Agreements – Section 54D Local Government Act 1993	We did not levy any charges to repay advances under an environmental upgrade agreement
Disability Inclusion – Disability Inclusion Act 2014, section 13(1)	Yes – read our report on page 56
Privacy & Personal Information Protection Act 1998	Read our report on page 39

Rates and charges written off during 2021 to 2022

Clause 132

Type	Amount	Type	Amount
Pensioner concessions	\$1,525,212	Uneconomical to recover	\$2,075
Postponed rates	\$10,874	Ratepayer's hardship (interest charges)	\$391
Small debts	\$1,075	Total	\$1,542,146
Conservation agreements	\$2,519		



Raymond Terrace skate park

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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 11 January 2022 and is reviewed annually.

Allowances	Costs	Expenses	Costs
Mayoral allowance	\$86,090	Mobile phone rental	\$0
Councillors' fees and allowances	\$211,388	Mobile phone calls	\$2,705
Councillors' expenses (see breakdown in next table)	\$70,846	Landline phone rental	\$0
Cost of catering	\$34,799	Landline phone calls	\$0
Cost of Mayoral vehicle – annualised	\$17,610	Fax rental	\$0
Total	\$420,733	Fax calls	\$0
		Internet	\$2,040
		Intrastate travel	\$8,191
		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	\$8,462
		Conferences	\$284
		Training	\$2,781
		Partners' expenses	\$204
		Computers	\$26,320
		Stationery	\$888
		Awards and ceremonies	\$1,882
		Child care expenses	\$2,791
		Communications bundle	\$4,223
		Councillors' uniforms	\$176
		Professional development	\$26,409
		Total	\$84,575

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Contracts awarded greater than \$150,000

Clause 217(1)(a2)

Name of contractor	Contract details and purpose	Number	Contract value
Graph Builders Pty Ltd	Boyd Oval Amenities	T055-2021	\$1,017,977.00
Oasis Skate Parks Pty Ltd	Design & construct Tilligerry Skate Park, Mallabula	RFQ077-2021	\$180,000.00
Browning Family Trust	Mallabula Sporting Complex - Tennis Court construction	RFQ078-2021	\$206,577.00
Fulton Hogan Industries Pty Ltd	Supply of spray sealing services 2021-2022	RFQ083-2021-1 ~	* Schedule of Rates \$541,040.40
Boral Construction Materials Group Ltd		RFQ083-2021-2	
Hd Civil Pty Ltd	Civil construction of a prefabricated bridging	T075-2021	\$599,296.63
Anna Bay Sand & Earthmoving	Mallabula recreation hub - completion works	RFQ121-2021	\$150,300.00
J Summons & SC Summons	Animal impoundment services	T103-2021-1	\$556,875.00
Ana Asphalt	TfNSW Reseal prep heavy patching	RFQ129-2021 ~	\$212,176.50
Boral Construction Materials Group Ltd	TfNSW Reseals	RFQ134-2021 ~	\$424,926.00
Fenworx Pty Ltd	Port Stephens Drive road rehab	RFQ151-2021 ~	\$237,491.00
Bay Projects Pty Ltd	12 room renovation at Koala Sanctuary	T124-2021	\$314,136.00

Name of contractor	Contract details and purpose	Number	Contract value
Balanced Security Solutions Pty Ltd	PSC holiday parks - security services	RFQ143-2021	\$195,624.00
Active Tree Services Pty Ltd	Tree Services	T004-2021-1	* Schedule of Rates \$236,708.95
Agility Professional Tree Service Pty		T004-2021-2	
Just Cutz Tree Services		T004-2021-3	
Treeserve Pty Ltd		T004-2021-4	
Mr. I G Hills		T004-2021-5	
Homewood Consulting Pty Ltd		T004-2021-6	
Tree Report Pty Ltd		T004-2021-8	
J & J Killalea Construction Pty Ltd	Stuart Park amenities	T056-2021	\$878,500.00
Collaborative Construction Solutions	Tomaree Aquatic Centre refurbishment	T054-2021	\$276,453.00
Enviropacific Services Limited	Remediation works at 44b Squire Street	T066-2021	\$207,225.00
Collaborative Construction Solutions	Raymond Terrace depot redevelopment	T144-2021	\$2,886,201.04
Gleeson Civil Engineering Pty Ltd	Tanilba Road Mallabula - road reconstruction	T018-2022	\$1,152,396.82

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Name of contractor	Contract details and purpose	Number	Contract value
Fenworx Pty Ltd	TfNSW Asphalt resurfacing and heavy patching	RFQ172-2021 ~	\$524,276.16
Boral Construction Materials Group Ltd	Mr302 Ctr Williamtown road rehab asphalt	RFQ033-2022 ~	\$2,369,035.99
Data#3 Limited	Microsoft enterprise licensing renewal	RFQ046-2022 ~	\$285,685.82
Ana Asphalt	PSC cul-de-sac & intersection asphalt works	RFQ038-2022 ~	\$252,345.00
Procon Building Pty Ltd	Mallabula soccer athletics amenities	RFQ017-2022 ~	\$163,309.25
Colas New South Wales Pty Ltd	Salamander Way Salamander Bay - recycled asphalt	RFQ056-2022 ~	\$193,695.90
Ana Asphalt	Mill & resheet roundabouts & intersections	RFQ054-2022 ~	\$465,117.00

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



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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 2021 to 30 June 2022.

Workers compensation and other employment matters, public liability and professional indemnity claims are not included. Our Council recovered \$172,103 in legal costs.

Legal matter	Details	Status	Cost
Land and Environment Court			
Verhagen	Appeal against Council Prevention Notice in relation to noise. Appeal upheld by consent and Prevention Notice varied.	Completed	\$30,743
Vetter	Appeal against Council refusal to grant development consent. Development application modified, orders made by consent granting approval.	Completed	\$16,809
Land Specialists Pty Limited	Appeal against deemed Council refusal to grant consent. Development approved.	Completed	\$48,758
Kingshill Development No 1 and 2 Pty Ltd	Appeal against refusal by Hunter and Central Coast Regional Planning Panel to grant consent to residential subdivision concept development application.	Ongoing	\$13,940
Ward & Ward	Appeal against Council refusal to grant development consent.	Ongoing	\$27,807
Lubrano	Appeal against compensation offered for compulsory acquisition of easement. Matter settled.	Completed	\$18,520
Connect Global Limited	Appeal against Development Control Order in relation to use without consent. Matter withdrawn and dismissed by consent.	Completed	\$18,203
Local Court			
Webb	Application in Small Claims Division for reimbursement of fees. Claim refused, Claimant ordered to pay Council professional fees.	Completed	\$4,457
Novel Homes Pty Ltd	Development not in accordance with consent and pollute waters. Matters withdrawn and dismissed by consent.	Completed	\$2,150
Lamb	Non-compliance with Prevention Notice. Matter withdrawn and dismissed by consent.	Completed	\$3,515
Padmos	Development not in accordance with consent and pollute waters. Plea of guilty. Defendant ordered to pay fines and Council professional fees.	Completed	\$5,520
Verhagen	Noise Abatement Directions. Matter withdrawn by consent.	Completed	\$1,400

Legal proceedings continued

Legal matter	Details	Status	Cost
NSW Civil and Administrative Tribunal			
Webb	Remitted matter concerning application by Council for order to restrain unmeritorious Government Information (Public Access) Act (GIPA) applications. Application dismissed.	Completed	\$4,114
"FHH"	Application concerning alleged privacy breach.	Ongoing	\$5,494
McEwan	Application for revocation of Tribunal orders. Application dismissed.	Completed	\$11,528
Total			\$212,958

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.

Community grants

Category	Amount
Mayoral fund and special events grants	\$66,766
Mayoral academic scholarship grant	\$44,203
Ward fund grants	\$33,226
Aboriginal project grants	\$1,300
Community support grants	\$55,998
Environmental projects grants	\$14,695
Heritage Fund grants	\$6,000
Total	\$222,188*

* Council also provide funds as part of its sponsorship policy (totalling \$141,500 for Micro Grant Fund, Community Event Fund, Major Events and Vibrant Spaces Fund sponsorships over 2021-2022) and in accordance with various agreements to organisations such as Port Stephens Koala Hospital, Destination Port Stephens and Business Port Stephens. These funds provide multiple benefits to Council and the community through promotion of tourism through to the activation of public space.

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Hardship rate relief and rate donations

Our Council provided \$6,715 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, \$54,092 was provided to the following organisations:

Organisation	Amount	Organisation	Amount
1st Anna Bay Cubs And Scouts	\$1,200	Salamander Bay Recycling	\$9,260
All Saints Anglican Church Op Shop	\$1,084	Salamander Men's Shed	\$4,570
Clean4shore NSW	\$19	Salvation Army Hope Centre	\$852
Hunter Horse Haven Inc.	\$1,258	Salvation Army Port Stephens	\$678
Lemon Tree Passage Rural Fire Service	\$84	Salvation Army Raymond Terrace	\$14
Medowie Assembly Of God Fellowship	\$995	Scope Home Access Hunter Region	\$3,095
Port Stephens Community Woodworkers	\$429	St Vincent De Paul Anna Bay	\$7,099
Port Stephens Koalas	\$6,034	St Vincent De Paul Raymond Terrace	\$556
Raymond Terrace Early Education Centre	\$1,06	St Vincent De Paul Society - Nelson Bay	\$9,682
Raymond Terrace Historical Society	\$63	State Emergency Services - Port Stephens Unit	\$808
Raymond Terrace Men's Shed	\$182	Tanilba Bay Sailing Club	\$59
Rotary Club Of Raymond Terrace	\$307	Tilligerry Habitat Association	\$1,007
RTM Op Shop - Adventist Community Services Op Shop	\$3,695	Total	\$54,092

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 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

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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 Services 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 \$362,616.82*
- Senior staff (excluding the General Manager) \$941,774.31*

*In accordance with the Total Remuneration Package (TRP) outlined in their senior staff contract.

Companion animals

Clause 217(1)(f), Companion Animals Act 1998, Companion Animals Regulation 2018

Our Council provides an annual return to the Office of Local Government on activities to enforce and ensure compliance

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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:

- 146 reported dog attacks – 40 dog attack incident reports entered into the Companion Animals Register, which is 1 more than the previous year.
- 453 companion animals were impounded.
Of the companion animals impounded:
 - 183 were either collected by their owner or returned to their owner before being transported to the pound
 - 76 were sold to new owners or released to rescue organisations
 - 97 were surrendered to the pound by the public.

Companion Animal management and activities

For the year 2021-2022, we spent \$191,552 related to companion animal management and activities (excluding Ranger salaries and vehicle costs). Of this, \$3,657 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 (34 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.
- We conducted a Companion Animal Registration project. 1600 notices were sent to owners of unregistered cats and dogs. Whilst the project aimed to have owners lifetime register their animals as per the legislative requirements, the project also assisted in updating the Companion Animals register with correct owner information which in turn enables Rangers to contact owners of lost animals and return them to their owners. This also helps decrease our euthanasia rates. The project was well received with 1500% increase in registrations during the month of March (compared to previous months).

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 leash areas

We continue to promote, improve and enforce the rules in our off lead areas in Port Stephens. You can read more on page 107.

Managing and Controlling Companion Animals

Council collected \$66,823 in registration fees, which were forwarded to the Office of Local Government. We received \$465 for the hire of cat traps and produced an income amount of \$114,856 from the percentage return for registration fees (in our LGA) from the Office of Local Government. This number also includes fees and charges received from impound activities. This was put towards Companion Animal Register administration, impound facility functions, tools and equipment and other initiatives undertaken over the reporting period.

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 2022.

Name of project	Progress	Budget as at 30 June 2022 (excluding GST)	Expenditure 2018 to 2019 (excluding GST)	Expenditure 2019 to 2020 (excluding GST)	Expenditure 2020 to 2021 (excluding GST)	Expenditure 2021 to 2022 (excluding GST)
Birubi Information Centre	In progress	\$5.2m	\$200K	\$20K	\$321K	\$443K
Depot	In progress – project delivery program in development	\$10.8m	\$0	\$42K	\$948K	\$2.087m

Modern slavery

Section 428(4)(c) & (d)

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.

Suppliers and contractors of Council are required to follow the ethical principles in our Statement of Business Ethics Policy. They are required to demonstrate fair and safe working practices, treat workers with respect and dignity, and to act ethically. 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 1087 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.

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).

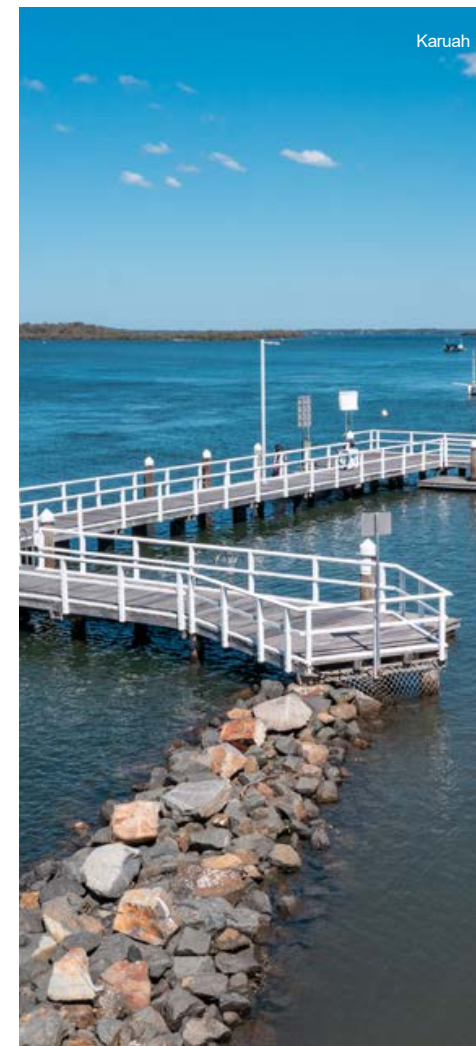
Total number of applications received

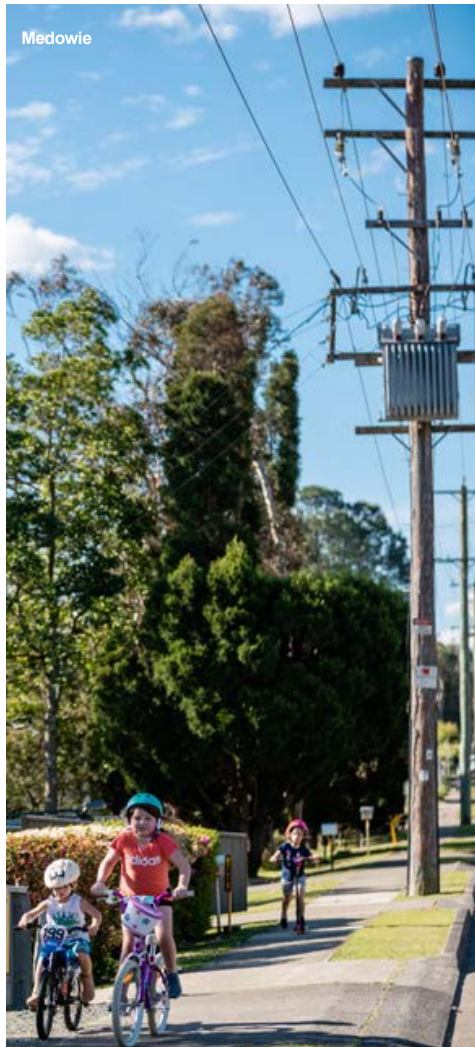
40

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
	0	0	0
% of total	0%	0%	0%





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	1	0	0	0	0	0	0	0	1	2%
Private sector business	1	2	0	0	0	0	0	2	5	8%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	1	4	0	4	0	0	0	1	10	17%
Members of the public (other)	10	18	0	6	2	0	0	7	43	73%
Total	13	24	0	10	2	0	0	10	59	
Percentage of total	22%	41%	0%	17%	3%	0%	0%	17%		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 already available	Information not held	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)	13	24	0	10	2	0	0	10	59	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	13	24	0	10	2	0	0	10	59	
Percentage of total	22%	41%	0%	17%	3%	0%	0%	17%		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).



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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	Number of applications	Percentage of total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	6	100%
Excluded information	0	0%
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	6	100%

* More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application).

Table E: Other public interest considerations against disclosure — matters listed in table to section 14 of the Act

Reason for invalidity	Number of applications	Percentage of total
Responsible and effective government	12	16%
Law enforcement and security	3	4%
Individual rights, judicial processes and natural justice	30	39%
Business interests of agencies and other persons	31	41%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	76	100%

* More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application).

Table F: Timeliness

Reason for invalidity	Number of applications	Percentage of total
Decided within the statutory timeframe (20 days plus any extensions)	48	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	48	100%

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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	3	0	3	25%
Review by Information Commissioner*	0	7	7	58%
Internal review following recommendation under section 93 of Act	2	0	2	17%
Review by NCAT	0	0	0	0%
Total	5	7	12	
Percentage of total	42%	58%		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	9	75%
Applications by persons to whom the information the subject of access application relates (section 54 of the Act)	3	25%
Total	12	100%

Table I: Applications transferred to other agencies

	Number of applications for review	Percentage of total
Agency-initiated transfers	1	100%
Applicant-initiated transfers	0	0
Total	1	100%



Yacaaba Street art walk, Nelson 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
- 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 2021 to 2022.

Model Code of Conduct statistics from 1 July 2021 to 30 June 2022		
a)	The total number of Code of Conduct complaints made about councillors and the General Manager under the Code of Conduct in the year to September (the reporting period)	29
b)	The number of Code of Conduct complaints referred to a conduct reviewer during the reporting period	5
c)	The number of Code of Conduct complaints finalised by a conduct reviewer at the preliminary assessment stage during the reporting period and the outcome of those complaints	2
d)	The number of Code of Conduct complaints investigated by a conduct reviewer during the reporting period	2
e)	Without identifying particular matters, the outcome of investigations completed under these procedures during the reporting period	No breaches found
f)	The number of matters reviewed by the Office during the reporting period and without identifying particular matters, the outcome of the reviews	0
g)	The total cost of dealing with Code of Conduct complaints made about councillors and the General Manager during the reporting period, including staff costs	\$37,958



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 two Fisheries Permit and four Marine Parks Permits.

Fisheries Permit:

- various locations in Tomaree Peninsula for sand removal and replenishment works, issued on 21 January 2022
- Foreshore Drive, Salamander Bay for bridge installation, issued on 31 September 2021.

Marine Parks permits:

- Tomaree foreshore sand removal and replenishment, issued on 18 January 2022
- Little Beach Habitat Protection Zone and Little Beach Boat Ramp replacement, issued on 16 July 2021 and an amendment issued on 26 August 2021
- Lemon Tree Passage special purpose zone related to foreshore works for construction of shade sail, issued on 2 September 2021. An extension to the expiry date was issued on 26 November 2021
- Foreshore Drive, Salamander Bay for bridge installation, issued on 31 September 2021.

Environmental Planning and Assessment Act 1979

Section 7.5(5)

There were no planning agreements executed and in force during 2021 to 2022.

Swimming pool inspections

Swimming Pools Act 1992 section 22f(2), Swimming Pools Regulation 2018 clause 18(b)(c)

There has been a complete re-development of the swimming pool program in 2021-2022. Firstly the management of it has been moved to the Development Compliance Team from the Building Surveyors. This has resulted in many areas of the program being modified and made more efficient, especially around the mandatory inspections of tourist and visitor accommodation and multi-dwelling Pools. Processes and procedures, along with education and training in Swimming Pool legislation have also been a major contributing factor in the difference of numbers.

Number of inspections of visitor accommodation	69
Number of inspections of premises with more than 2 dwellings	17
Number of inspections that resulted in the issuance of a Certificate of Compliance (section 22d)	142



Annual Reporting of Labour Statistics

Clause 217 ((1) (d) (i)-(iv)

Clause 217 of the *Local Government (General) Regulation 2021* (the Regulation) requires Council to publish labour force data in the annual reports. This is designed to allow greater scrutiny of councils' employment practices by their governing bodies, their communities, and key stakeholders such as the unions.

Increased transparency around councils' employment practices will promote better compliance with the Act and the Local Government (State) Award, encourage a more strategic approach to workforce planning and allow better-informed decision making by councils in relation to the management of their workforces.

The Secretary DPIE will fix the relevant day for reporting purposes after the end of each year.

For the financial year 2021-2022, our council is required to report the total number of persons who performed paid work on 25 May 2022*, including:

Number of persons directly employed by the council	
on a permanent full-time basis	392
on a permanent part-time basis	92
on a casual basis	16
under a fixed-term contract	47

- the number of persons employed by the council who are "senior staff" for the purposes of the Local Government Act 1993: 4 (1 General Manager & 3 Group Managers)
- the number of persons engaged by the council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person: 58 Labour hire/contractors/agency staff
- the number of persons supplied to the council, under a contract or other arrangement with the person's employer, as an apprentice or trainee: 14 (apprentice, trainees & cadets directly employed through PSC)

*These figures differ to the figures on page 43 due to the date and reporting requirements.



Stuart Park, Hinton

Appendix

SECTION 6

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6

Election of representatives on Council, committees, regional committees and groups

355C Committees and Regional Committees and Groups

Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
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 Palmer Alternate Cr S Smith	Mayor Palmer Cr Anderson Cr Francis Cr Kafer
2	Anna Bay Hall Committee	To assist Council in the management of Anna Bay/Birubi Hall.	Cr S Smith Cr C Doohan	Cr Doohan Cr Tucker Cr Wells
3	Audit Committee	The Audit Committee is an advisory committee of Council comprising of two Councillor representatives and three independent external representatives. The objective of the Audit Committee is to enhance the corporate governance of Council through the provision of independent oversight, review and advice. The Committee will assist Council by providing independent assurance and assistance on the organisation's governance, risk, control and compliance frameworks.	Cr G Dunkley Cr C Doohan Alternate Cr K Jordan (Office of Local Government guidelines precludes the Mayor from being a member of the Committee.)	Cr Anderson Cr Doohan Alternate Cr Dunkley (Office of Local Government guidelines precludes the Mayor from being a member of the Committee.)
4	Corlette Hall Committee	To assist Council in the management of Corlette Hall.	Cr G Dunkley	Cr Anderson Cr Bailey
5	Fern Bay Community Centre Committee	To assist Council in the management of Fern Bay Community Centre	Cr G Arnott Cr K Jordan Cr P Le Mottee	Cr Arnott Cr Francis Cr Kafer

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
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 P Le Mottee	Committee removed or dissolved
7	Hinton School of Arts Committee	To assist Council in the management of Hinton School of Arts.	Cr K Jordan	Cr Arnott Cr Francis Cr Kafer
8	Karuah Community Hall Committee	To assist Council in the management of Karuah Community Hall.	Cr G Arnott Cr K Jordan Cr P Le Mottee Cr C Doohan Cr S Smith Cr S Tucker	Cr Doohan Cr Tucker Cr Wells
9	Lemon Tree Passage Old School Centre Committee	To assist Council in the management of Lemon Tree Passage Old School Centre and surrounds.	Cr S Tucker Cr S Smith Cr C Doohan	Cr Doohan Cr Tucker Cr Wells
10	Mallabula Community Centre Committee	To assist Council in the management of Mallabula Community Centre.	Cr S Tucker Cr S Smith Cr C Doohan	Cr Doohan Cr Tucker Cr Wells
11	Medowie Community Centre Committee	To assist Council in the management of Medowie Community Centre.	Cr C Doohan	Committee removed or dissolved
12	Medowie Sports Council	To facilitate communication between the sporting public and Council in order to ensure that the existing and future needs and requirements of those persons participating and administering sports are accurately identified and brought to the attention of Council.	Cr S Smith Cr C Doohan	Cr Doohan Cr Wells
13	Nelson Bay Community Hall Committee	To assist Council in the management of Nelson Bay Community Hall.	Cr J Abbott	Cr Anderson Cr Bailey
14	Port Stephens Australia Day Committee	To co-ordinate the annual celebration of Australia Day in Port Stephens in line with recommendations from Australia Day Council.	Cr C Doohan Cr S Smith Cr J Abbott Cr G Arnott Cr K Jordan	Mayor Palmer Cr Anderson Cr Arnott Cr Doohan Cr Dunkley Cr Francis
15	Port Stephens Sister Cities Committee	To promote and have ongoing relationships between international communities providing opportunities for cultural exchange.	Mayor and all Councillors	Mayor and all Councillors

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
16	Raymond Terrace Senior Citizens Hall Management Committee	To assist Council in the management of the Raymond Terrace Senior Citizens Hall.	Cr K Jordan Cr P Le Mottee Cr G Arnott	Cr Arnott Cr Francis Cr Kafer
17	Salt Ash Community Hall	To assist Council in the management of Salt Ash Community Hall.	Cr S Smith Cr C Doohan Cr S Tucker	C Doohan Cr Tucker Cr Wells
18	Salt Ash Sports Ground Committee	To assist Council in the management, maintenance and improvements to Salt Ash Sports Ground.	Cr S Smith Cr S Tucker Cr C Doohan	Cr Doohan Cr Tucker Cr Wells
19	Seaham Park & Wetlands Committee	To assist Council in the management, maintenance and improvements to the park and wetlands.	Cr K Jordan Cr G Arnott Cr P Le Mottee	Cr Arnott Cr Francis Cr Kafer
20	Local Infrastructure Contributions Panel	To inform Council of any proposed and/or requested changes to Council's Contributions Plan and associated systems and processes.	Mayor Palmer Cr S Tucker Cr G Arnott Cr G Dunkley Cr C Doohan Cr K Jordan	Mayor Palmer Cr Anderson Cr Arnott Cr Dunkley Cr Doohan Cr Tucker Cr Wells
21	Strategic Arts Committee	To provide input into Port Stephens Council strategic policy, plans and programs relating to culture and the arts. To assist Council identify the existing and future requirements for arts and cultural facilities across Port Stephens.	Mayor Palmer Cr S Tucker Cr J Nell Cr P Le Mottee	Mayor Palmer Cr Francis Cr Kafer Cr Tucker
22	Tanilba Foreshore Hall Committee	To assist Council in the management of Tanilba Bay Foreshore Hall.	Cr S Tucker Cr S Smith Cr C Doohan	Cr Tucker Cr Wells
23	Tilligerry Sports Council	To facilitate communication between the sporting public and Council in order to ensure that the existing and future needs and requirements of those persons participating and administering sports are accurately identified and brought to the attention of Council.	Mayor Palmer Cr S Tucker Cr S Smith Cr C Doohan	Mayor Palmer Cr Doohan Cr Tucker Cr Wells

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
24	Tomaree Sports Council	To facilitate communication between the sporting public and Council in order to ensure that the existing and future needs and requirements of those persons participating and administering sports are accurately identified and brought to the attention of Council.	Mayor Palmer Cr J Abbott Cr G Dunkley Cr J Nell Cr S Smith	Mayor Palmer Cr Anderson Cr Bailey Cr Dunkley
25	West Ward Sports Council	To facilitate communication between the sporting public and Council in order to ensure that the existing and future needs and requirements of those persons participating and administering sports are accurately identified and brought to the attention of Council.	Cr K Jordan Cr P Le Mottee Cr G Arnott	Mayor Palmer Cr Arnott Cr Francis Cr Kafer
26	Williamstown Hall Committee	To assist Council in the management of Williamstown Hall.	Cr K Jordan Cr P Le Mottee Cr G Arnott	Cr Arnott Cr Francis Cr Kafer
27	AGL Newcastle Gas Storage Facility Community Dialogue Group	The purpose of a Community Consultative Committee is 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 Palmer	Mayor 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 S Smith	Cr Wells
29	Brandy Hill Quarry Community Consultative Committee	The purpose of a Community Consultative Committee is 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 P Le Mottee	Cr Arnott Alternate Cr Kafer
30	Cabbage Tree Road Community Consultative Committee	The purpose of the committee is to provide an advisory forum of community representatives to meet requirements of the development consent.		Cr Kafer Alternate Cr Arnott
31	Comprehensive Koala Plan of Management Implementation Committee	Responsible for overseeing the implementation of the Port Stephens Council Comprehensive Koala Plan of Management.	Cr S Smith Alternate Cr J Nell	Cr Anderson Alternate Cr Kafer

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
32	Community Funding Program	To make recommendations to Council on applications received through the Grants process.	Mayor Palmer Cr K Jordan Cr C Doohan Cr J Abbott (1 Councillor from each Ward).	Mayor Palmer Cr Arnott Cr Doohan Cr Dunkley Alternate Cr Anderson for East Ward Cr Wells for Central Ward (1 Councillor from each Ward).
33	Floodplain Risk Management Committee	To review the Floodplain policy.	Mayor Palmer Cr C Doohan Cr Dunkley Cr Nell Cr Le Mottee	Committee removed or dissolved
34	General Manager Performance Review Panel	To conduct evaluation of the performance of the General Manager.	Mayor Palmer Deputy Mayor Cr G Arnott (nominated by the Council) Plus a councillor nominated at the time by the General Manager	Mayor Palmer Cr Tucker Cr Arnott (nominated by the Council) Plus a Councillor nominated at the time by the General Manager
35	Holiday Parks Advisory Panel	To provide a forum to assist in the effective management and strategic direction of the Port Stephens Beachside Holiday Parks comprising of Fingal Bay Holiday Park, Shoal Bay Holiday Park, Halifax Holiday Park, Thou Walla Sunset Retreat and Port Stephens Koala Sanctuary.	Mayor and all Councillors	Mayor and all Councillors
36	Hunter Joint Organisation	The Hunter Joint Organisation is a collaborative body that brings together the 10 councils in the region to provide a united and local voice for our communities. As the hub for local intergovernmental collaboration, the organisation's 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.	Mayor Palmer	Mayor Palmer

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
37	Local Government Community Safety & Crime Prevention Network NSW Note: This is a Committee of the Port Stephens Local Area Command. Membership is by invitation from the Local Area Commander. Council's delegate is the Mayor.	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. **Attendees will be by invitation only, one representative will be invited by the Police from each peak body/organisation e.g. Hunter Water / Housing NSW). Council will hold two positions, one will be Community Engagement Officer, and the other will be the Mayor or his representative if unable to attend.	Mayor Palmer	Mayor Palmer
38	Customer and Community Advisory Group (CCAG) Formerly Hunter Water Corporation Community Consultative Committee	This committee is an advisory committee to Hunter Water Corporation.	Cr P Le Mottee Alternate Cr G Arnott	Cr Francis Alternate Cr Kafer
39	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 of 3 State members and 2 Councillors. The term is for 3 years for each Panel member.	Mayor Palmer Cr P Le Mottee Alternates Cr C Doohan Cr G Arnott Civil Assets Section Manager Strategy & Environment Section Manager	Mayor Palmer Cr Arnott Alternates Cr Anderson Cr Tucker Civil Assets Section Manager Strategy & Environment Section Manager
40	Local Traffic Committee	This is an Service NSW based committee which allows Council to have delegated authority to install or remove regulatory sign posting on public roads.	Mayor Palmer Cr S Tucker	Mayor Palmer Cr Anderson Alternate Cr Kafer
41	Lower Hunter Bushfire Management Committee	The committee is a legislative requirement and is to discuss direction across local government areas and across agencies in regard to bushfire management.	Cr G Arnott Cr P Le Mottee	Cr Arnott Cr Kafer

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
42	Lower Hunter Community Advisory Group	The Group is managed by Hunter Local Land Services (HLLS). The purpose is to provide an opportunity the HLLS to engage with stakeholders on a range matters, including strategic direction and programs.	Cr P Le Mottee	Cr Francis
43	Marine Parks Advisory Panel Ministerial Appointment	Community Consultative Committee regarding the proposed Marine Park in Port Stephens.	Cr J Nell	Cr Anderson
44	Medowie Planning Strategy Implementation Panel	To provide community advice to Council on the implementation of the Medowie Planning Strategy.	Mayor Palmer Cr C Doohan Cr S Smith Cr S Tucker	Mayor Palmer Cr Doohan Cr Tucker Cr Wells
45	Nelson Bay Strategy Implementation Panel	To provide community advice to Council on the implementation of the Nelson Bay Planning Strategy.	Mayor Palmer Cr Abbott Cr G Dunkley Cr J Nell	Mayor Palmer Cr Anderson Cr Bailey Cr Dunkley
46	Newcastle Airport Partnership Company No. 3 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Palmer Cr P Le Mottee (General Manager) (Financial Services Manager)	Mayor Palmer Cr Tucker (General Manager) (Financial Services Manager)
47	Newcastle Airport Partnership Company No. 4 Pty Ltd	Special Purpose Vehicle for the part ownership of Newcastle Airport.	Mayor Palmer Cr P Le Mottee (General Manager) (Financial Services Manager)	Mayor Palmer Cr Tucker (General Manager) (Financial Services Manager)
48	Newcastle Airport Partnership	The partnership is responsible for the development and management of Newcastle Airport and related infrastructure.	Mayor Palmer (General Manager)	Mayor Palmer (General Manager)
49	Greater Newcastle Aerotropolis Partnership	The partnership is responsible for the Astra Aerolab.	Mayor Palmer (General Manager)	Mayor Palmer (General Manager)

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
50	Newcastle Airport Pty Limited	To manage the operations of Newcastle Airport.	Mayor as Port Stephens Council Shareholder representative. Cr P Le Mottee as Port Stephens Council Shareholder Representative proxy. Mayor as Port Stephens Council appointed Director. General Manager as Port Stephens Council appointed Director.	Mayor as Port Stephens Council Shareholder representative. Cr Tucker as Port Stephens Council Shareholder Representative proxy. Mayor as Port Stephens Council appointed Director. General Manager as Port Stephens Council appointed Director.
51	Greater Newcastle Aerotropolis Pty Limited	To manage the operations of Astra Aerolab	Mayor as Port Stephens Council Shareholder representative. Cr P Le Mottee as Port Stephens Council Shareholder Representative proxy. Mayor as Port Stephens Council appointed Director. General Manager as Port Stephens Council appointed Director.	Mayor as Port Stephens Council Shareholder representative. Cr Tucker as Port Stephens Council Shareholder Representative proxy. Mayor as Port Stephens Council appointed Director. General Manager as Port Stephens Council appointed Director.

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
52	NSW Public Libraries Association (Central East Zone)	The purpose of the Association is 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 S Tucker	Cr Wells
53	Port Stephens Council Depot re-development Committee	To explore the options available for re- development of the Council depot at Raymond Terrace.	Mayor Palmer Cr K Jordan Cr J Nell Cr G Arnott	Committee removed or dissolved
54	Port Stephens Economic Development Advisory Panel	Act as a communication and advisory mechanism to Council on relevant Economic Development issues. Oversee the implementation of the Economic Development Strategy.	Mayor Palmer Cr C Doohan Cr G Dunkley Cr G Arnott	Mayor Palmer Cr Anderson Cr Doohan Cr Dunkley Cr Francis Cr Tucker
55	Port Stephens Floodplain Advisory Panel	To provide advice on flood/floodplain management studies/plans	Cr P Le Mottee Alternate Cr G Arnott	Cr Francis Alternate Cr Arnott
56	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 J Nell Alternate Cr P Le Mottee	Cr Bailey Alternate Cr Anderson
57	Property Advisory Panel	To provide a forum to address property management and development matters.	Mayor Palmer Cr C Doohan Cr P Le Mottee Cr K Jordan Cr G Dunkley	Mayor Palmer Cr Anderson Cr Arnott Cr Bailey Cr Doohan Cr Dunkley Cr Francis Cr Tucker
58	Raymond Terrace and Heatherbrae Strategy Implementation Panel	To provide community advice to Council on the implementation of the Raymond Terrace and Heatherbrae Strategy 2015-2031.	Mayor Palmer Cr G Arnott Cr K Jordan Cr P Le Mottee	Mayor Palmer Cr Arnott Cr Francis Cr Kafer

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Ref	Committee name	Purpose of Committee	Delegates July to December 2021	Delegates January to June 2022
59	Salt Ash Sand Project Community Consultative Committee	The purpose of a Community Consultative Committee is 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 S Tucker	Cr Doohan Alternate Cr Wells
60	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 Arnott Alternate Mayor Palmer	Cr Arnott Alternate Mayor Palmer
61	Williamstown Consultative Committee Forum	To provide a forum for the residents of Williamstown area to discuss relevant issues with Federal, State and Local Government elected members and agencies.	Mayor Palmer (General Manager)	Mayor Palmer (General Manager)
62	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 J Abbott Alternate Cr S Smith	Cr Bailey Alternate Cr Anderson Cr Francis



Capital works projects

Capital works project expenditure in 2021 to 2022.

*Grant funds contributed to this project



Classification	Job description	Cost (\$)
Aquatic structure	Little Beach Boat Ramp*	2,144,857
Bridges	Notts Creek Bridge replacement*	75,826
Buildings	Administration Building upgrades	168,563
Buildings	Amenities upgrade – George Reserve, Salamander Bay	123,929
Buildings	Amenities upgrade – Little Beach, Nelson Bay*	3,300
Buildings	Amenities upgrade – Longworth Park, Karuah	6,207
Buildings	Amenities upgrade – Stuart Park, Hinton*	1,072,028
Buildings	Amenities upgrade – Bettles Park*	160,665
Buildings	Amenities upgrade – Boyd Oval Clubhouse*	1,303,390
Buildings	Corlette Hall – external renovation	8,480
Buildings	Raymond Terrace Depot upgrade	2,086,581
Buildings	Fly Point Amphitheatre	13,449
Buildings	King Park Sports Complex – upgrade seating and building*	49,550
Buildings	Lakeside Leisure Centre upgrades	545,160
Buildings	Lakeside Sports Complex – roof upgrade	106,722
Buildings	Medowie Park Town Centre amenities	139,092
Buildings	Medowie Sport and Community Facility Memorial*	67,984
Buildings	Ross Wallbridge demolition of amenities	11,068
Buildings	Raymond Terrace Activity Van - roof replacement and external renovation	4,400
Buildings	Shoal Bay West amenities	20,137
Buildings	Soldiers Point RFS – replace roof coverings*	41,320
Buildings	Surf Club amenities, One Mile Beach	158,444
Buildings	Tanilba Foreshore Hall*	9,240

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Classification	Job description	Cost (\$)
Buildings	Tilligerry Aquatic Centre upgrades	219,731
Buildings	Tomaree Aquatic Centre upgrades	364,463
Buildings	Tomaree Match field upgrades – Elizabeth Waring*	45,334
Buildings	Tomaree Sports Complex amenities replacement*	2,994,372
Buildings	Birubi Point Aboriginal Place Tourism Transport Interchange*	442,692
Holiday Parks	Holiday Park improvements	2,449,813
ICT	Information Technology improvements	451,491
Commercial Investment	Commercial investment and land	3,291,421
Libraries	Library resources	250,306
Digital Assets	Smart Parking upgrades	180,933
Natural Disaster	Foreshore Drive culvert*	1,322,572
Natural Disaster	March 2021 and 2022 - Emergency Works*	443,132
Fleet	Fleet replacement	361,193
Road Reseals	Reseal program*	2,044,788
Carpark	Fly Point carpark*	42,664
Carpark	Raymond Terrace Admin Building carpark	356,158
Waste	Leachate monitoring device	8,114
Drainage	65 Sturgeon St Raymond Terrace – upgrade drainage system	69,423
Drainage	Stockton Ponds staunch pump	11,930
Drainage	Seabreeze Estate drainage works	734,685
Drainage	Future drainage designs	74,437
Open Space	Anna Bay Cemetery irrigation	16,970
Open Space	Bettles Park playground*	120,029
Open Space	Birubi sand dune stabilisation*	70,366
Open Space	Boomerang Park irrigation	4,148
Open Space	Foster Park shelters replacement*	27,652
Open Space	George Reserve irrigation and playground*	50,831
Open Space	Henderson Park shade sail*	126,590

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Classification	Job description	Cost (\$)
Open Space	King Park irrigation	21,100
Open Space	Kittyhawk Park playground	20,090
Open Space	Little Beach Reserve – retaining wall	16,960
Open Space	Longworth BBQ replacement*	16,561
Open Space	Nelson Bay Tennis fencing and retaining wall	128,164
Open Space	Robinson Reserve – skate park*	198,302
Open Space	Shoal Bay sand excavation	42,200
Open Space	Soldiers Point signage	10,805
Open Space	Spencer Park playground and amenities*	28,110
Open Space	Stockton Street stage reconfiguration*	85,518
Open Space	Mallabula Sports Complex – upgrades*	881,486
Pathways	Shoal Bay foreshore*	386,233
Pathways	Brandy Hill Drive	126,677
Pathways	King Park Sports Complex*	60,647
Pathways	Lemon Tree Passage Town Square*	60,500
Pathways	Levee shared pathway*	432,271
Pathways	Medowie shared pathway*	579,979
Pathways	Fly Point to Halifax Nelson Bay*	198,095
Pathways	Salt Ash bike track	36,557
Pathways	Nelson Bay Road, Fern Bay	597,039
Pathways	Avenue of the Allies, Tanilba Bay	405,196
Pathways	Highway underpass, Raymond Terrace	41,264
Pathways	Lemon Tree Passage*	124,991
Pathways	Lemon Tree Passage – missing link	595,134
Pathways	Street activation – Magnus Street*	40,972
Pathways	South Street, Medowie	71,725
Pathways	William Street, Raymond Terrace*	144,389
Roads	Road Repairs – potholes and heavy patch	693,490

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Classification	Job description	Cost (\$)
Roads	Gan Gan Road*	961,583
Roads	School Zone upgrades (SZUP)*	110,051
Roads	Bus Interchange – Seaham*	27,350
Roads	Clarencetown Road – Seg 10*	1,500
Roads	Clarencetown Road – Seg 40*	1,650
Roads	Duns Creek Road*	1,124,954
Roads	East Seaham Road	406,532
Roads	Ferodale Road	116,719
Roads	Fullerton Cove Road	1,079
Roads	Government Road	5,398
Roads	Grahamstown Road*	106,661
Roads	Hannah Parade*	118,747
Roads	James Road*	144,829
Roads	Janet Parade	537,451
Roads	Kula Road*	746,265
Roads	Lavis Lane	7,951
Roads	Lemon Tree Passage Road roundabout	19,126
Roads	Lemon Tree Passage Road*	627,058
Roads	Masonite Road	1,169
Roads	Medowie Road*	694,478
Roads	Nelson Bay Road roundabout	4,815
Roads	Nelson Bay Town Centre high pedestrian activity*	30,115
Roads	Newline Road*	806,047
Roads	Port Stephens Drive	309,277
Roads	Port Stephens Koala Blackspot*	235,096
Roads	Clarencetown Road – Seaham Road and Hinton Road intersection*	45,851
Roads	Clarencetown Road – Wattle Creek bridge*	59,907
Roads	Clarencetown Road – Oakendale Road to Hunter Water crossing*	577,781
Roads	Clarencetown Road – Mooghin Road to Dixon Street*	56,661

ITEM 10 - ATTACHMENT 1 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022 - VOLUME 1.

Classification	Job description	Cost (\$)
Roads	Clarencetown Road – Curves South to Croft Road*	534,582
Roads	Clarencetown Road – Warren Street, Seaham*	503,454
Roads	Clarencetown Road – Riverflat*	276,226
Roads	Mustons Road	38,398
Roads	East Seaham Road, Rockwall	75,044
Roads	Rookes Road, Salt Ash investigation	11,215
Roads	School Drive Tomago*	138,646
Roads	Clarencetown Road – Seaham Road, Raymond Terrace roundabout	1,500
Roads	Six Mile Road*	146,790
Roads	Soldiers Point Road, Salamander Bay*	15,743
Roads	Swan Bay rehabilitation	85,199
Roads	Tanilba Road Mallabula - Caswell Reserve to The Parkway North*	539,110
Roads	Medowie Town Centre	1,069
Roads	Raymond Terrace Town Centre*	132,887
Roads	Victoria Parade pedestrian overpass	79,500
Roads	Warren Street, Seaham*	213,330
Total		41,619,878



Glossary of terms

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 2021 to 30 June 2022.

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 including vacation 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.

YAAP: Youth Advisory Action 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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Nelson Bay town centre



PORT STEPHENS
COUNCIL

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Annual Report

2021 to 2022

Volume 2

Financial **accounts.**



Port Stephens Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

Port Stephens Council

General Purpose Financial Statements

for the year ended 30 June 2022

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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.

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.

Port Stephens Council

General Purpose Financial Statements
for the year ended 30 June 2022

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 23 August 2022.



Ryan Palmer
Mayor
23 August 2022



Steve Tucker
Councillor
23 August 2022



Tim Crosdale
Acting General Manager
23 August 2022



Tim Hazell
Responsible Accounting Officer
23 August 2022

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- VOLUME 2.GENERAL PURPOSE FINANCIAL STATEMENTS | 4
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Port Stephens Council

Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Income from continuing operations				
66,079	Rates and annual charges	B2-1	66,278	63,396
48,272	User charges and fees	B2-2	42,365	39,886
3,919	Other revenues	B2-3	4,852	4,516
12,214	Grants and contributions provided for operating purposes	B2-4	17,941	15,032
12,122	Grants and contributions provided for capital purposes	B2-4	32,929	29,992
1,237	Interest and investment income (*)	B2-5	501	446
5,054	Other income	B2-6	5,542	4,793
3,750	Net gain from the disposal of assets	B4-1	2,528	2,349
152,647	Total income from continuing operations		172,936	160,410
Expenses from continuing operations				
53,894	Employee benefits and on-costs	B3-1	52,959	51,662
47,073	Materials and services	B3-2	53,040	50,601
872	Borrowing costs	B3-3	849	854
18,247	Depreciation, amortisation and impairment of non-financial assets	B3-4	18,203	18,331
15,507	Other expenses	B3-5	6,103	6,153
135,593	Total expenses from continuing operations		131,154	127,601
17,054	Operating result from continuing operations		41,782	32,809
17,054	Net operating result for the year attributable to Council *		41,782	32,809
Net operating result for the year before grants and contributions provided for capital purposes				
4,931			8,853	2,817

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 2021/22.

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Port Stephens Council

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Net operating result for the year – from Income Statement		41,782	32,809
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	93,739	10,818
Gain (loss) on revaluation of intangible assets	C1-10	–	311
Total items which will not be reclassified subsequently to the operating result		93,739	11,129
Total other comprehensive income for the year		93,739	11,129
Total comprehensive income for the year attributable to Council		135,521	43,938

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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- VOLUME 2.GENERAL PURPOSE FINANCIAL STATEMENTS | 6
Annual Report 2021 to 2022

Port Stephens Council

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	30,221	21,542
Investments	C1-2	17,679	36,145
Receivables	C1-4	11,387	9,673
Inventories	C1-5	42	977
Contract assets and contract cost assets	C1-6	1,086	577
Non-current assets classified as 'held for sale'	C1-7	851	42
Other	C1-11	1,471	1,051
Total current assets		62,737	70,007
Non-current assets			
Investments	C1-2	22,652	1,102
Receivables	C1-4	153	160
Inventories	C1-5	10,617	10,605
Infrastructure, property, plant and equipment (IPPE)	C1-8	1,167,153	1,031,239
Investment property	C1-9	41,655	42,295
Intangible assets	C1-10	3,998	5,876
Right of use assets	C2-1	3,060	3,854
Investments accounted for using the equity method		—	431
Other	C1-11	17	29
Total non-current assets		1,249,305	1,095,591
Total assets		1,312,042	1,165,598
LIABILITIES			
Current liabilities			
Payables	C3-1	19,130	15,288
Contract liabilities	C3-2	11,482	6,339
Lease liabilities	C2-1	753	831
Borrowings	C3-3	2,897	2,966
Employee benefit provisions	C3-4	14,737	15,937
Provisions	C3-5	—	331
Total current liabilities		48,999	41,692
Non-current liabilities			
Payables	C3-1	165	2,922
Lease liabilities	C2-1	2,544	3,209
Borrowings	C3-3	36,515	29,594
Employee benefit provisions	C3-4	893	776
Total non-current liabilities		40,117	36,501
Total liabilities		89,116	78,193
Net assets		1,222,926	1,087,405
EQUITY			
Accumulated surplus	C4-1	715,162	673,059
IPPE revaluation reserve	C4-1	507,764	414,346
Total equity		1,222,926	1,087,405

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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- VOLUME 2.

Port Stephens Council

Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
		\$ '000					
Opening balance at 1 July		673,059	414,346	1,087,405	640,250	403,217	1,043,467
Opening balance		673,059	414,346	1,087,405	640,250	403,217	1,043,467
Net operating result for the year		41,782	-	41,782	32,809	-	32,809
Net operating result for the period		41,782	-	41,782	32,809	-	32,809
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	-	93,739	93,739	-	10,818	10,818
Gain (loss) on revaluation of intangibles		-	-	-	-	311	311
Other comprehensive income		-	93,739	93,739	-	11,129	11,129
Total comprehensive income		41,782	93,739	135,521	32,809	11,129	43,938
Transfers between equity items		321	(321)	-	-	-	-
Closing balance at 30 June		715,162	507,764	1,222,926	673,059	414,346	1,087,405

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Port Stephens Council

Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
	Cash flows from operating activities			
	Receipts:			
64,640	Rates and annual charges		67,055	62,905
48,272	User charges and fees		44,452	43,758
1,237	Interest received		447	464
21,735	Grants and contributions		41,788	38,863
8,138	Other		11,734	10,556
	Payments:			
(52,134)	Payments to employees		(54,255)	(52,029)
(47,679)	Payments for materials and services		(61,640)	(55,570)
(872)	Borrowing costs		(849)	(854)
—	Bonds, deposits and retentions refunded		(303)	(198)
(18,633)	Other		(4,173)	(6,467)
24,704	Net cash flows from operating activities	G1-1	44,256	41,428
	Cash flows from investing activities			
	Receipts:			
—	Sale of investments		62,111	15,500
—	Sale of investment property		3,118	—
3,500	Sale of real estate assets		5,076	6,499
250	Proceeds from sale of IPPE		387	273
—	Sale of intangible assets		2,175	—
	Payments:			
—	Purchase of investments		(65,741)	(25,299)
—	Purchase of investment property		—	(88)
(27,602)	Payments for IPPE		(48,467)	(31,895)
(400)	Purchase of real estate assets		(115)	(181)
(400)	Purchase of intangible assets		(153)	(138)
(24,652)	Net cash flows from investing activities		(41,609)	(35,329)
	Cash flows from financing activities			
	Receipts:			
10,000	Proceeds from borrowings		9,550	3,000
	Payments:			
(3,380)	Repayment of borrowings		(2,698)	(3,287)
(28)	Principal component of lease payments		(820)	(795)
6,592	Net cash flows from financing activities		6,032	(1,082)
6,644	Net change in cash and cash equivalents		8,679	5,017
21,542	Cash and cash equivalents at beginning of year		21,542	16,525
28,186	Cash and cash equivalents at end of year	C1-1	30,221	21,542
26,852	plus: Investments on hand at end of year	C1-2	40,331	37,247
55,038	Total cash, cash equivalents and investments		70,552	58,789

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
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Port Stephens Council

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**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****A About Council and these financial statements****A1-1 Basis of preparation**

These financial statements were authorised for issue by Council on 18 October 2022. 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.

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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****A1-1 Basis of preparation (continued)**

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 2022 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 2022.

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.

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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.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions or activities										
Our Community	5,735	6,038	9,360	9,912	(3,625)	(3,874)	698	1,005	209,221	180,876
Our Council	91,055	88,091	47,568	46,188	43,487	41,903	8,154	8,430	288,840	250,233
Our Environment	23,765	22,248	22,614	21,348	1,151	900	508	787	4,358	4,321
Our Place	52,381	44,033	51,181	50,153	1,200	(6,120)	41,509	34,802	809,624	730,168
Total functions and activities	172,936	160,410	130,723	127,601	42,213	32,809	50,870	45,024	1,312,042	1,165,598

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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 maintenance 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; Liaison 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.

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B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Timing	2022	2021
Ordinary rates			
Residential	2	36,472	35,441
Farmland	2	887	866
Business	2	8,823	8,579
Less: pensioner rebates (mandatory)		(969)	(1,067)
Rates levied to ratepayers		45,213	43,819
Pensioner rate subsidies received	2	596	591
Total ordinary rates		45,809	44,410
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	2	16,091	15,134
Waste management services (non-domestic)	2	4,671	4,061
Section 611 charges	2	11	11
Less: pensioner rebates (mandatory)		(557)	(481)
Annual charges levied		20,216	18,725
Pensioner subsidies received:			
– Domestic waste management	2	253	261
Total annual charges		20,469	18,986
Total rates and annual charges		66,278	63,396

Council has used 2021 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.

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B2-2 User charges and fees

\$ '000	Timing	2022	2021
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	2	1,916	1,697
Total specific user charges		1,916	1,697
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	2	99	94
Section 10.7 certificates (EP&A Act)	2	234	218
Section 603 certificates	2	193	208
Building inspection fees	2	360	299
Building services	2	1,424	1,036
Shop inspection fees	2	213	223
Subdivision fees	2	302	380
Total fees and charges – statutory/regulatory		2,825	2,458
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Animal control		(3)	9
Cemeteries	2	184	186
Child care	1	2,919	2,671
Holiday parks	1	12,315	14,506
Leisure centre	2	1,627	1,898
Library		61	84
Newcastle airport	2	10,270	7,816
Waste disposal tipping fees	2	369	426
Transport for NSW works (state roads not controlled by Council)	2	6,649	4,892
Parking meters	2	680	957
Parks, gardens and other community services		–	4
Sewerage management fees	1	669	655
Other		1,436	1,264
Rental income - other Council properties	2	448	363
Total fees and charges – other		37,624	35,731
Total other user charges and fees		40,449	38,189
Total user charges and fees		42,365	39,886
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		15,903	17,833
User charges and fees recognised at a point in time (2)		26,462	22,053
Total user charges and fees		42,365	39,886

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.

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B2-3 Other revenues

\$ '000	Timing	2022	2021
Ex gratia rates	2	117	116
Fines – parking	2	283	278
Fines – other	2	225	220
Legal fees recovery – rates and charges (extra charges)		151	3
Legal fees recovery – other	2	20	3
Commissions and agency fees	1	229	226
Wage subsidies and incentives	2	179	–
Insurance claims recoveries	2	178	328
Sales – general	1	240	–
Events and promotions	2	68	46
Private works	1	411	223
Royalties - sand extraction	2	1,745	1,406
Other revenue - Newcastle airport partnership	2	324	768
Other		682	899
Total other revenue		4,852	4,516
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		880	449
Other revenue recognised at a point in time (2)		3,972	4,067
Total other revenue		4,852	4,516

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.

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B2-4 Grants and contributions

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	2	3,584	3,232	—	—
Payment in advance - future year allocation					
Financial assistance	2	5,507	3,459	—	—
Amount recognised as income during current year		9,091	6,691	—	—
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Bushfire and emergency services	2	1,120	1,106	—	—
Child care	1	364	631	—	—
Environmental programs	1	484	619	23	90
Floodplain management		48	—	—	—
Heritage and cultural	1	29	18	—	—
Library	2	256	246	—	—
LIRS subsidy	2	26	37	—	—
Recreation and culture	1	866	1,370	4,120	1,581
Newcastle airport	1	—	—	586	2,682
Youth development	1	78	116	—	—
Street lighting	2	75	75	—	—
Weed control	1	75	233	—	—
Transport (roads to recovery)	1	781	781	—	—
Transport	1	553	—	6,968	8,442
Other specific grants	1	23	67	235	25
Previously contributions:					
Drainage	2	—	—	—	4
Kerb and gutter	2	—	—	—	40
Natural disaster funding contributions	2	1,330	441	1,080	155
Recreation and culture	2	—	—	221	357
Transport for NSW contributions (regional roads, block grant)	2	1,066	1,079	—	—
Other contributions	2	360	293	—	—
Environmental projects	2	—	26	—	—
Risk management	2	143	130	—	—
Total special purpose grants and non-developer contributions – cash		7,677	7,268	13,233	13,376
Non-cash contributions					
Bushfire services		—	—	847	—
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	—	—	12,563	8,790
Total other contributions – non-cash		—	—	13,410	8,790
Total special purpose grants and non-developer contributions (tied)		7,677	7,268	26,643	22,166
Total grants and non-developer contributions		16,768	13,959	26,643	22,166
Comprising:					

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B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
– Commonwealth funding		11,220	8,659	2,017	4,643
– State funding		5,553	5,270	10,986	8,333
– Other funding		(5)	30	13,640	9,190
		16,768	13,959	26,643	22,166

Developer contributions

\$ '000	Notes	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
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	318	5,721	7,452
S 7.12 – fixed development consent levies		2	–	–	565	374
Haulage		2	855	755	–	–
Total developer contributions – cash			1,173	1,073	6,286	7,826
Total developer contributions			1,173	1,073	6,286	7,826
Total contributions			1,173	1,073	6,286	7,826
Total grants and contributions			17,941	15,032	32,929	29,992
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			3,306	3,834	11,932	12,821
Grants and contributions recognised at a point in time (2)			14,635	11,198	20,997	17,171
Total grants and contributions			17,941	15,032	32,929	29,992

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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 2022	Operating 2021	Capital 2022	Capital 2021
Unspent grants and contributions				
Unspent funds at 1 July	79	168	4,700	352
Add: capital grants received for the provision of goods and services in a future period (2022)	1,504	79	8,658	4,700
Less: Funds received in prior year but revenue recognised and funds spent in current year	(79)	(168)	(4,700)	(352)
Unspent funds at 30 June	1,504	79	8,658	4,700
Contributions				
Unspent funds at 1 July	2,267	2,458	9,214	2,072
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,172	1,074	6,286	7,826
Add: contributions received and not recognised as revenue in the current year	19	20	—	17
Add: Interest	3	1	11	1
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(1,032)	(1,286)	(4,013)	(702)
Unspent contributions at 30 June	2,429	2,267	11,498	9,214

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.

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.

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- VOLUME 2.****B2-4 Grants and contributions (continued)**

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.

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B2-5 Interest and investment income (*)

\$ '000	2022	2021
Interest on financial assets		
– Overdue rates and annual charges (incl. special purpose rates)	159	100
– Cash and investments	279	311
– Newcastle airport	20	35
Dividend income (other)	43	–
Total interest and investment income (losses)	501	446
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	485	444
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	16	2
Total interest and investment income	501	446

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 unless the dividend clearly represents a recovery of part of the cost of the investment.

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B2-6 Other income

\$ '000	Notes	2022	2021
Reversal of revaluation decrements on IPPE previously expensed			
Land assets		302	—
Total gross reversal of revaluation decrements on IPPE previously expensed		302	—
Total reversal of revaluation decrements on IPPE previously expensed charged to Income Statement	C1-8	302	—
Fair value increment on investment properties			
Fair value increment on investment properties		2,110	889
Total fair value increment on investment properties	C1-9	2,110	889
Fair value increment on investments			
Fair value increment on investments through profit and loss		—	596
Total Fair value increment on investments		—	596
Rental income			
Investment properties and PPE			
Lease income (excluding variable lease payments not dependent on an index or rate)		2,931	2,978
Lease income relating to variable lease payments not dependent on an index or a rate		199	330
Total Investment properties		3,130	3,308
Total rental income	C2-2	3,130	3,308
Total other income		5,542	4,793

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B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	37,665	37,580
Salaries and wages – Newcastle airport partnership	4,002	3,482
Travel and other allowances	3,325	2,895
Employee leave entitlements (ELE)	8,186	8,250
Superannuation	4,878	4,652
Workers' compensation insurance	1,875	1,570
Fringe benefit tax (FBT)	7	18
Protective clothing	140	170
Corporate uniform	12	39
Employee medical assessments	12	10
Other	22	27
Total employee costs	60,124	58,693
Less: capitalised costs	(7,165)	(7,031)
Total employee costs expensed	52,959	51,662

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.

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B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		7,244	7,304
– Waste collection (2019 only) and disposal contract		8,316	8,759
– Other contractor and consultancy costs		19,765	19,340
Audit Fees	F2-1	229	192
Previously other expenses (*):			
Councillor and Mayoral fees and associated expenses	F1-2	368	373
Bank charges		480	492
Electricity and heating		1,276	1,361
Insurance		2,219	1,887
Street lighting		1,045	892
Telephone and communications		260	272
Training costs (other than salaries and wages)		336	371
Other expenses		315	520
Memberships		124	167
Newcastle airport		5,152	3,897
Legal expenses:			
– Legal expenses		493	460
Expenses from short-term leases		55	70
Expenses from leases of low value assets		20	7
Expenses from Peppercorn leases		1	1
Variable lease expense relating to usage		5,152	4,074
Other		190	162
Total materials and services		53,040	50,601

Accounting policy

Expenses are recorded on an accruals basis as the Council receives the goods or services.

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B3-3 Borrowing costs

\$ '000	2022	2021
(i) Interest bearing liability costs		
Interest on leases	125	135
Interest on overdraft	37	38
Interest on loans	380	455
Interest – Newcastle Airport	316	223
Interest on leases - Newcastle Airport	–	14
Total interest bearing liability costs	858	865
Less: capitalised costs	(9)	(11)
Total interest bearing liability costs expensed	849	854
Total borrowing costs expensed	849	854

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.

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B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2022	2021
Depreciation and amortisation			
Plant and equipment		1,552	1,882
Office equipment		422	359
Furniture and fittings		39	27
Land improvements (depreciable)		104	93
Infrastructure:	C1-8		
– Buildings – specialised		4,628	4,851
– Other structures		570	847
– Roads		2,826	2,838
– Bridges		57	53
– Footpaths		391	380
– Car parks		139	141
– Stormwater drainage		753	732
– Swimming pools		111	117
– Other open space/recreational assets		1,643	1,620
– Other infrastructure		650	370
Right of use assets	C2-1	871	858
Other assets:			
– Heritage collections		2	2
– Library books		340	308
– Newcastle airport		2,663	2,445
Intangible assets	C1-10	442	408
Total depreciation and amortisation costs		18,203	18,331
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT		18,203	18,331

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 no longer required to be tested for impairment under AASB 136. This is because 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 that have an indefinite useful life, or are 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 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

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B3-5 Other expenses

\$ '000	Notes	2022	2021
Impairment of receivables			
Other		(6)	28
Total impairment of receivables	C1-4	(6)	28
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		431	109
Total net share of interests in joint ventures and associates using the equity method		431	109
Other			
Contributions/levies to other levels of government			
– NSW rural fire service levy		814	1,048
– Lands department levy (holiday parks)		406	485
– Waste levy		3,673	3,223
Donations, contributions and assistance to other organisations (Section 356)		785	1,053
Rehabilitation and restoration expenses		–	207
Total other		5,678	6,016
Total other expenses		6,103	6,153

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

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B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2022	2021
Disposal of Infrastructure, Property, Plant & Equipment (excl. investment property)	C1-8		
Proceeds from disposal – property		200	273
Less: carrying amount of property assets sold/written off		(2,268)	(2,008)
Gain (or loss) on disposal		(2,068)	(1,735)
Newcastle airport partnership	C1-8		
Proceeds from disposal – infrastructure		10	–
Less: carrying amount of infrastructure assets sold/written off		(25)	(12)
Gain (or loss) on disposal		(15)	(12)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		5,076	6,499
Less: carrying amount of real estate assets sold/written off		(1,008)	(2,403)
Gain (or loss) on disposal		4,068	4,096
Gain (or loss) on disposal of investment property	C1-9		
Proceeds from disposal – investment property		3,118	–
Less: carrying amount of investment property sold/written off		(2,750)	–
Gain (or loss) on disposal		368	–
Gain (or loss) on disposal of cash and investments	C1-1,C1-2		
Proceeds from disposal/redemptions/maturities – cash and investments		62,111	15,500
Less: carrying amount of cash and investments sold/redeemed		(62,657)	(15,500)
Gain (or loss) on disposal		(546)	–
Gain (or loss) on disposal of non-current assets classified as 'held for sale'	C1-7		
Proceeds from disposal – non-current assets 'held for sale'		177	–
Less: carrying amount of 'held for sale' assets sold/written off		(42)	–
Gain (or loss) on disposal		135	–
Gain (or loss) on disposal of intangible assets	C1-10		
Proceeds from disposal – intangible assets		2,175	–
Less: carrying amount of intangible assets sold/written off		(1,589)	–
Gain (or loss) on disposal		586	–
Net gain (or loss) from disposal of assets		2,528	2,349

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement. 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.

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B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 22/06/2021 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	2022 Budget	2022 Actual	2022 ----- Variance -----	
Revenues				
Rates and annual charges	66,079	66,278	199	0% F
User charges and fees	48,272	42,365	(5,907)	(12)% U
User charges and fees are lower than the original budget due to the consolidated income from Newcastle Airport being affected by Covid-19.				
Other revenues	3,919	4,852	933	24% F
Other revenue is higher than the original budget due to reclassification of revenue from Newcastle Airport.				
Operating grants and contributions	12,214	17,941	5,727	47% F
Operating grants and contributions are higher than the original budget due to advance payment of the federal assistance grant for the 2023 financial year.				
Capital grants and contributions	12,122	32,929	20,807	172% F
Capital grants and contributions are higher than the original budget due to Council being successful with a number of grant applications during the financial year.				
Interest and investment revenue	1,237	501	(736)	(59)% U
Interest and investment revenue is lower than the original budget due ASX volatility that council is exposed to through TCorp managed funds. .				
Net gains from disposal of assets	3,750	2,528	(1,222)	(33)% U
Net gains from the disposal of assets is higher than the original budget due to additional property and bio banking credit sales during the year.				
Other income	5,054	5,542	488	10% F
Expenses				
Employee benefits and on-costs	53,894	52,959	935	2% F
Materials and services	47,073	53,040	(5,967)	(13)% U

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B5-1 Material budget variations (continued)

	2022	2022	2022	
\$ '000	Budget	Actual	Variance	

Materials and services are above the original budget due to changes in the NSW Code of Accounting which now requires certain expenditure to be reclassified from Other Expenses. Without these changes the actuals compared to budget would be 8% favourable.

Borrowing costs	872	849	23	3% F
Depreciation, amortisation and impairment of non-financial assets	18,247	18,203	44	0% F
Other expenses	15,507	6,103	9,404	61% F

Other Expenses are above the original budget due to changes in the NSW Code of Accounting which now requires certain expenditure to be reclassified to Materials and Services.

Statement of cash flows

Cash flows from operating activities	24,704	44,256	19,552	79% F
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Cash flows from operating activities are higher than the original budget due to Council being successful with a number of capital grants during the year and the advance payment of the federal assistance grant.

Cash flows from investing activities	(24,652)	(41,609)	(16,957)	69% U
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Cash flows from investing activities are higher than the original budget due to Council increasing its spend on I,PPE as a result of being successful with a number of capital grant applications. In addition Council also sold bio banking credits and land parcels that were not originally budgeted.

Cash flows from financing activities	6,592	6,032	(560)	(8)% U
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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2022	2021
Cash assets		
Cash on hand and at bank	13,458	10,526
Cash equivalent assets		
– Deposits at call	3,003	3,500
– Managed funds	–	7,516
– Short-term deposits	13,760	–
Total cash and cash equivalents	30,221	21,542

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,221	21,542
Balance as per the Statement of Cash Flows	30,221	21,542

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.

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C1-2 Financial investments

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	-	-	8,992	-
Total	-	-	8,992	-
Financial assets at amortised cost				
Long term deposits	17,679	22,652	27,153	1,102
Total	17,679	22,652	27,153	1,102
Total financial investments	17,679	22,652	36,145	1,102
Total cash assets, cash equivalents and investments	47,900	22,652	57,687	1,102

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.

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. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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.

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Annual Report 2021 to 2022**C1-2 Financial investments (continued)**

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.

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C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	70,552	58,789
Cash, cash equivalents and investments not subject to external restrictions	40,653	35,674
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Deposits, retentions and bonds	731	1,034
Specific purpose unexpended grants - AASB 1058 (exception & AASB 15)	9,162	4,779
External restrictions – included in liabilities	9,893	5,813
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	13,927	11,481
Specific purpose unexpended grants (recognised as revenue) – general fund	1,000	–
Domestic waste management	3,335	2,930
Crown reserve	1,744	2,891
External restrictions – other	20,006	17,302
Total external restrictions	29,899	23,115

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

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C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2022	2021
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	40,653	35,674
Unrestricted and unallocated cash, cash equivalents and investments	—	—
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Asset rehabilitation	1,704	1,352
Commercial properties	1,986	4,989
Election reserve	—	400
Federal assistance grant in advance	5,507	3,459
Fleet	384	2,410
Newcastle airport partnership	13,144	10,542
Other waste services reserve	250	183
Parking meters	125	178
Section 355C committees	697	626
IT Reserve	—	380
Emergency & Natural Disaster reserve	7,000	—
Unexpended loan funds	269	5,000
Repealed funds	2,830	5,581
Transport and Environment Reserve	358	46
Administration building reserve	376	502
Grants Co-contribution	3,000	—
Ward funds	23	26
Resilience fund	3,000	—
Total internal allocations	40,653	35,674

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

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C1-4 Receivables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Rates and annual charges	2,636	–	3,413	–
Interest and extra charges	267	–	202	–
User charges and fees	647	–	739	–
Miscellaneous debtors	782	–	328	–
Contributions to works	31	–	143	–
Accrued revenues				
– Interest on investments	181	–	192	–
– Other income accruals	3,815	–	1,515	–
Government grants and subsidies	3	–	169	–
Net GST receivable	571	–	558	–
Newcastle airport partnership	2,457	–	2,549	–
Other debtors	–	153	–	160
Total	11,390	153	9,808	160
Less: provision for impairment				
User charges and fees	(3)	–	(135)	–
Total provision for impairment – receivables	(3)	–	(135)	–
Total net receivables	11,387	153	9,673	160

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C1-4 Receivables (continued)

\$ '000	2022	2021
Movement in provision for impairment of receivables		
Balance at the beginning of the year	135	370
+ new provisions recognised during the year	(10)	137
– amounts already provided for and written off this year	(122)	(71)
– amounts written off but not provided for	–	(2)
– amounts provided for but recovered during the year	–	(291)
– previous impairment losses reversed	–	(8)
Balance at the end of the year	3	135

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.

Rates and annual charges outstanding are secured against the property.

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C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
At cost				
Real estate	42	10,617	977	10,605
Total inventories at cost	42	10,617	977	10,605
Total inventories	42	10,617	977	10,605

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Real estate development				
Residential	–	2,370	752	2,324
Industrial/commercial	42	8,247	225	8,281
Total real estate held for resale	42	10,617	977	10,605

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.

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C1-6 Contract assets and Contract cost assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Contract assets	1,086	–	577	–
Total contract assets and contract cost assets	1,086	–	577	–

Contract assets

Work relating to infrastructure grants	1,086	–	577	–
Total contract assets	1,086	–	577	–

Accounting policy

Contract assets

Contract assets represent Council's 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.

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C1-7 Non-current assets classified as held for sale

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Non-current assets held for sale				
Land	851	–	42	–
Total non-current assets classified as held for sale	851	–	42	–

44B Squire Street, Fingal Bay, valued at its carrying amount, 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 44B Squire Street, Fingal Bay will be completed within 12 months of 30 June 2022.

Reconciliation of non-current assets held for sale and disposal groups – i.e. discontinued operations

\$ '000	2022 Assets 'held for sale'	2021 Assets 'held for sale'
Opening balance	42	–
Less: carrying value of assets/operations sold	(42)	–
Balance still unsold after 12 months:	–	–
Plus new transfers in:		
– Assets held for sale	851	42
Closing balance of held for sale non-current assets and operations	851	42

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.

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C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period												At 30 June 2022		
	At 1 July 2021														
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (previously in P/L)	Transfers	Tf's from/to 'held for sale' category	Tf's from/to real estate assets (Note C1-5)	Reval increments/ (decrement) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	14,456	(72)	14,384	1,132	5,933	(638)	-	-	(1,696)	-	-	-	19,116	-	19,116
Plant and equipment	27,113	(17,665)	9,448	1,506	30	(215)	(1,552)	-	-	-	-	-	27,209	(17,993)	9,216
Office equipment	3,498	(2,564)	934	215	76	-	(422)	-	-	-	-	-	3,789	(2,985)	804
Furniture and fittings	1,712	(1,135)	577	-	-	-	(39)	-	-	-	-	-	1,712	(1,173)	539
Land:															
- Operational land	39,061	(573)	38,488	-	3,126	-	-	302	(680)	(853)	-	34,044	74,699	(271)	74,428
- Community land	47,353	-	47,353	-	115	-	-	-	680	-	29	-	48,178	-	48,178
- Crown land	29,223	-	29,223	-	42	(343)	-	-	-	-	-	2,416	31,337	-	31,337
- Land under roads (post 1/7/08)	2,271	-	2,271	-	262	-	-	-	-	-	-	-	2,533	-	2,533
- Newcastle airport	10,126	-	10,126	-	-	-	-	-	10,046	-	213	1,885	22,271	-	22,271
Land improvements – depreciable	10,302	(2,554)	7,748	-	113	-	(104)	-	304	-	-	-	10,719	(2,658)	8,061
Infrastructure:															
- Buildings – specialised	194,920	(91,270)	103,650	2,383	6,333	-	(4,628)	-	1,072	-	-	10,555	224,570	(105,206)	119,364
- Other structures	13,888	(5,559)	8,329	695	-	-	(570)	-	35	-	-	-	14,618	(6,129)	8,489
- Roads	429,541	(53,918)	375,623	11,994	3,855	(1,070)	(2,826)	-	-	-	-	30,880	478,525	(60,067)	418,458
- Bridges	15,061	(2,078)	12,983	1,089	-	-	(57)	-	-	-	-	1,006	17,376	(2,355)	15,021
- Footpaths	71,383	(11,089)	60,294	-	4,011	-	(391)	-	-	-	-	1,740	77,553	(11,899)	65,654
- Car parks	17,076	(2,312)	14,764	25	-	-	(139)	-	-	-	-	1,182	18,415	(2,582)	15,833
- Stormwater drainage	240,464	(27,634)	212,830	1,266	6,328	-	(753)	-	-	-	-	10,031	259,855	(30,153)	229,702
- Swimming pools	4,882	(1,152)	3,730	64	-	-	(111)	-	-	-	-	-	4,946	(1,263)	3,683
- Other open space	35,785	(13,986)	21,799	746	1,007	-	(1,643)	-	48	-	-	-	37,585	(15,629)	21,956
- Other infrastructure	19,547	(7,200)	12,347	8	2,137	-	(650)	-	237	-	-	-	21,929	(7,850)	14,079
Other assets:															
- Heritage collections	237	(79)	158	-	-	-	(2)	-	-	-	-	-	237	(82)	155
- Library books	5,950	(3,979)	1,971	242	-	-	(340)	-	-	-	-	-	6,191	(4,318)	1,873
- Newcastle airport	63,895	(21,686)	42,209	-	6,929	(26)	(2,662)	-	(10,046)	-	-	-	60,481	(24,078)	36,403
Total infrastructure, property, plant and equipment	1,297,744	(266,505)	1,031,239	21,365	40,297	(2,292)	(16,889)	302	-	(853)	242	93,739	1,463,844	(296,691)	1,167,153

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	Asset movements during the reporting period										At 30 June 2021			
	At 1 July 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	Tf's from/to 'held for sale' category	Tf's from/to investment properties	Revaluation increments / (decrements) 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	(17,685)	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
Land improvements – depreciable	9,384	(2,398)	6,986	11	-	-	(93)	844	-	-	-	10,302	(2,554)	7,748
- Newcastle airport	10,126	-	10,126	-	-	-	-	-	-	-	-	10,126	-	10,126
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
- 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
- Car parks	15,603	(2,171)	13,432	1,473	-	-	(141)	-	-	-	-	17,076	(2,312)	14,764
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).

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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.

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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.

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C1-9 Investment properties

\$ '000	2022	2021
Owned investment property		
Investment property on hand at fair value	41,655	42,295
Total owned investment property	41,655	42,295
Owned investment property		
At fair value		
Opening balance at 1 July	42,295	37,575
Capitalised subsequent expenditure	—	88
Disposals during year	(2,750)	—
Net gain/(loss) from fair value adjustments	2,110	889
Transfers from/(to) inventories (Note C1-5)	—	1,008
Transfers from/(to) owner occupied (Note C1-8)	—	2,735
Closing balance at 30 June	41,655	42,295

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.

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C1-10 Intangible assets

Intangible assets are as follows:

\$ '000	2022	2021
Software		
Opening values at 1 July		
Gross book value	3,612	3,510
Accumulated amortisation	(3,150)	(2,858)
Net book value – opening balance	462	652
Movements for the year		
Purchases	153	103
Amortisation charges	(320)	(293)
Closing values at 30 June		
Gross book value	3,765	3,612
Accumulated amortisation	(3,470)	(3,150)
Total Intangibles– net book value	295	462
Right to Operate		
Opening values at 1 July		
Gross book value	1,882	1,847
Accumulated amortisation	(299)	(183)
Net book value – opening balance	1,583	1,664
Movements for the year		
Purchases	–	35
Amortisation Charges	(122)	(116)
Closing values at 30 June		
Gross book value	1,872	1,882
Accumulated amortisation	(412)	(299)
Total Right to Operate – net book value	1,460	1,583
Bio Banking Credits		
Opening values at 1 July		
Gross book value	3,831	3,520
Net book value – opening balance	3,831	3,520
Movements for the year		
Revaluation	–	311
Disposals	(1,588)	–
Closing values at 30 June		
Gross book value	2,243	3,831
Total BioBanking Credits – net book value	2,243	3,831
Total intangible assets – net book value	3,998	5,876

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C1-10 Intangible assets (continued)

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.

Bio Banking Credits

Bio banking credits are held at fair value. 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 revaluation reserve. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Bio Banking credits are not depreciated as they are deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Council. They will exist in perpetuity.

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	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Prepayments	1,238	–	860	–
Prepayments - Newcastle airport partnership	233	17	191	29
Total other assets	1,471	17	1,051	29

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
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Council has leases over a range of assets including land, vehicles, car parks 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.

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C2-1 Council as a lessee (continued)

(a) Right of use assets

\$ '000	Plant & Equipment	Newcastle Airport	Office equipment	Other assets - Other	Land - Operational Land	Total
2022						
Opening balance at 1 July	2,639	334	282	215	384	3,854
Adjustments to right-of-use assets due to re-measurement of lease liability	—	6	—	20	54	80
Depreciation charge	(528)	(8)	(179)	(103)	(57)	(875)
Balance at 30 June	2,111	333	103	131	382	3,060
2021						
Opening balance at 1 July	3,167	338	462	318	455	4,740
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

(b) Lease liabilities

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Lease liabilities	752	2,194	830	2,872
Lease liabilities - Newcastle Airport	1	350	1	337
Total lease liabilities	753	2,544	831	3,209

(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
2022					
Cash flows	851	2,241	1,286	4,378	3,297
2021					
Cash flows	953	2,960	1,287	5,200	4,040

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C2-1 Council as a lessee (continued)

(ii) Lease liabilities relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Externally restricted assets				
Crown reserve	47	370	43	362
Domestic waste reserve	526	1,744	500	2,270
Lease liabilities relating to externally restricted assets	573	2,114	543	2,632
Total lease liabilities relating to restricted assets	573	2,114	543	2,632
Total lease liabilities relating to unrestricted assets	180	430	288	577
Total lease liabilities	753	2,544	831	3,209

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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	2022	2021
Interest on lease liabilities	125	149
Variable lease payments based on usage not included in the measurement of lease liabilities	5,152	4,074
Depreciation of right of use assets	871	858
Expenses relating to short-term leases	55	70
Expenses relating to low-value leases	20	7
Expenses relating to peppercorn leases	1	1
	6,225	5,160

(e) Statement of Cash Flows

Total cash outflow for leases	6,183	5,093
	6,183	5,093

(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).

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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	2022	2021
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(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)	2,747	2,839
Lease income relating to variable lease payments not dependent on an index or a rate	199	330
Total income relating to operating leases for investment property assets	2,946	3,169

Operating lease expenses

Direct operating expenses that generated rental income	578	539
Total expenses relating to operating leases	578	539

Repairs and maintenance: investment property

Contractual obligations for future repairs and maintenance	73	31
Total repairs and maintenance: investment property	73	31

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C2-2 Council as a lessor (continued)

\$ '000	2022	2021
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(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)

	184	139
Total income relating to operating leases for Council assets	184	139

Amount of IPPE leased out by Council under operating leases

Buildings	6,931	6,446
Furniture and Fittings	41	53
Land - Council Land	3,479	1,786
Open Space Other	171	187
Other Assets - Carparks	184	184
Other Structures	29	30
Total amount of IPPE leased out by Council under operating leases	10,835	8,686

(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	2,841	2,726
1-2 years	1,787	2,413
2-3 years	398	1,559
3-4 years	203	273
4-5 years	192	204
> 5 years	889	635
Total undiscounted lease payments to be received	6,310	7,810

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.

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C3 Liabilities of Council

C3-1 Payables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Goods and services	4,287	–	6,025	–
Goods and Services - Newcastle Airport Partnership	6,606	165	3,220	2,922
Accrued expenses:				
– Other expenditure accruals	5,254	–	3,579	–
Security bonds, deposits and retentions	731	–	1,034	–
Unclaimed monies	2	–	2	–
Rates in advance	1,658	–	1,423	–
Government departments and agencies	575	–	–	–
Other	17	–	5	–
Total payables	19,130	165	15,288	2,922

Current payables not anticipated to be settled within the next twelve months

\$ '000	2022	2021
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	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.

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C3-2 Contract Liabilities

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	8,658	—	4,635	—
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	504	—	144	—
Total grants received in advance		9,162	—	4,779	—
User fees and charges received in advance:					
Fees - holiday park deposits	(iii)	1,969	—	1,337	—
Fees - Newcastle airport	(iii)	231	—	223	—
Fees - Children's Services		120	—	—	—
Total user fees and charges received in advance		2,320	—	1,560	—
Total contract liabilities		11,482	—	6,339	—

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	2022	2021
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,494	892
Operating grants (received prior to performance obligation being satisfied)	131	653
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,625	1,545

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.

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- VOLUME 2.****C3-2 Contract Liabilities (continued)**

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.

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C3-3 Borrowings

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Loans – secured ¹	2,897	12,115	2,966	14,744
Loans – Newcastle airport partnership	–	24,400	–	14,850
Total borrowings	2,897	36,515	2,966	29,594

(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

	2021		Non-cash movements				2022
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	17,710	(2,698)	–	–	–	–	15,012
Lease liability (Note C2-1b)	4,040	(743)	–	–	–	–	3,297
Loans – Newcastle airport	14,850	9,550	–	–	–	–	24,400
Total liabilities from financing activities	36,600	6,109	–	–	–	–	42,709

	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

(b) Financing arrangements

\$ '000	2022	2021
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
Bank loan facilities - Newcastle Airport	50,000	25,000
Total financing arrangements	53,500	36,000
Drawn facilities		
– Credit cards/purchase cards	5	414
– Bank loan facilities - Newcastle Airport	24,400	14,850
Total drawn financing arrangements	24,405	15,264
Undrawn facilities		
– Bank overdraft facilities	2,500	2,500
– Credit cards/purchase cards	995	586
– Bank loan facilities - Port Stephens Council	–	7,500
– Bank loan facilities - Newcastle Airport	25,600	10,150
Total undrawn financing arrangements	29,095	20,736

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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.

Security over loans

Loans are secured over the general rating income of Council. Lease liabilities are secured by the underlying leased assets.

⁽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.

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C3-4 Employee benefit provisions

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Annual leave	4,477	–	4,349	–
Sick leave	2,177	–	2,677	–
Long service leave	7,757	893	8,592	776
Flexi time / RDO leave	326	–	319	–
Total employee benefit provisions	14,737	893	15,937	776

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	8,913	10,545
	8,913	10,545

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. 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.

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C3-5 Provisions

\$ '000	2022 Current	2022 Non-Current	2021 Current	2021 Non-Current
Other provisions				
Other - Commercial concessions				
Newcastle airport partnership	-	-	331	-
Sub-total – other provisions	-	-	331	-
Total provisions	-	-	331	-

Provisions relating to restricted assets

Newcastle airport partnership	-	-	331	-
Provisions relating to internally restricted assets	-	-	331	-
Total provisions relating to restricted assets	-	-	331	-

Description of and movements in provisions

\$ '000	Other provisions		
	Asset remediation	Other Provisions	Net carrying amount
2022			
At beginning of year	-	331	331
Amounts used (payments)	-	(331)	(331)
Total other provisions at end of year	-	-	-
2021			
At beginning of year	263	165	428
Additional provisions	207	166	373
Amounts used (payments)	(470)	-	(470)
Total other provisions at end of year	-	331	331

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.

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.

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C3-5 Provisions (continued)

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.

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C4 Reserves

C4-1 Nature and purpose of reserves

IPPE 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.

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D2 Interests in other entities

D2-1 Joint Venture

Consolidated structured entities

Joint Venture - 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.

Council has assessed the fair value of their interest in accordance with AASB 13 Fair Value Measurement and has come to the conclusion that the fair value of the investment is \$0 due to the fact that distributions are not allowed and Council can not sell the investment.

\$ '000	Council's share of net assets	
	2022	2021
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method		
Joint ventures - Arrow Collaborative Services Limited	—	431
Total net share of interests in joint ventures and associates using the equity method	—	431

D2-2 Interests in joint arrangements

(i) Joint operations

(a) Council is involved in the following joint operations (JO's)

Name of joint operation	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2022	2021	2022	2021
Newcastle Airport Partnership and Newcastle Airport Pty Ltd	Airport Operation	Williamstown	50%	50%	50%	50%
Greater Newcastle Aerotropolis Partnership & Greater Newcastle Aerotropolis Pty Ltd	Airport Operation	Williamstown	50%	50%	50%	50%

Council assets employed in the joint operations

\$ '000	2022	2021
Council's share of assets jointly owned with other partners		
Current assets	15,834	13,282

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D2-2 Interests in joint arrangements (continued)

\$ '000	2022	2021
Current liabilities	(7,321)	(4,227)
Non current assets	60,491	54,300
Non-current liabilities	(24,951)	(18,139)
Total net assets employed – Council's share	44,053	45,216

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.

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the equity method.

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- VOLUME 2.**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	2022	2021
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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	283	229
Impact of a 10% movement in price of investments		
– Equity / Income Statement	899	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.

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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	overdue rates and annual charges < 5 years	≥ 5 years	Total
2022				
Gross carrying amount	–	2,535	101	2,636
2021				
Gross carrying amount	–	3,251	162	3,413

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 debts 31 - 60 days	61 - 90 days	> 91 days	Total
2022						
Gross carrying amount	8,804	403	120	74	592	9,993
Expected loss rate (%)	0.34%	0.89%	5.33%	11.51%	13.83%	1.30%
ECL provision	30	4	6	9	82	131
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

(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.

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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	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2022							
Payables	0.00%	733	18,408	165	–	19,306	19,295
Borrowings	2.73%	–	3,323	34,821	4,106	42,250	39,412
Lease liabilities	0.00%	–	851	2,241	1,286	4,378	3,297
Total financial liabilities		733	22,582	37,227	5,392	65,934	62,004
2021							
Payables	0.00%	1,036	14,253	2,921	–	18,210	18,210
Borrowings	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

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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).

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E2-1 Fair value measurement (continued)

	Notes	Fair value measurement hierarchy				
		Level 2 Significant observable inputs 2022	Level 2 Significant observable inputs 2021	Level 3 Significant unobservable inputs 2022	Level 3 Significant unobservable inputs 2021	Total 2022
\$ '000						2021
Recurring fair value measurements						
Financial assets						
At fair value through profit or loss	C1-2	-	8,992	-	-	8,992
Total financial assets		-	8,992	-	-	8,992
Investment property						
Investment properties held	C1-9	41,655	42,295	-	-	42,295
Total investment property		41,655	42,295	-	-	42,295
Infrastructure, property, plant and equipment						
Plant and equipment		-	-	9,216	9,448	9,448
Office equipment		-	-	804	934	934
Furniture and fittings		-	-	539	577	577
Land		96,699	48,614	82,048	78,847	127,461
Land Improvements		-	-	8,061	7,748	7,748
Buildings – specialised		-	-	119,364	103,650	103,650
Other Structures		-	-	8,489	8,329	8,329
Infrastructure		-	-	784,386	714,370	714,370
Other Assets		-	-	38,431	44,338	44,338
Total infrastructure, property, plant and equipment		96,699	48,614	1,051,338	968,241	1,016,855
Non-current assets classified as held for sale						
Land	C1-7	851	42	-	-	42
Total NCA's classified as held for sale		851	42	-	-	42

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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 caused 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 appropriate and for which sufficient data was available to measure fair value, maximising 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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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.

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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.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant & Office Equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture & Fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Land & Land Improvements	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 Other Structures	Cost approach	Unit price
	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Infrastructure	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Other Assets	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value

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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:

\$ '000	Plant and office equipment		Furniture and fittings		Land and land improvements		Buildings	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	10,382	11,413	577	311	86,595	81,079	103,650	102,611
Transfers from/(to) another asset class	-	842	-	-	826	957	1,072	5,325
Purchases	1,827	614	-	293	689	336	8,716	1,662
Disposals	(215)	(246)	-	-	(343)	-	-	-
Depreciation and impairment	(1,973)	(2,241)	(38)	(27)	(104)	(93)	(4,628)	(4,851)
Revaluation increments/decrements	-	-	-	-	2,417	4,316	10,555	148
Transfers from/(to) Note C1-9	-	-	-	-	29	-	-	(1,245)
Closing balance	10,021	10,382	539	577	90,109	86,595	119,365	103,650

\$ '000	Other structures		Infrastructure		Other assets		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	8,329	5,647	714,370	689,280	44,338	41,098	968,241	931,439
Transfers from/(to) another asset class	35	2,693	285	3,432	(10,046)	-	(7,828)	13,249
Purchases	695	836	32,530	23,085	7,171	6,008	51,628	32,834
Disposals	-	-	(1,070)	(1,532)	(26)	(12)	(1,654)	(1,790)
Depreciation and impairment	(570)	(847)	(6,570)	(6,249)	(3,004)	(2,756)	(16,887)	(17,064)
Revaluation increments/decrements	-	-	44,843	6,354	-	-	57,815	10,818
Transfers from/(to) Note C1-9	-	-	-	-	-	-	29	(1,245)
Closing balance	8,489	8,329	784,388	714,370	38,433	44,338	1,051,344	968,241

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

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 future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 31 December 2021 and \$20.0 million per annum for 1 January to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the 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

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E3-1 Contingencies (continued)

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.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

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 2022 was \$426,561. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2021.

The amount of additional contributions included in the total employer contribution advised above is \$343,181. Council's expected contribution to the plan for the next annual reporting period is \$162,310.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,376.6	
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

* excluding other accumulation accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.81%.

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	5.5% 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.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2022.

(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.

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- VOLUME 2.****E3-1 Contingencies (continued)**

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.

(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 disclosure 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.

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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	2022	2021
Compensation:		
Short-term benefits	4,032	3,762
Post-employment benefits	360	311
Termination benefits	279	292
Total	4,671	4,365

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F1-1 Key management personnel (KMP) (continued)

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
2022						
Director remuneration	1	69	-		-	-
Director remuneration	2	30	-		-	-
Payment of contributions, annual membership and advertising	3	441	-		-	-
Legal services	4	276	-		-	-
Tourism services and annual subscription	5	124	-		-	-
Sub lease of Council buildings	8	68	-		-	-
Supply of goods, contributions, mayoral donation and painting services	9	130	-		-	-
Supply of goods	10	-	-		-	-
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	-		-	-

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.

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F1-1 Key management personnel (KMP) (continued)

- 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 Arrow Collaborative Services Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Arrow Collaborative Services Ltd and is not remunerated for their Directorship.
- 5 Port Stephens Council paid for tourism promotion services from Screen Hunter (a division of Arrow Collaborative Services 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 Arrow Collaborative Services Ltd and is not remunerated for their Directorship
- 6 Port Stephens Council paid for training services from Local Government Training Solutions (a division of Arrow Collaborative Services Ltd) which is a joint operation between 11 Hunter Councils. A member of Council's KMP is a Director of Arrow Collaborative Services Ltd 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 former 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.
- 9 Port Stephens Council paid a contribution towards the operating costs of Port Stephens Koala and Wildlife Preservation Society Limited which has 2 members of Council's KMP as a director. In 2021 a mayoral donation and asset maintenance services were also provided.
- 10 Port Stephens Council purchased products from S & K Iatham 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.

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F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2022	2021
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	86	84
Councillors' fees	211	219
Other Councillors' expenses (including Mayor)	71	70
Total	368	373

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F1-3 Other related parties

- 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 2022.

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F2 Other relationships

F2-1 Audit fees

\$ '000	2022	2021
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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

91 81

Remuneration for audit and other assurance services

91 81

Total Auditor-General remuneration

91 81

Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Internal audit services - PKF Lawler

60 41

Internal audit services - Newcastle airport partnership

24 15

Audit and review of financial statements - Newcastle airport partnership

54 55

Remuneration for audit and other assurance services

138 111

Total remuneration of non NSW Auditor-General audit firms

138 111

Total audit fees

229 192

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G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
Net operating result from Income Statement	41,782	32,809
Add / (less) non-cash items:		
Depreciation and amortisation	18,203	18,331
(Gain) / loss on disposal of assets	(2,528)	(2,349)
Non-cash capital grants and contributions	(13,410)	(8,790)
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(302)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	–	(596)
– Investment property	(2,110)	(889)
Share of net (profits)/losses of associates/joint ventures using the equity method	431	109
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,575)	(1,020)
Increase / (decrease) in provision for impairment of receivables	(132)	(235)
(Increase) / decrease of inventories	–	157
(Increase) / decrease of other current assets	(408)	(97)
(Increase) / decrease of contract asset	(509)	(577)
Increase / (decrease) in payables	(1,738)	790
Increase / (decrease) in other accrued expenses payable	1,675	382
Increase / (decrease) in other liabilities	1,148	(130)
Increase / (decrease) in contract liabilities	5,143	3,826
Increase / (decrease) in employee benefit provision	(1,083)	(196)
Increase / (decrease) in other provisions	(331)	(97)
Net cash flows from operating activities	44,256	41,428

(b) Non-cash investing and financing activities

Dedicated subdivisions	12,562	8,790
RFS assets	847	–
Total non-cash investing and financing activities	13,409	8,790

(c) Net cash flows attributable to discontinued operations

There are no cash flows that relate to discontinued operations

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G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2022	2021
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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	2,529	1,994
Buildings	9,132	1,285
Plant and equipment	1,644	676
Newcastle airport	135,450	901
Aquatic Structures	–	1,505
Other	89	564
Total commitments	148,844	6,925

These expenditures are payable as follows:

Within the next year	69,394	6,925
Later than one year and not later than 5 years	79,450	–
Total payable	148,844	6,925

Details of capital commitments

The majority of Councils capital commitments relate to Newcastle Airport upgrades and the Raymond Terrace depot redevelopment.

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

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G4 Changes from prior year statements

G4-1 Changes in accounting policy

Voluntary changes in accounting policies

There were no changes in accounting policies for the year ended 30 June 2022.

G4-2 Correction of errors

There were no correction of errors for the year ended 30 June 2022.

G4-3 Changes in accounting estimates

Changes in accounting estimates

There were no changes in accounting estimates for the year ended 30 June 2022.

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G5 Statement of developer contributions as at 30 June 2022

G5-1 Summary of developer contributions^{1, 2}

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Civic Administration	84	318	-	-	(243)	-	159	-
Civic Administration - Works Depot	750	157	-	1	(866)	-	42	-
Town Centre Upgrades	324	259	-	-	-	-	583	-
Public Open Space, Parks and Reserves	1,332	845	-	3	(1,600)	321	901	321
Sports and Leisure Facilities	4,129	2,080	-	4	(338)	(321)	5,554	(321)
Community and Cultural Facilities	761	771	-	1	(191)	-	1,342	-
Road Works	656	746	-	1	(72)	-	1,331	-
Medowle, Traffic and Transport	458	478	-	1	-	(36)	901	(36)
Shared Paths	198	174	-	-	(205)	36	203	36
Bus Facilities	14	5	-	-	-	-	19	-
Fire and Emergency	83	18	-	-	-	-	101	-
Flood and Drainage Works	249	160	-	-	-	-	409	-
Cross Boundary Contributions	-	-	-	-	-	-	-	-
Haulage	2,182	873	-	3	(789)	-	2,269	-
Kings Hill Urban Release Area	4	27	-	-	-	-	31	-
\$7.11 contributions – under a plan	11,224	6,911	-	14	(4,304)	-	13,845	-
\$7.12 levies – under a plan	257	565	-	-	(740)	-	82	-
Total \$7.11 and \$7.12 revenue under plans	11,481	7,476	-	14	(5,044)	-	13,927	-
Fern Bay - Repealed Funds	1,511	-	-	2	(1,513)	-	-	-
Total contributions	12,992	7,476	-	16	(6,557)	-	13,927	-

(1) Interest is earned according to the opening balance for the year

(2) Total internally levied contributions included in 'Cash' contributions is \$18,817

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.

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G5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CATCHMENT DISTRICT – RAYMOND TERRACE - RURAL								
Town Centre Upgrades	98	63	-	-	-	-	161	-
Public Open Space, Parks and Reserves	371	127	-	1	(54)	-	445	-
Sports and Leisure Facilities	1,162	302	-	1	(62)	-	1,403	-
Community and Cultural Facilities	123	135	-	-	(63)	-	195	-
Road Works	37	169	-	-	(4)	-	202	-
Shared Paths	37	65	-	-	(33)	-	69	-
Bus Facilities	-	-	-	-	-	-	-	-
Fire and Emergency	33	11	-	-	-	-	44	-
Flood and Drainage Works	15	12	-	-	-	-	27	-
Kings Hill Urban Release Area	1	12	-	-	-	-	13	-
Total	1,877	896	-	2	(216)	-	2,559	-
CATCHMENT DISTRICT – CENTRAL GROWTH CORRIDOR								
Town Centre Upgrades	105	95	-	-	-	-	200	-
Public Open Space, Parks and Reserves	516	654	-	1	(1,491)	321	1	321
Sports and Leisure Facilities	1,606	1,685	-	2	(213)	(321)	2,759	(321)
Community and Cultural Facilities	100	589	-	-	(63)	-	626	-
Road Works	338	470	-	1	(68)	-	741	-
Medowie, Traffic and Transport	458	478	-	1	-	(36)	901	(36)
Shared Paths	21	15	-	-	(72)	36	-	36
Bus Facilities	1	1	-	-	-	-	2	-
Flood and Drainage Works	113	102	-	-	-	-	215	-
Kings Hill Urban Release Area	2	7	-	-	-	-	9	-
Total	3,260	4,096	-	5	(1,907)	-	5,454	-
CATCHMENT DISTRICT – TOMAREE								
Town Centre Upgrades	92	88	-	-	-	-	180	-
Public Open Space, Parks and Reserves	386	63	-	1	(55)	-	395	-
Sports and Leisure Facilities	1,163	87	-	1	(63)	-	1,188	-
Community and Cultural Facilities	538	45	-	1	(63)	-	521	-
Total	2,179	283	-	3	(181)	-	2,482	-

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- VOLUME 2.

G5-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Non-cash	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash							
Shared Paths	75	83	-	-	-	(100)	-	58	-
Bus Facilities	-	-	-	-	-	-	-	-	-
Fire and Emergency	50	7	-	-	-	-	-	57	-
Flood and Drainage Works	121	46	-	-	-	-	-	167	-
Kings Hill Urban Release Area	1	7	-	-	-	-	-	8	-
Total	2,707	523	-	-	3	(281)	-	2,952	-
CATCHMENT DISTRICT – FERN BAY									
Town Centre Upgrades	29	13	-	-	-	-	-	42	-
Public Open Space, Parks and Reserves	59	1	-	-	-	-	-	60	-
Sports and Leisure Facilities	198	6	-	-	-	-	-	204	-
Community and Cultural Facilities	-	2	-	-	-	(2)	-	-	-
Shared Paths	65	11	-	-	-	-	-	76	-
Road Works	-	10	-	-	-	-	-	10	-
Bus Facilities	13	4	-	-	-	-	-	17	-
Kings Hill Urban Release Area	-	1	-	-	-	-	-	1	-
Fern Bay - Repealed Funds	1,511	-	-	-	2	(1,513)	-	-	-
Total	1,875	48	-	-	2	(1,515)	-	410	-
CATCHMENT DISTRICT – SHIRE WIDE									
Haulage	2,182	873	-	-	3	(789)	-	2,269	-
Civic Administration	84	318	-	-	-	(243)	-	159	-
Civic Administration - Works Depot	750	157	-	-	1	(866)	-	42	-
Total	3,016	1,348	-	-	4	(1,898)	-	2,470	-
S7.12 Levies – under a plan									
S7.12 LEVIES – UNDER A PLAN									
Section 7.12	257	565	-	-	-	(740)	-	82	-
Total	257	565	-	-	-	(740)	-	82	-

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- VOLUME 2.GENERAL PURPOSE FINANCIAL STATEMENTS | 90
Annual Report 2021 to 2022

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021 2020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4,338	3.21%	(0.22)%	(1.56)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	135,067				
2. Own source operating revenue ratio ³					
Total continuing operating revenue excluding all grants and contributions ¹	117,126	69.72%	71.63%	74.57%	> 60.00%
Total continuing operating revenue ¹	167,996				
3. Unrestricted current ratio					
Current assets less all external restrictions	54,819				
Current liabilities less specific purpose liabilities	21,121	2.60x	2.08x	2.17x	> 1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	23,390	5.36x	3.83x	2.53x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,367				
5. Rates and annual charges outstanding percentage ³					
Rates and annual charges outstanding	1,245	1.77%	3.29%	3.05%	< 10.00%
Rates and annual charges collectable	70,203				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	70,552	6.79	5.01	4.03	> 3.00
Monthly payments from cash flow of operating and financing activities	10,395	mths	mths	mths	mths
(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					

End of the audited financial statements

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

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

Opening hours:

8:30am - 5:00pm
Monday to Friday

Telephone: 02 4988 0255

Facsimile: 02 4988 0130

Internet: www.portstephens.nsw.gov.au

Email: council@portstephens.nsw.gov.au

Officers

General Manager

Tim Crosdale

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 Leah Anderson
Cr Glen Dunkley
Cr Matthew Bailey
Cr Chris Doohan
Cr Steve Tucker
Cr Jason Wells
Cr Peter Kafer
Cr Peter Francis
Cr Giacomo Arnott

Other information

ABN: 16 744 377 876

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.

INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Port Stephens Council

To the Councillors of 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 2022, the Statement of Financial Position as at 30 June 2022, 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 2022, 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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
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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 2022 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.

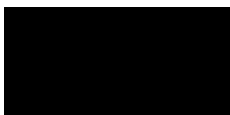
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, 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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

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

7 October 2022
SYDNEY

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.

Cr Ryan Palmer
Mayor
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: D2220145/1779

7 October 2022

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2022
Port Stephens Council**

I have audited the general purpose financial statements (GPFS) of the Port Stephens Council (the Council) for the year ended 30 June 2022 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 2022 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

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	66.3	63.4	4.6
Grants and contributions revenue	50.9	45.0	13.1
Operating result from continuing operations	41.8	32.8	27.4
Net operating result before capital grants and contributions	8.9	2.8	218

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

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
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Rates and annual charges revenue (\$66.3 million) increased by \$2.9 million (4.6 per cent) in 2021–22 mainly due to:

- annual rate peg increase applied to ordinary rates (2.0 per cent)
- increase of \$1.0 million in domestic waste management services revenue.

Grants and contributions revenue (\$50.9 million) increased by \$5.9 million (13.1 per cent) in 2021–22 mainly due to \$3.8 million increase in revenue from non-cash asset dedications and \$0.8 million increase in revenue from bushfire services contributions.

The Council's operating result from continuing operations (\$41.8 million including depreciation and amortisation expense of \$18.2 million) was \$9.0 million higher than the 2020–21 result. The net operating result before capital grants and contributions (\$8.9 million) was \$6.1 million higher than the 2020–21 result. These results were mainly attributable to increase in revenue from rates and annual charges and grants and contributions, as explained above.

STATEMENT OF CASH FLOWS

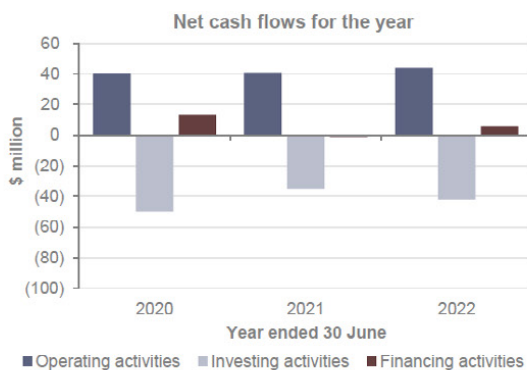
The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year.

The increase in cash provided from operating activities is mainly due to increase in rates and annual charges and grants and contributions received during the year.

The increase in cash used in investing activities is mainly due to higher payments for purchases of infrastructure, property, plant and equipment.

The increase in cash provided from financing activities is due to increased borrowings during the year.

The Council's cash and cash equivalent balances at 30 June 2022 was \$30.2 million (2021: \$21.5 million). The net cash flow for the year was an increase of \$8.7 million.



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- VOLUME 2.

FINANCIAL POSITION

Cash and investments

Cash and Investments	2022	2021	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	70.6	58.8	<ul style="list-style-type: none"> Cash and investments increased by \$11.8 million.
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased mainly due to increase in available cash balance relating to developer contributions and specific purpose unexpended grants.
• External restrictions	29.9	23.1	
• Internal allocations	40.7	35.7	<ul style="list-style-type: none"> 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 an increase in balances relating to the Emergency & Natural Disaster reserve.

Debt

The Council has \$39.4 million of borrowings as at 30 June 2022 (2021: \$32.6 million).

The Council has an accumulated drawdown facility limit of \$53.5 million as at 30 June 2022 (2021: \$36.0 million), of which \$50.0 million pertains to the Newcastle Airport Partnership joint venture. As at 30 June 2022, \$29.1 million of the total facility remains unutilised.

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**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 and Environment.

Operating performance ratio

The Council met the OLG benchmark for the current reporting period.

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.

**Own source operating revenue ratio**

The Council met the OLG benchmark for the current reporting period.

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.

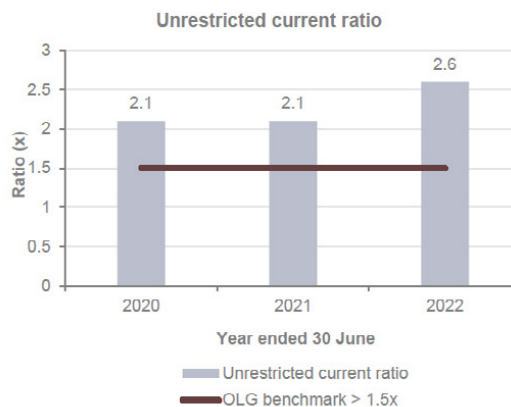


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Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

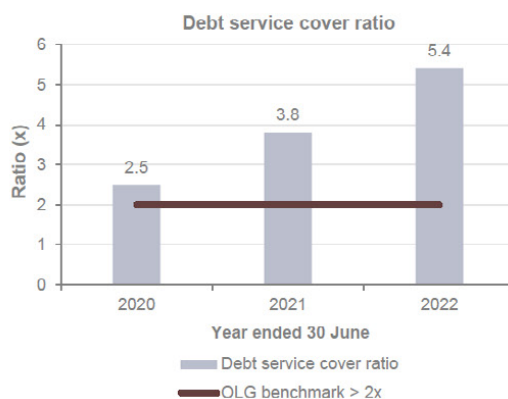
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council met the OLG benchmark for the current reporting period.

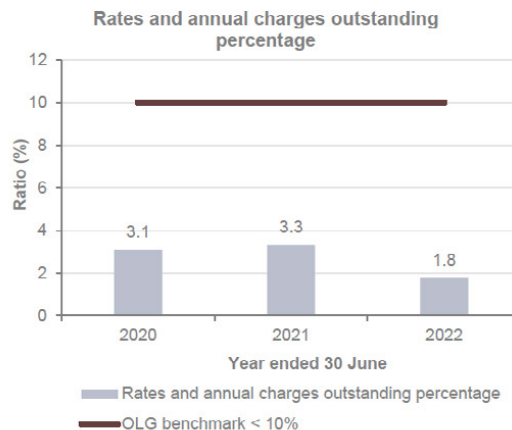
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.SPECIAL SCHEDULES | 1
Annual Report 2021 to 2022**Rates and annual charges outstanding percentage**

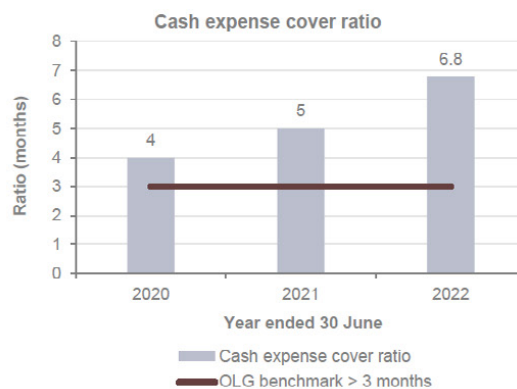
The Council met the OLG benchmark for the current reporting period.

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.

**Cash expense cover ratio**

The Council met the OLG benchmark for the current reporting period.

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.



**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****Infrastructure, property, plant and equipment renewals**

Council reported asset renewals of \$20.2 million in 2021-22 (\$16.6 million in 2020-21). Significant renewals included:

- road renewals of \$12.0 million (\$7.8 million in 2020-21)
- buildings - specialised renewals of \$2.4 million (\$1.4 million in 2020-21).

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.



Furqan Yousuf
Delegate of the Auditor-General for New South Wales

cc: Mr Tim Crosdale, General Manager
 Mr Ben Niland, Chair of Audit and Risk Committee



Port Stephens Council

SPECIAL SCHEDULES
for the year ended 30 June 2022

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

Port Stephens Council

Special Schedules

for the year ended 30 June 2022

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Report on infrastructure assets as at 30 June 2022	7

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- VOLUME 2.SPECIAL SCHEDULES | 5
Annual Report 2021 to 2022

Port Stephens Council

Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
Notional general income calculation ¹			
Last year notional general income yield	a	45,065	46,296
Plus or minus adjustments ²	b	385	452
Notional general income	c = a + b	45,450	46,748
Permissible income calculation			
Or rate peg percentage	e	2.00%	2.50%
Or plus rate peg amount	i = e x (c + g)	909	1,169
Sub-total	k = (c + g + h + i + j)	46,359	47,917
Plus (or minus) last year's carry forward total	l	—	56
Less valuation objections claimed in the previous year	m	(7)	—
Sub-total	n = (l + m)	(7)	56
Total permissible income	o = k + n	46,352	47,973
Less notional general income yield	p	46,296	47,913
Catch-up or (excess) result	q = o - p	56	60
Carry forward to next year ⁶	t = q + r + s	56	60

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 (NSW)*.

(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 Act. 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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.****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 2023.

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 2021–22 (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.

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**Other Information**

The Council's annual report for the year ended 30 June 2022 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.

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.

**ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.**

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

7 October 2022
SYDNEY

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- VOLUME 2.SPECIAL SCHEDULES | 9
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Port Stephens Council

Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring to the standard		2021/22 Required maintenance ^a	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000			\$ '000		1	2	3	4	5
Buildings	Buildings	1,516	1,516	2,879	2,868	119,364	224,570	18.6%	28.2%	42.8%	9.7%	0.7%
	Sub-total	1,516	1,516	2,879	2,868	119,364	224,570	18.6%	28.2%	42.8%	9.7%	0.7%
Other structures	Other structures	-	-	230	221	8,489	20,307	1.7%	53.8%	44.0%	0.4%	0.1%
	Sub-total	-	-	230	221	8,489	20,307	1.7%	53.8%	44.0%	0.4%	0.1%
Roads	Sealed roads	11,192	11,192	5,514	5,199	345,115	390,997	55.3%	27.5%	12.6%	3.9%	0.7%
	Unsealed roads	-	-	720	611	9,543	10,820	6.4%	41.4%	42.5%	9.6%	0.1%
	Bridges	-	-	14	-	15,021	17,376	41.8%	49.5%	0.0%	0.0%	8.7%
	Footpaths	437	437	227	222	65,654	75,003	23.9%	21.3%	48.5%	6.3%	0.0%
	Other road assets	526	526	2,418	2,457	79,632	92,666	24.1%	55.6%	17.2%	2.8%	0.3%
	Sub-total	12,155	12,155	8,893	8,489	514,965	586,862	45.1%	32.1%	18.1%	4.0%	0.8%
Stormwater drainage	Stormwater drainage	646	646	1,280	1,260	229,702	248,196	27.4%	69.4%	2.5%	0.6%	0.1%
	Sub-total	646	646	1,280	1,260	229,702	248,196	27.4%	69.4%	2.5%	0.6%	0.1%
Open space /recreational assets	Swimming pools	-	-	175	164	3,683	6,643	0.0%	0.0%	100.0%	0.0%	0.0%
	Open space	319	319	3,255	3,238	21,956	33,454	6.4%	41.0%	42.9%	9.0%	0.7%
	Sub-total	319	319	3,430	3,402	25,639	40,097	5.3%	34.2%	52.4%	7.5%	0.6%
Other infrastructure assets	Other	940	940	343	325	14,079	17,864	15.0%	45.0%	26.0%	12.0%	2.0%
	Sub-total	940	940	343	325	14,079	17,864	15.0%	45.0%	26.0%	12.0%	2.0%
Total - all assets		15,576	15,576	17,055	16,565	912,238	1,137,396	33.3%	40.1%	21.4%	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)

ITEM 10 - ATTACHMENT 2 ANNUAL REPORT FINANCIAL YEAR 2021 TO 2022
- VOLUME 2.

Port Stephens Council

Report on infrastructure assets as at 30 June 2022 (continued)

2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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- VOLUME 2.SPECIAL SCHEDULES | 11
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Port Stephens Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021 2020		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	19,402	166.84%	137.78%	157.37%	>= 100.00%
Depreciation, amortisation and impairment	11,629				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	15,576	1.70%	1.72%	1.69%	< 2.00%
Net carrying amount of infrastructure assets	915,522				
Asset maintenance ratio					
Actual asset maintenance	16,565	97.13%	97.09%	98.93%	> 100.00%
Required asset maintenance	17,055				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	15,576	1.37%	1.40%	1.38%	
Gross replacement cost	1,137,896				

(*) 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.

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- VOLUME 2.

Port Stephens Council Holiday Parks and Investment Property Report Financial Year 2021/2022						
Holiday Parks		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
Fingal Bay	Crown	4,253,599	3,446,367	807,232	6%	
Halifax	Crown	2,771,600	2,144,771	626,829	7%	
Shoal Bay	Crown	1,067,096	795,765	271,330		
	Council	1,981,749	1,477,850	503,899	5%	
		3,048,845	2,273,615	775,230		
Thou Walla	Council	905,870	902,241	3,629	0%	
Koala Sanctuary	Council	1,759,744	2,214,895	(455,151)	-4%	5
Investment Property		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (1)	Notes
	Total	2,986,249	617,232	2,369,017	6%	2
Newcastle Airport		Operating Income	Operating Expenditure	EBITDA (3)	Net Yield % (4)	Notes
	Total	11,200,477	12,356,897	-	-2%	6
Notes	<p>1 Net Yield = EBITDA/Capital</p> <p>2 Councils policy on the required return on capital in commercial property investments is between 7-9%. This years returns have been affected by COVID-19</p> <p>3 EBITDA used as the numerator for Return on Investment calculation in accordance with Crown Lands reporting</p> <p>4 Net Yield = Net Profit/Capital</p> <p>5 Payment in arrears has been made for Crown Lease on land</p> <p>6 Due to the financial impacts of COVID-19, no dividend was paid by the Newcastle Airport Partnership to Council.</p>					

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- VOLUME 2.**

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Annual Report 2021 to 2022



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- VOLUME 2.



PORT STEPHENS
COUNCIL

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ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.



ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

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ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

1. Overview

1.1 Background and objectives

At Port Stephens Council we are committed to continuously improving our performance and how we deliver services to our community.

Community Satisfaction is one of our 7 key metrics and a 2021-2022 Operational Plan action. The annual Community Satisfaction Survey (CSS) asks our local residents their opinion of our services and facilities. The CSS provides data for measuring progress on a number of our Community Strategic Plan Indicators and Operational Plan Effectiveness Measures.

The survey has been conducted for more than 10 years providing community insights on a number of matters including:

- Levels of satisfaction with Council's overall and individual services and facilities
- Community improvement ideas for Council
- Deep dive on roads
- Community wellbeing and engagement

Each year the data gathered from the CSS is used to develop a report which outlines the aggregated results and trends.

This is the 2022 report of the survey conducted over August and September 2022. With over 2,500 responses received, a statistically valid sample size was achieved, however, it should be noted that the sample is not representative of the Port Stephens population in terms of demographics (population or location).

As with the previous year's survey the 2022 Community Satisfaction Survey (CSS) was undertaken in the context of the ongoing impacts of COVID-19, a natural disaster, constant rain and regular flooding causing major impacts to our road maintenance schedule. These external influences along with our current financial situation have again, understandably impacted the community and Council's ability to deliver services.

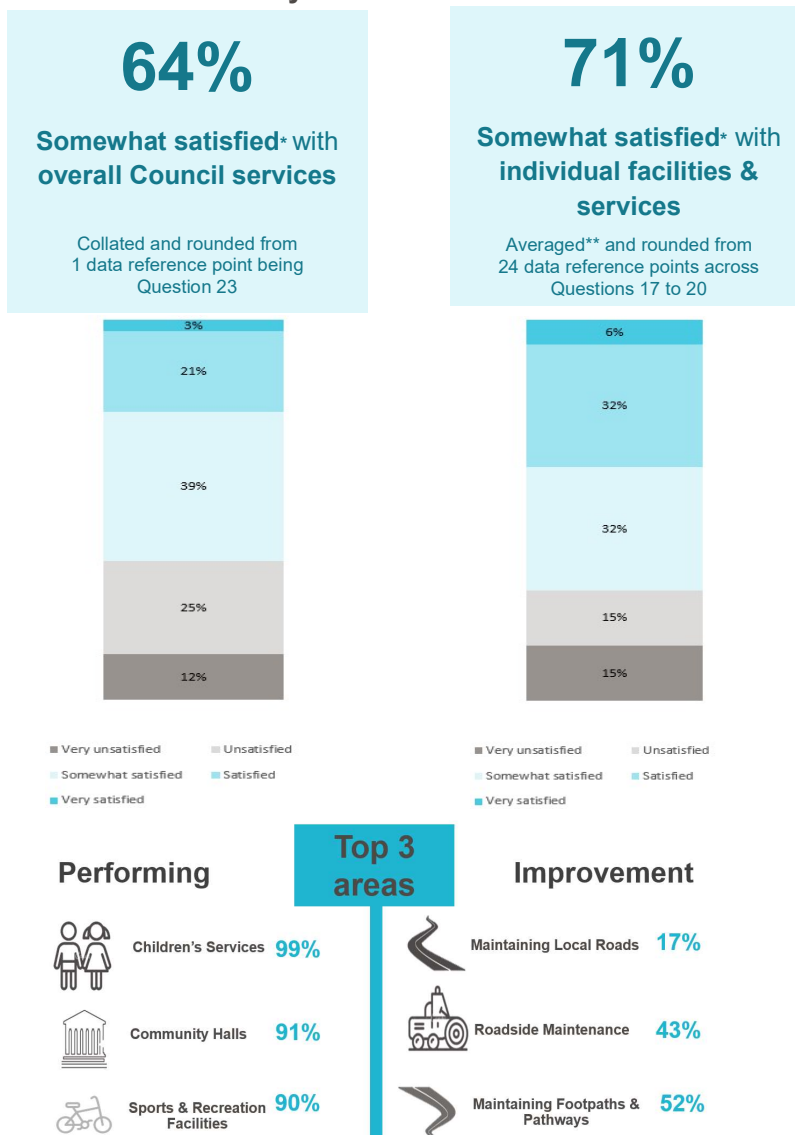
This year's results showed there's been a drop in satisfaction within the community with 64% of respondents at least somewhat satisfied.

We're hearing the biggest opportunity for improvement is in the maintenance of our roads, with 17% of respondents somewhat satisfied with roads. This is understandable with the constant rain and regular flooding. We've listened to the community and are reviewing what action needs to be taken.

Using feedback and data from the CSS, we'll be working across each section of the organisation to review the results and determine the opportunities for improvement and actions that need to be taken.

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

1.2 Executive Summary



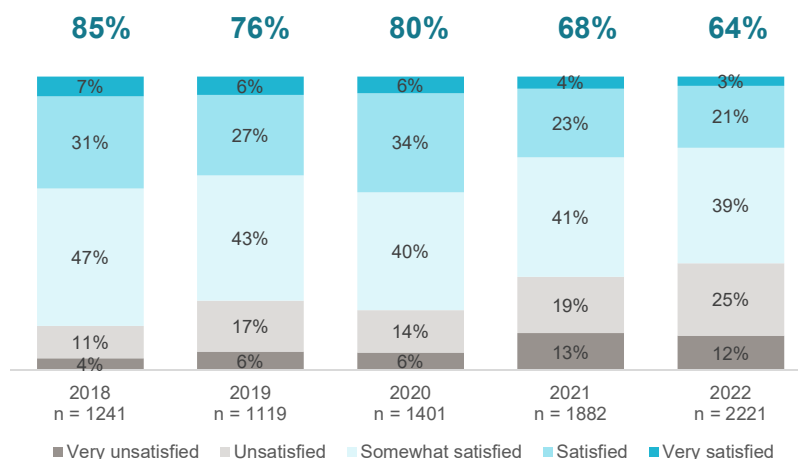
*Includes Somewhat satisfied, Satisfied and Very Satisfied and excludes Don't know/Don't use
 **Average does not include results of Council's website, Contact with Council or user surveys separately conducted for Libraries and Children's services.

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

1.3 Overall satisfaction result with Council's services

Question 23

This year, 2,221 respondents rated that they were **64%** at least **somewhat satisfied** with Council services*.



* To achieve an overall satisfaction figure, respondents answered that they were: Very satisfied, Satisfied, Somewhat satisfied

Respondents from the below-listed areas have increased or remained the same in terms of their overall level of satisfaction in 2022.

Area	2021		2022	
		No. responses		No. responses
Balickera	100%	1	100%	1
Campvale	33%	3	100%	1
Glen Oak	67%	6	86%	14
Karuah	37%	67	45%	58
Heatherbrae	80%	5	89%	9
Mallabula	47%	32	47%	36
Nelsons Plains	40%	5	57%	7
Shoal Bay	60%	73	75%	65
Salamander Bay	66%	134	68%	163
Salt Ash	26%	26	50%	28
Seaham	59%	17	59%	27
Swan Bay	14%	21	58%	12
Twelve Mile Creek	50%	2	50%	2
Woodville	56%	9	73%	11

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

Respondents from the below-listed areas indicated a decrease in the overall level of satisfaction compared to 2021 results.

Area	2021		2022	
	No. responses		No. responses	
Anna Bay	73%	101	59%	107
Boat Harbour	80%	40	70%	47
Bobs Farm	73%	15	59%	17
Brandy Hill	92%	12	70%	10
Butterwick	67%	3	50%	6
Corlette	81%	182	74%	211
Duns Creek	78%	9	41%	22
Eagleton	50%	2	22%	9
East Seaham	100%	4	44%	9
Fern Bay	78%	46	66%	67
Ferodale	75%	4	50%	6
Fingal Bay	87%	53	56%	70
Fisherman's Bay	100%	1	83%	6
Fullerton Cove	100%	16	73%	22
Hinton	75%	8	73%	11
Lemon Tree Passage	55%	96	52%	119
Medowie	68%	250	65%	292
Nelson Bay	70%	206	69%	245
One Mile Beach	71%	14	69%	16
Oyster Cove	100%	1	33%	3
Raymond Terrace	74%	194	66%	273
Soldiers Point	69%	64	64%	73
Tanilba Bay	57%	107	50%	112
Taylors Beach	100%	4	25%	4
Tomago	100%	2	0%	1
Wallalong	75%	16	50%	20
Williamtown	100%	3	67%	3

Note – Satisfaction level by area is not statistically valid and is only a representation from respondents from the area.

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

1.4 Individual Service and Facility results

Question 13, 14, 17, 18, 19, 20 results along with results from the Children's Services survey and Library User's survey

The table below shows individual services and facilities by aggregating* levels of satisfaction. Refer pages below for more detailed analysis.

To obtain a clearer picture of the community's average satisfaction levels with Council's individual services and facilities, the below (excluding Children's services, Libraries, Council's website and Contact with Council) were aggregated, with **71%** of respondents at least somewhat satisfied.

Facilities/Services – Somewhat Satisfied	2021 [^]	2022 ^{^^}	Change to LY
Children's Services [#]	93%	99%	▲
Community Halls	90%	91%	▲
Sports & Recreational facilities	89%	90%	▲
Maintaining cemetery services	90%	87%	▼
Libraries [#]	88%	not avail	
Swimming pools	88%	87%	▼
Playground equipment	86%	87%	▲
Waste and recycling collection (Garbage)	96%	85%	▼
Access to waste transfer stations and waste depots	93%	83%	▼
Council's website [@]	-	81%	New
Maintaining parks and gardens	88%	79%	▼
Maintaining foreshores and beaches	88%	79%	▼
Managing litter from rubbish bins in parks and central business districts	88%	77%	▼
Fire response and preparedness on Council land	-	76%	New
Managing street trees	77%	75%	▼
Maintaining traffic flow (e.g. lights, roundabouts, street signs)	78%	74%	▼

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Facilities/Services – Somewhat Satisfied	2021 [^]	2022 ^{^^}	Change to LY
Contact with Council (staff response time/manner/assistance)	69%	74%	▲
Ranger services (compliance & regulation incl. parking, animal management)	80% ^{^^}	72%	▼
Public toilet amenities (excluding those in shopping centres)	72%	72%	-
Maintaining Council reserves through the control of noxious weeds and bush regeneration activities	71%	73%	▲
Maintaining cycle ways	72%	65%	▼
Managing illegal dumping	70%	62%	▼
Flood response and preparedness on Council land	-	60%	New
Development applications and building approvals	72%	59%	▼
Managing stormwater drainage systems	59%	55%	▼
Maintaining footpaths and pathways	65%	52%	▼
Roadside maintenance (For example, trees, litter, weeds, slashing and so on)	68%	43%	▼
Maintaining local roads	45%	17%	▼

* Aggregate satisfaction equals Very satisfied, Satisfied and Somewhat satisfied and excludes don't know/don't use

[^] Aggregate of Very satisfied, Satisfied, Moderately Satisfied/Neutral and excludes don't know/don't use

^{^^} Aggregate of Very satisfied, Satisfied, Somewhat Satisfied and excludes don't know/don't use

Separate User Survey results

@ Average/Mean of experiences (finding and understanding information, answering query)

^{^^} Average/Mean of 2021 Ranger services (parking and animal management)

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

2. Deep Dive on Roads

As outlined in sections 1.2 and 4.1 of this report, there has been a further decline in the level of community satisfaction* with maintaining local roads and roadside maintenance from 2021 to 2022. Maintenance of roads and road safety feature as the most frequently occurring theme from the community about feedback to improve Council's services and facilities (refer section 1.5).

This is understandable given last year's natural disasters, compounded by the various natural disasters in 2022 and May 2022 being our wettest month recorded since 1996.

The importance of road maintenance is echoed in the number of customer requests received by Council in the 2021 to 2022 financial year. Almost 12% of calls received were about road maintenance, the second highest customer request category behind Duty Officer enquiries (at 22% of calls).

In the 2021 to 2022 financial year some 54,000 potholes were repaired compared to 47,000 in the previous financial year, with an estimated 10,000 additional potholes repaired during storms.



ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

2.1 Satisfaction* with maintaining local roads

Location	Somewhat Satisfied *
Central	11.69%
Anna Bay	19.05%
Boat Harbour	21.28%
Bobs Farm	5.88%
Karuah	8.62%
Lemon Tree Passage	8.40%
Mallabula	2.78%
Medowie	14.09%
Oyster Cove	0.00%
Salt Ash	7.14%
Swan Bay	8.33%
Tanilba Bay	5.36%
Twelve Mile Creek	0.00%
East	16.76%
Corlette	18.96%
Fingal Bay	5.71%
Fisherman's Bay	16.67%
Nelson Bay	20.82%
One Mile Beach	18.75%
Salamander Bay	15.34%
Shoal Bay	15.38%
Soldiers Point	12.33%
Taylors Beach	0.00%
West	25.33%
Balickera	0.00%
Brandy Hill	50.00%
Butterwick	20.00%
Campvale	100.00%
Duns Creek	9.52%
Eagleton	0.00%
East Seaham	0.00%
Fern Bay	40.91%
Ferodale	0.00%
Fullerton Cove	22.73%
Glen Oak	14.29%
Heatherbrae	66.67%
Hinton	18.18%
Nelsons Plains	14.29%
Raymond Terrace	26.10%
Seaham	14.81%
Tomago	0.00%
Wallalong	20.00%
Williamtown	33.33%
Woodville	9.09%
Grand Total	16.89%

*Satisfaction equals Very satisfied, Satisfied and Somewhat satisfied and excludes don't know/don't use

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

2.2 Satisfaction* with roadside maintenance

Location	Somewhat Satisfied %*
Central	39.66%
Anna Bay	41.90%
Boat Harbour	42.55%
Bobs Farm	29.41%
Karuah	22.41%
Lemon Tree Passage	42.02%
Mallabula	37.14%
Medowie	44.98%
Oyster Cove	0.00%
Salt Ash	35.71%
Swan Bay	25.00%
Tanilba Bay	34.82%
Twelve Mile Creek	50.00%
East	47.87%
Corlette	42.11%
Fingal Bay	44.93%
Fisherman's Bay	66.67%
Nelson Bay	49.79%
One Mile Beach	31.25%
Salamander Bay	46.91%
Shoal Bay	64.06%
Soldiers Point	50.68%
Taylors Beach	50.00%
West	41.98%
Balickera	0.00%
Brandy Hill	80.00%
Butterwick	60.00%
Campvale	0.00%
Duns Creek	28.57%
Eagleton	0.00%
East Seaham	11.11%
Fern Bay	50.00%
Ferodale	16.67%
Fullerton Cove	40.91%
Glen Oak	50.00%
Heatherbrae	66.67%
Hinton	36.36%
Nelsons Plains	42.86%
Raymond Terrace	42.44%
Seaham	37.04%
Tomago	0.00%
Wallalong	40.00%
Williamtown	33.33%
Woodville	45.45%
Grand Total	43.38%

*Satisfaction equals Very satisfied, Satisfied and Somewhat satisfied and excludes don't know/don't use

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

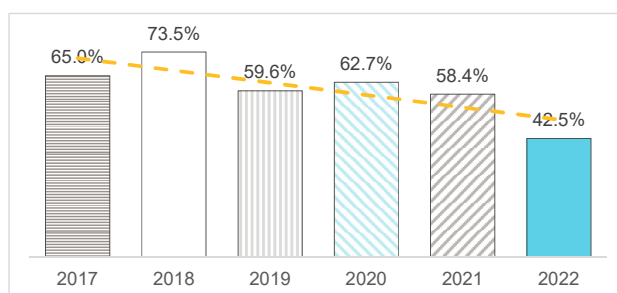
3. Confidence in our Governance

3.1 Assets, finances and workforce




Question 22

Survey respondents were asked to rate their confidence levels with the management of resources (Workforce, Assets and Finances) by Council.

Overall, respondents rated an average **43% confidence level** in managing resources (Workforce, Assets and Finances).

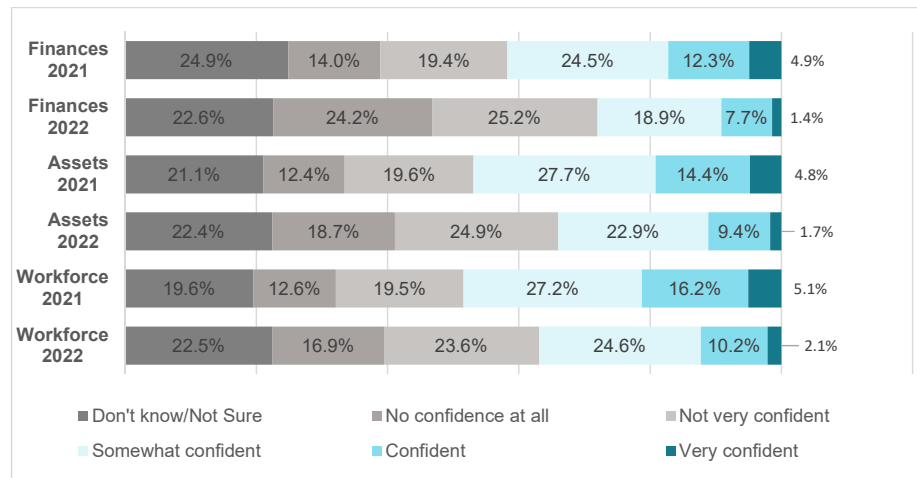


Community confidence* in the management of resources

		2017	2018	2019	2020	2021	2022	Change on LY
	Workforce	66%	75%	66%	67%	60%	48%	▼
	Assets	66%	73%	61%	63%	59%	44%	▼
	Finances	63%	73%	51%	58%	56%	36%	▼

*Aggregate of Very confident, Confident and Somewhat confident. Excludes 'Don't know/Unsure'.

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.



ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.

4. Detailed Analysis - Council's Facilities and Services

4.1 Maintaining local roads, footpaths and cycle-ways

Question 17

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change on LY
Maintaining local roads	38%	52%	64%	59%	76%	67%	75%	71%	68%	45%	17%	▼
Roadside maintenance	59%	59%	61%	81%	84%	80%	84%	81%	79%	68%	43%	▼
Maintaining footpaths & pathways	46%	54%	55%	73%	79%	76%	77%	77%	73%	65%	52%	▼
Maintaining cycleways	54%	59%	54%	72%	77%	82%	84%	83%	80%	72%	65%	▼
Maintaining traffic flow	70%	77%	78%	84%	88%	77%	82%	88%	86%	78%	74%	▼

*Aggregate of Very Satisfied, Satisfied, Somewhat Satisfied. Excludes 'Don't know/Don't use'. 2022 n = 2,246



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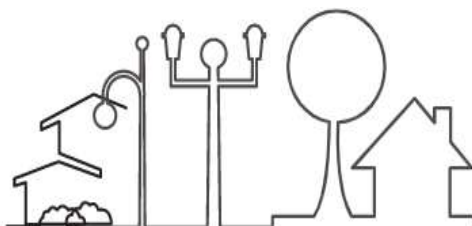
4.2 Public Amenities and Services

Question 18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change on LY
Managing street trees	57%	58%	60%	76%	80%	83%	84%	84%	81%	77%	75%	▼
Managing storm water drainage systems	46%	54%	59%	68%	71%	78%	80%	79%	76%	59%	55%	▼
Maintaining parks and gardens	71%	73%	78%	84%	90%	90%	92%	91%	93%	88%	79%	▼
Maintaining cemetery services							94%	95%	92%	90%	87%	▼
Maintaining beaches and foreshores	61%	68%	65%	75%	84%	88%	84%	87%	87%	88%	79%	▼
Litter from rubbish bins in parks and CBD's	-	-	-	-	-	-	-	92%	89%	88%	77%	▼
Maintaining Council reserves through the control of noxious weeds and bush regeneration activities	38%	46%	49%	64%	68%	82%	81%	77%	73%	71%	73% **	▼
Flood response & preparedness on Council land	-	-	-	-	-	-	-	-	-	-	60%	new
Fire response & preparedness on Council land	-	-	-	-	-	-	-	-	-	-	76%	new

* Aggregate of Very Satisfied, Satisfied, Somewhat Satisfied. Excludes 'Don't know/Don't use'. 2022 n = 2,246

** Question wording modified/refined in 2022



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4.3 Public facilities

Question 19

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change on LY
Public toilet amenities	75%	82%	83%	74%	84%	74%	76%	76%	76%	72%	72%	-
Playground equipment	84%	88%	88%	82%	91%	84%	88%	85%	90%	86%	87%	▲
Community halls	89%	91%	92%	87%	91%	93%	91%	90%	92%	90%	91%	▲
Sport and recreational facilities	91%	94%	92%	83%	93%	90%	90%	91%	92%	89%	90%	▲
Swimming pools	90%	91%	94%	87%	93%	87%	90%	91%	90%	88%	87%	▼

* Aggregate of Very Satisfied, Satisfied, Somewhat Satisfied. Excludes 'Don't know/Don't use'. 2022 n = 2,246



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4.4 Services

Question 20

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change on LY
Ranger services – compliance and regulation including parking and animal management [^]								73%	69%	80%	72%**	▼
Waste and recycling collection	92%	93%	94%	86%	94%	94%	95%	95%	95%	96%	85%**	▼
Access to waste transfer stations and waste depots	74%	77%	82%	72%	82%	77%	87%	88%	88%	93%	83%**	▼
Development applications and building approvals	-	-	-	-	-	-	-	-	-	72%	59%	▼
Managing illegal dumping	-	-	47%	60%	61%	54%	79%	76%	67%	70%	62%	▼ ▲

* Aggregate of Very Satisfied, Satisfied, Somewhat Satisfied. Excludes 'Don't know/Don't use'. 2022 n = 2,246

** Question wording modified/refined in 2022

[^] 2019, 2020, 2021 results are an average of parking and animal management

In the 2021 survey, the rating scale to measure satisfaction for the above-listed attributes was changed to make it similar to the other questions and included 'Not at all well, Slightly well, Moderately well, Well and Very well'.

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5. Community Analysis – Wellbeing & Engagement

To inform the Community Strategic Plan we include a number of questions on community wellbeing from time to time to gauge change in a range of social matters.

5.1 Community Wellbeing

5.1.1 Attendance at community or cultural activities

Question 1

Overall, 72% of respondents indicated attending some community or cultural activities.

Attendance at community / cultural activities	2022 n = 2,528
Community events	44%
Cinemas (movies)	39%
Sports and recreation events	32%
Festivals	16%
Library events	12%
Art galleries	11%
Cultural events and activities	10%
Workshop or education programs	5%
Other	4%
Museums	4%
It's On – Place activation initiatives	3%

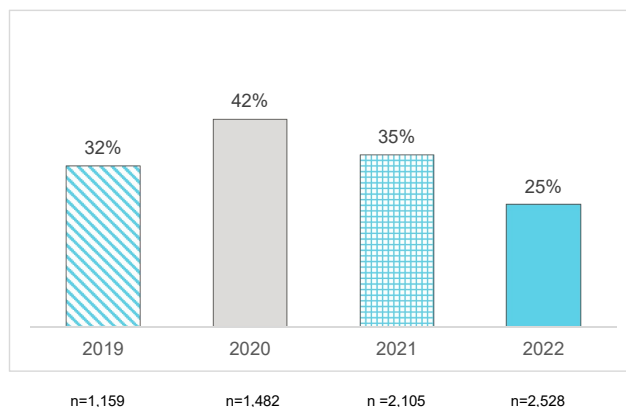
Respondents provided multiple responses, the total of all categories exceeds 100%.

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5.1.2 Participation in volunteer groups

Question 3

Overall participation in volunteer groups has declined since 2020, with 25% of respondents indicating they had participated with a volunteer group in 2022.



5.1.3 Accessibility of facilities and places

Question 4

This is a mix of public (different levels of government) and privately provided infrastructure.

Aggregate accessibility*	2019 (n=1,146)	2020 (n=1,507)	2021 (n = 2,187)	2022 (n=2,417)	Change on LY
Public buildings ** (such as libraries, Council administration building, community halls etc)	66%	71%	76%	70%	▼
Public toilets	67%	68%	75%	74%	▼
Private commercial buildings	53%	51%	67%	59%	▼
Open spaces ** (such as parks, playgrounds, foreshores etc)	79%	86%	88%	89%	▲
Beaches	70%	74%	77%	81%	▲
Sporting facilities	64%	69%	74%	64%	▼
Footpaths and Cycleways	-	-	73%	78%	▲
Public transport	54%	55%	61%	49%	▼
Council's website	-	-	-	75%	▼

*Aggregate accessibility includes responses of – Moderately accessible and Very accessible.

** Question wording modified/refined in 2022

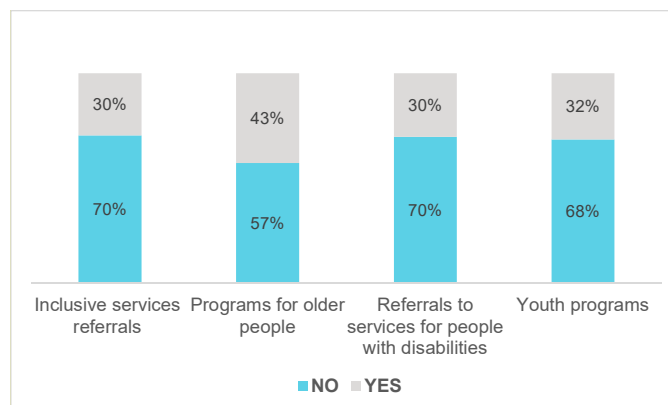
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5.1.4 Community program - awareness

Question 5

A high number of respondents (between 57-70%) were not aware of the below programs, which may be due to the specific nature of the program. These programs are not necessarily Council facilitated.

Awareness of community programs



[^] Inclusive services referrals such as interpreter services and mental health services. n=2417

5.1.5 Community program - participation

Question 6

A lower number of respondents indicated use of the services which may be due to the specific nature of the program.

Participation in community programs

Satisfaction %	% of respondents who used the service	Number of respondents using the service	Satisfaction*
Inclusive services referrals	7%	47	70%
Programs for older people	16%	164	89%
Referrals to services for people with disabilities	12%	88	74%
Youth programs	11%	83	87%

^{*}Satisfaction includes Very satisfied, Satisfied and Somewhat satisfied and excludes did not use

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5.1.6 Usage of facilities for recreation and/or leisure

Question 2

Aggregate usage*	2019 n=1,159	2020 n=1,482	2021 n=2,105	2022 n=2,528	Change from LY
Community facilities (eg. fitness activities in Community Halls) **	41%	45%	42%	33%	▼
Sporting Facilities (oval, court or field)	56%	62%	61%	49%	▼
Swimming Pools	51%	50%	46%	40%	▼
Parks reserves and playgrounds	75%	84%	72%	86%	▲
Gym	29%	34%	29%	26%	▼
Cycleways	55%	58%	52%	51%	▼

*Aggregate usage includes responses of – Frequently, Occasionally, Rarely (for 2022); Multiple times per week, Weekly, Monthly & Rarely (for 2019 to 2021).

** Question wording modified/refined in 2022. In 2019 to 2021 this was Community Halls.

5.1.7 Visiting/Using Council Libraries

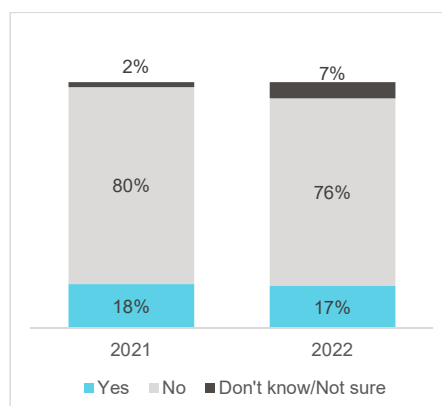
Question 9

In 2022 44% of respondents indicated never using Council's libraries or services.

5.1.8 Usage of Council Community halls

Question 8

In 2022 17% of respondents used Council community halls.



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5.1.9 Problem Waste drop off

Question 7

Council holds free drop off events for 'Problem Waste' including mattresses, tyres, E-waste and chemicals. In 2022, 84% of respondents indicated that they were aware of this service with 34% attending the Problem Waste drop off event. 89% of respondents who attended the Problem Waste drop off day indicated that they were satisfied.

Problem Waste drop off awareness, attendance and satisfaction

	2019 n = 1,188	2020 n = 1,463	2021 n = 2,043	2022 n = 2,387
Awareness about Problem Waste Day	88%	89%	85%	84%
Number of respondents attending Attendance at the Problem Waste drop off event	505	630	825	820
Satisfaction with 'Problem Waste Days'	43%	43%	40%^	34%
Satisfaction with 'Problem Waste Days'	95%	93%	90%	89%

*Satisfaction of respondents who attended 'Problem Waste Day'

^ Administrative correction in 2022 report

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5.2 Community engagement & communication

5.2.1 Preferred form of communication from Council

Question 11

	2020 n = 1,409	2021 n = 1,937	2022 n = 2,307	Change from LY
Mail (post)	23%	34%	24%	▼
Media (local radio, TV)	23%	26%	23%	▼
SMS (text message)	-	8%	10%	▲
Council's Website	22%	24%	31%	▲
Social Media	24%	31%	38%	▲
Email	59%	56%	58%	▲
Face-to-face engagement	6%	8%	5%	▼
Other	9%	4%	7%	▲

Respondents provided multiple answers

5.2.2 Information respondent's would you like to see more of from Council

Question 12

	2022
Roads	68%
Current & upcoming projects	51%
Planning & development	51%
Waste	40%
Community news & events	40%
Opportunities to have your say	40%
Parks & Recreation	39%
Environment including natural habitat and bush regeneration	37%
Climate change including coastal erosion	28%
Council news & events	27%
Libraries	13%
Nothing more (happy with the current amount)	8%

Respondents provided multiple answers

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5.2.3 Satisfaction with experience on Council website

Question 13

Up to 24% of respondents had not visited Council's website.

Satisfaction* with experience in:		Visited Council website
Ease of finding information	82%	81%
Understanding the information provided	85%	81%
Answering your query	75%	76%
Average	81%	79%

* Satisfaction equals Very Satisfied, Satisfied and Somewhat satisfied and excludes did not use. n = 2,307

5.2.4 Contact with Council

Question 14

7 in ten respondents (70%) have had contact with Council staff via various channels including in-person, writing or email, by telephone, text message or social media. Similar to last year.

Of those respondents that contacted Council, 74% were at least somewhat satisfied* with their experience.

* Satisfaction equals Very Satisfied, Satisfied and Somewhat satisfied and excludes did not contact Council. n = 2,307

5.2.5 Council projects & decision making

Question 15 & 16

Data collected from 2,287 respondents shows no change in community perception for the opportunity to provide input in Council projects and decision making.

	2019 n = 1,145	2020 n = 1,408	2021 n = 1,934	2022 n = 2,287
Yes	39%	27%	20%	20%
No	41%	46%	49%	50%
Don't know/not sure	20%	27%	30%	30%

How would you prefer to provide input in Council decision-making	
Survey	61%
Submission through public exhibition	18%
'Have your say' website	48%
Direct email or phone	29%
Social media (Facebook, Instagram, LinkedIn)	19%
Drop-in session (for example at an event)	14%
Face to face at Council facility (Administration building, Visitor Information Centre, Libraries etc.)	12%
Workshop or focus group	11%
Public access	15%
Other	3%

Respondents provided multiple answers

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5.2.6 Confidence in environmental matters

Question 21

In 2022 to gauge community sentiment on the natural environment and managing climate change, 2 new questions were asked. Below are respondent's responses to these matters.

	Very confident	Confident	Somewhat confident	Not very confident	Not at all confident	Don't know/unsure
Council is balancing development and maintaining the natural environment	2%	10%	28%	28%	22%	10%
Council is managing climate change	2%	7%	20%	22%	18%	31%

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6. Appendices

6.1 Appendix A: About the survey, statistics and detailed demographics

About the survey

The survey was conducted from 25 August to 12 September 2022. A link to the survey was emailed to residents and printed copies were made available on request. The CSS was promoted via media release, Council's website and social media.

Statistics

Based on the local government area (LGA) population of 75,282 (2021 Census) to determine statistical validity with 95% confidence and 3% relative standard error, 1,095 survey responses were required. The total survey response was **2,528**.

Not all respondents answered all the questions.

This report presents outcomes from the 2022 survey and where a direct comparison can be made, also shows results from 2012 to 2021.

Statistics have been rounded in most cases to whole percentages.

Demographics

The sample size of 2,528 respondents is statistically valid, however is not a representation of Port Stephens population in terms of demographics.

75,282 Total Population

Median age **47**

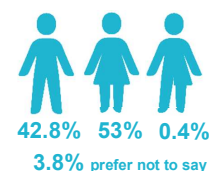
(2021 Census - REMPLAN)



2,528 Survey Population

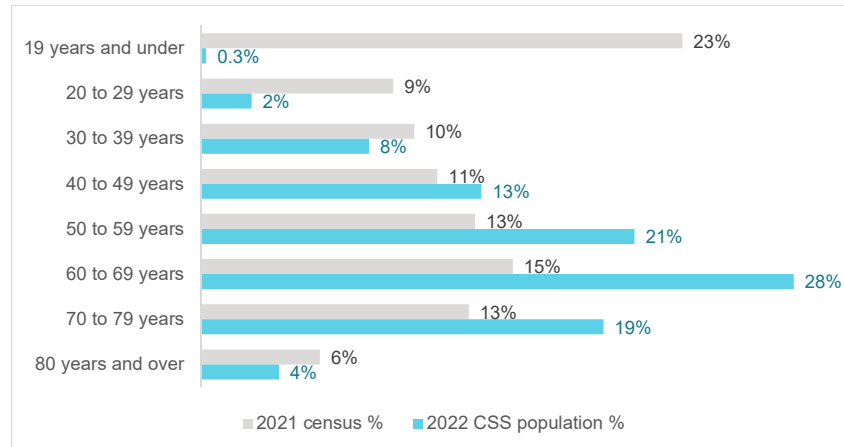
Median age group **60-69 years***

** of those that answered the question*



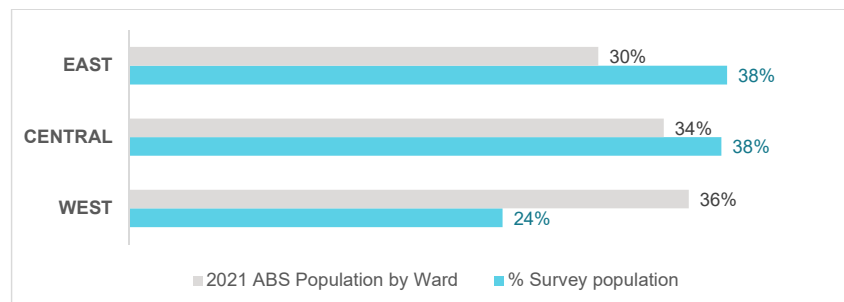
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Population by age groups*



* of those that answered the age and gender question

Population by ward^



^ of those that answered the question related to where they live.

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6.2 Appendix B: List of questions in CSS 2022

1. In the past 12 months, have you attended any of the following community or cultural activities?

- 'It's On' – Place activation initiatives (including Zumba in the park, outdoor cinemas and so on)
- Community events (such as ANZAC Day, Australia Day celebrations, NAIDOC week, Community markets and so on)
- Cultural events and activities (including live music and dance performances, music concerts and theatre performances)
- Festivals (such as Port Stephens Surf Festival, Love Seafood, Sail Port Stephens)
- Sports and recreation events (such as sporting clubs)
- Library events
- Art galleries
- Museums
- Cinemas (movies)
- Workshop or education program
- Other (please specify)
- Didn't attend/Don't know

2. In the past 12 months, have you used one or more of the following facilities for recreation or leisure?

Community facilities (for example fitness activities in Community Halls)	Sporting facilities	Swimming pools	Parks, reserves and playgrounds	Gym
Cycleways				

3. In the past 12 months, have you volunteered with any of the below-listed groups?

Visitor Information Centre	Koala Sanctuary	Port Stephens Libraries	Community Halls
Sport Councils	Landcare and parks	Other (please specify)	Didn't attend/Don't know

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4. How would you rate the accessibility of the following services and infrastructure?

Public buildings (such as libraries, Council administration building, community halls and so on)	Public toilets	Private commercial buildings	Sporting facilities	Beaches
Open spaces (such as parks, playgrounds, foreshores and so on)	Footpaths and cycleways	Public transport	Port Stephens Council Website	

5. Are you aware of the below-listed programs provided by Council?

6. Have you used any of the below-listed programs and how satisfied are you?

- Inclusive services referrals such as interpreter services and mental health services
- Programs for older people such as Senior's week and referrals to community transport providers
- Referrals to services for people with disabilities
- Youth Programs such as programs delivered at the youth centre and outreach services across other sites, youth week, school holiday programs and referrals to Jupiter Youth Counselling

7. In the past 12 months, have you participated in any of the Council's free 'Problem Waste' drop-off events and how satisfied are you with the service?

8. In the past 12 months, have you used any of the Council Community Halls or Centres?

9. How often do you visit any of the Port Stephens libraries or use any of the services provided (including the website and online resources)?

10. (a) What can we do to further improve your library experience?

10. (b) What can we do to further encourage you or your family to use the library?

11. How would you prefer to receive information about Council and what is happening in Port Stephens?

Council's website	Social media (Facebook, Instagram, LinkedIn)
Face to face	Email
Media (local radio, TV)	SMS (text message)
Mail (post)	
Other (please specify)	

ITEM 10 - ATTACHMENT 3 PORT STEPHENS COUNCIL - 2022 COMMUNITY SATISFACTION SURVEY REPORT.**12. What information would you like to see more of from Council?**

Parks and recreation	Climate change including coastal erosion
Libraries	
Waste	Current and upcoming projects
Roads	Opportunities to have your say
Planning and development	Community news and events
Environment including natural habitat and bush regeneration	Nothing more - happy with the amount of information currently getting

13. In the past 12 months, have you visited Council's website and how satisfied are you with your experience?

Ease of finding information
Understanding the information provided
Answering your query

14. In the past 12 months, have you contacted Council staff for any reason (in person, by writing or email, by telephone, text message or social media)? If so, how satisfied were you with our response time, manner and assistance to resolve your call?**15. In the past 12 months, do you feel you have had an opportunity to provide input into Council projects and decision-making?****16. How would you prefer to provide input in Council decision-making?**

- Survey
- Submission through public exhibition
- 'Have your say' website
- Direct email or phone
- Social media (Facebook, Instagram, LinkedIn)
- Drop-in session (for example at an event)
- Face-to-face at Council facility (such as Administration building, Visitor Information Centre, Libraries and so on)
- Workshop or focus groups
- Public access
- Other (please specify)

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17. How satisfied are you with the following facilities and services?

Maintaining local roads	Roadside maintenance (for example weeds, trees, litter and so on)	Maintaining footpaths and pathways	Maintaining cycleways	Maintaining traffic flow (for example traffic lights, roundabouts, street signs and so on)
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18. How satisfied are you with the following facilities and services?

Managing street trees	Managing stormwater drainage system	Maintaining parks and gardens	Maintaining beaches and foreshores	Maintaining cemetery services
Maintaining Council reserves through the control of noxious weeds and bush regeneration activities	Flood response and preparedness on Council land	Fire response and preparedness on Council land	Managing litter from rubbish bins in parks and central business districts	

19. How satisfied are you with the following facilities and services?

Public toilet amenities	Playground equipment	Community halls	Sports and recreational facilities	Swimming pools
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20. How satisfied are you with the following facilities and services?

Managing illegal dumping	Waste and recycling collection	Access to waste transfer stations and waste depots	Ranger services - compliance and regulation including parking and animal management	Development applications and building approvals
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21. Overall, how confident are you with the below statements?

Council is balancing development and maintaining the natural environment	Council is managing climate change
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22. Overall, how confident are you that Council is managing its resources well?

Workforce	Assets	Finances
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23. For the past 12 months, overall, how satisfied are you with Council's services?

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- 24. What do you think would most improve our service? Please share your ideas for improvement or feedback.
- 25. What area of Port Stephens do you live in?
- 26. Please indicate your gender.
- 27. Please indicate your age
- 28. How did you find out about the survey?

**ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE
BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.**

Plan of Management for Birubi Transport
Interchange Anna Bay

DRAFT

ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.

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ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.

KEY INFORMATION

- Plan of management for Crown Reserve 1014489 located at 98 Gan Gan Road, Anna Bay.
- Port Stephens Council is the appointed land manager.
- X date of adoption.
- We acknowledge the Worimi people as the original Custodians and inhabitants of Port Stephens. We acknowledge and pay respects to Worimi elders past and present. May we walk the road to tomorrow with mutual respect and admiration as we care for the beautiful land and waterways together.

This plan of management (PoM) has been prepared by Port Stephens Council and provides direction as to the use and management of council-owned operational land and council-managed Crown land classified as 'community land' in the Port Stephens area. The PoM is required in accordance with Section 3.23 of the Crown Land Management Act 2016 and Section 36 of the Local Government Act 1993.

This PoM specifically addresses the management of the Anna Bay Tourist Facilities and Services Reserve located at 98 Gan Gan Road, Anna Bay. The PoM outlines the way the lands will be developed and used, and provides the framework for Council to follow in relation to the express authorisation of leases and licences of the land.

ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.**INTRODUCTION**

Port Stephens Council Local Government Area (LGA) covers an area of 979km² which is formed from Karuah in the north to Tomago and Fern Bay in the south, and out to Woodville and Duns Creek in the west. The major areas of the LGA are the Tomaree and Tilligerry Peninsulas, Raymond Terrace and the Pacific Highway corridor, western Port Stephens and central southern areas from Salt Ash to Williamtown and Tomago.

According to data from ABS 2021 the estimated residential population of Port Stephens is 75,685 persons, and according to the 2016 Census the work in region population is 25,722.

Port Stephens is recognised as a key regional tourist destination in NSW, attracting a diverse range of national and international visitors every year.

The Birubi Point Aboriginal Place and Worimi Conservation Lands are located at the northern end of the Stockton Bight beach and sand dunes at Anna Bay. It is a highly visited tourist destination where visitors experience the natural beauty of the area and can access the beach, life surf lifesaving club and sand dunes through tour and outdoor recreation activities, as well as gain an understanding of the cultural and natural significance of the area.

In May 2018 Port Stephens Council prepared the Birubi Point Aboriginal Place Plan of Management (BPAP PoM). This plan details the management of the headland, beach and conservations lands over the next 10 years to protect and respect its value and significance to the Worimi people. Although the proposed transport interchange is proposed to be constructed outside of the Aboriginal Place, it is identified as a key action in the BPAP PoM as it will relocate the current coach parking and tour meeting locations within the Aboriginal Place.

The purpose of the interchange is to create a gateway entrance to the Worimi Conservation Lands of Gan Gan Road and provide a centralised tourist visitor location and gateway entrance to the sand dunes and beach.

It will improve the use and management of the highly trafficked area within the Aboriginal Place by relocating the vehicle access to the tourist operators and creating new connection access points as well as providing improved tourist facilities.

The vision for the new transport interchange is to provide an improved visitor experience by including additional toilet facilities, all weather protection, multilingual signage and retail opportunities, such as souvenirs. The interchange will be supported by better vehicular access, carparking, signage and road marking, paths, boardwalks, plantings and revegetation programs, as an integrated approach to the management and protection of the area that better supports Aboriginal tourism and adventure tourism.

Purpose of the plan of management

The Local Government Act 1993 (LG Act) requires a plan of management (PoM) to be prepared for all public land that is classified as 'community land' under that Act.

The Crown Land Management Act 2016 (the CLM Act) authorises local councils (council managers) appointed to manage dedicated or reserved Crown land to manage that land as if it were public land under the *Local Government Act 1993* (LG Act). A PoM is required for all council-managed Crown reserves on community land.

The purpose of this PoM is to:

- contribute to the council's broader strategic goals and vision as set out in the Birubi Point Aboriginal Place Management Plan.
- ensure compliance with the Local Government Act 1993 and the Crown Land Management Act 2016.

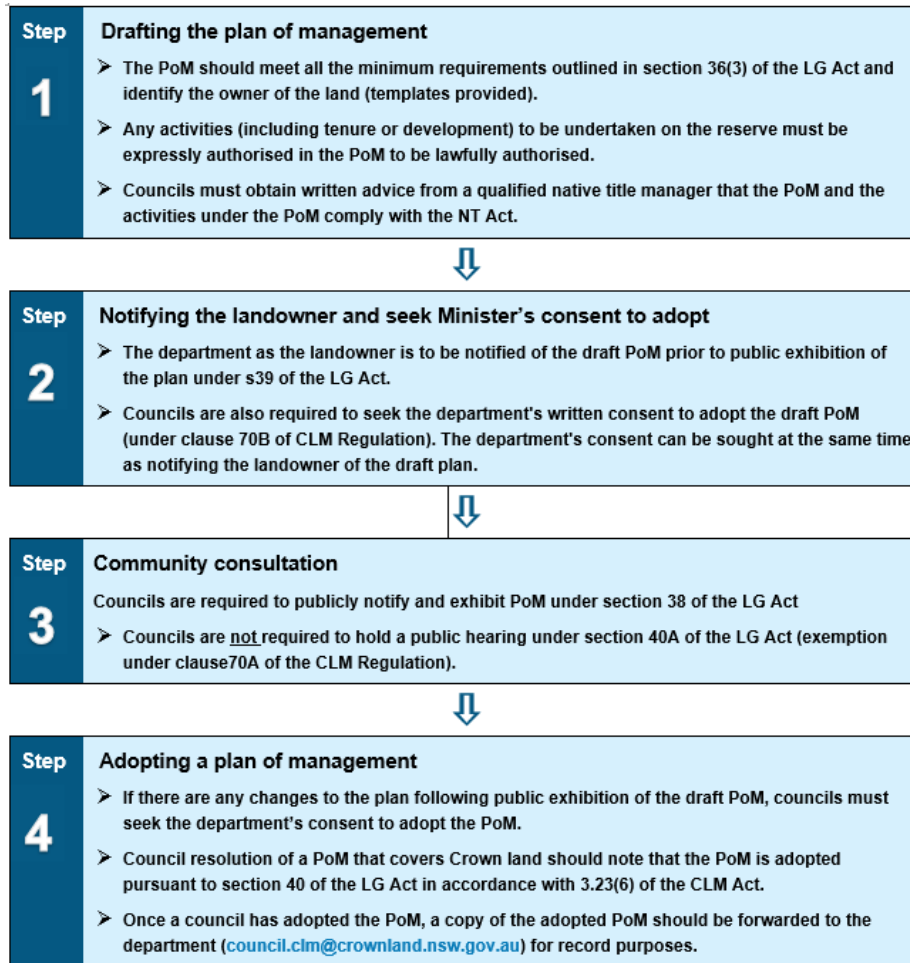
ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.

- provide clarity in the future development, use and management of the community land, and
- ensure consistent management that supports a unified approach to meeting the varied needs of the community.

Further information about the legislative context of Crown Reserve PoMs can be found in Appendix A2 of this document.

Process of preparing this plan of management

Figure 1 illustrates the process undertaken by Council in preparing this PoM.



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Change and review of plan of management

This PoM will require regular review in order to align with community values and changing community needs, and to reflect changes in Council priorities. Council has determined that it will review the PoM within 2 years of its adoption and will continue to review it every 2 years to ensure that the Reserve is being managed in accordance with the PoM, is well maintained and provides a safe environment for public enjoyment.

Council may continue to acquire or divest land for the benefit of the community. Land may also come into Council's ownership by dedication of land for open space. The appendices to this PoM may be updated from time to time, reflecting significant changes to the condition of the community land, or to reflect new acquisitions or dedications of land.

The community will have an opportunity to participate in reviews of this PoM.

This PoM was placed on public exhibition from [XX/XX/XXXX to XX/XX/XXXX], in accordance with the requirements of section 38 of the Local Government Act 1993. A total of [XX] submissions were received. Council considered these submissions before adopting the PoM.

In accordance with section 39 of the Local Government Act 1993, prior to being placed on public exhibition, the draft PoM was referred to the Department of Planning, Industry and Environment – Crown Lands, as representative of the state of NSW, which is the owner of the Reserve. Council has included in the plan any provisions that have been required by the Department of Planning, Industry and Environment – Crown Lands.

The Worimi Local Aboriginal Land Council, Worimi Conservation Lands, NSW National Parks and Wildlife, DPE - Crown Lands, existing tour operators and the local community have been involved in developing the facility as project stakeholders.

LAND DESCRIPTION

This plan of management covers Crown land known as Lot 312 DP 753204 and situated at 98 Gan Gan Road, Anna Bay. Council was appointed land manager on 22 June 2018 under the Crown Land Management Act 2016. The reserve purpose is Tourist Facilities and Services and the assigned category is General Community Use. The reserve information is detailed in Table 1.

The reserve is located in Anna Bay to the north of Birubi Beach with frontage to Gan Gan Road, the main access road through Anna Bay to Nelson Bay. The reserve is bounded by residential lots to the east, Council owned operational land to the west, and Crown lands to the west and south. The reserve forms part of the dune system that makes up the Stockton sand dunes and is partially covered in vegetation.

Table 1: information about reserve covered by this plan of management.

Reserve Number	1014489
Reserve purpose	Tourist Facilities and Services
Land parcel/s	Lot 312 DP 753204
Area (Ha)	3.2 Ha
LEP zoning	RU2 Rural Landscape
Assigned category/categories	General Community Use

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This PoM is specific to the land mentioned in Table 1. Contact the Council or refer to the Council's website for information about other public land not listed above.

Land comprising the habitat of endangered species or threatened species

Section 36A(2) of the Local Government Act 1993 requires that a site-specific PoM be prepared for an area of community land, all or part of which consists of critical habitat.

Section 36B(3) requires that a site-specific PoM be prepared for community land, all or part of which is directly affected by a recovery plan or threat abatement plan. Section 36A calls for critical habitat declared critical under the Threatened Species Conservation Act 1995 or the Fisheries Management Act 1994. The Statement of Environmental Effects and Biodiversity Assessment prepared with the development application in 2020, details the following vegetation communities on the subject site include:

- Cheese tree/ smooth-barked Apple/ Bangalay Disturbed Open Forest
- Coastal Sand Scrub

There are also mapped areas of disturbed vegetation, cleared areas and sand dunes.



Figure 2: Map from Biodiversity Assessment Prepared by Coast Ecology Environmental Assessment 2018

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Figure 3: Proposed interchange

The Vegetation Management Plan will be prepared as a requirement of the Development Consent has been prepared and the vegetation managed accordingly.

Land containing significant natural features

The site is at the entry of the sand dunes of Worimi Conservation Lands. The sand dunes are known for their spectacular coastal landscape and for diverse recreation opportunities, social focus for local people and access to Stockton Bight. The natural and scenic features of Stockton Bight sand dunes makes the area an iconic natural feature of the LGA.

The intent of the development of Crown Reserve for the transport interchange is to reduce the congestion and number of vehicles that use the current infrastructure at Birubi Beach. The development will translate into less air and noise pollution in the area and will improve the overall safety for the pedestrian and community affected by the use. The project will remove pedestrian demand on the frontal sand dunes system at Birubi Beach and enable Council to undertake full rehabilitation of the sand dune system.

The Notice of Determination for the development consent for the interchange requires a Sand Management Plan (SMP) be prepared for the construction phase. It is understood that the SMP will management provisions for the longevity of the development and end use. The Sand Management Plan is being prepared by Royal Haskoning DHV to manage the sand associated with the development adjoining site for 10 years.

Management of the sand dunes is proposed through dune formation and extraction techniques including construction of dune formation; vegetation planning and dune fencing to protect dune stabilisation and limit pedestrian and vehicle access in the area.

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Culturally significant land

Note that section 36DA of the LG Act allows that a council may resolve (at the request of any Aboriginal person traditionally associated with the land concerned or on the council's own initiative) to keep confidential such parts of a draft or adopted plan of management to which this section applies that would disclose the nature and location of a place or an item of Aboriginal significance.

The site is located to the north of the Stockton Bight beach dunes and sits outside the Birubi Point Aboriginal Place and the Worimi Conservation Lands.

The 54 hectare Aboriginal Place was declared under the National Parks and Wildlife Act 1974 (NPW Act) in 2007. The values of the Aboriginal Place include burials, a ceremonial site, cultural stories about place, an area rich in natural resources, and extensive archaeological material important for teaching current and future generations about Aboriginal culture. Birubi Point was once almost entirely covered by middens, demonstrating the long and continuing attachment of Worimi people to this land.

Birubi Point is culturally significant to the Worimi people of Port Stephens who are the Traditional Custodians of the area. The Worimi people still use the area today and their history and connection to the land is demonstrated by the abundance of significant archaeological materials that are present within and adjoining the area.

The Aboriginal Place gazettal occurred in parallel with the resolution of land claims (made under the Aboriginal Land Rights Act 1989) over extensive areas of Worimi country on Stockton Bight, to form the Worimi Conservation Lands.

The Worimi Conservation Lands and Birubi Point Aboriginal Place also share recreational and commercial values and challenges such as transgressive sands, frontal dune degradation, invasive species, competition for access, and the impacts of intensive recreational and tourism uses.

As mentioned previously, the site is outside of the Birubi Point Aboriginal Place however is identified as a key part of the works proposed to protect and enhance the amenity of the area. The transport interchange development will ensure the key areas of importance are protected while creating a fit for purpose transport infrastructure within the area to meet the growing demands created by the high tourist interest in the area.

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BASIS OF MANAGEMENT

Port Stephens Council intends to manage its community land to meet:

- assigned categorisation of community land
- the LG Act guidelines and core objectives for community land
- the Council's strategic objectives and priorities
- development and use of the land outlined in Section 6 of the LG Act.

Categorisation of the land

All community land is required to be categorised as one or more of the following categories. Where the land is owned by the Crown, the category assigned should align with the purpose for which the land is dedicated or reserved.

The LG Act defines five categories of community land:

- **Park** – for areas primarily used for passive recreation.
- **Sportsground** – for areas where the primary use is for active recreation involving organised sports or the playing of outdoor games.
- **General community use** – for all areas where the primary purpose relates to public recreation and the physical, cultural, social, and intellectual welfare or development of members of the public. This includes venues such as community halls, scout and guide halls, and libraries.
- **Cultural significance** – for areas with Aboriginal, aesthetic, archaeological, historical, technical, research or social significance.
- **Natural area** – for all areas that play an important role in the area's ecology. This category is further subdivided into bushland, escarpment, foreshore, watercourse and wetland categories.

The categorisation of the land is identified in Appendix [A1], as well as shown by maps in Appendix [A1].

Guidelines and core objectives for management of community land

The management of community land is governed by the categorisation of the land, its purpose, and the core objectives of the relevant category of community land (see [Categorisation of the land](#)). Council may then apply more specific management objectives to community land, though these must be compatible with the core objectives for the land.

The guidelines for categorisation of community land are set out in the Local Government (General) Regulation 2005. The core objectives for each category are set out in the LG Act. The guidelines and core objectives for the Park, Sportsground, General Community Use and Natural Area categories are set out in the relevant category sections of this plan of management.

Community land is valued for its important role in the social, intellectual, spiritual and physical enrichment of residents, workers, and visitors to the Port Stephens area.

The intrinsic value of community land is also recognised, as is the important role this land plays in biodiversity conservation and ecosystem function.

Port Stephens Council encourages a wide range of uses of community land and intends to facilitate uses which increase the activation of its land, where appropriate. Within buildings, swimming pools, and recreational and sporting facilities in particular, Port Stephens Council intends to permit and encourage a broad range of appropriate activities.

ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.**Restrictions on management of Crown land**

Council is the Crown land manager of the Crown reserves described in this plan of management in accordance with the legislation and conditions imposed by the Minister administering the Crown Land Management Act 2016. The use of the land described in this plan of management must:

- be consistent with the purpose for which the land was dedicated or reserved
- consider native title rights and interests and be consistent with the provisions of the Commonwealth Native Title Act 1993
- consider the inchoate interests of Aboriginal people where an undetermined Aboriginal Land Claim exists
- consider and not be in conflict with any interests and rights granted under the Crown Land Management Act 2016
- consider any interests held on title.

The future development and use of the site outlined in the POM is consistent with the purpose of the reserve for tourist facilities and services.

Construction of the facility is consistent with Subdivision K of the Native Title Act 1993 (Cth).

The land is not subject to any undetermined claims under the Aboriginal Land Rights Act 1984.

Councils strategic objectives and priorities

Port Stephens Council, in consultation with the community, has developed the following strategies and plans to identify the priorities and aspirations of the community and the delivery of a vision for the future. They have a direct influence on the objectives, uses and management approach covered by PoMs.

Generally the following strategic plans apply to the site as it is located within the LGA and is subject to the strategic direction and direction provided by these documents.

Port Stephens Planning Strategy 2011-2036 – Prepare by Council and adopted by Council December 2011, the Strategic provides a high level strategic direction for spatial planning in the Port Stephens LGA.

Port Stephens Recreation Strategy – The Recreation Strategy helps council to plan for and improve recreation facilities and services in Port Stephens. The vision for the recreation in Port Stephens is a sustainable network of recreation facilities that encourage participation, interaction and personal development in a safe and inclusive environment.

The Birubi Aboriginal Place Master Plan and Management Plan provide strategic objectives specific to the site. It has been prepared to provide to manage the greater area which surrounds the land.

Birubi Point Aboriginal Place Management Plan - Port Stephens Council has developed a management plan for the Birubi Point Aboriginal Place, a place which is of special significance to the local Aboriginal people. The Management Plan has been developed to set out the vision for ongoing management of the Aboriginal Place into the future to ensure the popular cultural, tourism and recreation place continues to be well managed.

The tourism interchange is identified on the Management Plan and will provide community and tourist facilities associated with beach access and include a visitor centre and tourist information kiosk, amenities, car and bus parking.

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The reserve to which the PoM applies is situated at the corner of Gan Gan Road and the 4WD access to the sand dunes and beach at Anna Bay. Currently there is no existing development or use occurring on the site. The site has been identified in the Management Plan as the most suitable location for the development of the transport interchange. The development will create a gateway to the Birubi Point Aboriginal Place off Gan Gan Road and formalise a central location for tourist and visitors to access the headland and sand dunes.

The development of the transport interchange is a key piece of infrastructure that will provide a purpose built facility in response to the use and demands created by the community and tourists to the area.

The project is a priority piece of infrastructure that has been identified through extensive community consultation and workshoping with key stakeholders.

Project funding has been secured to ensure the successful delivery of the project, and the management and maintenance of the asset will be the responsibility of Port Stephens Council. Resource allocation for the management of the asset will be completed in accordance with Council's Operational Plan.

Current use of the land

Each relevant category section of this plan of management contains information about the existing use of the land, including: condition of the land and structures, use of the land and structures, and current leases and licences on the land.

Permissible uses / future uses

Community land is valued for its important role in the social, intellectual, spiritual and physical enrichment of residents, workers, and visitors to the Port Stephens area.

The intrinsic value of community land is also recognised, as is the important role this land plays in biodiversity conservation and ecosystem function.

Port Stephens encourages a wide range of uses of community land and intends to facilitate uses which increase the activation of its land, where appropriate. Within buildings, swimming pools, and recreational and sporting facilities in particular, Port Stephens intends to permit and encourage a broad range of appropriate activities.

The use of community land is often supported by appropriate ancillary development such as playground equipment, amenity blocks or food kiosks.

The general types of uses which may occur on community land categorised as Park, Sportsground, General Community Use and Natural Area, and the forms of development generally associated with those uses, are set out in tables in the relevant category section in this plan of management.

List of Category sections

- General community use

Development consent has been issued for the construction of the transport interchange on the Crown land. The development will improve the current use of the recreational area and protect the important cultural and environmental features within the area, by creating a new, purpose built interchange for these uses to occur. Future use includes vehicle and coach access, parking and turning space; kiosks for tour companies, food premises, site management, rest area facilities; and community gathering spaces and landscaping.

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The vision is to create a centralised gateway from Gan Gan Road, improving the arrival to the important location while ensuring the continued management of the surrounding land.

Express authorisation of leases and licences and other estates

Under section 46(1)(b) of the LG Act, leases, licences and other estates formalise the use of community land. A lease, licence or other estate may be granted to organisations and persons, community groups, sports clubs and associations, non-government organisations, charities, community welfare services, non-profit organisations and government authorities.

The lease or licence must be for uses consistent with the reserve purpose(s), the assigned categorisation and zoning of the land, be in the best interests of the community as a whole, and enable, wherever possible, shared use of community land.

Any lease or licence proposal will be individually assessed and considered, including the community benefit, compatibility with this PoM and the capacity of the community land itself and the local area to support the activity.

A lease is normally issued where exclusive control of all or part of an area by a user is proposed. In all other instances a licence or short-term licence or hire agreement will be issued.

Leases and license are proposed to be issued across the development to permit the operation of tourist services and amenity. Leases will be issued to tour operators and ancillary uses to ensure the intended use of the development, tourist services can operate from the site. Licences are proposed to be issued to temporary events and uses to permit use by the community.

Leases and licences authorised by the plan of management

This plan of management **expressly authorises** the issue of leases, licences and other estates over the land covered by the plan of management, provided that:

- the purpose is consistent with the purpose for which it was dedicated or reserved
- the purpose is consistent with the core objectives for the category of the land
- the lease, licence or other estate is for a permitted purpose listed in the Local Government Act 1993 or the Local Government (General) Regulation 2005
- the issue of the lease, licence or other estate and the provisions of the lease, licence or other estate can be validated by the provisions of the Native Title Act 1993 (Cth)
- where the land is subject to a claim under the Aboriginal Land Rights Act 1983 the issue of any lease, licence or other estate will not prevent the land from being transferred in the event the claim is granted
- the lease, licence or other estate is granted and notified in accordance with the provisions of the Local Government Act 1993 or the Local Government (General) Regulation 2005
- the issue of the lease, licence or other estate will not materially harm the use of the land for any of the purposes for which it was dedicated or reserved.

Tables in the relevant category sections of this plan of management further identify the purposes for which leases and licences may be issued over the reserves identified in this plan of management.

Short-term licences

Short-term licences and bookings may be used to allow the council to program different uses of community land at different times, allowing the best overall use.

Short-term licences are authorised for the purpose of:

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- (a) the playing of a musical instrument, or singing, for fee or reward
- (b) engaging in a trade or business
- (c) the playing of a lawful game or sport
- (d) the delivery of a public address
- (e) commercial photographic sessions
- (f) picnics and private celebrations such as weddings and family gatherings
- (g) filming sessions
- (h) the agistment of stock.

Fees for short-term casual bookings will be charged in accordance with the council's adopted fees and charges at the time.

Native title and Aboriginal land rights considerations in relation to leases, licences and other estates

When planning to grant a lease or licence on Crown reserves, the council must comply with the requirements of the Commonwealth Native Title Act 1993 (NT Act) and have regard for any existing claims made on the land under the NSW Aboriginal Land Rights Act 1983.

Council's native title manager has provided written native title advice in relation to the construction ongoing management of the land and facility,

MANAGEMENT OF LAND BY CATEGORY

The development of the interchange was identified through the master plan process and is a key piece of infrastructure that will ensure the protection of the culturally importance area. Resources have been allocated to the construction and management of the development on the reserve. The development is consistent with the Birubi Point Aboriginal Place Management Plan. The Port Stephens Recreation Strategy also mentions the support and implementation of the Birubi Point Aboriginal Place Management Plan and identified Birubi Point Aboriginal Place as a major feature of the Tomaree Peninsula.

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The Crown Land is categorised as General Community Use. Council owned operational land adjoins the site on the western boundary.

The development of the site will improve the infrastructure within the area providing a more suitable access and public facilities on the land to meet the current and future needs of the community and wider public and tourist. The area is of significant importance as the Worimi Conservation Lands.

Guidelines and core objectives

General community use land is defined in clause 106 of the LG (General) Regulation as land that may be made available for use for any purpose for which community land may be used, and does not satisfy the definition of natural area, sportsground, park or area of cultural significance.

The core objectives for community land categorised as general community use, as outlined in Section 36I of the LG Act, are to:

- promote, encourage and provide for the use of the land
- provide facilities on the land, to meet the current and future needs of the local community and of the wider public:
 - (a) in relation to public recreation and the physical, cultural, social and intellectual welfare or development of individual members of the public, and
 - (b) in relation to purposes for which a lease, licence or other estate may be granted in respect of the land (other than the provision of public utilities and works associated with or ancillary to public utilities).

Key issues

The key issues are those considered as threats to reserves of the General Community use category and other factors impacting on affected reserve. These include:

- Highly visible location
- Linkage to natural areas and recreation space
- Sand migration and disturbance

Management framework for reserves categorised as General Community Use

Councils approach to management of the general community use reserve will include:

- regular maintenance
- Site manager on site with regular staffing.
- Contract cleaner engaged to clear amenities daily
- Sand management – details sand management techniques to be imposed through the construction and operation of the building.
- Management of leases/licenses by PSC

Development and use

It is proposed to develop the transport interchange on the Crown land including:

- a transport interchange
- parking
- signage
- infrastructure to support the tourist facilities and services purposes of the reserve
- special events or uses
- communal gathering space

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Current use of the land

Condition of the land and structures

Currently the site is undeveloped and vacant and is predominately characterised by sand and shrubs.



Image 1 – view to the site



Image 2 – view to the site

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Image 3 – view to the site

Use of the land and structures

As mentioned above, the sites are currently undeveloped and unutilised.

Current leases and licences

There are no existing leases or licences over the site.

Permissible uses / future uses

The reserve is Community Land categorised as General Community Use. The reserve purpose is Tourist Facilities and Services and it is intended to construct a transport interchange as detailed in Table 2. The facilities may change over time, reflecting the needs of the community.

Table 2 Permissible use and development of community land categorised as General Community Use by council or the community

Purpose/Use, such as...	Development to facilitate uses, such as...
<p>Providing a location for, and supporting, the gathering of groups for a range of social, cultural or recreational purposes.</p> <p>Providing buildings with specialise community use to enable Tourist facilities and services such:</p> <ul style="list-style-type: none"> • outdoor recreation • vehicle and coach parking and access • general amenities and facilities to support tourist facilities • casual or informal recreation. 	<p>Transport interchange and ancillary tourist facilities servicing.</p> <p>Development includes:</p> <ul style="list-style-type: none"> • provision of buildings or other amenity areas to facilitate use and enjoyment by the community • development (particularly within buildings) for the purposes of addressing the needs of a particular group (tour companies) • landscaping and finishes, improving access, amenity and the visual character of the general community area

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Purpose/Use, such as...	Development to facilitate uses, such as...
	<ul style="list-style-type: none"> water-saving initiatives such as rain gardens energy-saving initiatives such as solar lights and solar panels car parking, coach parking and loading areas advertising structures and signage (such as A-frames and banners) that: <ul style="list-style-type: none"> relate to approved uses/activities are discreet and temporary are approved by the council Locational, directional and regulatory signage.

Express authorisation of leases, licences and other estates – General Community Use

This plan of management **expressly authorises** the issue of leases, licences and other estates over the land categorised as General Community Use, listed in Table 3.

Table 3. Leases, licences and other estates and purposes for which they may be granted for community land categorised as General Community Use

Type of tenure arrangement	Maximum term	Purpose for which tenure may be granted
Lease	<ul style="list-style-type: none"> 30 years 	<ul style="list-style-type: none"> educational purposes, including education classes and workshops cultural purposes, including concerts, dramatic productions and galleries recreational purposes operated by a private operator sporting uses operated by a private operator kiosk for ticket sales café and refreshment sales commercial retail uses associated with the facility (e.g. sale or hire of goods or equipment)
Licence	<ul style="list-style-type: none"> 5 years 	<ul style="list-style-type: none"> educational purposes, including education classes and workshops cultural purposes, including concerts, dramatic productions and galleries recreational purposes operated by a private operator sporting uses operated by a private operator kiosk for ticket sales café and refreshment sales commercial retail uses associated with the facility (e.g. sale or hire of goods or equipment)
Short-term licence	<ul style="list-style-type: none"> 12 months 	<ul style="list-style-type: none"> public speeches, meetings, seminars and presentations, including cultural and educational programs functions (including commemorative functions, book launches, film releases, and similar activities) displays, exhibitions and markets events (including cultural and community events and gatherings)

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Type of tenure arrangement	Maximum term	Purpose for which tenure may be granted
		<ul style="list-style-type: none"> concerts and other performances, including both live performances and film (cinema and TV) broadcasts associated with any event, concert, or public speech engaging in an appropriate trade or business delivering a public address, community events; auctions, markets and similar activities
Other estates		This PoM authorises the granting of 'an estate' over community land for the provision of public utilities and works associated with or ancillary to public utilities and provision of services, or connections for premises adjoining the community land to a facility of the Council or other public utility provider in accordance with the LG Act.

Action plan

Section 36 of the LG Act requires that a PoM for community land details:

- objectives and performance targets for the land
- the means by which the council proposes to achieve these objectives and performance targets
- the manner in which the council proposes to assess its performance in achieving the objectives and performance targets.

Table 4 sets out these requirements for community land categorised as General Community Use.

Table 4. Objectives and performance targets, means of achieving them and assessing achievement for community land categorised as General Community Use

Management Issues	s.36(3)(b) Objectives and Performance Targets	s.36(3)(c) Means of achievement of objectives	s.36(3)(d) Manner of assessment of performance
Sand Management A Sand Management Plan has been prepared as a condition of development consent, to guide the sand management for the life of the development.	Protect and respect the value and significance of the land to the Worimi people. There are specific prior to, during and post construction actions for the management.	Observe sand movement, dune maintenance, and vegetation growth.	Continued conversation and protection of the area. Sand management plan action and requirements continue to be focus of maintenance of the property and building.

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Management Issues	s.36(3)(b) Objectives and Performance Targets	s.36(3)(c) Means of achievement of objectives	s.36(3)(d) Manner of assessment of performance
Protection of Aboriginal cultural values in the reserve.	Ensure protection of Aboriginal cultural values and area of significance within the immediate area.	Observation of protection and maintenance of the areas of significance. As a result of developing a clear gateway and entry point to the site.	Conservation of natural and cultural values. Visual observation of in reduction in use and threat on the cultural values and significant cultural places.
Traffic and vehicle access	Reduce traffic and parking congestion and the impact on the local community and wider tourist visitors.	Design and implement the Transport Interchange to relieve pressures on the local road network and adverse impact to local community during peak periods and seasons. Traffic congestion during peak periods can affect access to certain areas within Anna Bay by emergency services.	Improvement to local traffic and congestion, particularly during peak periods. Improvement to emergency services access throughout Anna Bay.
Tourist facilities and services	To provide, maintain and upgrade tourist facilities and services to cater for a range of recreation needs in the area. Importance in providing a sustainable outcome for the area. Allowing for a suitable solution for future growth of this key service offering.	The Transport Interchange has been designed with close consultation with key stakeholder and the community. Ensuring the needs of the core uses of the area are met. Protection and sustainable management of the natural areas, buildings and structures.	Long term benefit to the service and tour providers, local community and tourists, through surveyors and observations.

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APPENDICES

Appendix A1 – Maps

The below maps clearly identify the land which is part of the plan of management.

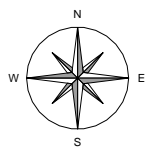
The maps identify:

- The owner of the land, where the PoM covers both land owned by council and Crown land
- The community land categories applied to the land, whether one category is assigned or multiple categories
- Any areas of the reserve which are to be managed as operational land
- Key features of the land
- Zoning of the land under the LEP.

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ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE
TOURISM TRANSPORT INTERCHANGE.

Site Plan - 84A - 98 Gan Gan Road, Anna Bay



MGA 56



116 Adelaide Street, Raymond Terrace NSW 2324. Phone: (02) 49800255 Fax: (02) 49873612 Email: council@portstephens.nsw.gov.au

DISCLAIMER

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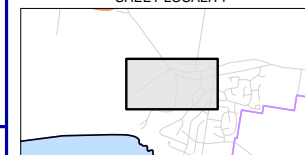
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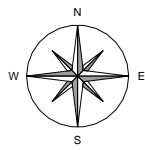
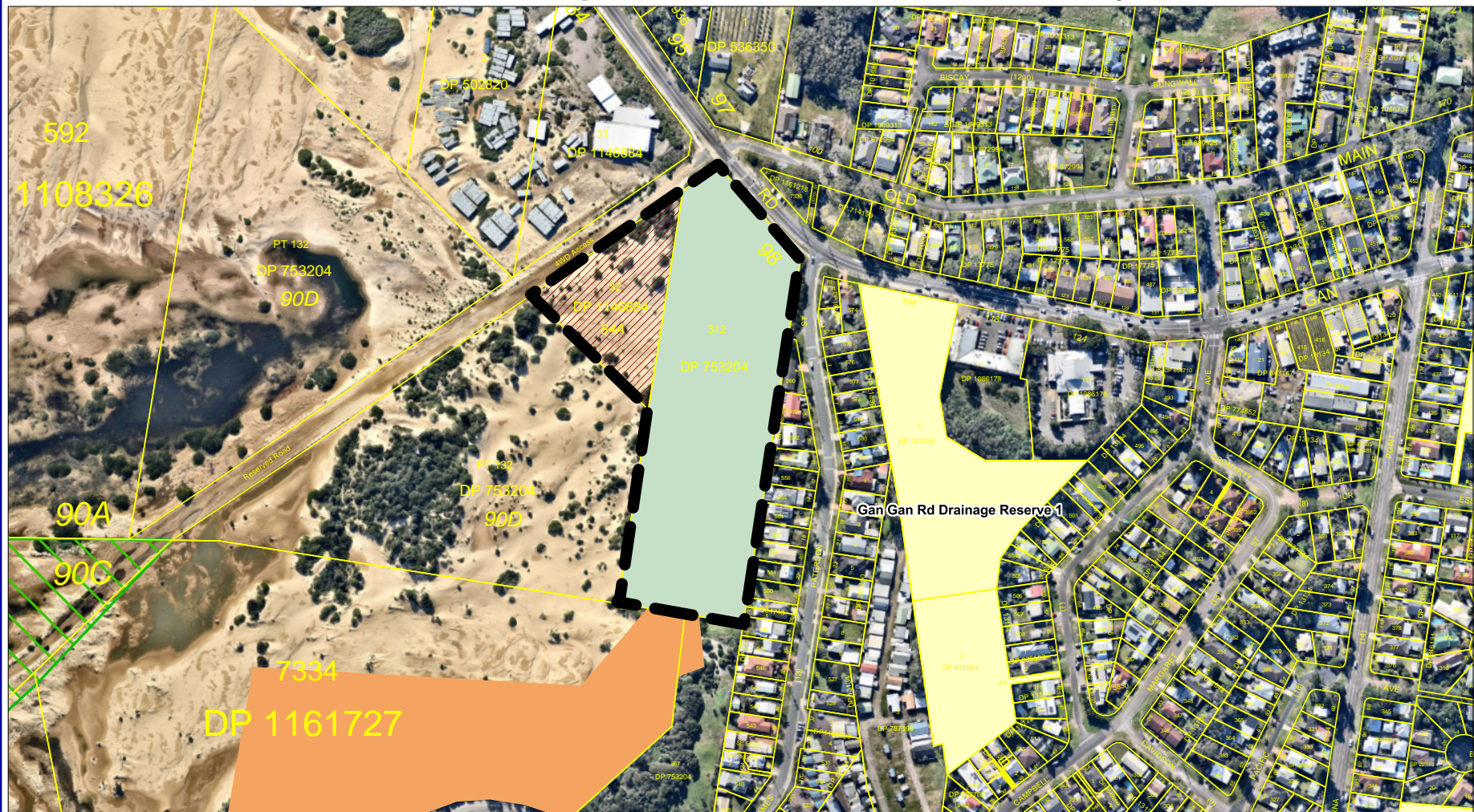
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SHEET LOCALITY



ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE
TOURISM TRANSPORT INTERCHANGE.

Land Ownership - 84A-98 Gan Gan Road, Anna Bay



MGA 56



116 Adelaide Street, Raymond Terrace NSW 2324. Phone: (02) 49800255 Fax: (02) 49873612 Email: council@portstephens.nsw.gov.au

PSC Controlled Land
Categories

- (1) Community Land
- (2) Operational Land
- (3) Community/Operational Land
- (4) Crown Trusteeship
- (5) Leased to Council
- (6) Other Trusteeship
- (8) Licenced to Council

DISCLAIMER

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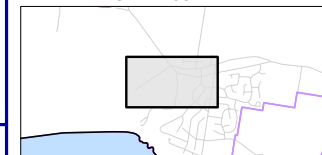
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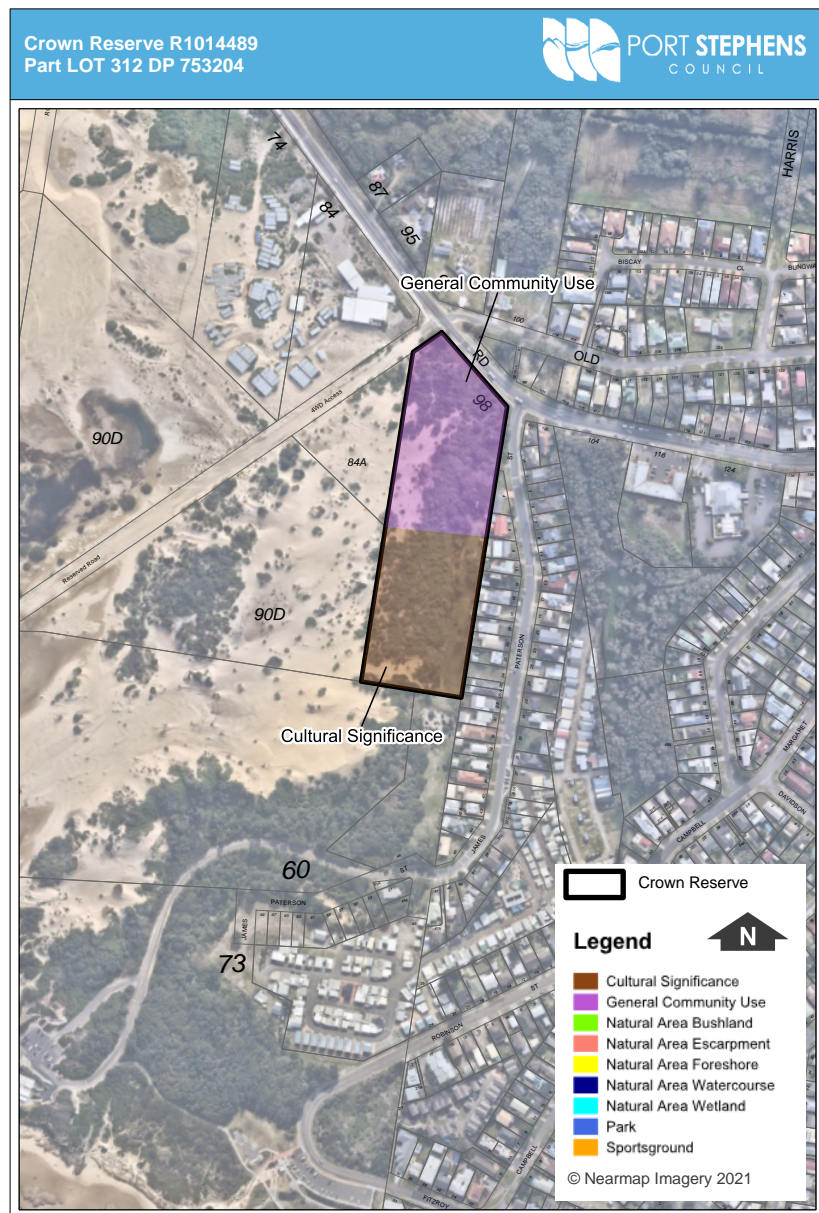
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Appendix A2 – Plan of Management Legislative Framework

The primary legislation that impacts on how community land is managed or used is briefly described below. You can find further information regarding these acts at www.legislation.nsw.gov.au.

Local Government Act 1993

Section 35 of the Local Government Act 1993 (LG Act) provides that community land can only be **used** in accordance with:

- the plan of management applying to that area of community land, and
- any law permitting the use of the land for a specified purpose or otherwise regulating the use of the land, and
- the provisions of Division 2 of Chapter 6 of the Act.

Section 36 of the Act provides that a plan of management for community land must identify the following:

- a) the category of the land,
- b) the objectives and performance **targets** of the plan with respect to the land,
- c) the means by which the council proposes to **achieve** the plan's objectives and performance targets,
- d) the manner in which the council proposes **to assess its performance** with respect to the plan's objectives and performance targets,

and may require the prior approval of the council to the carrying out of any specified activity on the land.

A plan of management that applies to just one area of community land:

- a) must include a description of:
 - (i) the condition of the land, and of any buildings or other improvements on the land, as at the date of adoption of the plan of management, and
 - (ii) the use of the land and any such buildings or improvements as at that date, and
- b) must:
 - (i) specify the purposes for which the land, and any such buildings or improvements, will be permitted to be used, and
 - (ii) specify the purposes for which any further development of the land will be permitted, whether under lease or licence or otherwise, and
 - (iii) describe the scale and intensity of any such permitted use or development.

Land is to be categorised as one or more of the following:

- a) a natural area
- b) a sportsground
- c) a park
- d) an area of cultural significance
- e) general community use.

Land that is categorised as a natural area is to be further categorised as one or more of the following:

- a) bushland
- b) wetland
- c) escarpment
- d) watercourse
- e) foreshore
- f) a category prescribed by the regulations.

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Additionally, under section 36 of the LG Act, a site-specific PoM must be made for land declared:

- as critical habitat, or directly affected by a threat abatement plan or a recovery plan under threatened species laws (sections 36A(2) and 36B(3))
- by council to contain significant natural features (section 36C(2))
- by council to be of cultural significance (section 36D(2)).

Classification of public land

The LG Act requires classification of public land into either 'community' or 'operational' land (Section 26). The classification is generally made for council-owned public land by the council's Local Environmental Plan (LEP) or in some circumstances by a resolution of the council (Section 27).

Crown reserves managed by council as Crown land manager have been classified as community land upon commencement of the Crown Land Management Act 2016 (CLM Act). Councils may manage these Crown reserves as operational land if written consent is obtained from the Minister administering the CLM Act.

Classification of land has a direct effect on the council's ability to dispose of or alienate land by sale, leasing, licensing or some other means. Under the LG Act, community land must not be sold (except for scheduled purposes), exchanged or otherwise disposed of by the council, and the land must be used and managed in accordance with an adopted PoM. In addition, community land is subject to strict controls relating to leases and licences (sections 45 and 46) of the LG Act.

By comparison, no such restrictions apply to operational land that is owned by councils. For example, operational land can be sold, disposed, exchanged or leased including exclusive use over the land, unencumbered by the requirements which control the use and management of community land. Crown reserves managed by council as operational land may generally be dealt with as other operational land but may not be sold or otherwise disposed of without the written consent of the Minister administering the CLM Act.

Operational land would usually include land held as a temporary asset or an investment, land which facilitates the council carrying out its functions or land which may not be open to the general public (for example, a works depot).

The classification or reclassification of council-owned public land will generally be achieved by a Local Environmental Plan (LEP) or by a resolution of council in accordance with sections 31, 32 and 33 of the LG Act. If land is not classified by resolution within a three-month period from acquisition it automatically becomes community land, regardless of whether it satisfies the objectives for community land as outlined in the LG Act.

For Crown land, Council cannot reclassify community land as operational land without consent of the Minister administering the CLM Act.

Crown Land Management Act 2016

Crown reserves are land set aside on behalf of the community for a wide range of public purposes, including environmental and heritage protection, recreation and sport, open space, community halls, special events and government services.

Crown land is governed by the CLM Act, which provides a framework for the state government, local councils and members of the community to work together to provide care, control and management of Crown reserves.

Under the CLM Act, as Council Crown land managers, councils manage Crown land as if it were public land under the LG Act. However, it must still be managed in accordance with the

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purpose of the land and cannot be used for an activity incompatible with its purpose – for example, Crown land assigned the purpose of 'environmental protection' cannot be used in a way that compromises its environmental integrity.

Councils must also manage Crown land in accordance with the objects and principles of Crown land management outlined in the CLM Act. The objects and principles are the key values that guide Crown land management to benefit the community and to ensure that Crown land is managed for sustainable, multiple uses.

Principles of Crown land management

- Environmental protection principles are to be observed in the management and administration of Crown land.
- The natural resources of Crown land (including water, soil, flora, fauna and scenic quality) will be conserved wherever possible.
- Public use and enjoyment of appropriate Crown land are to be encouraged.
- Where appropriate, multiple uses of Crown land should be encouraged.
- Where appropriate, Crown land should be used and managed in such a way that both the land and its resources are sustained.
- Crown land is to be occupied, used, sold, leased, licensed or otherwise dealt with in the best interests of the state of NSW, consistent with the above principles.

Crown land management compliance

In addition to management and use of Crown reserves that is aligned with the reserve purpose(s), there are other influences over council management of Crown reserves. For example, Crown land managers may have conditions attached to any appointment instruments, or councils may have to comply with specific or general Crown land management rules that may be published in the NSW Government Gazette. Councils must also comply with any Crown land regulations that may be made.

Native Title Act 1993

The Commonwealth Native Title Act 1993 (NT Act) recognises and protects native title rights and interests. The objects of the NT Act are to:

- provide for the recognition and protection of native title
- establish ways in which future dealings affecting native title may proceed and to set standards for those dealings
- establish a mechanism for determining claims to native title
- provide for, or permit, the validation of past acts invalidated because of the existence of native title.

The NT Act may affect use of Crown land, particularly development and granting of tenure.

Specifically, the CLM Act makes it mandatory for council to engage or employ a native title manager. This role provides advice to council as to how the council's dealings and activities on Crown land can be valid or not valid in accordance with the NT Act.

Council must obtain the written advice from an accredited native title manager that Council complies with any applicable provisions of the native title legislation when:

- a) granting leases, licences, permits, forestry rights, easements or rights of way over the land
- b) mortgaging the land or allowing it to be mortgaged
- c) imposing, requiring or agreeing to covenants, conditions or other restrictions on use (or removing or releasing, or agreeing to remove or release, covenants, conditions or other restrictions on use) in connection with dealings involving the land

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- d) approving (or submitting for approval) a plan of management for the land that authorises or permits any of the kinds of dealings referred to in (a), (b) or (c).

Council plans and policies relating to this plan of management

Council has developed plans and policies that are concerned to some extent with the management of community land. These documents have been considered when preparing this PoM.

The following is a list of documents that have a direct association with this PoM:

Other state and Commonwealth legislation***NSW state legislation******Environmental Planning and Assessment Act 1979***

The Environmental Planning and Assessment Act 1979 (EP&A Act) provides the framework for planning and development across NSW and guides environmental planning instruments which provide a basis for development control.

The EP&A Act ensures that effects on the natural environment, along with social and economic factors, are considered by the council when granting approval for or undertaking works, developments or activities.

This Act is also the enabling legislation for planning policies which may have a direct influence on open space management. On a state-wide level there are State Environmental Planning Policies (SEPPs). On a regional level there are Regional Environmental Plans (REPs). On a local level there are Local Environmental Plans (LEPs) as well as Development Control Plans (DCPs).

Aboriginal Land Rights Act 1983

The Aboriginal Land Rights Act 1983 (ALR Act) is important legislation that recognises the rights of Aboriginal peoples in NSW. It recognises the need of Aboriginal peoples for land and acknowledges that land for Aboriginal people in the past was progressively reduced without compensation. Crown land meeting certain criteria may be granted to an Aboriginal Land Council. This Act may affect dealings with Crown land that is potentially claimable.

National Parks and Wildlife Act 1974

Statutory responsibilities on the council arising from this Act specifically relate to the protection of sites of pre- and post-European contact archaeological significance. This Act may affect community land categorised as cultural significance, natural area or park.

Biodiversity Conservation Act 2016

Note: This Act repealed several pieces of legislation including the *Native Vegetation Act 2003*, *Threatened Species Conservation Act 1995*, the *Nature Conservation Trust Act 2001*, and the animal and plant provisions of the *National Parks and Wildlife Act 1974*.

This Act covers conservation of threatened species, populations and ecological communities, the protection of native flora and fauna. This Act primarily relates to community land categorised as natural area. However, other categories may also be affected.

The Threatened Species Conservation Act 1995 has been repealed and superseded by the Biodiversity Conservation Act 2016. However, references to the former legislation remain in the LG Act and are therefore retained in this guideline.

DPIE's Energy, Environment and Science division advises that recovery plans and threat abatement plans made under the Threatened Species Conservation Act 1995 were repealed

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on the commencement of the Biodiversity Conservation Act in 2017. These plans have not been preserved by any savings and transitional arrangement under the Biodiversity Conservation Act or LG Act, meaning pre-existing plans have no legal effect.

For this reason, requirements relating to recovery plans and threat abatement plans for local councils preparing plans of management under section 36B of the LG Act are now redundant. Councils will be advised if future amendments are made to the LG Act to enable these mechanisms.

Certain weeds are also declared noxious under this Act, which prescribes categories to which the weeds are assigned, and these control categories identify the course of action which needs to be carried out on the weeds. A weed may be declared noxious in part or all of the state.

Water Management Act 2000

This Act is based on the concept of ecologically sustainable development, and its objective is to provide for the sustainable and integrated management of the water sources of the state for the benefit of both present and future generations. The Act recognises:

- the fundamental health of our rivers and groundwater systems and associated wetlands, floodplains, estuaries has to be protected
- the management of water must be integrated with other natural resources such as vegetation, native fauna, soils and land
- to be properly effective, water management must be a shared responsibility between the government and the community
- water management decisions must involve consideration of environmental, social, economic, cultural and heritage aspects
- social and economic benefits to the state will result from the sustainable and efficient use of water.

Heritage Act 1977

This Act contains provisions for the conservation of items of heritage and may relate to community land categorised as cultural significance or natural area.

Commonwealth legislation***Environmental Protection and Biodiversity Conservation Management Act 1999***

This Act enables the Australian Government to join with the states and territories in providing a national scheme of environment and heritage protection and biodiversity conservation. It incorporates threatened species on a national level and with relevance to Matters of National Environmental Significance.

Telecommunications Act 1997

This Act provides for telecommunication facilities being permitted on community land without authorisation in a PoM.

State Environmental Planning Policies***State Environmental Planning Policy (Infrastructure) 2007***

This planning policy lists development allowed with consent or without consent on community land.

Other relevant legislation, policies and plans

Aboriginal Land Rights Act 1983

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Biodiversity Conservation Act 2016
Disability Discrimination Act 1992
Environmental Planning and Assessment Act 1979
Heritage Act 1977
Operations Act 1997
Protection of the Environment Operations Act 1997

DRAFT

ITEM 11 - ATTACHMENT 1 DRAFT PLAN OF MANAGEMENT (POM) FOR THE BIRUBI POINT ABORIGINAL PLACE TOURISM TRANSPORT INTERCHANGE.**Appendix A3 – Aboriginal interests in Crown land**

Crown land has significant spiritual, social, cultural and economic importance to the Aboriginal peoples of NSW. The CLM Act recognises and supports Aboriginal rights, interests and involvement in Crown land.

The management of Crown land can be impacted by the Native Title Act 1993 (Cth) and the Aboriginal Land Rights Act 1983 (NSW).

Native Title

Native title describes the rights and interests that Aboriginal and Torres Strait Islander people have in land and waters according to their traditional law and customs. Native title is governed by the Commonwealth Native Title Act 1993 (NT Act).

Native title does not transfer the land to the native title holder, but recognises the right to land and water, by providing access to the land and if applicable, compensation for any loss, diminution, impairment or other effect of the act on their native title rights and interests.

All Crown land in NSW can be subject to a native title claim under the NT Act. A native title claim does not generally affect Crown land where native title has been extinguished or it is considered excluded land.

When preparing a PoM, Council is required to employ or engage a qualified native title manager to provide advice and validate acts (developments and tenures) over the reserve, in line with the NT Act. The most effective way to validate acts under the NT Act is to ensure all activities align with the reserve purpose.

If native title rights are found to exist on Crown land, council Crown land managers may be liable to pay compensation for acts that impact on native title rights and interests. This compensation liability arises for local councils whether or not the act was validated under the NT Act.

For further information about native title and the future acts framework see the [Crown lands website](#).

Aboriginal Land Rights

The Aboriginal Land Rights Act 1983 (ALR Act) seeks to compensate Aboriginal peoples for past dispossession, dislocation and removal of land in NSW (who may or may not also be native title holders).

Aboriginal land claims may be placed on any Crown land in NSW. The Department of Planning, Industry and Environment is responsible for investigating claims as defined in the ALR Act. If a claim is established, the land is transferred to the Aboriginal Land Council as freehold land.

At the time of preparing this plan of management, the subject land is not affected by an undetermined Aboriginal land claim.