



Six-month Progress Report

January to June 2022



The Six-month Progress Report from January to June 2022 has been prepared in accordance with the requirements of the Integrated Planning and Reporting Guidelines (September 2021) Essential Element 4.9.

'The general manager must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every 6 months.'

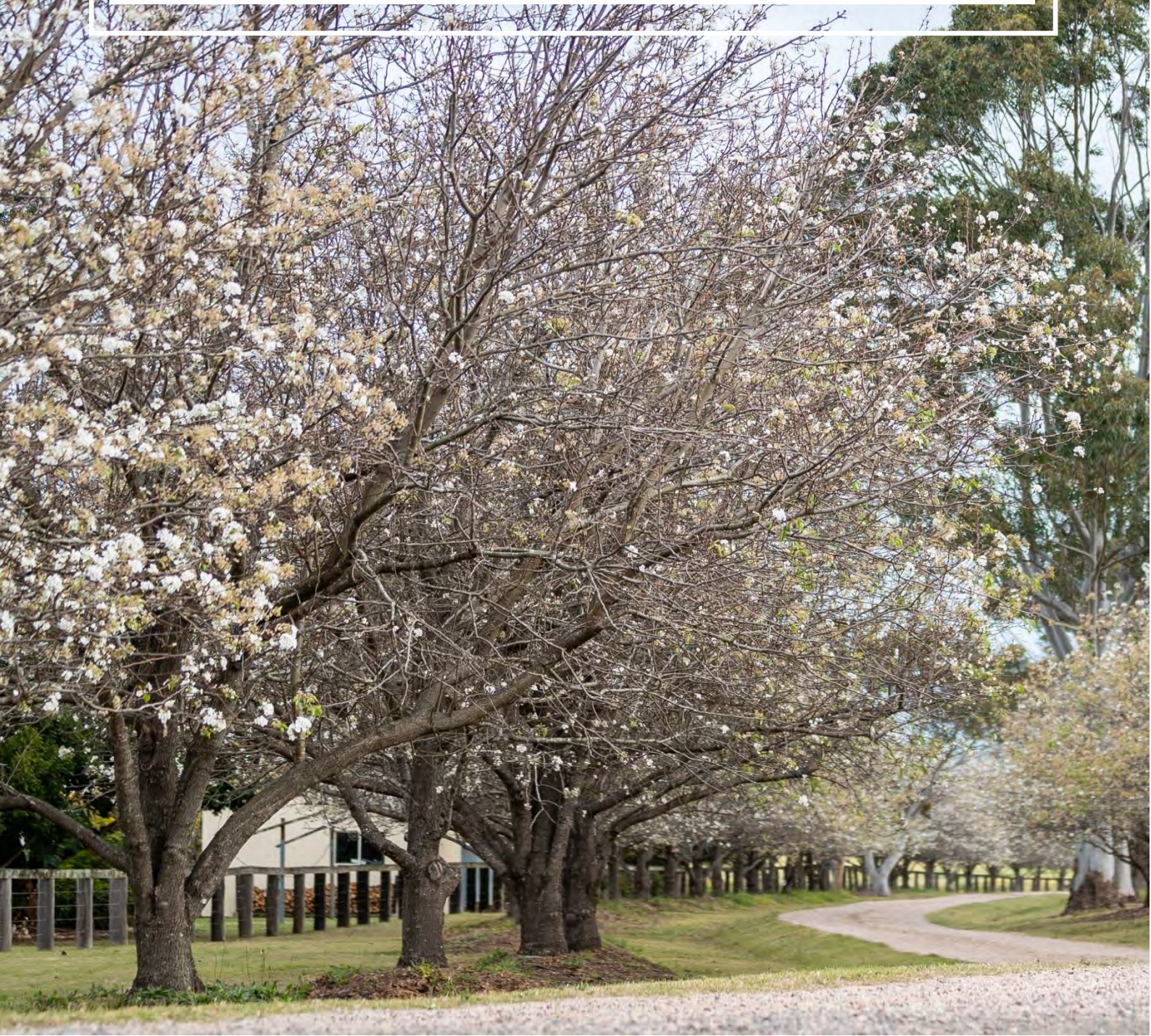
All financial figures included in this report are preliminary, unaudited and subject to review as part of the audited 2021-2022 financial statements for Council.

Acknowledgement

We acknowledge the Worimi as the original Custodians and inhabitants of Port Stephens.

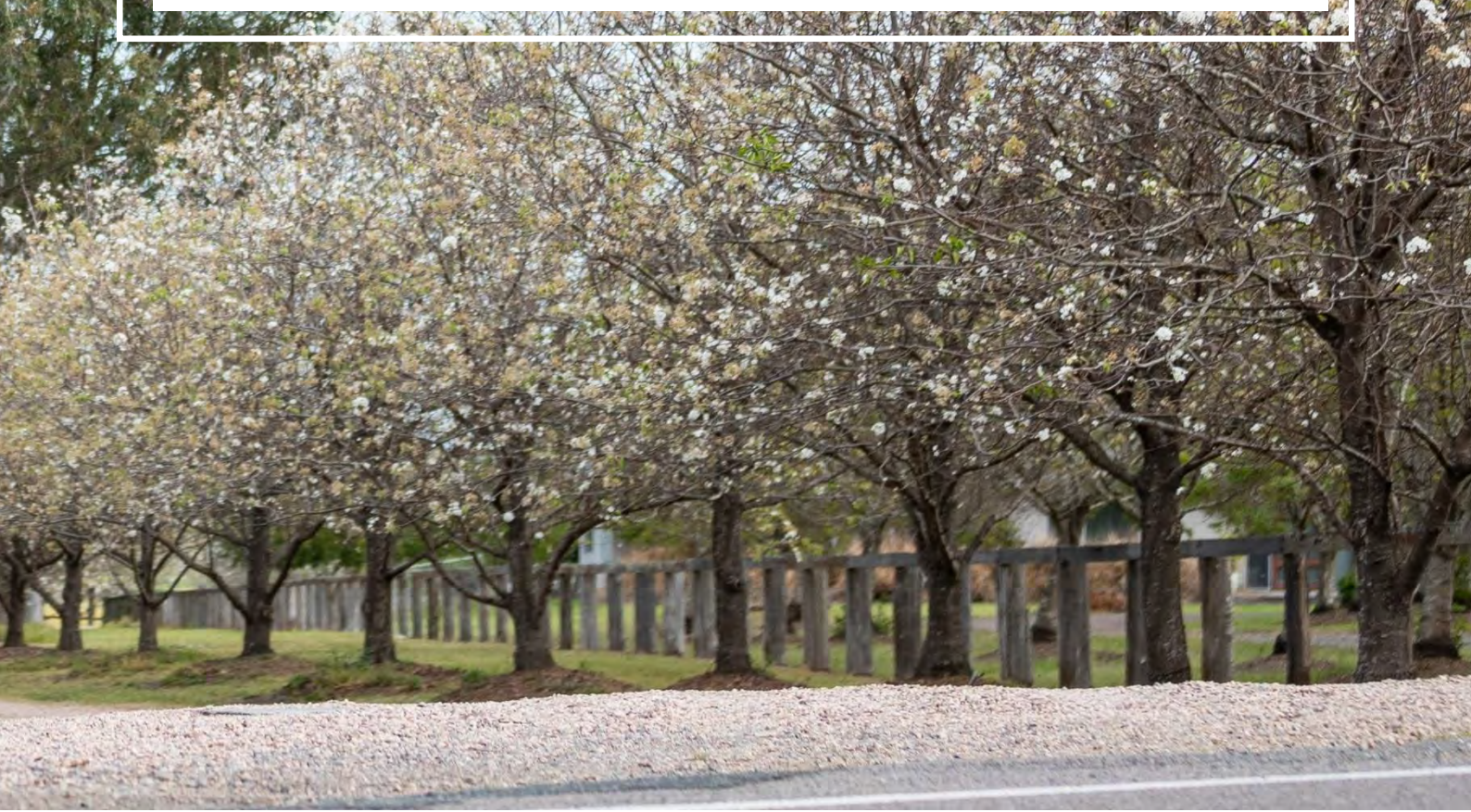
May we walk the road to tomorrow with mutual respect and admiration as we care for the beautiful land and waterways together.

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General Manager's message

Welcome to our final Six-month Progress Report for our 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.

This suite of documents sets the scene for Council and the Community for the next 10 years. They've been developed following more than 18 months of engagement with our community – listening to what their values and priorities are.



Our new Council hit the ground running following the election in December 2021. They've been checking in with community priorities to understand the ongoing impacts that Council and the community are facing following the impacts of both COVID-19 and multiple natural disasters.

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. And then, 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 cut, while at the same time, construction, transport and insurance costs have continued to increase. These impacts are further exacerbated by the natural disasters over the last couple of years.

Our funded future

The ongoing impacts of the last few years on Council's financial sustainability means a change in approach is needed to strike a balance between the needs of the community and Council's funded future. Council opened the conversation with the community, encouraging those that live, work and visit Port Stephens to have their say on our funded future.

Delivering community priorities

I'm proud of what our staff have achieved over the past 6 months, despite the various challenges from COVID-19, inflationary pressures, labour and material shortages and more rain events. With financial austerity measures in place, we've adjusted our work plans and programs to continue to deliver 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. There's an important difference in capital expenditure and maintenance/operational expenditure, which is a conversation we'll continue to have with the community following our engagement around "Our funded future".

Finally, this is my last report as General Manager for Port Stephens Council. Just as we close and celebrate this last chapter on the Delivery Program, I too bid farewell to the community, elected Council and my fellow staff as I head into retirement.

I'm very grateful for the opportunity to have lead Port Stephens Council. It's been a great pleasure to work with so many of the best people in local government – a team with a strong work ethic and a culture of always striving for better outcomes for its community. It has truly been a great place to work.



General Manager

Our highlights

Our Community

Be Connected, Building Digital Skills program -

Generations working together, providing work experience and practicing the art of patience and kindness



\$30 million + of Grant funding secured



Our Place



22,957 Potholes fixed



Helping Ballina Council - with DAs, as part of emergency recovery support

Our Environment

Your Environment: Bush to Coast New quarterly environmental newsletter



23% ▼ Council Energy usage over 3 years




Our Council



Community Strategic Plan 2022 to 2032 New Council adopting the CSP



Integrated Engagement journey continued (Phase 3 & 4 IPR)



Capital works projects completed

- 1 Stuart Park Kiosk
- 2 Bruce Scott Pavilion
- 3 Kula Road rehabilitation



**BRUCE SCOTT
PAVILION**

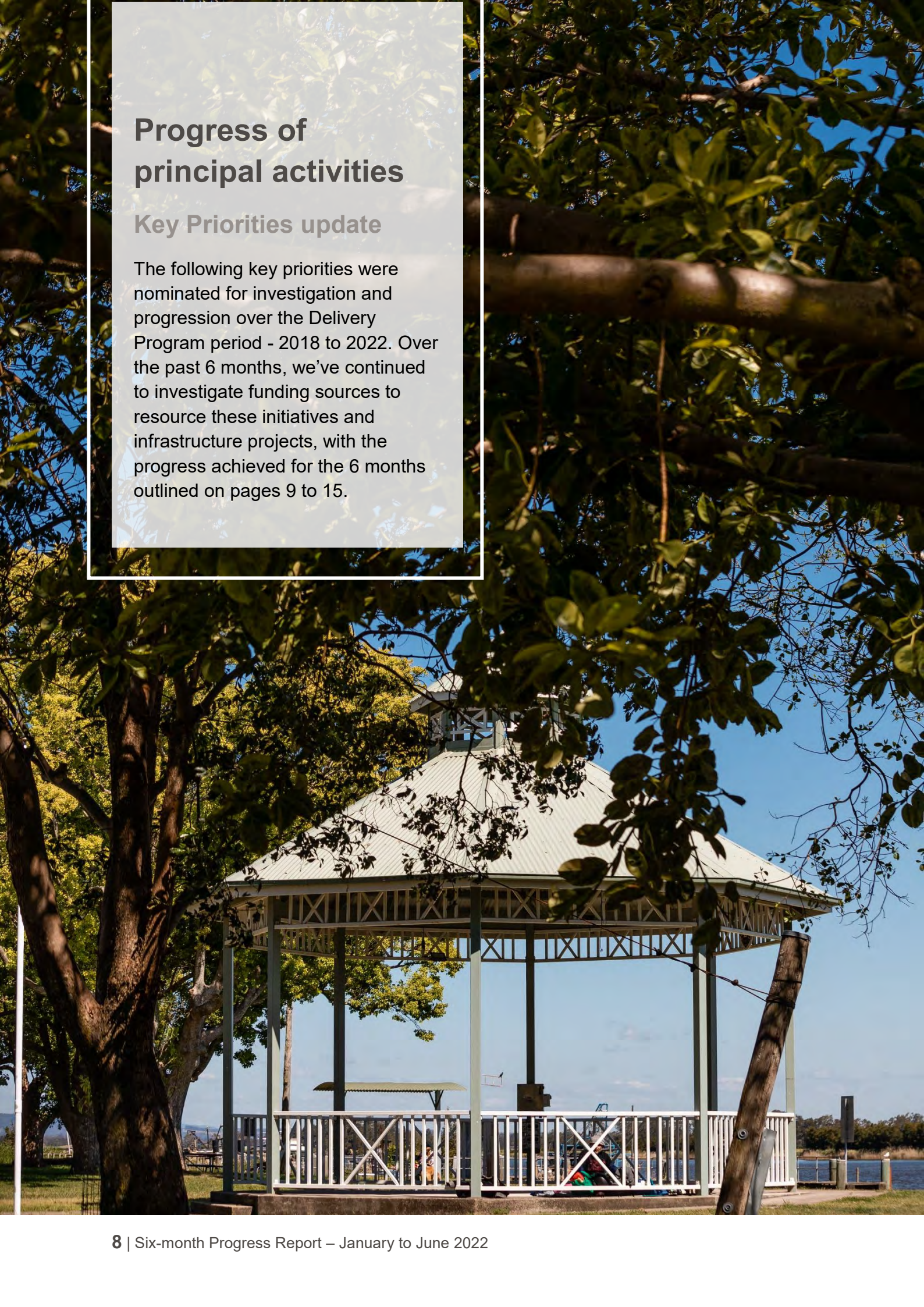


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Progress of principal activities

Key Priorities update

The following key priorities were nominated for investigation and progression over the Delivery Program period - 2018 to 2022. Over the past 6 months, we've continued to investigate funding sources to resource these initiatives and infrastructure projects, with the progress achieved for the 6 months outlined on pages 9 to 15.



Accessible Port Stephens

Council has been working on the review of the Disability Inclusion Action Plan (DIAP), which will be incorporated into a Community Wellbeing Plan. Over the last 6 months, we've delivered capital works projects to improve access and inclusion. Some key projects include:

- The Bruce Scott Pavilion at Tomaree Sports Complex, Salamander Bay
- Multipurpose sports amenities upgrades at Stuart Park, Hinton and Boyd Oval, Medowie
- Public amenities upgrade at Bettles Park, Raymond Terrace
- The public stage improvement works at Stockton Street, Nelson Bay
- Shared pathways at South Street, Medowie and Gan Gan Road, Anna Bay.

Birubi Point Aboriginal Place Tourism Interchange

Detailed design is continuing.

Coastal Management Program

Port Stephens Council is currently developing the Coastal Management Program (CMP) for Port Stephens in partnership with the NSW Department of Planning and Environment. The program identifies risks to our coast, establishes priorities requiring intervention and sets a long-term strategy for managing these risks into the future.

In July 2021, Council received the final report for Stage 2 Hazard Mapping and Modelling studies. The report includes detailed studies to assess key coastal hazards being coastal erosion, coastal inundation and sand-dune transgression.

We've engaged coastal experts who are assisting us to develop Stage 3 of the CMP. This stage includes a risk assessment of built and natural assets, a prioritisation model to guide intervention decision making and will focus on identifying management options and their feasibility in the treatment of coastal hazards. Stage 3 will also include extensive consultation with the community and other stakeholders to help us make decisions about management options and priority areas of action.

Cycleways and footpaths

Construction is underway on the missing link of the Medowie Road shared path north of Ferodale Road. Once completed a continuous path will run the spine of the town from Boundary Road down to South Street.

A number of minor path improvements are taking place at 6 locations around the LGA adjacent to schools via funding to improve infrastructure within school zones.

This includes the construction of new ramps, blister islands and centre median islands at crossing points and associated line marking and tactile upgrades.

Planning is continuing on shared pathways on Cook Parade, Henderson Park and pathways between Nelson Bay Beach and Halifax to be delivered under the Public Spaces Legacy Fund.

Planning is being finalised for stage 2 of the Nelson Bay Road shared path upgrade from Vardon Road to Bayway Village. This has taken longer than anticipated due to heritage and environmental concerns.

Construction of the shared path from Medowie Road towards Championship Drive Medowie was completed.

Stage 1 of the paths alongside Nelson Bay Road through Fern Bay were completed in November 2021, with ancillary works finalised in the first quarter of 2022.

We're also working closely with NSW National Parks and Wildlife Service to complete the final planning and implementation of the Tomaree Coastal Walk from Birubi Point to Tomaree Headland.

Gateway, location and town signage

Stage 1 of the gateway signage program was completed before June 2019 with no activity undertaken since.

Future stages of the signage program will look at each suburb as funding becomes available.

Medowie Sport and Community Facility - completed

For more information about Medowie social visit - [medowiesocial.com.au](https://www.medowiesocial.com.au)

Off-leash dog parks

Changes to the dog exercise area mapping for Fisherman's Bay, Boat Harbour and Anna Bay were adopted by Council after extensive consultation with the community. The changes have been well received.

Events

Council's Vibrant Places team are tasked with activating and enhancing our public places and spaces. We do this by enabling events and activations to take place in different areas of our Local Government Area (LGA).

Some of the highlights in 2022 have been:

- Sail Port Stephens which returned to Port Stephens after being cancelled in 2020 due to COVID-19. The return of this event contributed over a \$1 million boost to the Port Stephens economy and activated our beautiful waterways for which we're well known.
- The Gage Roads Port Stephens Pro was held in Port Stephens in February 2022, boosting local businesses and the Hunter visitor economy. The elite three-day World Surf League Qualifying Series event brought more than 100 of Australia's top-tier surfers to the region to take on rising talent and local wild cards. The event was webcast around the world and enhances Port Stephens' reputation as one of New South Wales premier surf destinations.
- The Vibrant Places team delivered the 'It's On!' program across the LGA with place activation activities and events. This included live music, kids zones, giant games, boot camps, Zumba classes, light shows and community group performances. 'It's On!' activities are supported by the Nelson Bay Smart Parking program and have seen over 1000 attendees.



Financial sustainability

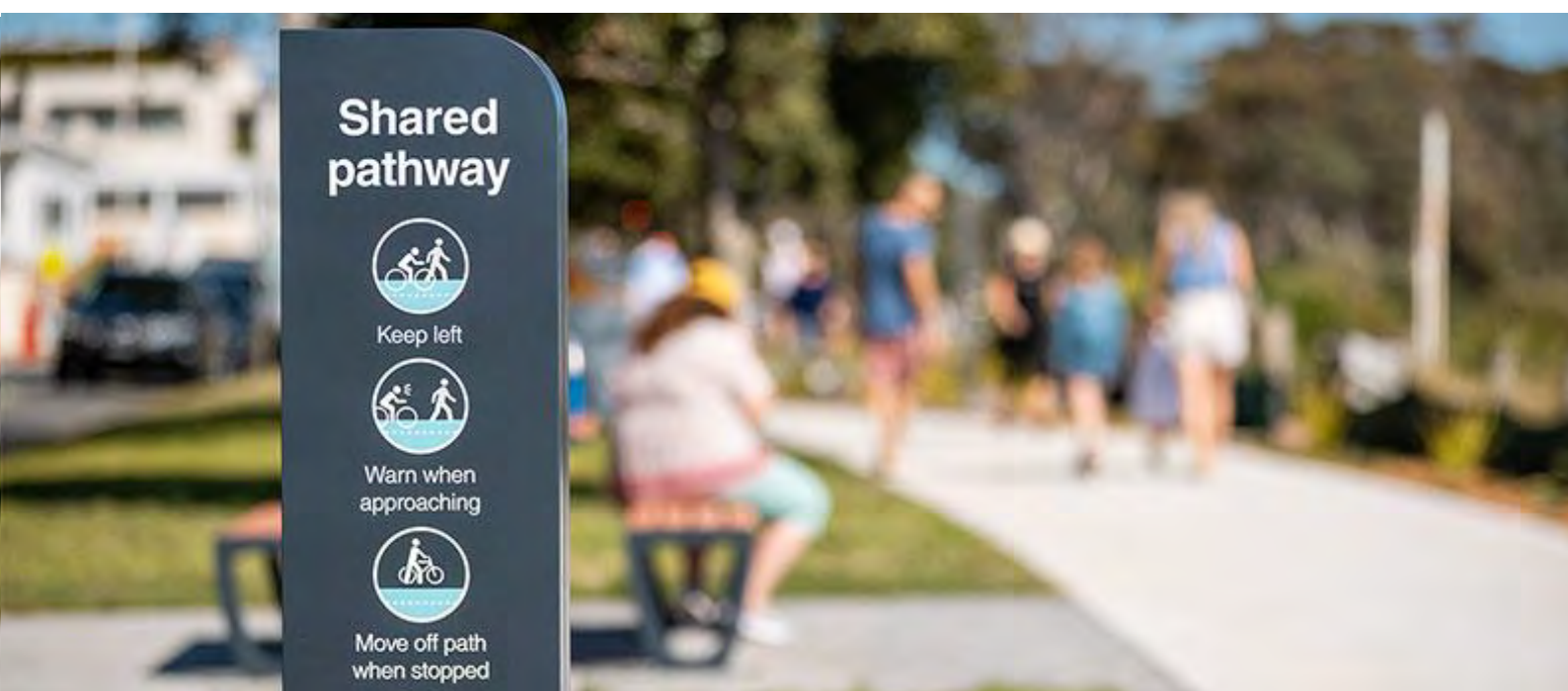
An annual review in 2018 to 2019 of our LTFP identified that the 2022 financial year would see Council facing financial pressures that would negatively impact the budget. Accumulated impacts of the unprecedented COVID-19 pandemic, growing internal and external financial pressures such as inflation, increased insurance costs, multiple natural disasters, and a continued rate pegging regime severely impacted Council's financial sustainability outlook. For 2 consecutive years, the ramifications of imposed lockdowns have seen an \$8 million deterioration in our operating bottom line.

Subsequently, Council is faced with significant financial sustainability issues if continued prudent financial management is not carefully exercised.

To address this, Council commissioned independent reports from Professor Drew and Professor Dollery in late 2021, which confirmed that Council is facing a financial sustainability gap. In March 2022, Council was presented with a detailed analysis of its financial position, operating efficiency and debt capacity. It was clear from the reports that Council needs to take crucial steps to make sure that it can continue to deliver services which meet the needs of our community.

Over the past 4 months, our Councillors have been working closely with senior staff to review a number of options including a one-off 10% increase to fees and charges, the rollout of more paid parking, potential areas of additional revenue, continued focus on cost containment and the sale of a number of potential land assets

The findings of the Financial Sustainability Committee were considered as part of a report to Council on 28 June 2022. At the meeting, Council agreed to move forward with an engagement program to discuss financial sustainability with the community and seek feedback on a number of options around our financial position. This is part of the 'Our funded future' engagement program.



Key road projects

Council has a plan to deliver a number of key capital works projects. Over the past 6 months, the following has been achieved on these key projects:

- Church Street, Nelson Bay – reconstruction was completed in December 2020.
- Fingal Bay Link Road – the State Government has committed to providing funding for this project. Transport for NSW will lead the planning and delivery and is currently undertaking project due diligence, reviewing options and consultation.
- Tanilba Road, Mallabula – the contractor has been engaged with construction to commence mid-2022 to reconstruct Tanilba Road from Bay Street to Parkway Ave North including pavement widening, kerb and gutter construction and drainage upgrades.
- Tomaree Road, Shoal Bay – we're continuing with the full reconstruction of Tomaree Road between Marine Drive and Verona Road. This includes pavement widening, kerb, gutter and footpath construction and drainage upgrades, utilising Council funding as well as Road to Recovery funds. Construction of stages 1 and 2 from Rigney Street to Verona Road was completed in March 2020 and December 2020. We plan to complete stage 3 from Marine Drive to Rigney Street when funding is available.
- Duns Creek Road - construction work has been completed on road safety improvements for Duns Creek Road. The project scope included widening, sealing and addition of guardrails, and correction of super-elevation on curves.
- Swan Bay Road – the staged continuation of widening and sealing towards the Morten Road intersection is scheduled to commence in September / October 2022. We're also progressing with the sealing of the unsealed end of Swan Bay Road, with acquisitions and service relocations to allow for future roadworks.



Koala Sanctuary - completed

To find more information about Port Stephens Koala Sanctuary, visit - portstephenskoalasanctuary.com.au

Place planning

Place Plans provide a local filter over Council's strategies and documents, and provides clarity to residents, businesses and the broader community on the direction for their place. These plans deliver place-making opportunities to be realised in partnership with Council, local businesses and the community. Each Place Plan includes actions that are to be delivered over the next 3 to 5 years and supports a community approach to the delivery of place outcomes.

In March 2022, the Karuah Place Plan was adopted by Council as the first Place Plan. Council is now working with the Karuah community to deliver on the Place Plan through support, inclusion and advocacy work. Consultation has also continued on the place plans for Shoal Bay, Medowie and the Hinterland which are progressing towards public exhibition.

Port Stephens Council depot development

Demolition is complete and the construction of the new Depot at Kangaroo Street, Raymond Terrace has commenced. We're expecting all work to be completed and our operational staff to have reoccupied the site by mid-2023.

Strategic Planning Statement and Local Housing Strategy

Implementation of the Local Strategic Planning Statement (LSPS) and Local Housing Strategy (Live Port Stephens) have progressed since being adopted in July 2020.

This has included a wide range of actions including the commencement of an affordable housing delivery program, Raymond Terrace Economic Zone delivery program, and the preparation of place plans for Karuah, Shoal Bay, Medowie and the Hinterland. The Rural Economic Development planning proposal was adopted by Council and will support the economic development and opportunities available in rural zones as identified within the LSPS.

Williamstown Management area

Department of Defence has prepared a project management action plan (PMAP) to manage ongoing PFAS contamination remediation.

Council is continuing to monitor the implementation of the Department of Defence PFAS contamination remediation program and will continue to liaise with relevant agencies, community groups and residents as appropriate.

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.

Williamstown Special Activation Precinct (SAP)

The Williamstown Special Activation Precinct (SAP) was declared by the NSW Government on 28 May 2020 and progress toward its realisation has been underway.

The NSW Department of Planning and Environment (DPE) exhibited the Williamstown Special Activation Precinct Masterplan in April 2022. A number of community engagement sessions were held to hear from residents, businesses and landholders. The submissions on the master plan will be used to inform the final master plan, expected to be released in late 2022.

There will likely be amendments to the State and Regional SEPP concurrently to allow for the lodgement of the SAP concept DA as a State Significant Development (SSD). The application will be lodged by Regional Growth Development Corporation and assessed by DPE.

Delivery Program update

Despite all the challenges we've remained committed to delivering services to our community and continued our pursuit of excellence while remaining flexible and agile.

We've adapted, revised and re-baselined our work programs, diverting resources and planned projects to respond where necessary to the evolving circumstances.

Our progress made in the past six months to June 2022 reflects this approach.

In this report, we use the icons below to indicate the status of our Operational Plan actions, which form part of the Delivery Program 2018-2022.



ON TRACK:

Operational Plan Actions are on track to achieve the target



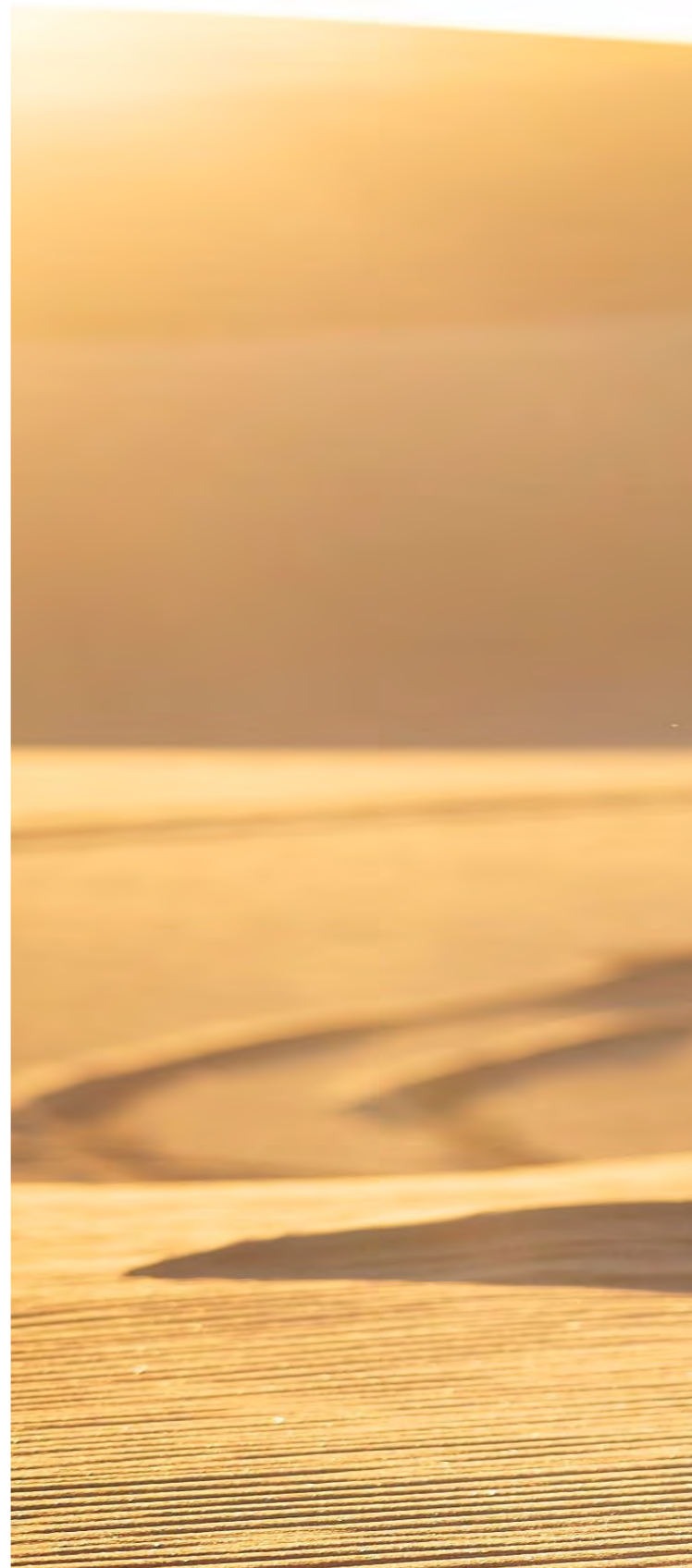
MONITOR:

Operational Plan Actions are within 5% of the target



OFF TRACK:

Operational Plan Actions are > 5% off the target





Our Community

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

18 | C1 Community diversity

22 | C2 Recognised traditions and
lifestyles

24 | C3 Community partnerships



Photo: Stockton Sand Dunes, Port Stephens
Credit: Destination NSW

C1 Community diversity

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

Operational Plan Actions



On track – 5

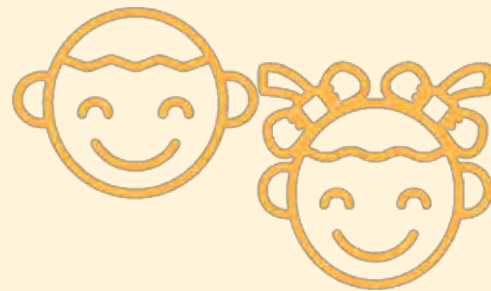
We've continued to:

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

Key outcomes include:

Childcare services – providing quality childcare services to support our community, with:

- Families returning to more regular patterns of work creating growth in enrolment numbers and improved financial outcomes.
- 2 new OOSH services were established at Raymond Terrace and Clarence Town Public School.
- A monthly Bush Kindy program implemented at Taylor's Beach.



Our Childcare services*

89,286 total childcare places

49 registered educators

490 compliance visits

98% Satisfaction with Thrive Kids

Total for 2021 to 2022 (including services provided outside of Port Stephens area)

Youth support – providing and supporting youth through:

- The ‘Be Connected, Building Digital Skills’ program where young people have been assisting seniors with technical skills. This program is made possible thanks to funding from an Australian Government ‘Be Connected’ grant. Council’s Community Development and Library Services teams have partnered with Youngster.Co to deliver this fabulous program which is aimed at building the digital skills of seniors by pairing them with young people who assist (one on one) with specific technology enquiries.
Five local school students attended the launch and were able to assist 17 seniors with their enquiries. All sessions were fully booked at Tomaree with the program to run for a full 12 months with sessions also to be held at Raymond Terrace Library, Medowie Community Centre, Karuah Centre and Tilligerry Community Library.
- Youth week held from 4 to 14 April, was a very important week on our local calendar. After being in lockdown for most of 2021 and part of 2022, our young people were keen to get together, face to face, with events that included skating, dancing, outdoor cinemas, splash time and more.

Community Wellbeing – reviewing the Disability Inclusion Action Plan – read more about this under the Key Priorities section on page 9.

Other Community wellbeing activities included:

- A new guidebook, ‘Better With Age: A guide to the good life for modern elders in Port Stephens’ was developed by Council and launched as part of the NSW Seniors Festival. The guide aimed at promoting connection and wellbeing among local seniors includes a comprehensive list of local services and facilities, things to do, helpful tips for ageing well and inspiring stories.
- ‘And then....they were invisible’ a project, funded by Octapod, which includes stories from Raymond Terrace seniors for exhibition on the exterior walls of Raymond Terrace Library.

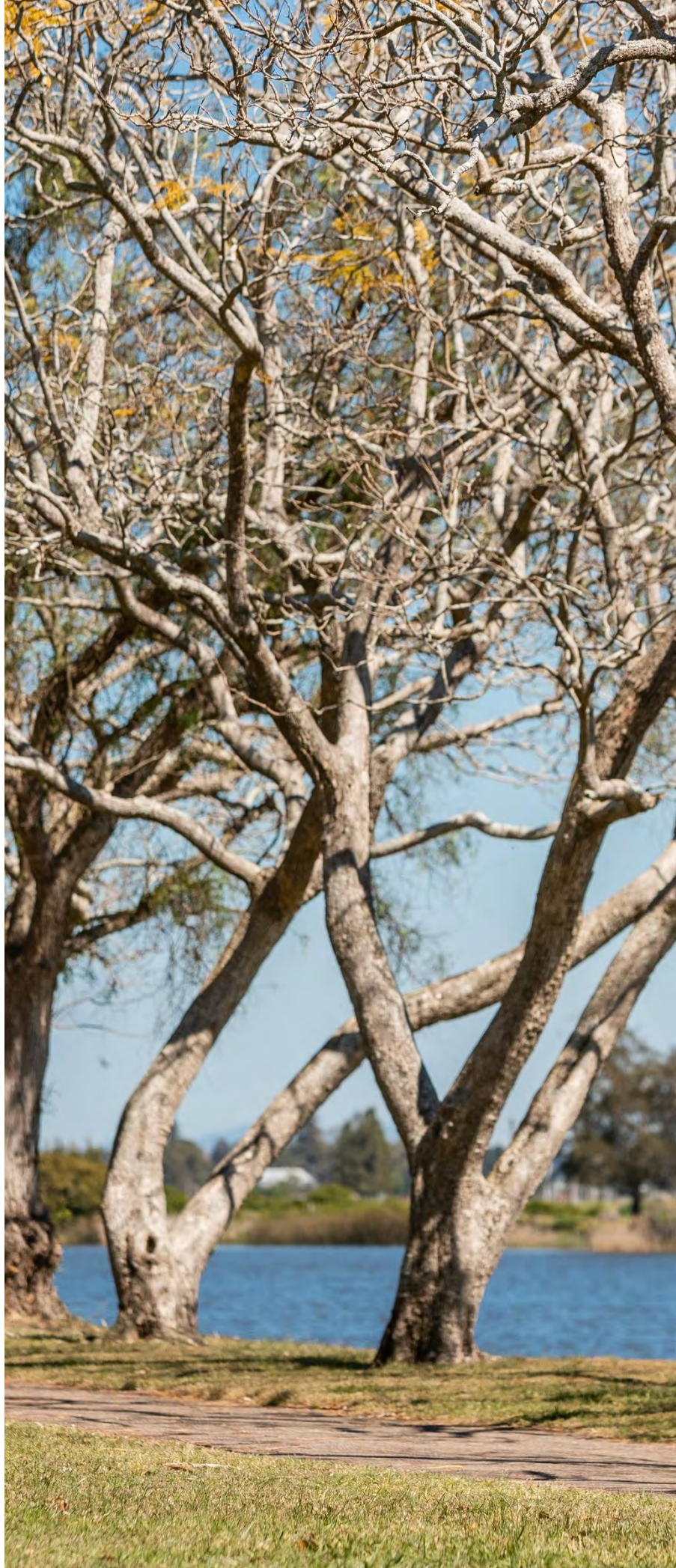
Volunteer support – provided through:

- Annual General meetings being held for 355c Committees. More information being made available to Council, Hall Committees and customers in relation to hall hire, with Committees adjusting to how bookings are managed. This is improving the customer experience and increasing hall hire in line with the revised Terms and Conditions of Facility Hire.
- Volunteers in the Hall space being equipped with support and information to assist them with clear communication and processes in place to bring some consistency. The easing of COVID-19 restrictions has resulted in more hirers returning to regular hire periods at facilities. Applications for hall hire are now available online.

- Review of the Volunteer Management process to identify areas for improvement and compliance along with an audit of current volunteers and prior induction training.

Challenges include:

- Childcare services - experiencing similar issues as other businesses regarding the ability to maintain adequate staffing levels and absences caused by ongoing COVID-19 isolation requirements; the BASC voucher system for families creating additional administration work; and the Mobile Preschool undergoing its initial external assessment under the National Quality Framework.
- Volunteer services – vacancies in the roles at Council that support Volunteers have created challenges for providing consistency to manage volunteers. Testing and tagging of items in community halls is yet to occur due to the current workload of the building trades team.





C2 Recognised traditions and lifestyles

Our community supports the richness of its heritage and culture.

Operational Plan Actions

✓ On track – 4

We've continued to:

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

Key outcomes include:

Local Aboriginal and Torres Strait Islander support through:

- Preparation of NAIDOC week activities across the LGA in collaboration with the Local Area Land Councils and the aboriginal community. Kicking off with a 'Snak and Rap' skating event for youth on 3 July, a flag raising ceremony and various cultural activities and environmental workshops throughout the week.



- This year's theme *Get up! Stand up! Show up!* – calls for systematic change and reforms by continuing to show up. An occasion to celebrate those who have driven and led change in our communities over generations – the champions of change.
- Drafting of an Acknowledgement of Country for feedback from the Aboriginal Strategic Committee.
- Scheduling a workshop to discuss dual naming opportunities across the LGA which includes the use of the 'Gathang' language.
- Completing dune stabilisation at Birubi Point which included reconstruction of dunes, fencing and planting.

Local cultural support through:

- Finalisation of the Memorandum of Understanding with Transport for NSW for a mural on Karuah Bridge. Murals and public art is growing with many funding applications being received as well as large-scale DA's requiring elements of public art.
- Funding from the NSW Cultural Tourism Accelerator fund has been redirected to activate the spaces of Terrace Reflections and Yacaaba Street Art Walk. The artists and their work were celebrated with a range of entertainment, games, and food trucks.

Heritage Support is being provided through external advisory services for 12 development applications, 15 Council led projects and 8 customer requests.

Library services being provided through:

- Continued hard work by the team to regain customers lost during the height of COVID-19.
- A celebration of Library Lover's Day in February: with Tomaree library hosting ABC Newcastle's morning program with Kia Handley and an editorial piece featured in the local paper on "Reasons to love our libraries every day".
- Launching new free loanable STEAM (Science, Technology, Engineering, Arts and Maths) kits from the Raymond Terrace and Tomaree libraries available to adults and children.
- Tomaree Library hosting the launch of the Youngster.Co Building Digital Skills program, refer to page 19 for more.
- Hosting a program called 'Rite to the Finish, which compassionately covered aspects of death and dying with topics ranging from organ donation to funeral planning. Meals on Wheels also becoming a tenant of the Tomaree library & Community centre.

Our Library services

121,895 library collection items loaned

11,459 enquiries

16,123 printing jobs assisted

9,059 internet & Wi-Fi users

2,714 people attended 299 programs

315 home deliveries

878 New members

Challenges include:

- Cultural support – limited expressions of interest received for the Terrace Reflection exhibition.
- Library – teething problems associated with the introduction of a new Library Management System in its infancy phase.

C3 Community partnerships

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

Operational Plan Actions



On track – 4

We've continued to:

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

Key outcomes include:

Community services support provided through a regular newsletter to community service providers along with securing a 3 year continuation of the funding contract with the Department of Communities and Justice for Targeted Early Intervention.

Community financial assistance being provided via Councillors donating \$5,455 to various community groups and sporting clubs.

Leisure and recreational services provided by Council are returning to regular operations since the easing of COVID-19 lockdown restrictions.

- Our overall pool/leisure centre attendance of 69,914 for the period is similar to the same time in 2021 however it has still not returned to pre-COVID-19 figures of 2020. Highlights include activities such as the annual Australia Day pool party; all sites passing March 2022 RLSA audits; multiple 5-star google reviews for all sites; exceeding learn-to-swim targets; being successful in a grant for a new playground at Lakeside Leisure Centre through the Stronger Country Communities Fund, Round 4; new heat pumps installed at Lakeside pool and tendered for Tomaree and Tilligerry pool; and new Cafés at Lakeside and Tomaree were constructed in partnership with Belgravia.
- Beach attendances saw a 25% decrease in attendance compared to the same period in 2021 due to a myriad of wild weather events record levels of rainfall and a tsunami warning which closed all beaches across NSW over a weekend.
- Reviewing the surf lifesaving contract; Community Leasing and Licensing Policy and guidelines.



Our beaches

413,126 visitations

42,453 preventative actions

46 rescues

183 first aid treatments

Challenges include:

- Community services - Reporting in DEX (Data Exchange) on client details for information, advice and referral was not able to be delivered, although this was renegotiated.
- Leisure and recreational services:
 - availability of staff due to turnover and COVID; the wet weather during January to June had some negative impacts on some of our business partners, however we continued to work closely with these groups to assist in managing this.
 - 4WD access 900m south at Birubi is still posing a challenge for lifeguards over peak summer season.
 - some community groups have been critical of proposed increases and setting of a minimum licence fee in line with the adopted Fees and Charges.



Our Place

A liveable and connected place

*supporting community wellbeing and
local economic growth*

27 | P1 Strong economy, vibrant
local businesses, active
investment

30 | P2 Infrastructure and facilities

34 | P3 Thriving and safe place

P1 Strong economy, vibrant local businesses, active investment

Our community has an adaptable, sustainable and diverse economy.

Operational Plan Actions



On track – 7

We've continued to:

- support sustainable business development in Port Stephens
- support and deliver services that attract sustainable visitation to Port Stephens.

Key outcomes include:

Sustainable business development is provided through a variety of ways including:

- Mayoral Academic Scholarships valued at \$40,000 (fully funded by 14 Port Stephens businesses) being presented to 20 deserving young people to support the beginning of their academic journeys.
- Recommencement of the Business Leaders Lunch Program with 120 guests where Michael McQueen talked about “The New Normal”.
- Continued development of business lists (Lemon Tree Passage and Medowie) to facilitate improved communication with our town centre businesses.

For more information about local strengthening funds as well as other grants, funding and scholarships available, visit - portstephens.nsw.gov.au/community/grants,-funding-and-scholarships.

To find out more about our response to COVID-19 and the support available for the community and businesses, visit - portstephens.nsw.gov.au/council/COVID-19-20.

Place activation occurring through:

- Implementation of Council's first Place Plan in Karuah has been instrumental in guiding community expectations around place management. The Place Plan enables community groups to work with the Vibrant Places team to scope out ideas to make things happen - including activation and events.
- *It's On!* trial Place Activation program - refer to Key Priorities section page 11 for more.
- Additional funding from NSW Festivals of Place Summer Night Fund further supported activation programs across the LGA with activation programs being held in Raymond Terrace, Lemon Tree Passage and Medowie. Programs included markets, music, giant games, roving entertainment and solar light

installation projects in Nelson Bay and Raymond Terrace and attracted over 1000 attendees.

- 'Chalk the Walk' 3D art activation program was also implemented across 3 town centres including Karuah, Nelson Bay and Raymond Terrace with over 100 attendees enjoying the vibrancy the artwork adds to our town centres, photos, face painting and music performances. Artworks that aligned with the local culture and story of each town centre were chosen and included themes such as whales, koalas, quad biking and powerboats on the river.
- A Karuah Community Group successfully applied for a grant through council's community grants program to start regular markets to be held at Karuah Public School.

Event support provided through:

- Council-sponsored events contributed an estimated \$5.1 million to the local economy over the period. Events included Peter Wilson Memorial Touch Championships, WSL QS1000 Port Stephens Pro, NSW Garmin Billfish Shoot Out, NSW Interclub Game Fishing, Port Stephens Surf Festival, NSW Ultimate Frisbee Championships Division 1, National Outrigger Regatta Championships, Future Formula State Powerboat Championships and the Wild & Co 48hr Geoquest Adventure Race.
- Event applications being streamlined through a review of the event assessment process which is expected to reduce the volume of event applications by 73%. The process review also includes the implementation of a 3-year event licence agreement, further reducing the volume of event applications.
- 52 private ceremonies, 50 events and 15 film licence applications were received with 55 licences issued for the period.

Refer to our Key Priority section on page 11 for more information.

Visitation

- January to April saw strong regional occupancy rates and remained steady through to May, however wet weather during May saw a slow-down in visitation which continued into June.
- International visitation has slowly been returning to Port Stephens.
- Visitor information continued to remain high with a strong demand for accommodation across Port Stephens over school Holiday periods and weekend visitation.
- Destination Port Stephens secured \$50,000 in funding to undertake a major campaign to promote travel during the shoulder season (Autumn 2022) and early winter, targeting visitors from Sydney and Regional NSW.
- International marketing recommenced including attending the 2022 Australian Tourism Exchange in May to meet with international buyers.

Challenges include:

- Recent disasters (including COVID-19, flooding and wet weather) impacting:
 - Place activation – contractor availability across NSW resulting in some cancellations.
 - Events - inclement weather hindering the delivery of many events.
- Capacity at venues - due to changes with capacity allowances at larger venues in Port Stephens, issues have been experienced in bidding where more than 350 delegates are required.
- Visitation being impacted – with an increase in Australians travelling overseas as well as the potential impact of the economy (cost of living) on discretionary income for domestic travel.



P2 Infrastructure and facilities

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

Operational Plan Actions

 On track – 15

 Off track – 4

We've continued to:

- plan civil and community infrastructure to support the community
- build Council's civil and community infrastructure to support the community
- maintain Council's civil and community infrastructure to support the community
- deliver road infrastructure services on behalf of Roads and Maritime Services.

Key outcomes include:

Infrastructure planning and renewal completing the financial year with another large year of capital works with a higher than average volume of projects due to grant funding available.

A large work program coupled with another declared disaster in March 2022 contributed to a large unplanned workload for the Assets, Capital works and Public Domain Services teams, with staff working additional hours to keep work progressing.

Refer to the Key Priorities section from page 8 and the Service Delivery section from page 55 for more details of projects. Other key highlights include:

- Completing and adopting the Strategic Asset Management Plan (SAMP) for 2022 to 2032.
- Removal of the Victoria Parade pedestrian bridge for 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 183 out of 187 flood certificate requests, 76 out of 81 Development Application (DA) referrals and 160 out of 196 DAs that required engineering assessments within required timeframes.

- Completing drainage improvement works in Karuah and Tanilba Bay and progressing those at Boat Harbour.
- Progressing design and construction of drainage improvement works in Nelson Bay.
- Updating flood level mapping layers for the entire LGA, which is available free on Council's website
- Continuing investigation of catchment drainage issues at Salamander Bay and Little Beach, along with continuing the review and update of the Shoal Bay drainage model
- Progressing work on the Anna Bay Floodplain Risk Management Study and Plan and the Lower Hunter Floodplain Cumulative Development Impact Study and Plan.

Council fleet – progressing the 2021-2022 procurement plan including procurement of 12 light vehicles, 7 heavy vehicles, 3 cabin mowers, 2 tractors, 1 Skid Steer loader and 24 items of a small plant.

Traffic engineering and road safety being provided through completing the Holiday Time Road Safety campaign and convening the monthly Local Traffic Committee to discuss a variety of traffic and road safety matters.

Community, recreation and corporate assets:

- Exceeding asset compliance targets throughout the year
- Continuing to secure grant funding with notable amounts coming by way of the NSW Regional Tourism Activation Fund, Stronger Country Communities Fund Round 4 and the Recreational Fishing and Camping Facilities Program.
- Securing grant funding from the NSW Government Streets as Shared Spaces program round 2 for trialing the transformation of a section of the Terrace's main street, into a new hub of activity. The new Urban Park in William Street will be a destination meeting point that brings locals together and support local business.
- Opening of the new \$3.3 million Bruce Scott Pavilion at Tomaree Sports Complex - providing amenities for 2000 registered players who use the complex for various sporting activities. The Complex will also help to attract more events and visitors to Port Stephens which will benefit both the wider community and local businesses. Tomaree Sports Council has worked with Council for over 10 years to replace the old amenities and accommodate growth in local sports.

Capital works continuing:

- With our program of Capital Works (from survey and design to construction) as outlined in the Service Delivery section from page 55.
- While we implemented financial austerity, government infrastructure stimulus funding also increased demand for Capital Works. Given the 'stimulus' nature of the funding, many grants required projects to be fast-tracked, with the capital works team remaining flexible and responsive to these requests, supplementing resourcing from internally seconded staff (particularly roadside and drainage team) as well as externally sourced contractors.
- Continuing asset inspections, maintenance, minor and major works on the state road network for Transport for NSW (TfNSW) under the Roads Maintenance Council Contract (RMCC), including completing the construction of Cabbage Tree Road.

Road, roadside, drainage, open space, foreshore building and cemetery maintenance continued with unwavering dedication despite significant challenges faced through constant wet weather and reallocation of resources where the community needs it most.

- Pothole and heavy patching continued, with nearly 5,000 potholes open for repair during peak times following treacherous weather.
- Our Building Trades team completed high-priority defects within timeframes ensuring that risks to the public were minimised.
- Moving 50+ years of plant and equipment from the Raymond Terrace depot to Nelson Bay was a big undertaking. Refer to the Key Priorities section on page 14 for more.

Challenges include:

- Off-track Operational Plan Actions:
 - P2.1.1 Plan for and initiate civil assets
 - P2.3.1 Provide roads maintenance
 - P2.3.2 Provide roadside and drainage maintenance
 - P2.3.3 Provide open space and foreshore maintenance

Further explanation as to why these actions are Off track is provided below.

- Pressures on staff resourcing and additional unplanned workloads due to:
 - the number of grants
 - a large capital works program
 - fiscal constraints

- a natural disaster from March 2022 along with the previous March 2021 event
- delays in disaster funding.
- Wet weather conditions - negatively impacting our ability to complete asset inspections, resulting in accelerated deterioration of our road assets, with a higher than the normal number of customer enquiries and complaints regarding roads.
- Fleet issues with:
 - Global supply chain issues continuing to effect light vehicle and plant availability during the period, with the team responding by bringing forward procurement plans and increasing communication across Council. Issues with delayed procurement affecting our ability to deliver projects and carry out maintenance.
 - Sudden increase in fuel costs requiring adjustments to our fuel supplier settings and considerable budget changes.
 - Adverse weather and ageing CCTV infrastructure have caused extended outages of our CCTV system.
- Reduced staff numbers impacted providing development engineering services within appropriate timeframes and increased time pressures to attend to legal matters.
- Community, recreation and corporate assets:
 - Industry-wide cost escalation as a result of inflation continuing to put pressure on project budgets.
 - Staffing shortages due to sickness and other mitigating factors placed pressure on the team to deliver.
 - COVID-19 and adverse weather including a major flooding event impacting community sport and the timely delivery of projects.
- Capital Works experienced similar challenges around staff resourcing to deliver the continuing high workload from increased stimulus grant funding and natural disasters, with grant-specific requirements for tight project timeframes, resulting in significant fast-tracking of projects. To facilitate work, staff numbers were supplemented with internal staff and external contractors in order to achieve this.
- Road, roadside, drainage and open space maintenance works have been impacted with staff shortages through sickness and mowing and field maintenance significantly impacted by the constant rain. Maintenance and outstanding defects have slowly been increasing with this reallocation of resources, with plant and equipment breakdowns occurring due to an ageing fleet and heavy wear and tear.

P3 Thriving and safe place

Our community supports a healthy, happy and safe place.

Operational Plan Actions

 **On track – 10**

We've continued to:

- provide land use plans, tools and advice that sustainably support the community
- enhance public safety, health and liveability through the use of Council's regulatory controls and services
- support the amenity and identity of Port Stephens
- support emergency services and protect Council assets from bushfires and extreme weather events.

Key outcomes include:

Strategic Planning through:

- Reducing the backlog of planning proposals (rezonings) under assessment. This is a result of our revamping rezoning initiatives which were outlined in the Annual Report 2020 to 2021, page 80.
- Contributing high-level input into NSW Department of Planning and Environment planning reforms, including providing a number of submissions to State-led planning reform and projects (Williamtown SAP, Hunter Regional Plan).
- Completing (or near completing) a number of planning proposals consistent with local strategic planning.

Development assessment (DAs) services continued with:

- Improving processing times and resolving long-standing legacy DAs - resulting in positive results for customers and the community.
- Meeting the DA determination timeframe target of 40 days.



Helping Ballina Council in local government emergency recovery support by providing development assessment services.

This initiative aimed to assist processing the backlog of applications caused by recent flooding events.

- Reducing the applications on the 100-day list to an average of 30 throughout the year.
- Approving 402 Construction Certificates for 2021-2022 (30% increase on last year).
- Processing larger scale DAs more efficiently.
- Determining 1043 DAs worth over \$319M worth of development for 2021-2022.
- Participating in numerous pre-lodgment and Urban Design Review Panel meetings for major developments in the LGA.

Environmental Health Service inspection programs were back up and running to full capacity as some programs were suspended during COVID-19. Highlights include:

- Recommencing the food business inspection program enabling a report to be submitted to the NSW Food Authority during July 2022.
- Increasing the inspection frequency for public swimming pools to 6-month inspections, given the high occupancy rates during COVID-19 - this largely received a positive response and it is proposed to be maintained into the future.
- Building new relationships with other partners including NSW Health and proposing to meet 6 monthly with Hunter Water representatives.

Land use compliance and ranger services continued:

- Responding to alleged unauthorised land use, construction of other works as well as providing internal advice to associated staff in accordance with the adopted Compliance Policy. The number of requests received and responded to remained stable.
- Targeting campaigns for:
 - School zone parking education - completing 46 visits to local schools, with 24 official warnings issued to drivers.
 - Parking enforcement – with 400 parking infringements issued.
 - Building site compliance - inspecting 50 sites throughout the LGA, with no infringements issued. A number of minor breaches were detected, improvement notices issued and follow-up inspections undertaken to ensure the breaches were rectified.



Council Animal Refuge

(October 2021- March 2022)

192 animals received

162 rescued/returned to owners/rehomed

- Companion animal registration project – sending 1600 letters to owners of animals that required Lifetime Registration, resulting in 419 registrations in March and 101 in April. A significant increase from an average of 25 registrations per month.

Supporting amenity and identity continued with adoption of the Karuah Place Plan and preparation of other plans as outlined in the Key Priorities section on page 14.

Emergency support continued through:

- Updating the Emergency Management Plan (EMPLAN) as per the schedule which has been endorsed by the Port Stephens Local Emergency Management Committee (LEMC) and awaits endorsement by the Regional Emergency Management Committee. The EMPLAN was utilised twice in 2021 to 2022 during the response to flooding events.
- Managing Asset Protection Zones (APZ) in accordance with the contract arrangements. Additional work within APZs was able to be undertaken due to gaining additional funding from the Rural Fire Service.

Challenges include:

- Planning
 - Reforms - keeping up with the extensive reform agenda for the NSW planning system undertaken by the DPE and navigating the DPE's new framework for planning proposals.
 - Proposals - seeking to implement planning proposals for rural residential development that were consistent with local planning.
- Legislative reform - keeping abreast of ongoing reforms and providing efficient development services to assist in alleviating housing stress in the LGA.
- COVID-19 impacting:
 - Staff availability and when the Environmental Health team could carry out inspections. The results from the food business inspections are initially disappointing, demonstrating that our regular inspection frequency is appropriate in enabling education and assistance to those operators where it is required.
 - Community engagement for Place Planning.
- Swimming Pool Barrier Inspection Program
 - Presented initial challenges with the implementation of the recommendations of an audit report, however staff have addressed most of the issues identified.
 - Assessments of pool barriers found a large number of barriers failed to pass on the first inspection which required subsequent inspections to be undertaken.



Our Environment

Port Stephens environment is clean, green, protected and enhanced

38 | E1 Ecosystem function

40 | E2 Environmental sustainability

42 | E3 Environmental resilience

E1 Ecosystem function

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

Operational Plan Actions



On track – 6

We've continued to:

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

Key outcomes include:

Environmental policies and strategies -

continuing to develop and monitor environmental policies, strategies and information including:

- Developing and Council adopting the terms of reference for the Comprehensive Koala Plan of Management (Committee).
- Engaging consultants to commence the initial review of koala mapping on the Tomaree peninsula.
- Preparing grant applications for count/genetic testing of local koala populations and koala mapping across the LGA.
- Researching the potential management of flying fox populations in Raymond Terrace.
- Completing the review of Council's Tree & Nest Box Technical Specification providing easy-to-understand guidelines for tree removal, planting and nest box installation.
- Securing grant funding from the NSW Government to reduce koalas being killed or injured by vehicles grant funding.
- Scoping the Biodiversity Strategy which will provide the umbrella for natural systems management.



5125 trees planted

71 hectares bushland restoration across **166** sites

679 biosecurity inspections

304 sites treated for priority weeds

93 biosecurity compliance/enforcement actions

Nature conservation and environmental assessment programs continued with:

- 129 pre-lodgement and 74 DA referrals being received for environmental assessment by the team – at an average turnaround of 16 days, which is consistent with environmental assessments processed over the past 12 months.
- 79 tree notifications received: 25 approvals, 35 refusals 19 active applications remaining - assessed in 13 days.
- 57 tree applications received: 50 approvals, 2 refusals with the remainder being assessed.

Priority weed and pest inspections/treatments continued as outlined above, performing above targets.



Environmental education continued through:

- Delivering 8 public events.
- Initiating a quarterly environmental newsletter 'Your Environment: Bush to Coast' to report on events, workshops, sustainability issues, waste minimisation, local ecology, land care activities and weed alerts. The newsletter aims to assist in keeping the community up to date with environmental news and what Council is doing in this space across the LGA.

Challenges include:

- Staff vacancy in key positions of the Natural Systems team.
- Wet weather and strong wind increasing tree issues and delaying access to certain sites by the Natural Systems team.
- Ongoing funding – majority of events are funded through external grants.

E2 Environmental sustainability

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

Operational Plan Actions



On track – 1



Off track – 1

We've continued to:

- reduce the community's environmental footprint.

Key outcomes include:

Local war on waste continued despite:

- Direct landfilling of red bin waste commencing in April at Summerhill Waste Management Facility as waste going into compost ceased from March 2022.
- Finalising a 12 month agreement with the City of Newcastle for 1 July 2022 to 30 June 23 which will result in reduced diversion from landfill.

Waste services

27,707* tonnes garbage

5965* tonnes recycling

2545* tonnes green waste drop off

*July 2021 to June 2022

4 problem waste drop off events

Improving Council energy usage with:

- MWh usage across Council facilities decreasing from 8,400 (2017-2018) to 7,004 (2020-2021) and now 6,487 (2021-2022).
- Council going green in a 100% renewable energy deal. In March, Council announced that it will be powered by the sun under a landmark agreement that will see 100% solar energy supplied to more than 1940 streetlights, libraries, sports fields and other sites across the region. Council is one of 25 NSW councils to sign onto the \$180 million retail renewable energy deal, brokered by the Southern Sydney Regional Organisation of Councils (SSROC) with ZEN Energy Pty Ltd, to supply electricity from three solar farms.

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.

On the road to being carbon neutral with glass, rubber, tyres and old asphalt just some of the waste materials diverted from landfill to road construction as Council drives resource recovery. As part of trialling circular economy asphalt which incorporates recycled materials we started using this material for the construction of Salamander Way.



Roads built with this combination of asphalt and recycled materials have proven to be more flexible and durable meaning they are staying in better condition for longer.

Challenges include:

- Off track Operational Plan Actions:
 - E2.1.1 Reduce waste going to landfill - The changes in legislation banning the use of Mixed Waste Organic Material (MWOO) composting and the subsequent decision by the EPA to move to FOGO (Food Organics Green Organics) has resulted in the demise of investigations into other uses for the red bin waste. This has resulted in this previously composted material being sent to landfill. Over the next twelve months, Council will be introducing a third bin system to collect and remove the green waste from the red bin stream. This will result in a further 30% of materials diverted to landfill.
- Weather events – creating extensive delays and affecting tipping at waste disposal locations along with increased demand for green waste drop-off.

E3 Environmental resilience

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

Operational Plan Actions

 On track – 4

We've continued to:

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

Key outcomes include:

Coastal Management Program - refer to the Key Priorities section on page 9 for more information.

Supporting PFAS affected communities - refer to the Key Priorities section on 15 for more information.

Environmental impacts from waste management - continuing to:

- monitor and test decommissioned landfill sites as per EPA compliance and responsible land use.
- investigate resource recovery options
- investigate third bin options.

Modelling Council's carbon emissions initial baseline data has been compiled and discussed with Councillors with an action plan currently being prepared.

To read more about Port Stephens Council sustainability and climate change, visit portstephens.nsw.gov.au/environment/sustainability-and-climate-change.

Challenges include:

- Coastline impacted – by recent severe weather events with erosion recorded in a number of areas. As Council has limited options to undertake permanent works under the current legislation, emergency works will be undertaken to protect the coastal areas from further erosion.
- Unsuccessful representations to the Federal and State government requesting the reintroduction of the Williamtown Community Reference Group(CRG).





Our Council

*Port Stephens Council leads, manages
and delivers valued community services*

in a responsible way

45 | L1 Governance

48 | L2 Financial management

50 | L3 Communication and engagement

L1 Governance

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

Operational Plan Actions



On track – 14

We've continued to:

- develop and encourage the capabilities and aspirations of a contemporary workforce
- provide strong civic leadership and government relations
- provide a strong ethical governance structure
- provide strong supportive business systems for Council's operations
- reduce risk across Council.

Key outcomes include:

Workforce Strategy objectives continuing to be delivered via a number of initiatives such as internal training programs, PSCare well-being initiatives, review of the recruitment process and employee experience mapping exercises. The revised 2022 to 2026 Workforce Strategy was adopted by Council in June as part of the review of the Integrated Planning and Reporting documents.

2022 to 2032
**Integrated Plans
and Resourcing
Strategy adopted**

Civic leadership continuing with:

- On-boarding of a new Council for another term. More information about our Councillors can be found at portstephens.nsw.gov.au/council/mayor-and-councillors.
- 2 citizenship ceremonies conferring 39 people.

Newcastle Airport partnership bi-monthly meetings continued with:

- Planning underway to expand the airport terminal.
- Grant funding announced by the Federal Government to assist with the widening and strengthening of the airport runway to enable Code E (wide bodied) aircraft, with works underway by Defence contractors.
- Grant funding announced by the Federal Government to assist with the expansion of an international terminal. Terminal design and development is in progress.

Working with Hunter Councils and continuing:

- Bi-monthly meetings by the Mayor with the Hunter Joint Organisation (HJO) of Councils to address relevant issues of regional significance
- Monthly meetings by the General Manager with Arrow Collaborative Services Ltd and Hunter Councils Legal Services Ltd. Arrow has acquired 'GoodChat.tv', a video communications business based at Thirroul. Integration of GoodChat into the Arrow group of companies has been completed.
- Perusing new business opportunities by Arrow in order to grow the profitability of the enterprise, which will enable the HJO to expand its advocacy agenda without additional call on member council membership fees.
- Annual strategic planning workshop of Arrow Collaborative Services Ltd in June 2022.

Governance and legal services completing:

- 114 internal legal advices, 12 external advices, 3 subpoenas and tabling a number of key governance policies for endorsement by Council.
- 32 formal applications and 427 informal requests for access to information.

Internal Audit program continuing with the Section 7.11 Developer Contributions, Cyber Security, TfNSW Drives and National Heavy Vehicles Accreditation audits completed.

2022 Community Satisfaction Survey material compiled and deferred until September 2022 in order for detailed engagement to occur with the community on Council's financial sustainability and funding our future.

Service Review process improvements identified in 2021 are now being implemented providing a more critical review of each service.

The program includes Service Reviews, ADRI reviews (small check-in reviews) and Structural Reviews.

It should be noted in reviewing the below figures that in the July to December 2021 period a significant number of service reviews were completed (with a total of 43 service packages undergoing a review of some description).

- 9 ADRI Reviews (scheduled) and 3 ADRI Reviews (unscheduled) completed.
- 2 Structural Reviews (unscheduled) completed.

Corporate Improvement and Business Systems continue to deliver a number of improvement initiatives including:

- Supporting staff to work from home
- Webcasting council meetings
- Upgrading key software including Authority and SharePoint
- Online mapping and services
- Data management initiatives

Integrated Planning and Reporting suite of documents were adopted by Council in June 2022 following more than 18 months of integrated community engagement.

- The revised 10-year Community Strategic Plan for 2022-2032 was developed in collaboration with the community after diving deeper through workshops, online surveys, photo competitions and more to check in on community priorities. Adopting a place based approach was integral to planning and building on the community values established as part of the 2020 Liveability Index Survey
- Council's 4-year Delivery Program, annual Operational Plan and 10-year Resourcing Strategy which identifies what and how Council can contribute to the Community Strategic Plan were also adopted.

For more information about Port Stephens Council's Integrated Planning and Reporting visit - portstephens.nsw.gov.au/council/our-performance2/integrated-plans

Integrated Risk Management continuing with significant support provided by the Environmental Risk team across Council including facilitating and engaging with/ for a number of external regulators.

Read more about the Risk management maturity score on page 61.

Challenges include:

- Staff resourcing - with the employee job market tightening, economic constraints affecting our budgets and working from home becoming more important to our staff, Council has had to become even more resourceful and responsive to its workforce.
- A number of unscheduled service reviews have occurred over and above the normal program.

L2 Financial management

Our Council is financially sustainable to meet community needs.

Operational Plan Actions



On track – 4

We've continued to work towards:

- maintaining strong financial sustainability
- maximising non-rate revenue and investment to support Council services.

Key outcomes include:

Responsible financial management continuing:

- through careful decision-making and austerity measures, we have reduced organisational spending in an effort to minimise financial difficulties. This could not have been achieved without all other areas of the organisation working together and undertaking these measures when required.
- with funding of a number of projects for the community through several successful grant applications.
- with no issues raised at a recent audit.
- through our commitment to financial sustainability we envisage a clear path to our funded future. Refer to our Key Priorities section on page 12 for more.



Property Management continuing with:

- Minimal rental arrears and rent relief requests (despite COVID-19 lockdowns)
- Strong demand for commercial and retail spaces with vacant spaces being generally let within 3-4 weeks
- Portfolio vacancy rates below 5%
- Yield at circa 7% gross
- \$10M in land sales and \$2.5m in biobanking credit sales being completed.
- Preparing a Property Investment Strategy
- Completing the long-standing Bagnall Avenue project and progressing the Squire Street project to commencement of construction and selling all four lots at auction above the reserve.

Holiday Parks continuing to

- Operate and achieve solid Net Promoter Scores (NPS) despite the drop in occupancy from cold windy weather and COVID-19. A combined score of 70.36% for the six-month period was an outstanding result.
- Our average daily rate remained higher than the same period in 2021 due to successful marketing strategies.
- Increase occupancy at the Koala Sanctuary from 20.30% (2021) to 31.76% in (2022) with an incredible average NPS of 88% for the six months to June.

For more information about our holiday parks visit -

portstephens.nsw.gov.au/community/community-venues/holiday-parks

NPS 88% Koala Sanctuary

> 70 is considered world class, placing your company in the list of the top customer- centric companies.

This most likely means that your customers love you and your company generates word of mouth referrals

Challenges include:

- COVID-19, high inflation and recent severe weather events impacting our financial sustainability and occupancy across our beachside holiday parks.
- Ageing assets requiring capital investment to remain competitive in the market.
- Review of leases - to ensure they are contemporary and in line with current practices.
- Vacancy rates in the Newcastle CBD have increased 5% from January 2021 to 2022 due to the continued release of new stock onto the market. Vacant office space in the Newcastle CBD being advertised for 15 months with little interest shown in it due to the over-supply.

L3 Communication and engagement

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

Operational Plan Actions



On track – 4

We've continued to:

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

Key outcomes include:

Customer First

21,940 phone interactions

11,171 customer requests

12,651 email interactions

3,750 front counter interactions

Our communication

35 media releases

514 social media posts

40 internal communications

192,144 website visits

New fans/followers

2,870 on Instagram

882 on Facebook

412 on LinkedIn

Customer-first continuing with:

- The past 6 months dedicated to identifying areas for opportunity and improvement, with future development opportunities now captured in the draft Customer Experience Roadmap and Action Plan.
- New website going live in January – a key touchpoint for customers to access information and self-service.
- Review of the Customer Experience main phone system to improve call workflows and update technology to capture more informative data.
- The Visitor Information Centre business model was updated to allow more flexibility in running operation to accommodate peak and off-peak periods.

Community engagement continuing with:

- Our draft Communication and Engagement Strategy on public exhibition.
- Phase 3 and 4 engagement and exhibition of Council's Integrated Planning and Reporting documents.
- Medowie Place Plan workshops both online and face-to-face held.
- Planning the next phase of the Hinterland Place Plan.
- Planning engagement on Our Funded Future.

Challenges include:

- Staff shortages/vacancies across Customer Experience, Communications and Community Engagement, however, this has been aided by the creation of a casual pool across the Customer Experience and Visitor Information team.



Scorecard

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

55 | Service delivery

59 | Community satisfaction survey

59 | Employee engagement

60 | Governance

61 | Risk management













62 | Financial sustainability

63 | Infrastructure backlog



Scorecard

Our seven key result measures underpin everything we do at Port Stephens Council:

	<p>Service Delivery Target: > 95% Integrated Plans delivered on time Achievement: 94% of Operational Plan Actions on track (as of 30 June 2022)</p>	
	<p>Community Satisfaction Target: > 80% Community Satisfaction score Achievement: 2022 result to be provided in Annual Report 2021 to 2022</p>	<p>TBC</p>
	<p>Employee Engagement Target: >75% Employee Engagement Achievement: 83% (Source: 2021 Employee Engagement Survey)</p>	
	<p>Governance Target: > 95% Governance Health Check Achievement: 98.24% (As of June 2022)</p>	
	<p>Risk Management Target: > 80% Risk Management Maturity score Achievement: 87% (As of August 2021)</p>	
	<p>Financial sustainability Target: underlying financial surplus Achievement: \$147,000 Underlying surplus (As of March Quarterly Budget Review)</p>	
	<p>Infrastructure Backlog Target: Backlog reduction Achievement: Result to be provided in 2021-2022 Annual Report</p>	<p>TBC</p>



On track (target achieved or on track to be achieved)



Monitor (<5% off the target)



Off-track (>5% off the target)

We successfully balance these key measures by:

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



1. Service delivery

From January to June 2022, we made the following progress on the 2021 to 2022 Operational Plan actions which contribute to the achievement of the Delivery Program objectives:

- **94%** (78 actions out of 83) on track
- **5** actions are off track

The following tables are a summary of individual road, community and recreation projects that were completed and are in progress as of 30 June 2022.

It's not an exhaustive list of all Capital Works projects carried out during this period, with final expenditure subject to completion of the annual financial statements which will be included in the 2021 to 2022 Annual Report.

Roads and Drainage projects completed
Foreshore Drive, Salamander Bay, bridge replacement
James Road, Medowie, road rehabilitation
Kula Road, Medowie, road rehabilitation
South Street, Medowie, shared pathway
Gan Gan Road, Campbell Avenue, Anna Bay
Grahamstown Road, Medowie, (2nd seal & power pole completed April 2022)
Clarencetown Road, Seg 270, Glen Oak
Clarencetown Road, Seg 130, Seaham
Warren Street, Seg 130, Seaham
Medowie Road, Seg 110-130, Campvale
Duns Creek Road (PS2020)
Accelerated Road Pavement Program

Roads & Drainage projects in construction

Nelson Bay Drainage, Seabreeze Estate

Victoria Parade, Nelson Bay, pedestrian overpass, investigation

Gan Gan Rd, Seg 160-190, One Mile, Road Rehabilitation

Tanilba Road, Mallabula, Road widening and kerb construction

Medowie Road shared path, Ferodale Road to Silverwattle Drive

Newline Road, Seg 290-300, East Seaham

Clarencetown Road, Riverflat, 2nd seal scheduled for October 2022

Newline Road, Stage 2 Southern Bend - awaiting dry weather

TfNSW Cabbage Tree Road, road rehabilitation and widening

Roads & Drainage projects in planning

Hannah Parade & One Mile Beach carpark upgrade

Port Stephens Drive, koala crossing

Nelson Bay CBD Works

Fly Point to Halifax Pathway

Fly Point High Pedestrian Activity Area Improvements (HPAA), Beach Road to Victoria Parade

Nelson Bay Town Centre High Pedestrian Activity Area Improvements (HPAA)

Gan Gan Road - Nelson Bay Road South 800m Blackspot

Swan Bay Road widening Stage 3 (Seg 50-60)

Mustons Road, Karuah, culvert upgrade, road widening (PS2020)

Swan Bay Road, Seg 160, road rehabilitation

Notts Creek Bridge, Oakendale Road, Glen Oak

Brandy Hill Drive, shared path

Six Mile Road, Seg 10-20, Eagleton, road rehabilitation

Nelson Bay Road, Fern Bay, shared path (stage 2)

Raymond Terrace shared pathway connection

61 Sturgeon Street, Raymond Terrace, pipe drainage upgrade

Community & Recreational and Structures projects completed

Stockton Street Stage, Nelson Bay

Tomaree Sports Complex Amenities (PS2020)

Tilligerry Skate Park, relocation and upgrade (PS2020)

Ferodale Road, Medowie, war memorial

Henderson Park, Lemon Tree Passage, shade sail installation

Robinson Reserve, Anna Bay, skate park (stage 2)

Birubi Front Dune Stabilisation, stage 1 regeneration works

Boyd Oval, Medowie, construction of new amenities

Boyd Oval, Medowie, demolition of old amenities

King Park irrigation (PS2020) DESIGN ONLY

Bettles Park, Raymond Terrace, playground upgrade

Bettles Park, Raymond Terrace, amenities & signage

Stuart Park, Hinton, change room & amenities upgrade

Raymond Terrace Admin Building carpark

Community & Recreational and Structures projects in construction

Mallabula Soccer / Athletics Building, amenities upgrade (PS2020)

Birubi Point Aboriginal Place Tourism Transport Interchange

William Street, Raymond Terrace, Town Centre Improvements Stage 1, (PS2020)

Raymond Terrace Depot, demolition and construction of new

Community & Recreational and Structures projects in planning

Fly Point Amphitheatre Nelson Bay

Spencer Park, Soldiers Point, playground & amenities

Little Beach Reserve, replace retaining wall

Little Beach Reserve, playground update

Little Beach, Nelson Bay, all abilities access ramp

Little Beach, Nelson Bay, amenities replacement (PS2020)

Lemon Tree Passage Town Centre and Foreshore Improvements

Raymond Terrace Activity Van Building, roof replacement

Kittyhawk Park, Raymond Terrace, playground and park furniture

William Street, Raymond Terrace, Town Centre Improvements Stage 2, (PS2020)

2. Community satisfaction

Our annual Community Satisfaction Survey was deferred until September 2022 with the final results to be reported to Council as part of the 2021 to 2022 Annual Report.



Figure 1: Graph Community Satisfaction Score

In December 2021 we reviewed our Community Satisfaction Score target revising the target to 75%. The updated target will be reflected in our future reports.

3. Employee engagement

Our annual Employee Engagement Survey was conducted in October 2021, resulting in our highest ever engagement score of 83%.

For the third year in a row, we have exceeded our ambitious target, which continues to place us in the top quartile of organisations in Australia and New Zealand. We continue to score significantly above the average Local Government score of 54%.

Staff are grateful for the balanced and supportive approach taken by the organisation in response to COVID-19. Key to this is the recently ratified 2021 Enterprise Agreement. Based on the principles of Business Excellence, the focus of the EA is to build and maintain a fair, balanced and cooperative relationship between Council, its employees and other stakeholders.

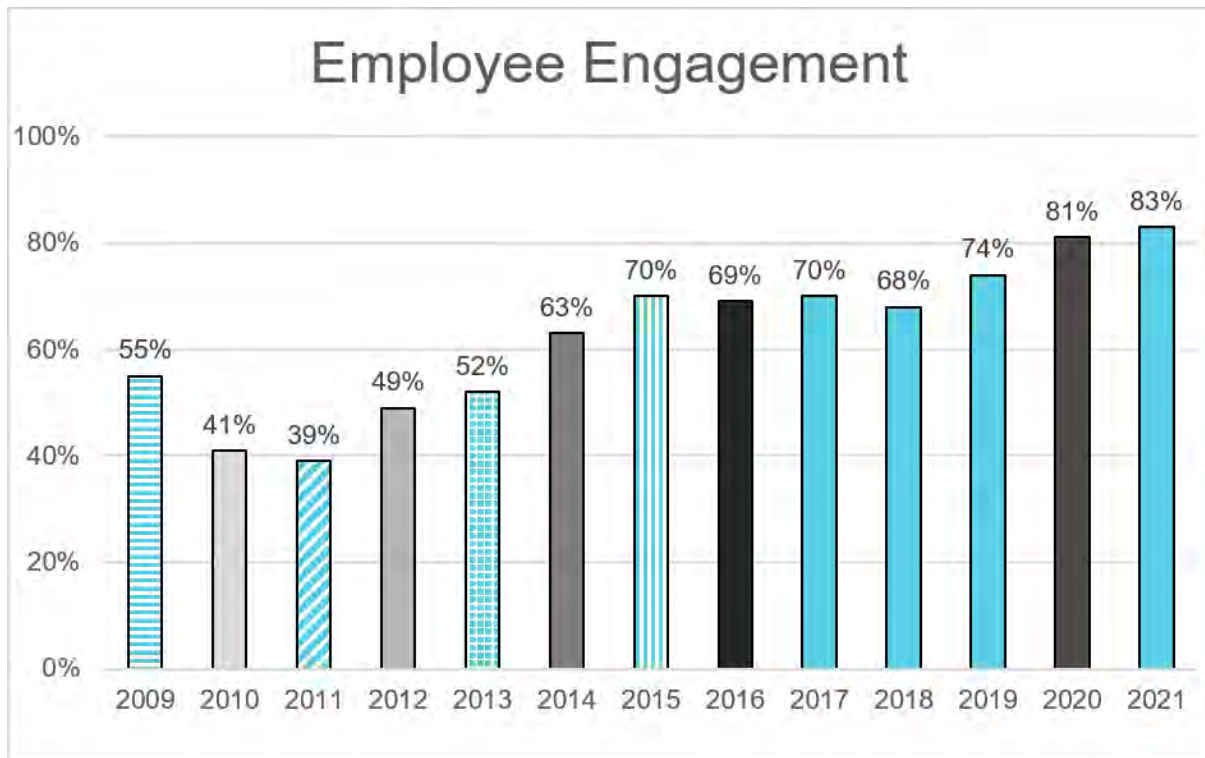


Figure 2: Graph Employee Engagement Score

A recent check-in survey with our staff in May 2022 showed that engagement amongst staff has not varied greatly over the last 6 months, with a score of 82%.

4. Governance

Council continues to monitor its governance through a range of initiatives and actions; such as policy development, legislative compliance, internal audit program, workplace practices and providing opportunities for improvements.

The annual Governance Health Check was completed in June 2022, with a score of 98.24% achieved. This result exceeds the target of >95%.

The Governance Health Check is a tool to measure our governance and performance. It covers 4 areas - ethics, risk management, information management and reporting. The graph below demonstrates our progress in achieving our Governance Health Check scores from 2015 to 2022.

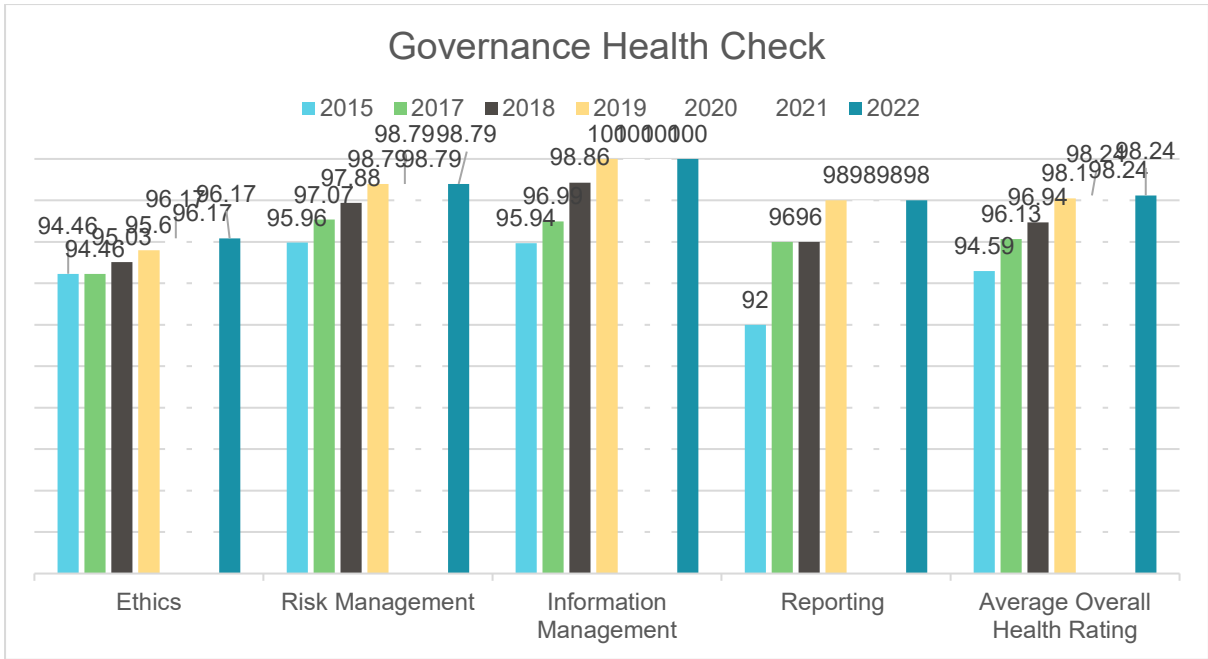


Figure 3: Graph Governance Health Check

5. Risk management

Council continues to mature its Risk Management Framework and embed it into decision-making. This includes continued focus on a risk-aware culture integrated with Council strategy. A key pillar of this risk maturity progression is the data-centric approach centralised through Council’s enterprise risk management system. This enables coordination and management of strategic and operational risks in an integrated approach for effective decision-making. Council’s risk management maturity score remains strong and well above target.

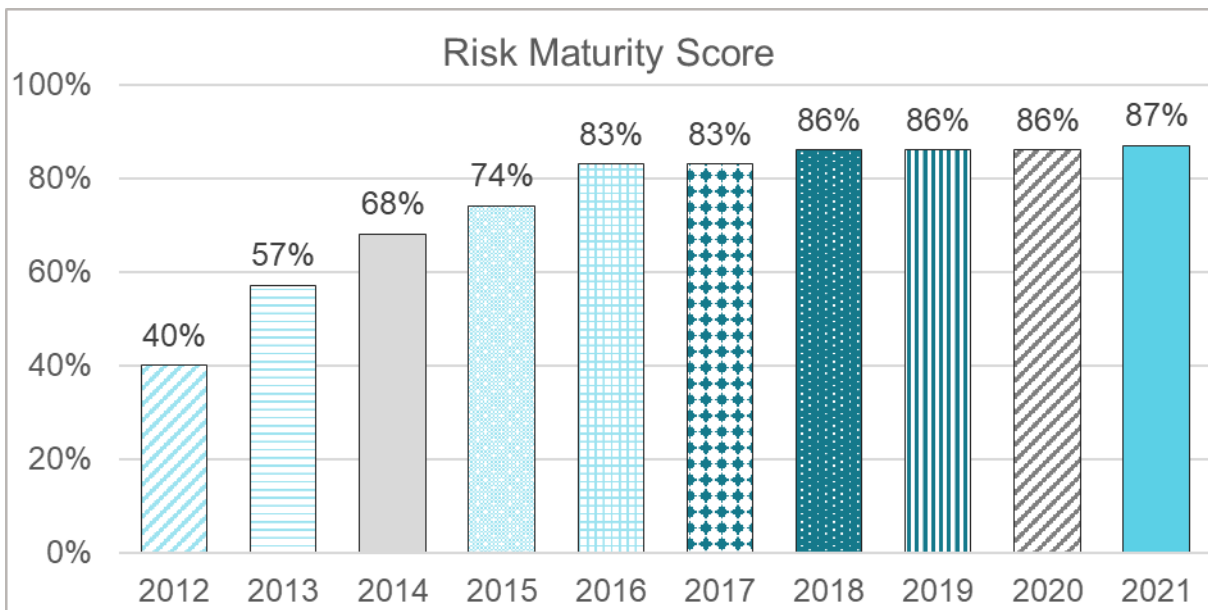


Figure 4: Graph Risk Maturity Score

In December 2021, we reviewed our Risk Management Maturity target, revising it to 85%. The updated target will be reflected in our future reports.

6. Financial sustainability

While for a number of years Council has been able to consistently sustain a modest underlying surplus, recent impacts from COVID-19, growing internal and external financial pressures such as inflation, increased insurance costs, multiple natural disasters and a continued rate pegging regime have made the ongoing achievement of our goal of an underlying surplus very difficult to realise. In December 2021, we subsequently reviewed our Financial Sustainability target revising it to ‘underlying result better than budget’.

COVID-19 and a range of other factors have significantly impacted almost every facet of our operations, however, through careful cash flow management and reprioritising our expenditure we have reduced this impact. Finalisation of our financial statements to 30 June 2022 is subject to audit findings and will be presented as part of the Annual Report 2021 to 2022. Based on the March 2022 Quarterly Budget Review an underlying surplus of \$147,000 was projected.

As outlined under our Key Priorities section on page 12, Council continues to focus on our ongoing financial sustainability.

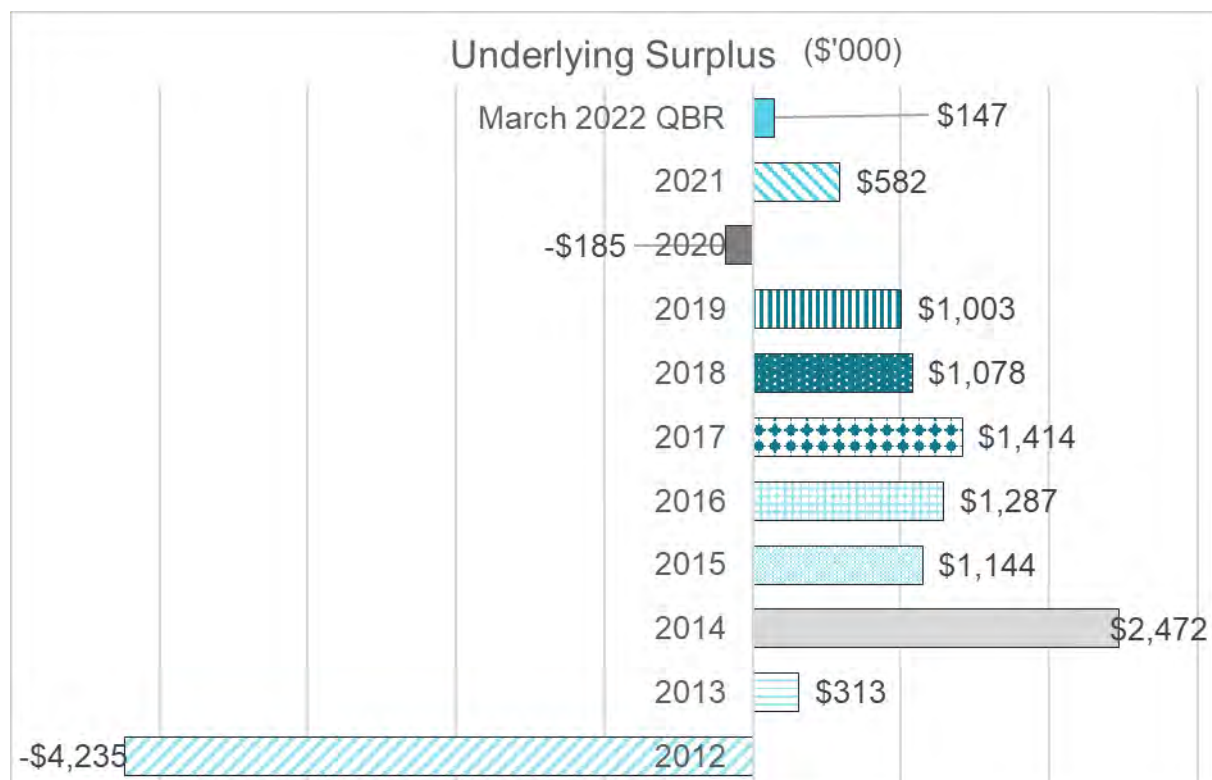


Figure 5: Graph Underlying Financial Surplus

7. Infrastructure Backlog

The infrastructure backlog and Asset Maintenance ratio are reported on an annual basis in the Annual Report, with results for 2021 to 2022 not available at the time of writing this report.

In December 2021, we reviewed our Infrastructure Backlog measure and updated it to reflect our Asset Maintenance Ratio, with a target of 100%. 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.

$$\text{Asset maintenance Ratio} = \frac{\text{Actual asset maintenance}}{\text{Required asset maintenance}}$$

This measure and updated target will be reflected in our future reports.



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