

NOTICE OF ORDINARY MEETING

24 FEBRUARY 2026



PORT STEPHENS COUNCIL

The Mayor and Councillors attendance is respectfully requested:

Mayor: L Anderson (Chair).

Councillors: R Armstrong, G Arnott, C Doohan, N Errington, P Francis, P Le Mottee, B Niland, M Watson, J Wells.

SCHEDULE OF MEETINGS

TIME	ITEM	VENUE
5:30pm:	Public Access (if applied for)	Council Chambers
Followed by:	Ordinary Meeting	Council Chambers

Please Note:

In accordance with the NSW Privacy and Personal Information Protection Act 1998, you are advised that all discussion held during the Open Council meeting is public information. This will include any discussion involving the Mayor, a Councillor, staff member or a member of the public. All persons present should withhold from making public comments about another individual without seeking the consent of that individual in the first instance. Should you have any questions concerning the privacy of individuals at the meeting, please speak with the Governance Section Manager or the General Manager prior to the meeting.

Please be aware that Council webcasts its Open Council meetings via its website. All persons should refrain from making any defamatory remarks. Council accepts no liability for any defamatory remarks made during the course of the Council meeting.

Flags, signs, placards or protest symbols are not permitted in the Council Chamber.

Food and beverages are not permitted in the Council Chamber.

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BUSINESS

- 1) Opening meeting.
- 2) Acknowledgement of Country

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.
- 3) Prayer
 - i. We recognise the rich cultural and religious diversity in Port Stephens and pay respect to the beliefs of all members of our community, regardless of creed or faith.
 - ii. Almighty God, we ask for your blessing as we meet together on behalf of our community. So that today and into the future, you would direct and favour our deliberations to advance the welfare, safety and prosperity of our region.
Amen.
- 4) Apologies and applications for a leave of absence from Mayor and Councillors.
- 5) Attendance by audio visual link.
- 6) Disclosures of interests.
- 7) Confirmation of minutes.
- 8) Mayoral minute(s).*
- 9) Committee of the Whole.
- 10) Motions to close meeting to the public.*
- 11) Reports to Council.
- 12) General Manager reports.*
- 13) Questions with Notice.
- 14) Questions on Notice.
- 15) Notices of motions.*
- 16) Rescission Motions.*
- 17) Confidential matters.*
- 18) Conclusion of the meeting.

PRINCIPLES FOR LOCAL GOVERNMENT

Port Stephens Council is a local authority constituted under the Local Government Act 1993. The Act includes the Principles for Local Government for all NSW Councils.

The object of the principles for councils is to provide guidance to enable councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous.

Guiding principles for Council

1) Exercise of functions generally

The following general principles apply to the exercise of functions by Council. Council should:

- a. provide strong and effective representation, leadership, planning and decision-making.
- b. carry out functions in a way that provides the best possible value for residents and ratepayers.
- c. plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- d. apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- e. work co-operatively with other councils and the State government to achieve desired outcomes for the local community.
- f. manage lands and other assets so that current and future local community needs can be met in an affordable way.
- g. work with others to secure appropriate services for local community needs.
- h. act fairly, ethically and without bias in the interests of the local community.
- i. be responsible employers and provide a consultative and supportive working environment for staff.

2) Decision-making

The following principles apply to decision-making by Council (subject to any other applicable law). Council should:

- a. recognise diverse local community needs and interests.
- b. consider social justice principles.
- c. consider the long term and cumulative effects of actions on future generations.
- d. consider the principles of ecologically sustainable development.
- e. Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

3) Community participation

Council should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

Principles of sound financial management

The following principles of sound financial management apply to Council. Council should:

- a. spend responsible and sustainable, aligning general revenue and expenses.
- b. invest in responsible and sustainable infrastructure for the benefit of the local community.
- c. have effective financial and asset management, including sound policies and processes for the following:
- d. performance management and reporting,
- e. asset maintenance and enhancement,
- f. funding decisions,
- g. risk management practices.
- h. have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Integrated planning and reporting principles that apply to Council

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by Council. Council should:

- a. identify and prioritise key local community needs and aspirations and consider regional priorities.
- b. identify strategic goals to meet those needs and aspirations.
- c. develop activities, and prioritise actions, to work towards the strategic goals.
- d. ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- e. regularly review and evaluate progress towards achieving strategic goals.
- f. maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- g. collaborate with others to maximise achievement of strategic goals.
- h. manage risks to the local community or area or to the council effectively and proactively.
- i. make appropriate evidence-based adaptations to meet changing needs and circumstances.

PORT STEPHENS COMMUNITY STRATEGIC PLAN

The Local Government Act requires Council to adopt a Community Strategic Plan (10+ years). The Plan includes a Delivery Program (4 years), Annual Operational Plan and a Resource Strategy, it also includes the Council's budget.

The Community Strategic Plan is organised into 4 focus areas:

OUR COMMUNITY – An accessible and welcoming community respecting diversity, heritage and culture.

OUR PLACE – A liveable and connected place supporting community wellbeing and local economic growth.

OUR ENVIRONMENT – Port Stephens' environment is protected, enhanced, sustainable and resilient.

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

BUSINESS EXCELLENCE

Port Stephens Council is a quality and a customer service focused organisation. We use the Business Excellence Framework as a basis for driving organisational excellence. The Framework is an integrated leadership and management system that describes elements essential to organisational excellence. It is based on 9 principles.

These outcomes align with the following Business Excellence principles:

- 1) Clear direction and mutually agreed plans enable organisational alignment and focus on achievement of goals.
- 2) Understanding what customers and other stakeholders value, now and in the future, enables organisational direction, strategy and action.
- 3) All people work in a system. Outcomes are improved when people work on the system and its associated processes.
- 4) Engaging people's enthusiasm, resourcefulness and participation improves organisational performance.
- 5) Innovation and learning influence the agility and responsiveness of the organisation.
- 6) Effective use of facts, data and knowledge leads to improved decisions.
- 7) Variation impacts predictability, profitability and performance.
- 8) Sustainable performance is determined by an organisation's ability to deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
- 9) Leaders determine the culture and value system of the organisation through their decisions and behaviour.

MEETING PROCEDURES SUMMARY

Starting time – All meetings must commence within 30 minutes of the advertised time.

Quorum – A quorum at Port Stephens Council is 6.

Declarations of Interest

Pecuniary – Councillors who have a pecuniary interest must declare the interest, not participate in the debate and leave the meeting.

Non-Pecuniary – Councillors are required to indicate if they have a non-pecuniary interest, should a Councillor declare a significant non-pecuniary they must not participate in the debate and leave the meeting. If a Councillor declares a less than significant non-pecuniary they must state why no further action should be taken. Councillors may remain in the meeting for a less than significant non-pecuniary.

Confirm the Minutes – Councillors are able to raise any matter concerning the Minutes prior to confirmation of the Minutes.

Public Access – Each speaker has 5 minutes to address Council with no more than 2 for and 2 against the subject.

Motions and Amendments

Moving Recommendations – If a Committee recommendation is being moved, ie been to a Committee first, then the motion must be moved and seconded at Council prior to debate proceeding. A Councillor may move an alternate motion to the recommendation.

Amendments – A Councillor may move an amendment to any motion however only one amendment or motion can be before Council at any one time, if carried it becomes the motion.

Seconding Amendments – When moving an amendment, it must be seconded or it lapses.

Incorporating Amendments – If a motion has been moved and the mover and seconder agree with something which is being moved as an amendment by others, they may elect to incorporate it into their motion or amendment as the case may be.

Voting Order – When voting on a matter the order is as follows:

- 1) Amendment (if any)
- 2) Motion

NB – Where an amendment is carried, there must be another vote on the amendment becoming the motion.

Voting – an item is passed where a majority vote for the subject. If the voting is tied the Chairperson has a second (casting) vote which is used to break the deadlock.

Closed Session – There must be a motion to close a meeting. Prior to voting on the motion the chairperson will invite the gallery to make representations if they believe the meeting shouldn't be closed. Then Councillors vote on the matter. If adopted the gallery should then be cleared and the matter considered in closed session. Any decision taken in session closed is a resolution. There must be a motion to reopen the Council meeting to the public. If decision occurred in 'closed session', the meeting is advised of the resolution in 'open session'.

Procedural Motion – Is a motion necessary for the conduct of the meeting, it is voted on without debate, eg defer an item to the end of the meeting (however, to defer an item to another meeting is not a procedural motion), extend the time for a Councillor to speak etc.

Urgency Motion – Is a motion that can be moved at a meeting to have a matter considered at a meeting. An urgency motion (procedural motion) can be moved and seconded to have a matter considered and, if passed (where all Councillors are present), then the substantive motion can be moved, seconded and debated as a motion. If all Councillors are not present, then the Mayor must also rule on the urgency motion. If the procedural motion is lost or the Mayor does not rule the matter is of great urgency, the motion fails to proceed any further and Council resumes to normal business listed on the agenda.

Points of Order – when any of the following are occurring or have occurred a Councillor can rise on a 'Point of Order', the breach is explained to the Chairperson who rules on the matter.

A Point of Order can be raised where:

- 1) There has been any non-compliance with procedure, eg motion not seconded etc.
- 2) A Councillor commits an act of disorder if the Councillor, at a meeting of the Council or a committee of the Council:
 - (a) contravenes the Act, the Regulation or this code, or
 - (b) assaults or threatens to assault another Councillor or person present at the meeting, or
 - (c) moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the Council or the committee, or addresses or attempts to address the Council or the committee on such a motion, amendment or matter, or
 - (d) uses offensive or disorderly words, or

- (e) makes gestures or otherwise behaves in a way that is sexist, racist, homophobic or otherwise discriminatory, or, if the behaviour occurred in the Legislative Assembly, would be considered disorderly, or
- (f) imputes improper motives to or unfavourably personally reflects upon any other Council official, or a person present at the meeting, except by a motion, or
- (g) says or does anything that would promote disorder at the meeting or is otherwise inconsistent with maintaining order at the meeting.

Declarations of Conflict of Interest – Definitions

Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated as provided in Clause 7 of the Code of Conduct.

Non Pecuniary interests are private or personal interests the council official has that do not amount to a pecuniary interest as defined in the Code of Conduct. These commonly arise out of family or personal relationships or involvement in sporting, social or other cultural groups and associations and may include an interest of financial nature.

The matter of a report to council from the conduct review committee/reviewer relates to the public duty of a Councillor or the general manager. Therefore, there is no requirement for Councillors or the General Manager to disclose a conflict of interest in such a matter.

The political views of a Councillor do not constitute a private interest.



Form of Special Disclosure of Pecuniary Interest

1. This form must be completed using block letters or typed.
2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

Important information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under clause 4.36(c) of the Model Code of Conduct for Local Councils in NSW (the Model Code of Conduct).

The special disclosure must relate only to a pecuniary interest that a councillor has in the councillor's principal place of residence, or an interest another person (whose interests are relevant under clause 4.3 of the Model Code of Conduct) has in that person's principal place of residence.

Clause 4.3 of the Model Code of Conduct states that you will have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative or because your business partner or employer has a pecuniary interest. You will also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.

"Relative" is defined by clause 4.4 of the Model Code of Conduct as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

This form must be completed by you before the commencement of the council or council committee meeting at which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. The special disclosure must be recorded in the minutes of the meeting.

ORDINARY COUNCIL - 24 FEBRUARY 2026

Special disclosure of pecuniary interests by [full name of councillor]

in the matter of [insert name of environmental planning instrument]

which is to be considered at a meeting of the PORT STEPHENS COUNCIL

to be held on the _____ day of _____ 20__

Pecuniary interest	
Address of the affected principal place of residence of the councillor or an associated person, company or body (the identified land)	
Relationship of identified land to the councillor [Tick or cross one box.]	<input type="checkbox"/> The councillor has an interest in the land (eg is the owner or has another interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> An associated person of the councillor has an interest in the land. <input type="checkbox"/> An associated company or body of the councillor has an interest in the land.
Matter giving rise to pecuniary interest ¹	
Nature of the land that is subject to a change in zone/planning control by the proposed LEP (the subject land) ² [Tick or cross one box]	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control [Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]	

1 Clause 4.1 of the Model Code of Conduct provides that a pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter, or if the interest is of a kind specified in clause 4.6 of the Model Code of Conduct.

2 A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in clause 4.3 of the Model Code of Conduct has a proprietary interest.

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Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	
Effect of proposed change of zone/planning control on councillor or associated person [Insert one of the following: "Appreciable financial gain" or "Appreciable financial loss"]	

[If more than one pecuniary interest is to be declared, reprint the above box and fill in for each additional interest.]

Mayor/Councillor's signature _____

Date _____

[This form is to be retained by the council's general manager and included in full in the minutes of the meeting]



Declaration of Interest form

Agenda item No. _____

Report title _____

Mayor/Councillor _____ declared a

Tick the relevant response:

<input type="checkbox"/>	pecuniary conflict of interest
<input type="checkbox"/>	significant non pecuniary conflict of interest
<input type="checkbox"/>	less than significant non- pecuniary conflict of interest

in this item. The nature of the interest is _____

If a Councillor declares a less than significant conflict of interest and intends to remain in the meeting, the councillor needs to provide an explanation as to why the conflict requires no further action to manage the conflict. (Attach a separate sheet if required.)

OFFICE USE ONLY: (Committee of the Whole may not be applicable at all meetings.)

Mayor/Councillor left the Council meeting in Committee of the Whole at _____pm.

Mayor/Councillor returned to the Council meeting in Committee of the Whole at _____ pm.

Mayor/Councillor left the Council meeting at _____ pm.

Mayor/Councillor returned to the Council meeting at _____ pm.

COUNCIL REPORTS

ITEM NO. 1

**FILE NO: 25/338823
EDRMS NO: 16-2025-70-1**

DEVELOPMENT APPLICATION (DA) 16-2025-70-1 FOR SUBDIVISION - 1 INTO 8 LOT TORRENS TITLE SUBDIVISION, ASSOCIATED CIVIL WORKS, VEGETATION REMOVAL, LANDSCAPING AND DEMOLITION

REPORT OF: RYAN FALKENMIRE - DEVELOPMENT SERVICES SECTION
MANAGER
DIRECTORATE: COMMUNITY FUTURES

RECOMMENDATION IS THAT COUNCIL:

- 1) Approve Development Application (DA) No. 16-2025-70-1 for a 1 into 8 lot Torrens title subdivision, associated civil works, vegetation removal, landscaping and demolition at 616 Medowie Road, Medowie (Lot: 1 DP: 1006347), subject to conditions contained in **(ATTACHMENT 1)**.

BACKGROUND

The purpose of this report is to present development application (DA) 16-2025-70-1 for a 1 into 8 lot Torrens title subdivision (6 residential allotments and 2 drainage reserve lots) to Council for determination.

A summary of the DA and property details is provided below.

Subject Land	616 Medowie Road, Medowie (Lot: 1 DP: 1006347)
Total Area	2.796ha
Zoning	R5 Large Lot Residential
Submissions	1
Housing	5 new residential lots
Key Issues	The key issues identified throughout the assessment of the DA relate to tree removal within the road reserve and the creation of a new intersection with Medowie Road. A detailed assessment of the application is contained within the Planner's Assessment Report (ATTACHMENT 2) .
Applicant	Perception Planning
Land Owner	Mr B O Cox & Estate of Late V I Cox

The DA has been reported to Council in accordance with 5.1(i) of Council's 'Planning Matters to be Reported to Council Policy' as the DA includes the removal of trees on Council owned land that is not associated with a driveway crossover.

The DA would remove 10 trees on Council owned land due to the construction of stormwater infrastructure within the road reserve.

A locality plan is provided at **(ATTACHMENT 3)**.

Proposal

The development seeks consent for a 1 into 8 lot Torrens title subdivision, associated civil works, vegetation removal, landscaping and demolition. The particulars of the development are outlined below:

- creation of 6 residential allotments, ranging in size from 4,000m² – 4,003m²
- creation of 2 drainage reserve lots, ranging in size from 516.7m² – 624.6m²
- removal of 15 trees, including 10 trees within the road reserve and 5 trees within the subject site
- demolition of all existing structures on the site, including a residential dwelling and ancillary sheds and removal of exempt vegetation
- construction of a new cul-de-sac road
- installation of services, including water and sewer
- construction of a new intersection with Medowie Road
- construction of stormwater infrastructure, including two drainage basins adjacent to Medowie Road
- landscaping/revegetation planting.

Site Description and History

The subject site (the 'site') is located at 616 Medowie Road, Medowie, which is legally identified as Lot 1 DP 1006347. The site features a rectangular shape with a total area of 2.796ha and a sloped topography, falling approximately 7m from the southeast to the northwest. The site currently contains a single storey dwelling, ancillary structures, sporadic vegetation and maintained lawns. Access to the site is available via Medowie Road.

The site is bounded by Medowie Road to the west and large lot residential developments in all other directions. In the broader locality, the town centre of Medowie is located approximately 1.5km to the north, containing commercial premises, takeaway food and drink premises and health services.

The site has historically been used for residential purposes, with evidence of some small-scale agricultural activities.

Key Issues

The key issues identified throughout the assessment of the development primarily relate to the removal of vegetation, required intersection treatment with Medowie Road and management of stormwater. A detailed assessment of these matters is contained within the Planner's Assessment Report (**ATTACHMENT 2**).

Vegetation Removal

The proposed development requires the removal of 15 trees in total, 10 of which are located within the road reserve adjoining the site and 5 of which are located within the subject site. The trees proposed for removal are outlined below:

Trees on Council Land

- 1x Red Gum (*Angophora costata*)
- 1x Lemon Scented Tea Tree (*Leptospermum petersonii*)
- 1x Weeping Bottlebrush (*Callistemon viminalis*)
- 1x Coastal Banksia (*Banksia integrifolia*)
- 1x Willow Bottlebrush (*Callistemon salignus*)
- 1x Broad Leaved Paperbark (*Melaleuca quinquenervia*)
- 2x Crepe Myrtle (*Lagerstroemia indica*)
- 1x Date Palm (*Phoenix canariensis*)
- 1x Hickory Wattle (*Acacia implexa*)

Trees within the Subject Site

- 1x Lemon Scented Tea Tree (*Leptospermum petersonii*)
- 2x Hoop Pine (*Araucaria cunninghamii*)
- 1x Date Palm (*Phoenix canariensis*)
- 1x Cabbage Tree Palm (*Livistonia australis*)

The removal of the listed trees was supported by an arborist report, who determined their retention was not feasible due to either being within the development footprint or having major encroachments into tree protection zones. Notwithstanding, the arborist report found that 16 trees located on the site and adjoining land could be retained subject to recommendations and through the adoption of specific construction methodology.

Furthermore, the proposed development includes 24 compensatory plantings across the site, comprising of 16 street trees along the new road and 8 plantings at the rear of the site to connect areas of preferred koala habitat. The proposed plantings are outlined below:

- 7x Grey Gum (*Eucalyptus punctata*)
- 9x Cheese Tree (*Glochidion ferdinandi*)
- 8x Blackbutt (*Eucalyptus pilularis*)

This exceeds the requirement of 18 compensatory plantings prescribed under Chapter B2 of the Port Stephens Development Control Plan 2014 (PSDCP 2014). Additionally, of the trees proposed to be removed, none are identified as preferred koala feed trees and Council's Environmental Planner noted that the removal of the trees would not result in any significant impacts to local biodiversity.

For these reasons, the proposed tree removal has been assessed to be consistent with the requirements of the Port Stephens Development Control Plan 2014 and has been supported by Council staff to facilitate the proposed development.

Intersection Upgrades

The proposed development requires a new intersection with Medowie Road, which was initially proposed as a left in and left out treatment. Concerns were raised regarding the proposed intersection due to additional travel distances for future residents wanting to travel north towards the Medowie town centre and returning home from the south. It was considered that the additional travel distance would increase the likelihood of vehicles attempting U-turn manoeuvres on Medowie Road, presenting a safety risk to both residents and users of Medowie Road.

The intersection treatment was revised to a basic right turn treatment (BAR) based upon additional traffic data for Medowie Road and anticipated traffic movements generated by the development. This intersection would enable all movements to and from the site reducing the risk presented by U-turn manoeuvres on Medowie Road. Additionally, minor widening of Medowie Road will be undertaken to enable northbound traffic to safely pass a vehicle turning right into the site. Given the minor increase in traffic movements, suitable sight lines and proposed upgrades to Medowie Road, the BAR intersection treatment is considered suitable for the proposed development and was supported by Council's Development Engineer.

Conclusion

As detailed in the Planner's Assessment Report (**ATTACHMENT 2**), the development is considered to be consistent with the aims and objectives of the relevant environmental planning instruments and Council policies applicable to the subject site. In balance, the benefits provided by the development, namely the facilitation of future housing, offsets the minor impacts to the natural environment. Furthermore, sufficient compensatory planting has been provided to ensure there are no significant adverse effects in the long-term.

The proposed development is consistent with Council's Local Housing Strategy in that it provides housing opportunities within Medowie, which has been identified as an emerging centre and key area for residential growth. The development has been designed to suitably address the site constraints and will not result in significant amenity issues.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Housing, tourism & economy	Develop and implement Council's key planning documents

FINANCIAL/RESOURCE IMPLICATIONS

The application could be potentially challenged in the Land and Environment Court. Defending Council's determination could have financial implications.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	Yes		Should Council determine to approve the development, S.7.11 development contributions would be applicable and would be levied in accordance with conditions of consent.
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The proposed development is consistent with the relevant planning instruments, including the Environmental Planning and Assessment Act 1979 (EP&A Act), the PSLEP 2013, PSDCP 2014 and associated State Environmental Planning Policies. A detailed assessment against these environmental planning instruments is contained within the Planner's Assessment Report (**ATTACHMENT 2**).

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that if the application is refused the determination of the DA may be challenged by the applicant in the Land and Environment Court. If the applicant was successful in the appeal, Council may be	Medium	Accept the recommendation.	Yes

required to pay the applicant's legal costs.			
There is a risk that the determination of the DA may be challenged by a third party in the Land and Environment Court.	Low	Accept the recommendation	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Social and Economic Impacts

The proposed development would facilitate additional residential development, helping to service the housing needs of the community. This is consistent with the adopted Local Housing Strategy that identifies Medowie as an emerging centre and a key area for future residential growth. Additionally, the development provides large residential allotments which are a consistent size with adjoining properties, ensuring consistency with the public domain and minimising the risk of potential land use conflicts.

The subdivision would allow for the use of existing services and facilities in the locality and provide upgrades to Medowie Road. The construction of the development would provide employment opportunities in the locality and support the local building and development industries. This would have direct and indirect monetary inputs to the local economy and the increased number of residents in the area would provide ongoing economic input through their daily living activities. There are no anticipated adverse social or economic impacts as a result of the proposed development.

Impacts on the Built Environment

The development would reinforce the large lot residential character of the locality and is characteristic of other developments in the immediate and wider area. The application includes relevant construction methods and services, such as an on-site stormwater management system that would prevent adverse impacts to adjoining properties and the public domain. The development provides a logical and suitable connection to the public road network and would not detract from the streetscape amenity. There are no anticipated adverse impacts on the built environment as a result of the proposed development.

Impacts on the Natural Environment

The development would not adversely impact on the natural environment of the area. Whilst 15 trees are proposed to be removed, the application has incorporated construction methodology to allow for the retention of the remaining 16 trees. Furthermore, compensatory planting of 24 trees is proposed to offset the vegetation removal. This includes 16 street trees and the planting of 8 Blackbutt (Eucalyptus

pilularis) along the rear boundary to link areas of preferred koala habitat. As a result, the proposed development would not have any significant adverse effects on local biodiversity.

Furthermore, the application has been supported by a stormwater management system that has been designed in accordance with Council’s quantity and quality requirements. Modelling has been provided to demonstrate Neutral or Beneficial Effects on water quality can be achieved prior to stormwater discharging to the public system. Ultimately, the application would have no significant adverse impacts on the natural environment.

COMMUNICATION AND ENGAGEMENT

Council’s Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communications and engagement

CONSULT	<p>The DA was on public notification for 14 days from 25 February 2025 to 11 March 2025. During this period 1 submission was received. A detailed response to this submission is provided in the Planner’s Assessment Report (ATTACHMENT 2).</p> <p>The development is located within the Hunter Water Special Area and therefore was referred to Hunter Water Corporation under the Hunter Water Act 1991. Water quality, contamination and sewer servicing matters associated with the Hunter Water referral have been addressed through amendments to the</p>
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	<p>development and the recommended conditions contained in (ATTACHMENT 1).</p> <p>As the proposed development involves the subdivision of bushfire prone land for residential purposes, the application was referred to the NSW Rural Fire Service in accordance with Section 100B of the Rural Fires Act 1997. NSW Rural Fire Service provided a Bush Fire Safety Authority (BFSA) and General Terms of Approval. The General Terms of Approval has been included as a condition of consent.</p>
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Internal communications and engagement

- Assets Section.
- Strategy and Environment Section.

OPTIONS

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

ATTACHMENTS

- 1) Conditions of Consent. [↓](#)
- 2) Planner's Assessment Report. [↓](#)
- 3) Locality Plan. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

All information relating to this development application (DA) is available on the Councillors' Dashboard.

TABLED DOCUMENTS

Nil.

ITEM 1 - ATTACHMENT 1 CONDITIONS OF CONSENT.

Terms and Reasons for Conditions

Under section 88(1)(c) of the EP&A Regulation, the consent authority must provide the terms of all conditions and reasons for imposing the conditions other than the conditions prescribed under section 4.17(11) of the EP&A Act. The terms of the conditions and reasons are set out below.

General Conditions

- (1) **General terms of approval** – The General Terms of Approval from state authorities must be complied with prior to, during, and at the completion of the development.

The General Terms of Approval are:

1. NSW Rural Fire Service, referenced DA20250218000614-Original-1 and dated 1 April 2025

A copy of the General Terms of Approval is attached to this determination notice.

Condition reason - To ensure that the development is carried out in accordance with the General Terms of Approval issued by Integrated Development / Concurrence Agencies.

- (2) **Approved plans and supporting documentation** – Development must be carried out in accordance with the following plans and documentation, and all recommendations made therein, except where amended by the conditions of this consent development consent:

Plan Number	Revision Number	Plan Title	Drawn By	Date of Plan
24244 Sheet 1	E	Detail Survey & Proposed Subdivision Lot 1 DP 1006347	Delfs Lascelles	29/09/2025
CIV-005	D	General Arrangement Plan	DRB Consulting Engineers	30/09/2025
CIV-011	D	Civil Works Plan	DRB Consulting Engineers	30/09/2025
CIV-012	D	Civil Works Plan	DRB Consulting Engineers	30/09/2025
CIV-013	D	External Works Plan	DRB Consulting Engineers	30/09/2025
CIV-021	D	Civil Details	DRB Consulting Engineers	30/09/2025
LDA100	0	Site Plan	Studio 151 Landscape Architecture	23/06/2025
LDA101	0	Landscape Plan 1	Studio 151 Landscape Architecture	23/06/2025
LDA102	0	Landscape Plan 2	Studio 151 Landscape Architecture	23/06/2025
LDA200	0	Planting Palette & Typical Details	Studio 151 Landscape Architecture	23/06/2025

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Document Title	Version Number	Prepared By	Date of Document
Arborist Report	-	Abacus Tree Services	10 February 2025
Bushfire Assessment: Lot 1 DP 1006347, 616 Medowie Road, Medowie	1	Newcastle Bushfire Consulting	24 September 2024
Stage 1 – Preliminary Site Investigation: 616 Medowie Road, Medowie	-	Green Room Environmental Consulting	18 July 2025
Design Report	B	DRB Consulting Engineers	30 September 2025

In the event of any inconsistency between the approved plans and the conditions, the conditions will prevail.

Condition reason - To ensure all parties are aware of the approved plans and supporting documentation that applies to the development.

- (3) **Approved Report Recommendations – Arborist Report** - Construction of the development must comply with the recommendations (except where amended by this condition) of the *Arborist Report*, prepared by Abacus Tree Services and dated 10/02/2025 as follows:
- a) The proposed headwall, if required, is to be moved outside of the TPZ of Trees 1 & 2 to retain these trees. It is recommended that no change in the soil profile occur above or below ground within the TPZ of Trees 1 & 2 to facilitate the retention.
 - b) All proposed footpaths will have to consider the TPZ of Trees 16 – 19 and be constructed at natural ground levels. No change in the soil profile is to occur between the trunk and the proposed footpath inside the TPZ. This is to include no change to the soil profile above or below ground.
 - c) Trees 20 – 28 are to have no change to the soil profile occur above or below ground inside the TPZ. An exploratory trench is to be dug at the closest part of the civil works (swale) to the trees at a depth of 0.3 metres as outlined in the civil report. Any roots greater than 50 – 60mm in diameter are to remain intact. Finding roots greater than 50 – 60mm in diameter will require the applicant to retain the root plate and design the swale in order to retain the root plate. The exploratory trench is to be dug by hand (shovel) to the required depth inside the TPZ. If this cannot be achieved, the civil works must be redesigned to ensure the retention of Trees 20 – 28.
 - d) Tree 29 is to have no change in the soil profile occur on three quadrants and the northern quadrant is to remain at natural ground levels up to the proposed driveway inside the TPZ. No above or below ground soil changes are to occur in all quadrants up to the edge of the TPZ and to the proposed driveway.
 - e) Tree protection measures must be put in place that aid in the preservation of Trees 16 - 29 (14 in total). A 1.8 metre interlocking chain wire fencing is to be installed before commencement of civil and road works on site as indicated in Figure 9 of the arborist report. Protection fencing is to be installed to the front boundary and to the edge of the proposed footpath within the TPZ to protect Trees 16 – 20. Fencing is to be installed for Trees 20 – 28 to the edge of the TPZ and/or 5 metres being what is the greatest value and any works within the fenced area must comply with recommendation 3 above. Tree 29 is to have protection fencing erected to the edge of the TPZ on three sides and the edge of the proposed road on the northern quadrant. Protection fencing is to be installed before commencement of

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all civil & road works and remain in place until the release of the Subdivision Certificate.

Any amendments to the approved civil engineering plans required as a result of the recommendations must be submitted with the Subdivision Works Certificate.

Condition reason - To ensure that development is carried out in accordance with specific recommendations of a report are required to be complied with, but not the full report.

- (4) **Tree removal/pruning** – Trees 3-15, 30 & 31, as identified on pages 33-34 of the *Arborist Report*, prepared by Abacus Tree Services and dated 10/02/2025 are approved for removal/pruning. Approval to remove the existing vegetation that is approved for removal is not to occur until the issue of the Subdivision Works Certificate.

No vegetation or natural landscape features other than that authorised for removal, pruning by this Consent may be disturbed, damaged or removed, unless the vegetation to be removed does not require approval.

Condition reason - To ensure that the development retains/prunes and replaces specific tree plantings.

- (5) **Sign on building** – Except in the case of work only carried out to the interior of a building or Crown building work, a sign must be erected in a prominent position on the site showing the name, address and telephone number of the Principal Certifying Authority for the work, the name of any principal contractor and their after-hours contact number, and must contain a statement that unauthorised entry to the site is prohibited.

The sign must be maintained while the work is being carried out and is to be removed when the work is completed.

Condition reason - To require signage that details the relevant contacts of a development.

**Demolition Work
Before demolition work commences**

- (6) **Waste management plan** – Before the demolition of any existing structures, a waste management plan for the development must be prepared and a copy of the waste management plan must be kept on-site at all times while work approved under the development consent is being carried out.

Condition reason - To ensure resource recovery is promoted and local amenity protected during construction.

- (7) **Damage report – Public Infrastructure** – The applicant is required to notify Council in writing of any existing damage to public infrastructure (including landscaping) within the vicinity of the development, the absence of such notification signifies that no damage exists.

Condition reason – To ensure any existing damage to public infrastructure is recorded.

- (8) **Hazardous Material Survey before demolition**– Before demolition work commences, a hazardous materials survey of the site must be prepared by a suitably qualified asbestos hygiene consultant and/or a Licensed Asbestos Assessor (LAA). A suitable Hazardous Material Management Plan (HMMP) is to be developed based upon the

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findings of the hazardous materials survey. A report of the survey results and the HMMP must be provided to council at least one week before demolition commences.

Hazardous materials include, but are not limited to, asbestos materials, synthetic mineral fibre, roof dust, PCB materials and lead based paint.

The report must include at least the following information:

- a) the location of all hazardous material throughout the site
- b) a description of the hazardous material
- c) the form in which the hazardous material is found, e.g. AC sheeting, transformers, contaminated soil, roof dust
- d) an estimation of the quantity of each hazardous material by volume, number, surface area or weight
- e) a brief description of the method for removal, handling, on-site storage and transportation of the hazardous materials
- f) identification of the disposal sites to which the hazardous materials will be taken

Condition reason - To require a plan for safely managing hazardous materials.

- (9) **Demolition management plan** - Before demolition work commences, a demolition management plan must be prepared by a suitably qualified person and provided to Council.

The demolition management plan must be prepared in accordance with Australian Standard 2601 – The Demolition of Structures, the Code of Practice – Demolition Work and must include the following matters:

- a) The proposed demolition methods
- b) The materials for and location of protective fencing and any hoardings to the perimeter of the site
- c) Details on the provision of safe access to and from the site during demolition work, including pedestrian and vehicular site access points and construction activity zones
- d) Details of demolition traffic management, including proposed truck movements to and from the site, estimated frequency of those movements, and compliance with AS 1742.3 Traffic Control for Works on Roads and parking for vehicles
- e) Protective measures for on-site tree preservation and trees in adjoining public domain (if applicable) (including in accordance with AS 4970-2009 Protection of trees on development sites and the approved arborist report.
- f) Erosion and sediment control measures which are to be implemented during demolition and methods to prevent material being tracked off the site onto surrounding roadways
- g) Details of the equipment that is to be used to carry out demolition work and the method of loading and unloading excavation and other machines
- h) Location and type of temporary toilets onsite
- i) A garbage container with a tight-fitting lid.

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Condition reason - To provide details of measures for the safe and appropriate disposal of demolition waste and the protection of the public and surrounding environment during the carrying out of demolition works on the site

- (10) **Notice of commencement for demolition** - At least one week before demolition work commences, written notice must be provided to council and the occupiers of neighbouring premises of the work commencing. The notice must include:

- a) name
- b) address,
- c) contact telephone number,
- d) licence type and license number of any demolition waste removal contractor and, if applicable, asbestos removal contractor,
- e) and the contact telephone number of council and
- f) the contact telephone number of SafeWork NSW (4921 2900).

Condition reason - To advise neighbours about the commencement of demolition work and provide contact details for enquiries.

- (11) **Rubbish generated from the development** – Where not already available, a waste containment facility is to be established on site. The facility is to be regularly emptied and maintained for the duration of works.

No rubbish must be stockpiled in a manner which facilitates the rubbish to be blown or washed off site. The site must be cleared of all building refuse and spoil immediately upon completion of the development.

Condition reason - To ensure that demolition waste is appropriately stockpiled and removed from site.

- (12) **Site is to be secured** – The site must be secured and fenced. All hoarding, fencing or awnings (associated with securing the site during construction) is to be removed upon the completion of demolition works.

Condition reason - To restrict access to the site by the public and ensure that the site is adequately secured prior to the commencement of works.

- (13) **Asbestos removal signage (if applicable)** - Before demolition work commences involving the removal of asbestos, a standard commercially manufactured sign containing the words 'DANGER: Asbestos removal in progress' (measuring not less than 400mm x 300mm) must be erected in a prominent position at the entry point/s of the site and maintained for the entire duration of the removal of the asbestos.

Condition reason - To alert the public to any danger arising from the removal of asbestos.

- (14) **Disconnection of services before demolition work (if applicable)** - Before demolition work commences, all services, such as water, telecommunications, gas, electricity and sewerage, must be disconnected in accordance with the relevant authority's requirements.

Condition reason - To protect life, infrastructure and services.

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During demolition work

- (15) **Demolition work** – All demolition works are to be carried out in accordance with Australian Standard AS 2601 'The demolition of Structures'. All waste materials are to be either recycled or disposed of to a licensed waste facility.

Any asbestos containing material encountered during demolition or works, is to be removed in accordance with the requirements of Safe Work NSW and disposed of to an appropriately licenced waste facility.

Evidence is to be retained and made available to the Council upon request, demonstrating that asbestos waste has been disposed of in accordance with this condition.

Condition reason - To ensure a development is carried out in accordance with the Australian Standard AS 2601 'The demolition of Structures', and all waste materials are appropriately removed.

- (16) **Hours of work** – Demolition work must only be carried out between the following times

–

7:00am to 5:00pm on Monday to Saturday

Demolition work is not to be carried out outside of these times except where there is an emergency, or for urgent work directed by a police officer or a public authority.

Condition reason - To protect the amenity of the surrounding area.

- (17) **Toilet facilities** – Temporary toilet(s) must be provided and maintained on site from the time of commencement of demolition work to completion. The number of toilets provided must be one toilet per 20 persons or part thereof employed on the site at any one time.

The temporary toilet is to be either connected to the sewerage system or an approved septic tank or otherwise may be a chemical toilet supplied by a licensed contractor.

Condition reason - To ensure adequate amenity facilities are provided to the site during demolition.

- (18) **Unexpected finds contingency (general)** – Should any suspect materials (identified by unusual staining, odour, discolouration or inclusions such as building rubble, asbestos, ash material, etc.) be encountered during any stage of works (including earthworks, site preparation or construction works, etc.), such works must cease immediately until a qualified environmental specialist has been contacted and conducted a thorough assessment.

In the event that contamination is identified as a result of this assessment and if remediation is required, all works must cease in the vicinity of the contamination and Council must be notified immediately.

Where remediation work is required, the applicant will be required to obtain consent for the remediation works.

Condition reason - To ensure that works relating to a development are to cease if any suspect materials are identified and remediated in accordance with Council requirements.

- (19) **Waste management** – While site work is being carried out:

- a) all waste management must be undertaken in accordance with the waste management plan, and
- b) upon disposal of waste, records of the disposal must be compiled and made available upon request by Council staff, detailing the following:

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- i) The contact details of the person(s) who removed the waste
- ii) The waste carrier vehicle registration
- iii) The date and time of waste collection
- iv) A description of the waste (type of waste and estimated quantity) and whether the waste is to be reused, recycled or go to landfill
- v) The address of the disposal location(s) where the waste was taken
- vi) The corresponding tip docket/receipt from the site(s) to which the waste is transferred, noting date and time of delivery, description (type and quantity) of waste.

If waste has been removed from the site under an EPA Resource Recovery Order or Exemption, records in relation to that Order or Exemption must be maintained and provided to Council.

Condition reason - To require records to be provided, during demolition work, documenting the lawful disposal of waste.

- (20) **Offensive noise, dust, odour and vibration** – All work must not give rise to offensive noise, dust, odour or vibration as defined in the Protection of the Environment Operations Act 1997 when measured at the nearest property boundary.

Condition reason - To ensure that developments do not give rise to offensive noise, dust, odour, or vibration.

- (21) **Uncovering relics or Aboriginal objects** - While site work is being carried out, if a person reasonably suspects a relic of Aboriginal object is discovered:

- a) the work in the area of the discovery must cease immediately;
- b) the following must be notified
 - i) for a relic – the Heritage Council; or
 - ii) for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85.

Site work may recommence at a time confirmed in writing by:

- a) for a relic – the Heritage Council; or
- b) for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85.

Condition reason - To ensure the protection of objects of potential significance during works.

- (22) **Handling of asbestos during demolition** - While demolition work is being carried out, any work involving the removal of asbestos must comply with the following requirements:

- a) Only an asbestos removal contractor who holds the required class of Asbestos Licence issued by SafeWork NSW must carry out the removal, handling and disposal of any asbestos material;
- b) Asbestos waste in any form must be disposed of at a waste facility licensed by the NSW Environment Protection Authority to accept asbestos waste; and
- c) Any asbestos waste load over 100kg (including asbestos contaminated soil) or

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10m² or more of asbestos sheeting must be registered with the EPA online reporting tool WasteLocate.

Condition reason - To ensure that the removal of asbestos is undertaken safely and professionally.

- (23) **Implementation of demolition management plan** - While demolition work is being carried out, all applicable requirements of the demolition management plan must be maintained until the demolition work and demolition waste removal are complete.

Condition reason - To protect workers, the public and the environment.

- (24) **Implementation of Hazardous Materials Management Plan** - All works (including demolition and materials handling, storage, transport and disposal) must be undertaken in accordance with the requirements outlined in the Hazardous Materials Management Plan (HMMP).

Condition reason - To ensure the requirements of the HMMP are implemented.

On completion of demolition work

- (25) **Removal of waste upon completion** – On completion of demolition works, all refuse, spoil and material unsuitable for use on-site is removed from the site and disposed of in accordance with the approved waste management plan. Written evidence of the removal must be retained and made available upon request by Council staff.

Condition reason - To ensure that all waste is appropriately removed from the subject site on completion of demolition.

- (26) **Repair of infrastructure** – On completion of demolition works, the applicant must ensure any public infrastructure damaged as a result of the carrying out the works (including damage caused by, but not limited to, delivery vehicles, waste collection, contractors, sub-contractors, concreting vehicles) is fully repaired to the written satisfaction of Council, and at no cost to Council.

Note: If the council is not satisfied, the whole or part of the bond submitted will be used to cover the rectification work.

Condition reason - To ensure that any damage resulting to public infrastructure is appropriately rectified at no cost to the Council.

**Land Subdivision
Before issue of a Subdivision Works Certificate**

- (27) **Civil engineering plans** – Prior to the issue of a Subdivision Works Certificate, civil engineering plans prepared by a qualified Engineer, indicating drainage, roads, access ways, earthworks, pavement design, details of line-marking, traffic management, water quality and quantity facilities including stormwater detention and disposal, must be prepared in accordance with the approved plans and Council's Infrastructure Specifications and include the following information:

- a) The proposed intersection works are to include upgrades to kerb and gutter, including piped stormwater, for the portion Medowie Road fronting the site. These works are to be in accordance with Council's Infrastructure Specification and Austroad's Design Guide and consider the future upgrade of Medowie Road

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to four lanes with regards to the location of stormwater infrastructure.

- b) The proposed road is to be extended to the southern boundary with Lot 2 DP 1006347 and the layout of Lot 5 is to be amended accordingly.
- c) The MUSIC modelling associated with the stormwater management plan is to be updated to utilise the approved WaterNSW efficiency nodes for proprietary devices, rather than generic treatment efficiencies. The updated MUSIC modelling must demonstrate NorBE is achieved and the stormwater management plan must be updated where necessary.

Details demonstrating compliance must be provided to the Certifying Authority.

Note. Under the Roads Act 1993, only the Roads Authority can approve commencement of works within an existing road reserve.

Condition reason - To ensure civil works are carried out in accordance with the approved plans and Council's Infrastructure Specifications.

- (28) **Stormwater/drainage plans** – Prior to the issue of a Subdivision Works Certificate, detailed stormwater drainage plans must be prepared by a qualified Engineer in accordance with the approved plans, Council's Infrastructure Specifications and the current Australian Rainfall and Runoff guidelines using the Hydrologic Soil Mapping data for Port Stephens (available from Council).

Details demonstrating compliance must be provided to the Certifying Authority.

Note. Under the Roads Act 1993, only the Roads Authority can approve commencement of works within an existing road reserve.

Condition reason -To ensure adequate stormwater and drainage plans are prepared prior to certification.

- (29) **Dilapidation Report – Council property** – Prior to the issue of a Subdivision Works Certificate, a Dilapidation Report prepared by a qualified Structural/Civil Engineer must be submitted to the Certifying Authority.

The report must include a photographic survey of existing public roads, kerbs, footpaths, drainage structures, street trees and any other existing public infrastructure within the immediate area of the subject site.

All costs incurred in achieving compliance with this condition must be borne by the applicant.

Details demonstrating compliance must be provided to the Certifying Authority.

Condition reason - To ensure development in close proximity to Council infrastructure does not impact does the condition of infrastructure.

- (30) **Stormwater system Operation and Maintenance Procedure Plan** – Prior to the issue of a Subdivision Works Certificate, an Operation and Maintenance Plan for the stormwater system must be prepared by a qualified engineer detailing a regular maintenance programme for pollution control devices, covering inspection, cleaning and waste disposal.

Details demonstrating compliance must be provided to the Certifying Authority.

Condition reason - To ensure that large stormwater systems have an appropriate operation and maintenance plan prepared by a qualified Engineer.

- (31) **Retaining walls** – Prior to the issue of a Subdivision Works Certificate, all retaining walls must be designed and certified by a suitably qualified Structural Engineer in accordance

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with Council's Infrastructure Specifications. The detailed design must demonstrate that all retaining walls are wholly contained within the site boundary, including any required footings and drainage infrastructure.

Details demonstrating compliance must be provided to the Certifying Authority.

Condition reason - To ensure that detailed retaining wall plans are provided.

- (32) **Soil, erosion, sediment and water management** – Prior to the issue of a Subdivision Works Certificate, an Erosion and Sediment Control Plan (ESCP) must be prepared in accordance with Council's Infrastructure Specifications. Details demonstrating compliance must be provided to the Certifying Authority.

Condition reason - To ensure that soil, erosion, sediment and water is controlled appropriately.

- (33) **Roads Act Approval** – For construction/reconstruction of Council infrastructure, including vehicular crossings, footpath, kerb and gutter, stormwater drainage, an application must be made for a Roads Act Approval Certificate under Section 138 of the Roads Act 1993.

Condition reason - To ensure any works proposed on verge/footpath/public road get the appropriate approval.

- (34) **Subdivision Works Certificate** - The following information must be provided to the Certifying Authority with the Subdivision Works Certificate application:

- a) Amended landscape plan that reflects the approved civil plan layout and approved subdivision layout.

Condition reason - To ensure additional information is provided prior to Subdivision Works Certificate being issued.

- (35) **Waste Management Plan** - Prior to the issue of a Subdivision Works Certificate, a waste management plan for the development must be prepared and provided to the certifier.

A copy of the waste management plan must be kept on-site at all times while works approved under the development consent is being carried out.

Condition reason - To ensure resource recovery is promoted and local amenity protected during construction.

- (36) **Contamination** - Following demolition of structures and prior to the issue of a Subdivision Works Certificate, a Detailed Site Investigation (DSI) is to be completed in accordance with the Preliminary Site Investigation, Reference GR00262-GR1 prepared by Green Room Environmental Consulting, dated 18 July 2025 and the NSW EPA Guidelines for the assessment and management of contaminated land and must consider any requirement for a Remedial Action Plan (RAP). The DSI (and RAP where deemed necessary) is to be provided to Council for endorsement prior to the release of a Subdivision Works Certificate.

Where a Detailed Site Investigation (DSI) has identified requirement for a Remedial Action Plan (RAP), a Validation Report prepared by a suitability qualified person must be provided to the Certifying Authority and Council prior to the issue of a Subdivision Works Certificate, demonstrating:

- a) Compliance with the approved RAP (if required)

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- b) That the remediation acceptance criteria has been fully complied with
- c) That all remediation works undertaken comply with the Contaminated Land Planning Guidelines, Contaminated Lands Management Act 1997 and the State Environmental Planning Policy (Resilience and Hazards) 2021

Condition reason - To ensure a Detailed Site Investigation, and Remediation Action Plan where required, is undertaken as required.

- (37) **Construction management plan** – Before the issue of a Subdivision Works Certificate, a construction management plan must be prepared and provided to the principal certifier.
- a) The location and materials for protective fencing and hoardings on the perimeter of the site;
 - b) Waste management;
 - c) Provisions for public safety;
 - d) Pedestrian and vehicular site access points and construction activity zones;
 - e) Details of construction traffic management including:
 - i) Proposed truck movements to and from the site;
 - ii) Estimated frequency of truck movements; and
 - iii) Measures to ensure pedestrian safety near the site;
 - f) Details of bulk earthworks to be carried out;
 - g) The location of site storage areas and sheds;
 - h) The equipment used to carry out works;
 - i) The location of a garbage container with a tight-fitting lid;
 - j) Dust, noise and vibration control measures;
 - k) The location of temporary toilets;

Condition reason - To require details of measures to be undertaken that will protect the public, and the surrounding environment, during site works and construction.

- (38) **Long Service Levy** – Before the issue of a subdivision works certificate, the applicant is to ensure that the person liable pays the long service levy to the Long Service Corporation or Council under section 34 of the Building and Construction Industry Long Service Payments Act 1986 and provides proof of this payment to the certifier.

Condition reason – To ensure long service levy is paid prior to the issued of a Construction Certificate.

Before subdivision work commences

- (39) **Subdivision Works Certificate Required** – In accordance with the provisions of Section 6.13 of the Environmental Planning & Assessment Act 1979 (EP&A Act 1979), construction or subdivision works approved by this consent must not commence until the following has been satisfied:
- a) a Subdivision Works Certificate has been issued by a Consent Authority;
 - b) a Principal Certifying Authority (PCA) has been appointed by the person having benefit of the development consent in accordance with Section 6.5 of the EP&A Act 1979; and
 - c) the PCA is notified in writing of the name and contractor licence number of the owner/builder intending to carry out the approved works.

Condition reason - To clarify that a Subdivision Works Certificate is required.

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- (40) **Public liability insurance** – The owner or contractor must take out a Public Liability Insurance Policy with a minimum cover of \$20 million in relation to the occupation of, and works within, public property (i.e. kerbs, gutters, footpaths, walkways, reserves, etc.) for the full duration of the proposed works.

Evidence of this Policy must be provided to Council and the Certifying Authority.

Condition reason - To verify that the owner or contractor has a Public Liability Insurance Policy where there are works over public property.

- (41) **Notice of Principal Certifying Authority appointment** – The Principal Certifier for this development must give notice must be given to the consent authority and Council, where the Council is not the consent authority, at least two days prior to subdivision and/or building works commencing in accordance with Section 6.6 (2) (a) of the Environmental Planning and Assessment Act 1979 and Section 57 of the Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021. The notice must include:

- a) a description of the work to be carried out;
- b) the address of the land on which the work is to be carried out;
- c) the Registered number and date of issue of the relevant development consent;
- d) the name and address of the Principal Certifier and the person who appointed the principal certifier;
- e) if the principal certifier is a registered certifier
 - i) the certifier's registration number, and
 - ii) a statement signed by the registered certifier to the effect that the certifier consents to being appointed as principal certifier, and
 - iii) a telephone number on which the certifier may be contacted for business purposes.

The notice must be lodged on the NSW planning portal.

Condition reason - To ensure that the Principal Certifier has given notice that they will be the Principal Certifier to the Consent Authority and Council at least 2 days prior to subdivision and/or building works commencing in accordance with S6.6(2)(a) of the EP&A Act 1979.

- (42) **Notice commencement of work** – Notice must be given to Council and the Principal Certifier, if not the Council, of the person's intention to commence the erection of the building or undertake subdivision work at least two days prior to subdivision and/or building works commencing in accordance with Sections 6.6 (2) and 6.12 (2) (c) of the Environmental Planning and Assessment Act 1979 and Section 59 of the Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021. The notice must include:

- a) the name and address of the person;
- b) a description of the work to be carried out;
- c) the address of the land on which the work is to be carried out;
- d) the Registered numbers and date of issue of the development consent and construction certificate;

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- e) a statement signed by or on behalf of the principal certifier that all conditions of the consent that must be satisfied before the work commences have been satisfied; and
- f) the date on which the work is intended to commence.

The notice must be lodged on the NSW planning portal.

Condition reason - To ensure that the Principal Certifier has given notice to the Consent Authority and Council at least 2 days prior to subdivision and/or building works commencing in accordance with S6.6(2)(a) of the EP&A Act 1979 & Section 57 of the EP&A Regulations 2021.

- (43) **Site is to be secured** – The site must be secured and fenced to the satisfaction of the Principal Certifying Authority. All hoarding, fencing or awnings (associated with securing the site during construction) is to be removed upon the completion of works.

Condition reason - To restrict access to the site by the public and ensure that the site is adequately secured prior to the commencement of works.

- (44) **Soil erosion and sediment control** – Before any site work commences, the PCA must be satisfied the erosion and sediment controls in the erosion and sediment control plan are in place. These controls must remain in place until any bare earth has been stabilised in accordance with 'Managing Urban Stormwater: Soils and Construction' prepared by Landcom (the Blue Book) (as amended from time to time).

Soil erosion and sediment control measures must be maintained during construction works and must only be removed upon completion of the project when all landscaping and disturbed surfaces have been stabilised (for example, with site turfing, paving or re-vegetation).

Condition reason – To ensure sediment laden runoff and site debris do not impact local stormwater systems and waterways.

- (45) **All weather access** – A 3m wide all-weather vehicle access is to be provided from the kerb and gutter to the building under construction for the delivery of materials and use by trades people.

No materials, waste or the like are to be stored on the all-weather access at any time.

Condition reason - To ensure that adequate vehicular access is provided to and from the site, prior to the commencement of works.

- (46) **Rubbish generated from the development** – Where not already available, a waste containment facility is to be established on site. The facility is to be regularly emptied and maintained for the duration of works.

No rubbish must be stockpiled in a manner which facilitates the rubbish to be blown or washed off site. The site must be cleared of all building refuse and spoil immediately upon completion of the development.

Condition reason - To ensure that construction waste is appropriately stockpiled and removed from site.

- (47) **Protection of trees /existing street trees** – Protection of trees to be retained must be in accordance with AS490 'Protection of Trees on Development Sites' and the recommendations of the approved arborist report.

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Before the commencement of any site or building work, the principal certifier must ensure the measures for tree protection detailed in the construction site management plan are in place.

Condition reason - To protect and retain trees.

- (48) **Roads Act Approval** – For construction/reconstruction of Council infrastructure, including vehicular crossings, footpath, kerb and gutter, stormwater drainage, an application must be made for a Roads Act Approval Certificate under Section 138 of the Roads Act 1993.

Conditions reason - To ensure that works within the road reserve are approved by a Section 138 Approval of the Roads Act 1993.

During subdivision work

- (49) **Hours of work** – Site work must only be carried out between the following times –
7:00am to 5:00pm on Monday to Saturday

Site work is not to be carried out outside of these times except where there is an emergency, or for urgent work directed by a police officer or a public authority.

Condition reason - To protect the amenity of the surrounding area.

- (50) **Toilet facilities** – Temporary toilet(s) must be provided and maintained on site from the time of commencement of building work to completion. The number of toilets provided must be one toilet per 20 persons or part thereof employed on the site at any one time.

The temporary toilet is to be either connected to the sewerage system or an approved septic tank or otherwise may be a chemical toilet supplied by a licensed contractor.

Condition reason - To ensure adequate amenity facilities are provided to the site during construction.

- (51) **Excavations and backfilling** – All excavations and backfilling associated with this development consent must be executed safely, and be properly guarded and protected to prevent them from being dangerous to life or property, and in accordance with the design of a suitably qualified Structural Engineer.

If an excavation extends below the level of the base of the footings of a building on an adjoining allotment, the person causing the excavation must:

- a) preserve and protect the building from damage; and
- b) if necessary, underpin and support the building in an approved manner; and
- c) give at least seven days notice to the adjoining owner before excavating, of the intention to excavate.

The principal contractor, owner builder or any person who needs to excavate and undertake building work, must contact "Dial Before You Dig" prior to works commencing, and allow a reasonable period of time for the utilities to provide locations of their underground assets.

This condition does not apply if the person having the benefit of the development consent owns the adjoining land or the owner of the adjoining land has given consent in writing to that condition not applying.

Condition reason - To ensure that all excavations and backfilling are safely and appropriately protected.

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- (52) **Disposal of stormwater** – Water seeping into any site excavations is not to be pumped into the stormwater system unless it complies with relevant Environmental Protection Agency and Australian and New Zealand Environment and Conservation Council standards for water quality discharge.

Condition reason - To ensure that stormwater disposal from a development is managed in accordance with Council requirements.

- (53) **Responsibility for changes to public infrastructure** - While site work is being carried out, any costs incurred as a result of the approved removal, relocation or reconstruction of infrastructure (including ramps, footpaths, kerb and gutter, light poles, kerb inlet pits, service provider pits, street trees or any other infrastructure in the street footpath area) must be paid as directed by the consent authority.

Condition reason - To ensure payment of approved changes to public infrastructure.

- (54) **Tree protection during work** – While site work is being carried out, the applicant must maintain all required tree protection measures in good condition in accordance with the construction site management plan required under this consent, the relevant requirements of AS 4970-2025 Protection of trees on development sites and any arborist's report approved under this consent. This includes maintaining adequate soil grades and ensuring all machinery, builders refuse, spoil and materials remain outside tree protection zones.

Condition reason - To protect trees during the carrying out of site work.

- (55) **Tree removal/pruning** – All approved tree removal/pruning is subject to all pruning works being undertaken by a qualified arborist with minimum Australian Qualification Framework Level 3 qualifications or higher. All works are to be undertaken in accordance with the relevant provisions of AS 4373 'Pruning of Amenity trees'.

Condition reason - To ensure that vegetation removal/pruning is undertaken by a qualified arborist and in accordance with the Australian Standard.

- (56) **Unexpected finds contingency (general)** – Should any suspect materials (identified by unusual staining, odour, discolouration or inclusions such as building rubble, asbestos, ash material, etc.) be encountered during any stage of works (including earthworks, site preparation or construction works, etc.), such works must cease immediately until a qualified environmental specialist has been contacted and conducted a thorough assessment.

In the event that contamination is identified as a result of this assessment and if remediation is required, all works must cease in the vicinity of the contamination and Council must be notified immediately.

Where remediation work is required, the applicant will be required to obtain consent for the remediation works.

Condition reason - To ensure that works relating to a development are to cease if any suspect materials are identified and remediated in accordance with Council requirements.

- (57) **Waste management** – While site work is being carried out:

- a) all waste management must be undertaken in accordance with the waste management plan, and
- b) upon disposal of waste, records of the disposal must be compiled and provided to the principal certifier detailing the following:
 - i) The contact details of the person(s) who removed the waste

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- ii) The waste carrier vehicle registration
- iii) The date and time of waste collection
- iv) A description of the waste (type of waste and estimated quantity) and whether the waste is to be reused, recycled or go to landfill
- v) The address of the disposal location(s) where the waste was taken
- vi) The corresponding tip docket/receipt from the site(s) to which the waste is transferred, noting date and time of delivery, description (type and quantity) of waste.

If waste has been removed from the site under an EPA Resource Recovery Order or Exemption, records in relation to that Order or Exemption must be maintained and provided to the principal certifier and council.

Condition reason - To require records to be provided, during site work, documenting the lawful disposal of waste.

- (58) **Offensive noise, dust, odour and vibration** – All work must not give rise to offensive noise, dust, odour or vibration as defined in the Protection of the Environment Operations Act 1997 when measured at the nearest property boundary.

Condition reason - To ensure that developments do not give rise to offensive noise, dust, odour, or vibration.

- (59) **Cut and fill (if applicable)** – While building work is being carried out, the principal certifier must be satisfied all soil removed from or imported to the site is managed in accordance with the following requirements:

- (a) All excavated material removed from the site must be classified in accordance with the EPA's Waste Classification Guidelines before it is disposed of at an approved waste management facility and the classification and the volume of material removed must be reported to the principal certifier.
- (b) All fill material imported to the site must be Virgin Excavated Natural Material as defined in Schedule 1 of the *Protection of the Environment Operations Act 1997* or a material identified as being subject to a resource recovery exemption by the NSW EPA.

Condition reason - To ensure that all imported and/or exported fill is Virgin Excavated Natural Material.

- (60) **Uncovering relics or Aboriginal objects** - While site work is being carried out, if a person reasonably suspects a relic of Aboriginal object is discovered:

- a) the work in the area of the discovery must cease immediately;
- b) the following must be notified
 - i) for a relic – the Heritage Council; or
 - ii) for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85.

Site work may recommence at a time confirmed in writing by:

- a) for a relic – the Heritage Council; or
- b) for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85.

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Condition reason - To ensure the protection of objects of potential significance during works.

- (61) **Construction Site Management Plan implementation** - All construction management procedures and systems identified in the approved Construction Site Management Plan must be introduced during construction of the development to ensure safety and to minimise the effect on adjoining pedestrian and traffic systems.

Condition reason – To ensure compliance with the Construction Management Plan

- (62) **Placement of fill** - Filling must not be placed in such a manner that natural drainage from adjoining land will be obstructed or in such a manner that surface water will be diverted.

Further, any alterations to the natural surface contours must not impede or divert natural surface water runoff so as to cause a nuisance to adjoining property owners.

Condition reason - To ensure that fill required for a development is managed in accordance with Council requirements.

Before issue of a subdivision certificate

- (63) **Requirement for a Subdivision Certificate** - The application for Subdivision Certificate(s) must be made in accordance with the requirements of Section 54 of the Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021 and Section 6.33(1) Environmental Planning and Assessment Act 1979.

The applicant will be required to submit documentary evidence that the property has been developed in accordance with the plans approved by this development consent [16-2025-70-1], and of compliance with the relevant conditions of consent, prior to the issuing of a Torrens Plan of Subdivision.

In addition, one signed original copy of the original plans and/or documents, and final plan of survey/title, must be submitted to Council.

Condition reason - To enable the subdivision, boundary adjustment or lot consolidation of land and ensure compliance with the relevant development consent.

- (64) **Show easements / restrictions on the Plan of Subdivision** - The developer must acknowledge all existing easements and/or restrictions on the use of the land on the final plan of subdivision.

Condition reason - To ensure that all existing easements and/or restrictions on the use of land are shown on the final plan of subdivision.

- (65) **Road naming application** – An application (together with a plan) must be submitted to Council for road names. The suggested names must be supported with reasons (historical or otherwise) for the chosen names.

Condition reason - To ensure road names for a subdivision are adequate.

- (66) **Burdened lots to be identified** - Any lots subsequently identified during construction of the subdivision as requiring restrictions must also be suitably burdened.

Condition reason - To ensure that all lots which have been identified as requiring restrictions or easements are suitably burdened.

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- (67) **Subdivision Certificate** – The issue of a Subdivision Certificate is not to occur until all conditions of this development consent have been satisfactorily addressed and all engineering works are complete.

Works As Executed Plans must be prepared and provided to the Principal Certifying Authority in accordance with Council's Infrastructure Specifications and approved plans.

Condition reason - To ensure the development has satisfied the required conditions of consent in the relevant development consent to release the subdivision certificate.

- (68) **Surveyor's Report** – A certificate from a Registered Surveyor must be provided to the Principal Certifying Authority, certifying that all drainage lines have been laid within their proposed easements.

Certification is also to be provided stating that no services or accessways encroach over the proposed boundary other than as provided for by easements as created by the final plan of subdivision.

Condition reason - To confirm location of drainage lines and ensure that no services or access ways encroach the lot boundaries, unless suitability provided for by easements.

- (69) **Services** – Evidence is to be provided to Council demonstrating that the following reticulated services are available to each lot:

- a) Electricity.
- b) Water.
- c) Sewer.
- d) Gas (where available).

Should any of the above reticulated services not be available to the development site, a detailed statement is to be provided explaining why connection of the relevant service is not possible or practical.

Condition reason - To ensure that evidence of connection of services is provided to Council.

- (70) **Water Authority Certificate** - Prior to the issue of a Subdivision Certificate, a Section 50 Application under the Hunter Water Act 1991 must be lodged with Hunter Water Corporation (HWC) and details of the Notice of Compliance from HWC must be provided to the Certifying Authority.

Condition reason: To ensure compliance with the water supply authority's requirements.

- (71) **Notice of Arrangements** - Prior to the issue of a Subdivision Certificate, a Notice of Arrangements must be lodged with Ausgrid and the Notice of Arrangements letter from Ausgrid must be provided to the Certifying Authority.

Condition reason: To ensure compliance with the electricity supply authority's requirements.

- (72) **Section 88B Instrument** – The applicant must prepare a Section 88B Instrument which incorporates the following easements, positive covenants and restrictions to user where necessary:

- a) easement to drain water and drainage easement/s over overland flow paths;

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- b) Restrictions on lots for Asset Protection Zones in accordance with Conditions 1 and 2 of the NSW Rural Fire Service Bush Fire Safety Authority (Reference: DA20250218000614-Original-1, Dated 1 April 2025)

Condition reason - To ensure that specific easements and/or restrictions are imposed on the Section 88B instrument in accordance with the relevant consent.

- (73) **Management of roads and drainage reserves** – Prior to the release of a Subdivision Certificate:

- a) A management plan for the stormwater infrastructure must be prepared, if not being dedicated to Council. If stormwater infrastructure is to be dedicated to Council as drainage reserve, it will be at no cost.
- b) A management plan for the constructed roads must be prepared, if not being dedicated to Council. If road infrastructure is to be dedicated to Council as a public road, it will be at no cost.

Any dedication of roads or drainage reserves by the applicant under this Consent does not endorse any compensation, works-in-kind, or “development/local infrastructure contribution” offset or similar.

Condition reason - To ensure appropriate management plans are prepared if infrastructure is not dedicated to Council.

- (74) **Stormwater management facility** – A stormwater management facility must be constructed for the site in accordance with the approved plans and Council’s Infrastructure Specification.

Operation, Maintenance and Monitoring Manual/s ('Manuals') for the stormwater management facility must be provided for approval to the Principal Certifying Authority. The Manual(s) must be prepared by a qualified Engineer.

Condition reason - To ensure that a stormwater management facility has been constructed in accordance with the approved plans and Council’s Infrastructure Specification.

- (75) **Bushfire safety – Subdivision** - Certification from a NSW BPAD accredited Bushfire Expert be provided to certify that the development complies with:

- a) NSW RFS Bushfire Safety Authority, Reference: DA20250218000614-Original-1, Dated 1 April 2025; and
- b) The Bushfire Assessment Report provided with the DA [Newcastle Bushfire Consulting, 24 September 2024, Revision 1]; and
- c) 'Planning for Bush Fire Protection 2019'.

Condition reason: To ensure the development is compliant with Planning for Bush Fire Protection 2019.

- (76) **Section 7.11 Development contributions** – A monetary contribution is to be paid to Council for the provision of 5 additional lots, pursuant to Section 7.11 of the Environmental Planning & Assessment Act 1979 and the Port Stephens Council Local Infrastructure Contributions Plan 2020 towards the provision of the following public facilities:

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Facility	Per Lot/Dwelling	Total \$
Civic Administration – Plan Management	\$757	\$3,785
Civic Administration – Works Depot	\$1,170	\$5,850
Town Centre Upgrades	\$3,433	\$17,165
Public Open Space, Parks and Reserves	\$2,443	\$12,215
Sports & Leisure Facilities	\$3,565	\$17,825
Cultural & Community Facilities	\$445	\$2,225
Road Works	\$2,439	\$12,195
Medowie Traffic & Transport	\$3,135	\$15,675
Shared Paths	\$481	\$2,405
Bus Facilities	\$33	\$165
Flood & Drainage	\$1,795	\$8,975
Kings Hill Urban Release Area	\$304	\$1,520
Total	\$20,000	\$100,000

Payment of the above amount must apply to Development Applications as follows:

- a) Subdivision work - prior to the issue of Subdivision Certificate

Note: The amount of contribution payable under this condition has been calculated at the date of consent. In accordance with the provisions of the Contributions Plan, this amount must be indexed at the time of actual payment in accordance with the applicable Index.

Condition reason - To ensure that a monetary contribution as specified is paid to Council in accordance with Section 7.11 of the EP&A Act 1979, and the Port Stephens Council Local Infrastructure Contributions Plan 2020.

- (77) **Housing and Productivity Contribution** – Before the issue of a subdivision certificate the housing and productivity contribution (HPC) set out in the table below is required to be made.

Housing and Productivity Contribution	Amount
Housing and Productivity Contribution – Lower Hunter Region	\$43,248.71

The HPC must be paid using the NSW planning portal.

At the time of payment, the amount of the HPC is to be adjusted in accordance with the Environmental Planning and Assessment (Housing and Productivity Contributions) Order 2024 (HPC Order). The HPC may be made wholly or partly as a non-monetary contribution (apart from any transport project component) if the Minister administering the Environmental Planning and Assessment Act 1979 agrees.

The HPC is not required to be made to the extent that a planning agreement excludes the application of Subdivision 4 of Division 7.1 of the Environmental Planning and

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Assessment Act 1979 to the development, or the HPC Order exempts the development from the contribution.

Condition reason - To require contributions towards the provision of regional infrastructure.

- (78) **Repair of infrastructure** – Before the issue of a Subdivision Certificate, the applicant must ensure any public infrastructure damaged as a result of the carrying out of building works (including damage caused by, but not limited to, delivery vehicles, waste collection, contractors, sub-contractors, concreting vehicles) is fully repaired to the written satisfaction of Council, and at no cost to Council.

Note: If the council is not satisfied, the whole or part of the bond submitted will be used to cover the rectification work.

Condition reason - To ensure that any damage resulting to public infrastructure is appropriately rectified at no cost to the Council.

- (79) **Completion of Roads Act Approval works** – Before the issue of Subdivision Certificate, all approved road, footpath and/or drainage works, including vehicle crossings, have been completed in the road reserve in accordance with the Roads Act Approval to the satisfaction of the Council as the Roads Authority.

Condition reason - To ensure that approved works within the road reserve have been completed to the satisfaction of the Council.

- (80) **Completion of Stormwater/Drainage Works** – Before the issue of a Subdivision Certificate, all stormwater and drainage works required to be undertaken in accordance with this consent must be completed.

The certification/verification must be provided to the satisfaction of the PCA.

Condition reason – To ensure all stormwater and drainage works required by this consent are completed.

- (81) **Completion of landscape and tree works** – Before the issue of a Subdivision Certificate, the principal certifier must be satisfied that all landscape and tree-works, including pruning in accordance with *AS 4373-2007 Pruning of amenity trees*, planting of street trees, and the removal of all noxious weed species, have been completed in accordance with the approved plans and any relevant conditions of this consent.

Condition reason - To ensure that landscape and tree works have been completed in accordance with the approved plans prior to the issue of an Occupation Certificate.

- (82) **Addressing** - Prior to release of the Subdivision Certificate Council's Spatial Services Team should be contacted via email at: addressing@portstephens.nsw.gov.au to obtain correct property addressing details.

Condition reason – To ensure addressing is provided prior to the release of a subdivision certificate.

Occupation and ongoing use

- (83) **Maintenance of Landscaping** – Any trees planted under this consent are to be maintained (e.g. through the use of mulch and watering) until maturity, or for a period of 5 years from planting.

If any of the vegetation dies or is removed, it is to be replaced with vegetation of the

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same species and similar maturity as the vegetation which has died or was removed.

Condition reason - To ensure that replacement trees and revegetation areas are maintained until maturity, or for a period of 5 years from planting.

General advisory notes

This consent contains the conditions imposed by the consent authority which are to be complied with when carrying out the approved development. However, this consent is not an exhaustive list of all obligations which may relate to the carrying out of the development under the EP&A Act, EP&A Regulation and other legislation. Some of these additional obligations are set out in the [Conditions of development consent: advisory notes: https://www.planning.nsw.gov.au/sites/default/files/2023-07/condition-of-consent-advisory-note.pdf](https://www.planning.nsw.gov.au/sites/default/files/2023-07/condition-of-consent-advisory-note.pdf) . The consent should be read together with the *Conditions of development consent: advisory notes* to ensure the development is carried out lawfully.

The approved development must be carried out in accordance with the conditions of this consent. It is an offence under the EP&A Act to carry out development that is not in accordance with this consent.

Building work or subdivision work must not be carried out until a construction certificate or subdivision works certificate, respectively, has been issued and a principal certifier has been appointed.

A document referred to in this consent is taken to be a reference to the version of that document which applies at the date the consent is issued, unless otherwise stated in the conditions of this consent.

Council advisory notes

'Dial Before you Dig Australia' – Before any excavation work starts, contractors and others should phone the “Dial Before You Dig Australia” service to access plans/information for underground pipes and cables.

Responsibility for damage for tree removal/pruning – The applicant is responsible for any damage caused to existing public utilities, footpaths or public roads during the cutting down, grinding, removal and disposal of the timber and roots. Care must also be taken by the applicant and the applicant's agents to prevent any damage to adjoining properties. The applicant or applicant's agent may be liable to pay compensation to any adjoining owner if, due to tree works, damage is caused to such adjoining property.

Bird strike advice – As the subject site is located in an area mapped by the Department of Defence as “Birdstrike Group B”, organic waste and/or the storage of bins associated with any future development must be covered and/or enclosed and limited on-site.

Approved Plans to be on-site – A copy of the approved and certified plans, specifications and documents incorporating conditions of approval and certification shall be kept on the Site at all times and shall be readily available for perusal by any officer of Council or the Principal Certifying Authority.

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Council as PCA, PCA sign – It is the responsibility of the applicant to erect a PCA sign. Where Council is the PCA, the sign is available free of charge, from Council's Administration Building at Raymond Terrace or the Tomaree Library at Salamander Bay. The applicant is to ensure the PCA sign remains in position for the duration of works.

Addressing – Prior to occupying the development or release of the Subdivision Certificate, whichever occurs first, Council's Spatial Services Team should be contacted via email at: addressing@portstephens.nsw.gov.au to obtain correct property addressing details. Please state your Development Approval number and property address in order to obtain the correct house numbering.

State Government advisory notes

In addition to the conditions of the development consent, the NSW State Government advisory notes within the following link may be relevant for a person involved in carrying out the development approved under the consent and should be read in conjunction with the Notice of Determination: <https://www.planning.nsw.gov.au/sites/default/files/2023-07/condition-of-consent-advisory-note.pdf>

The advisory notes do not form part of the development consent. However, they provide information on how the obligation to lawfully carry out the approved development can be met.

Dictionary

The following terms have the following meanings for the purpose of this determination (except where the context clearly indicates otherwise):

Approved plans and documents means the plans and documents endorsed by the consent authority, a copy of which is included in this notice of determination.

AS means Australian Standard published by Standards Australia International Limited and means the current standard which applies at the time the consent is issued.

Building work means any physical activity involved in the erection of a building.

Certifier means a council or a person that is registered to carry out certification work under the *Building and Development Certifiers Act 2018*.

Construction certificate means a certificate to the effect that building work completed in accordance with specified plans and specifications or standards will comply with the requirements of the EP&A Regulation and *Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021*.

Council means Port Stephens Council.

Court means the Land and Environment Court of NSW.

EPA means the NSW Environment Protection Authority.

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

EP&A Regulation means the *Environmental Planning and Assessment Regulation 2021*.

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Independent Planning Commission means Independent Planning Commission of New South Wales constituted by section 2.7 of the EP&A Act.

Local planning panel means Hunter Central Coast Regional Planning Panel.

Occupation certificate means a certificate that authorises the occupation and use of a new building or a change of building use for an existing building in accordance with this consent.

Principal certifier means the certifier appointed as the principal certifier for building work or subdivision work under section 6.6(1) or 6.12(1) of the EP&A Act respectively.

Site work means any work that is physically carried out on the land to which the development the subject of this development consent is to be carried out, including but not limited to building work, subdivision work, demolition work, clearing of vegetation or remediation work.

Stormwater drainage system means all works and facilities relating to:

- the collection of stormwater,
- the reuse of stormwater,
- the detention of stormwater,
- the controlled release of stormwater, and
- connections to easements and public stormwater systems.

Strata certificate means a certificate in the approved form issued under Part 4 of the *Strata Schemes Development Act 2015* that authorises the registration of a strata plan, strata plan of subdivision or notice of conversion.

Subdivision certificate means a certificate that authorises the registration of a plan of subdivision under Part 23 of the *Conveyancing Act 1919*.

Subdivision works certificate means a certificate to the effect that subdivision work completed in accordance with specified plans and specifications will comply with the

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DEVELOPMENT ASSESSMENT REPORT

APPLICATION REFERENCES

Application Number	16-2025-70-1
Development Description	Subdivision - One into eight lot Torrens title subdivision, associated civil works, vegetation removal, landscaping and demolition
Applicant	PERCEPTION PLANNING PTY LTD
Land owner	MR B O COX & ESTATE OF LATE V I COX
Date of Lodgement	17/02/2025
Value of Works	\$1,174,829.00
Submissions	1

PROPERTY DETAILS

Property Address	616 Medowie Road MEDOWIE
Lot and DP	LOT: 1 DP: 1006347
88B Restrictions on Title	Nil
Current Use	Residential Accommodation - Dwelling
Zoning	R5 LARGE LOT RESIDENTIAL
Site Constraints	Bush Fire Prone Land – Vegetation Category 3 & Vegetation Buffer; Acid Sulfate Soils – Class 5; Koala Habitat Planning Map – Preferred Koala Habitat Link Over Other Vegetation, Preferred Koala Habitat Buffer Over Cleared Land, Preferred Koala Habitat Link Over Cleared Land, Preferred Koala Habitat, Preferred Koala Habitat Link Over Marginal, and Preferred Koala Habitat Buffer Over Other Vegetation; RAAF Height Trigger Map – 15m; RAAF Bird Strike – Group B; Extraneous Lighting – 6km Radius Controlled Light Installation Area; Hunter Water Special Areas & Drinking Water Catchment Area – Grahamstown Dam; and Biodiversity Values Map – Core Koala Habitat
State Environmental Planning Policies	State Environmental Planning Policy (Biodiversity and Conservation) 2021 State Environmental Planning Policy (Resilience and Hazards) 2021 State Environmental Planning Policy (Transport and Infrastructure) 2021

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PROPOSAL

The proposed development seeks consent for a 1 into 8 lot Torrens title subdivision, associated civil works, demolition and vegetation removal. The particulars of the development are outlined below.

Demolition

The application proposes to demolish an existing single storey dwelling and ancillary sheds located on the site. The demolition would enable construction of the cul-de-sac road and ensure future lots are clear from any existing structures.

Subdivision

The proposed subdivision would result in six residential lots and two drainage reserves, as shown in **Figure 1** and outlined below:

- Proposed Lot 1: 4,000m²
- Proposed Lot 2: 4,001m²
- Proposed Lot 3: 4,002m²
- Proposed Lot 4: 4,000m²
- Proposed Lot 5: 4,003m²
- Proposed Lot 6: 4,000m²
- Drainage Reserve 1: 624.6m²
- Drainage Reserve 2: 516.7m²

Lots 3 & 4 are a battle-axe lots, with the access way proposed off the cul-de-sac road. An Asset Protection Zone (APZ) has also been nominated on the proposed subdivision plan and is shown in green.

Servicing and Civil Works

The proposed development would include the servicing of the new allotments, including the construction of a cul-de-sac road off Medowie Road, the installation of stormwater infrastructure and construction of the battle-axe handles from proposed Lots 3 & 4. Two stormwater basins are proposed to be constructed adjoining the western boundary of Lots 1 & 6 with overflow from the basin to be directed to the existing swale on Medowie Road. The proposed civil plans can be seen in **Figures 2 & 3**.

The development would also involve minor upgrades to Medowie Road to enable a basic right turn intersection, including widening of Medowie Road to ensure vehicles can pass a vehicle entering the site.

Vegetation Removal

The proposed development would require the removal of 15 trees, being trees 3 – 15 and 30 & 31 in **Figure 4** below.

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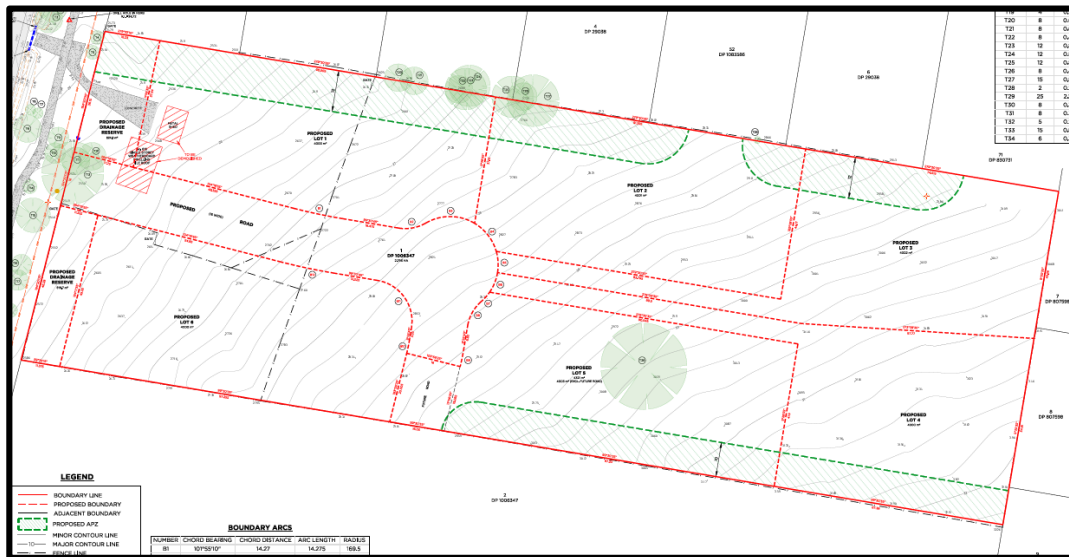


Figure 1: Proposed subdivision plan

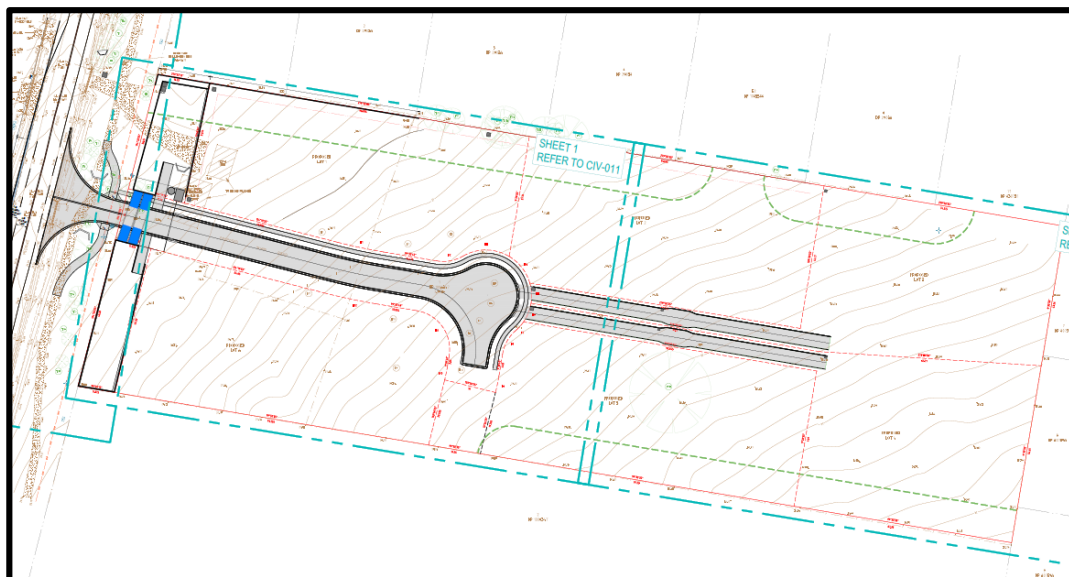


Figure 2: Proposed civil arrangements plan

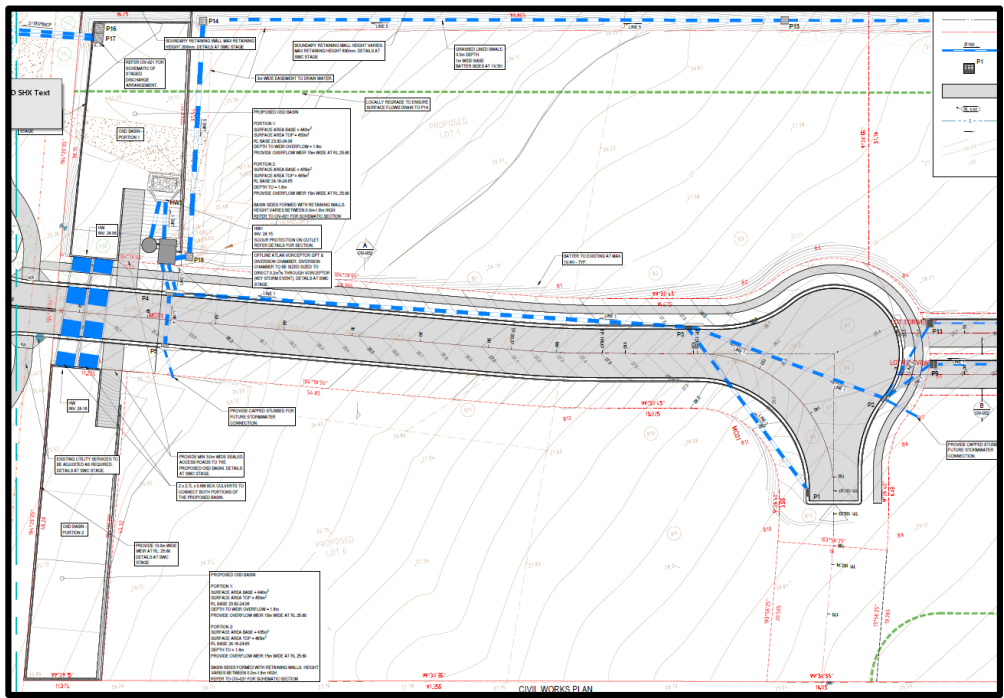


Figure 3: Proposed civil works plan and detention basins

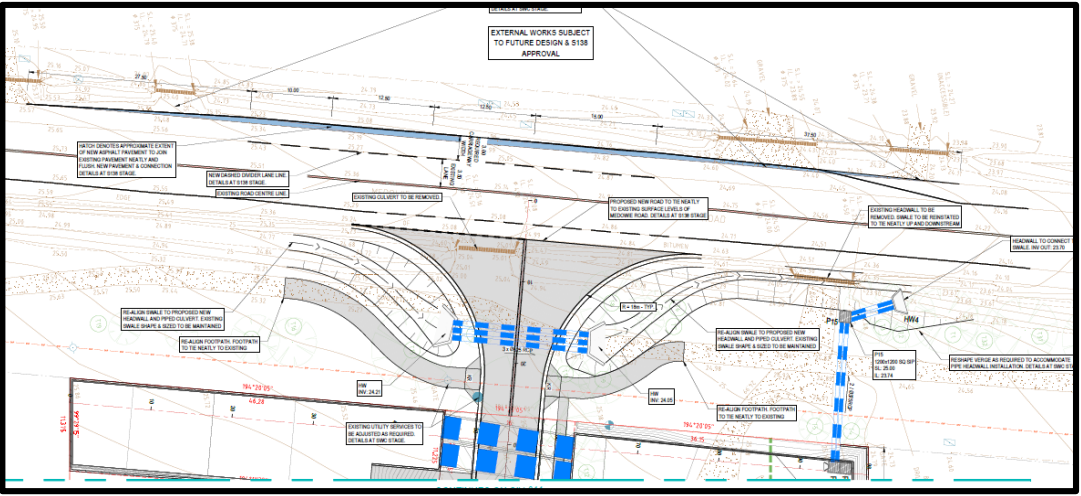


Figure 4: Proposed intersection works

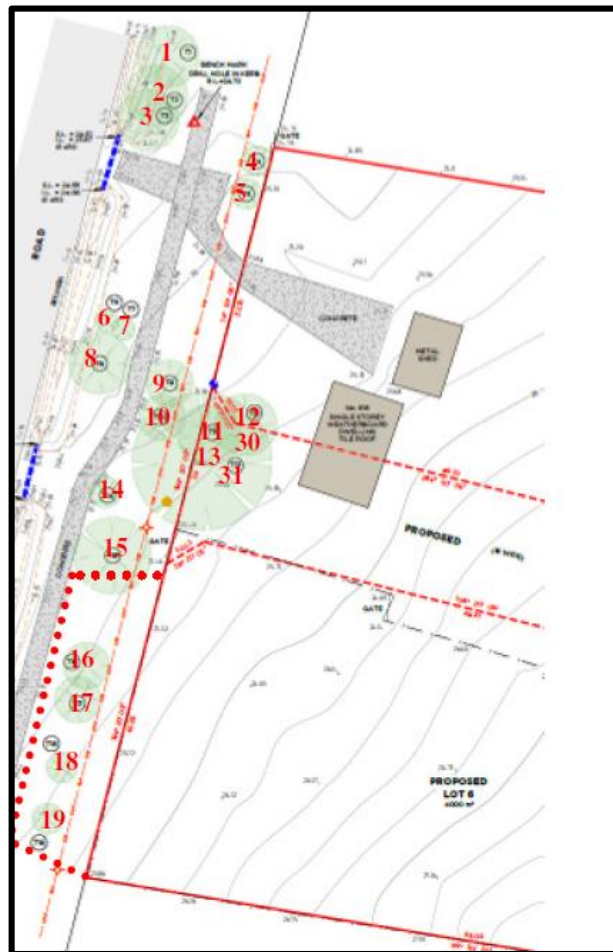


Figure 5: Partial tree removal/retention plan

SITE DESCRIPTION

The subject site (the 'site') is located at 616 Medowie Road, Medowie and is legally identified as Lot 1 in DP 1006347. The site features a rectangular shape with a total area of 2.796ha and a sloped topography, falling approximately 7m from the south-east to the north-west. The site currently contains a single storey dwelling, ancillary structures, sporadic vegetation and maintained lawns, as seen in **Figure 6**.

The site is bounded by large lot residential developments to the north, east and south and Medowie Road to the west. Larger rural residential developments are located further to the west while low density residential developments are located approximately 300m. The town centre of Medowie, including commercial premises, takeaway food and drink premises and health services is located approximately 1.5km north. The site currently contains vehicular access via a driveway crossover from Medowie Road.



Figure 6: Aerial GIS imagery of the subject site

SITE HISTORY

There have been a number of applications lodged over the site which are summarised in the following table.

Application #	Proposal Description	Determination	Date Determined
7-1997-41270-1	Two Lot Subdivision	Withdrawn	20/10/1997
7-1997-41687-1	Boundary Realignment	Approved	24/11/1997

The subject site does not have records of contamination or historical applications that would impact the proposed development.

SITE INSPECTION

A site inspection was carried out on 14 March 2025.
The subject site can be seen in **Images 1 – 8** below:



Image 1: Existing structures on the site proposed for removal



Image 2: Existing structures and vegetation proposed for removal



Image 3: View towards rear of the site



Image 4: Interface with properties to the east



Image 5: Interface with property to the north



Image 6: Interface with property to the south



Image 7: Approximate location of proposed internal road



Image 8: Approximate location of proposed intersection

REFERRALS

The proposed development was referred to the following internal specialists and external agencies. The comments provided by the special staff and external agencies have been used to carry out the assessment against the section 4.15 Matters for Consideration below:

Internal

Development Engineering

Outcome	Supported with conditions
<p>Comment</p>	<p>The application was referred to Council’s Development Engineer for consideration of traffic/access and stormwater management. A summary of the concerns raised by Council’s Development Engineer and how they have been addressed is provided below.</p> <p><u>Traffic</u> The referral initially raised concerns regarding the proposed intersection treatment between the development and Medowie Road, being a left in and left out intersection. Specifically, the referral raised concerns regarding the additional travel distance for future residents wanting to travel north from the site towards the Medowie town centre or trying to return home from the south. This additional travel distance increased the likelihood of vehicles attempting U-turn manoeuvres on Medowie Road, presenting a safety risk to both residents and users of Medowie Road. Further concerns were also raised regarding the lack of safety considerations within the Traffic Impact Assessment (TIA) and access to bus stops.</p> <p>In response to the above concerns, a request for information was issued to the applicant to revise the proposed intersection treatment, including consideration of alternate treatments, lot layouts and vehicle safety. Following discussions with Council, the applicant provided further information regarding traffic movements generated by the proposed development and traffic data for vehicle movements along Medowie Road. Based upon the additional information, the applicant proposed a basic right turn treatment (BAR) facilitating all turning movements to and from the site. To facilitate the BAR treatment, minor widening of Medowie Road is proposed to allow northbound motorists to safely pass a vehicle turning right into the site. The proposed intersection treatment was reviewed and supported by Council’s Development Engineer.</p> <p>In relation to access to bus stops, further investigations were undertaken by Council’s Development Engineer, with existing bus stops within 400m of the site available. As such, this matter was considered to be resolved.</p> <p>Ultimately, the proposed development was supported by Council’s Development Engineer from a traffic and access perspective.</p> <p><u>Stormwater Management</u> Regarding stormwater management, several concerns were raised regarding the provided modelling, proposed basin configuration, outlet details, catchment area and ongoing basin management. As such, a request for information was issued to address these issues.</p> <p>Following the request for information, the applicant provided an updated stormwater management plan, including revised modelling, an overall catchment plan, revised basin configuration and information regarding the proposed dedication of the basins</p>

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	<p>to Council. The amended stormwater management plan was reviewed and supported by Council's Development Engineer.</p> <p>Ultimately, the proposed development has been supported by Council's Development Engineer subject to conditions of consent.</p>
Natural Systems	
Outcome	Supported with conditions
Comment	<p>The application was referred to Council's Environmental Planner for consideration of tree removal and ecological impacts.</p> <p>The referral requested that a landscape plan be provided due to substantial tree removal of Council land. It was requested that the landscape plan include provision for the planting of 8 x 75L Blackbutt (<i>Eucalyptus pilularis</i>) along the rear boundary to provide habitat connectivity. Furthermore, the referral stated that an updated arborist report should be provided to consider potential impacts to neighbouring trees.</p> <p>In response the applicant provided a landscape plan, including the required Blackbutt plantings. While an updated arborist report was not provided, it was considered by Council's Environmental Planner that there is sufficient information to address potential impacts. As such, the application was supported with conditions.</p>
Development Contributions	
Outcome	Supported with conditions
Comment	<p>The application was referred to Council's Development Contributions Officer. It was determined that Section 7.11 Development Contributions apply for the provision of five (5) additional residential lots. A condition of consent has been included in the determination requiring the payment of development contributions prior to the issue of a Subdivision Certificate.</p>
Environmental Health	
Outcome	Supported with conditions
Comment	<p>The application was referred to Council's Environmental Health Officer for consideration of sewer management, air quality, noise and contamination. No objections were raised, and the application was supported with conditions.</p>
Spatial Services	
Outcome	Supported unconditionally
Comment	<p>The application was referred to Council's Spatial Services Officer for comment. The referral noted that street address allocation would occur once road naming was provided by the applicant. A condition has been recommended accordingly.</p>
Strategic Planning	
Outcome	No Response
Comment	<p>The application was referred to Council's Strategic Planning Officer for comment. No response was received within the required timeframe and it is therefore considered that there are no objections to the proposed development.</p>

All internal referral officers have supported the application with conditions.

External (non-integrated)	
Hunter Water Corporation	
Outcome	Supported with conditions
Comment	<p>The application was referred to Hunter Water Corporation (HWC) under Section 51 of the Hunter Water Act 1991. In response, HWC provided comments regarding site contamination, stormwater management, and wastewater management. An overview of these matters and how they have been addressed is provided below.</p> <p><u>Site Contamination</u> It was identified in the referral that limited information had been provided regarding historical uses of the site and that demolition of existing structures on the site may present a contamination risk. A Preliminary Site Investigate (PSI) was provided by the applicant which outlined historical uses of the site and risk of contamination. The PSI found that the site can be made suitable for the proposed use subject to recommendations. Based upon the findings of the PSI, conditions of consent have been included requiring the preparation of a Detailed Site Investigate (DSI), a Hazardous Materials Survey and Hazardous Materials Management Plan prior to site works commencing. If the DSI was to determine that a Remediation Action Plan (RAP) is required, this would need to be prepared, and the site remediated, prior to the issue of the Subdivision Works Certificate. These conditions would ensure that any potential contamination risks are suitably addressed during site works.</p> <p><u>Stormwater Management</u> In relation to stormwater management and specifically water quality, the referral noted several concerns regarding the provided MUSIC modelling indicating that the results were unreliable. As a result of the discrepancies in the modelling, it was determined that Neutral or Beneficial Effect (NorBE) on stormwater runoff was not achieved.</p> <p>The applicant provided an updated stormwater management plan and MUSIC modelling to demonstrate that NorBE on stormwater runoff was achieved. Notwithstanding, Hunter Water raised concerns that WaterNSW approved efficiency nodes for proprietary devices were not used in the updated MUSIC modelling. In response, a condition of consent has been recommended requiring the MUSIC modelling to be updated, with the civil engineering plans amended accordingly. While Hunter Water held a preference for design feasibility to be confirmed prior to the consent being issued, they advised the condition was appropriate. As such, Council, as the consent authority, is considered to have met the requirements of Section 51(3) of the Hunter Water Act 1991.</p> <p><u>Wastewater Management</u> The application was originally lodged proposing each lot to connect to an individual on-site sewer management system. This was not supported by HWC due to the risk these systems present to water quality and the availability of the reticulated sewer network to the site. The applicant amended the proposal to ensure the development connected to the reticulated water and sewer network.</p> <p>Ultimately, Council staff have considered the comments received from HWC and determined that the concerns raised have been suitably addressed via amendments to the application and the recommended conditions of consent.</p>

All external referral officers have supported the application with conditions.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Section 1.7 – Application of Part 7 of Biodiversity Conservation Act 2016

The development does not trigger entry into the Biodiversity Offset Scheme, as the proposal does not involve native vegetation clearing within a Biodiversity Values Mapped area, exceed the area clearing threshold or propose significant ecological impact.

Section 4.14 – Consultation and development consent (certain bushfire prone land)

The development does not trigger assessment section 4.14 of the EP&A Act 1979 due to the development being integrated development in accordance with s100B of the Rural Fires Act 1997 and the NSW RFS being consulted through the integrated development process in accordance with section 4.46 of the EP&A Act 1979.

Section 4.46 – What is “integrated development”?

Section 4.46 EP&A Act provides that development is integrated development if in order to be carried out, the development requires development consent and one or more other approvals. The proposed development is integrated as it requires approval under the following Acts:

Rural Fire Service	
Comment:	<p>The proposed development required an integrated referral under section 100B of the Rural Fires Act 1997 due to the development including the subdivision of bush fire prone land that could lawfully be used for residential purposes. Accordingly, the application was referred to RFS and subsequently supported with conditions under Division 4.8 of the Environmental Planning and Assessment Act 1979 (EP&A Act 1979).</p> <p>General Terms of Approval (GTA), issued by the RFS, and dated 1 April 2025, include conditions related to the following:</p> <ul style="list-style-type: none"> • Asset Protection Zones; • Access Requirements; • Water and Utility Services; and • Landscaping <p>The GTAs have been attached to the determination.</p>

Section 4.15 – Matters for consideration

When determining a development application, the consent authority must take into consideration the matters outlined in Section 4.15(1) of the EP&A Act. The matters of relevance to the development application include the following:

- The provisions of any environmental planning instrument, proposed instrument, development control plan, planning agreement and the regulations
 - Any environmental planning instrument, and
 - Any proposed instrument that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Planning Secretary has notified the consent authority that the making of the proposed instrument has been deferred indefinitely or has not been approved), and
 - Any development control plan, and
 - Any planning agreement that has been entered into under section 7.4, or any draft planning agreement that a developer has offered to enter into under section 7.4, and

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- The regulations (to the extent that they prescribe matters for the purposes of this paragraph),
- That apply to the land to which the development application relates,
- The likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,
- The suitability of the site for the development,
- Any submissions made in accordance with this Act or the regulations,
- The public interest.

Section 4.15(1)(a)(i) – Any environmental planning instrument

An assessment has been undertaken against each of the applicable environmental planning instruments (EPI's), as follows:

State Environmental Planning Policy (Biodiversity And Conservation) 2021**Chapter 2 – Vegetation in non-rural areas**

Chapter 2 Vegetation in Non-Rural Areas of the Biodiversity and Conservation SEPP aims to protect the biodiversity values and preserve the amenity and other vegetation in non-rural areas of the State.

The chapter works in conjunction with the Biodiversity Conservation Act 2016 and the Local Land Services Amendment Act 2016 to create a framework for the regulation of clearing of native vegetation in NSW.

Part 2.3 of the chapter contains provisions similar to those contained in the former (now repealed) clause 5.9 of Port Stephens Local Environmental Plan 2013 and provides that Council's Development Control Plan can make declarations with regards to certain matters. The chapter further provides that Council may issue a permit for tree removal.

The development application seeks consent for the removal of 15 existing trees located on the site and within Council's road reserve. The removal is supported as replacement plantings are proposed by the applicant consistent with Council's landscape technical specifications.

Chapter 4 – Koala habitat protection 2021

This policy aims to encourage the conservation and management of areas of natural vegetation that provide habitat for koalas to support a permanent free-living population over their present range and reverse the current trend of koala population decline. Chapter 4 applies to all zones other than RU1 (Primary Production), RU2 (Rural Landscape) and RU3 (Forestry) in the Port Stephens Local Government Area.

Section 4.8 – Development assessment process

Section 4.8 requires that the application must be consistent with the approved koala plan of management that applies to the site. In Port Stephens, the relevant plan is the Comprehensive Koala Plan of Management (CKPoM). The subject site is mapped as containing preferred koala habitat, preferred koala habitat buffer and link over mainly cleared land. Whilst the development would have no impacts on the areas of preferred koala habitat, there would be minor impacts on the preferred koala habitat buffer and link over mainly cleared land. In this regard, the CKPoM requires the following:

- *Make provision, where appropriate, for restoration or rehabilitation of areas identified as Koala Habitat including Habitat Buffers and Habitat Linking Areas over Mainly Cleared Land.*
- *Make provision for long term management and protection of koala habitat including both existing and restored habitat*

- *Not compromise the potential for safe movement of koalas across the site. This should include maximising tree retention generally and minimising the likelihood that the proposal would result in the creation of barriers to koala movement, such as would be imposed by certain types of fencing.*

As such, to comply with the above requirements, the landscape plan includes the planting of eight (8) mature stock Blackbutt's, *Eucalyptus pilularis*, along the rear boundary to provide linkage between vegetation to the north and south. As such, the development complies with the CKPoM and this SEPP.

State Environmental Planning Policy (Resilience And Hazards) 2021

Chapter 4 – Remediation of land

Section 4.6 – Contamination and remediation to be considered

Section 4.6 of Chapter 4 of the Resilience and Hazards SEPP requires the consent authority to consider whether land is contaminated, is in a suitable state despite contamination, or requires remediation to be made suitable for the proposed development.

It is noted that the NSW list of contaminated sites and list of notified sites published by the EPA does not identify the site as being contaminated, nor has previous record of contamination in Council's system. The land is also not within an investigation area. However, there is evidence that the site had been used historically for agricultural and horticultural activities, which is considered a potentially contaminating activity, per Table 1 of the Guidelines. Noting this, a request for information was issued to the applicant to provide a Preliminary Site Investigation (PSI) to better understand the contamination risk presented by previous activities on the site.

The applicant provided a Stage 1 PSI prepared by Greenroom Environmental Consulting and dated 18 July 2025. The PSI included an assessment of previous land uses, a desktop analysis of site contamination issues and the site history, a site walkover and targeted soil sampling. Based upon the findings of the PSI, the following potential sources of contamination were identified:

- Potential asbestos containing materials associated with the existing dwelling, garage and sheds on the site;
- Potential for painted surfaces in poor condition to contain lead and be impacting soils;
- The potential for soils to be impacted by petroleum hydrocarbons from an Above Ground Storage Tank and various petrol mowers, diesel tractor and boat motor;
- Filling material imported to the site for horticultural and construction purposes

Notwithstanding, the PSI found that the site could be made suitable for the proposed use subject to recommendations. These recommendations include the preparation of a Detailed Site Investigation (DSI) and the preparation of a Hazardous Materials Survey (HMS) prior to any demolition occurring on the site. As such, appropriate conditions of consent have been recommended. If the DSI determines that the site requires remediation, a Remediation Action Plan (RAP) must be prepared and verified by Council and all remediation works would be required to be undertaken prior to the issue of a Subdivision Works Certificate. As such, the recommended conditions would ensure that the site is made suitable for residential accommodation prior to subdivision works commencing.

Therefore, the development is considered to have satisfied Section 4.6 of the Resilience and Hazards SEPP in that the land can be made suitable for the proposed residential use, subject to conditions of consent.

State Environmental Planning Policy (Transport And Infrastructure) 2021**Chapter 2 – Infrastructure****Section 2.126 – Sewerage systems – Development permitted with or without consent**

Under section 2.126, development for the purposes of sewage treatment plants may be carried out with consent on land in a prescribed zone and therefore the proposed sewer and water infrastructure is permissible with consent.

The site will require sewer infrastructure installed to service the proposed development. The infrastructure is proposed to be located on land within the R5 Zone which is not identified as a prescribed zone within Division 18 (Sewage Systems) of the TI SEPP.

Section 2.138 – Stormwater management systems – Development permitted with consent

Under section 2.138 of the TI SEPP, development for the purposes of a stormwater management system may be carried out by any person with consent on any land. The definition of 'stormwater management system' includes stormwater detention basins and as such the basins proposed in the development are permissible with consent.

The development proposes stormwater infrastructure to service the development, which complies with the requirements of this section.

Port Stephens Local Environmental Plan 2013 (PSLEP2013)**Clause 1.9A – Suspension of covenants, agreements and instruments**

Clause 1.9A identifies that development on land in any zone to be carried out in accordance with this Plan or with a consent granted under the Act, any agreement, covenant or other similar instrument that restricts the carrying out of that development does not apply to the extent necessary to serve that purpose.

The development does not contravene any of the noted covenants, agreements or instruments and is considered to satisfy this clause.

Clause 2.3 – Zone objectives and land use table

Clause 2.3 identifies that each land use zone in the land use table specifies the following:

- The objectives for development, and
- Development that may be carried out without development consent, and
- Development that may be carried out only with development consent, and
- Development that is prohibited.

This Clause outlines that the consent authority must have regard to the objectives for development in a zone when determining a development application in respect of land within the zone.

The proposed development is defined as subdivision which is permissible with consent in the R5 LARGE LOT RESIDENTIAL zone under Clause 2.6 of the PSLEP 2013.

The development addresses the objectives of the zone by:

- Enabling the provision of future residential housing within a rural setting in a way that preserves and minimises impacts on environmentally sensitive locations; and
- Is designed so that large residential lots does not hinder proper and orderly development of urban areas in the future; and
- Does not unreasonably increase the demand for public services or facilities.

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Clause 2.6 identifies that land to which this Plan applies may be subdivided, but only with development consent, and that development consent must not be granted for the subdivision of land on which a secondary dwelling is situated if the subdivision would result in the principal dwelling and the secondary dwelling being situated on separate lots, unless the resulting lots are not less than the minimum size shown on the Lot Size Map in relation to that land.

The proposed development involves Torrens title subdivision which is permitted by this clause.

Clause 2.7 – Demolition requiring development consent

Clause 2.7 identifies that the demolition of a building or work may be carried out only with development consent, unless identified as exempt development under an applicable environmental planning instrument.

The proposed development requires the demolition of an existing dwelling and ancillary structures. Accordingly, conditions of consent have been recommended in order to mitigate potential impacts to adjoining properties and the locality during demolition works.

Clause 4.1 – Minimum subdivision lot size

Clause 4.1 outlines the minimum lot size applicable to the subject sites, as identified on the minimum lot size map, to ensure that lot sizes are able to accommodate development that is suitable for its purpose and consistent with relevant development controls.

The subject site includes a minimum lot size of 4,000m², and proposes a one into six lot subdivision. The proposed allotments as a result of the subdivision are as follows:

- Proposed Lot 1: 4,000m²
- Proposed Lot 2: 4,001m²
- Proposed Lot 3: 4,002m²
- Proposed Lot 4: 4,000m²
- Proposed Lot 5: 4,003m²
- Proposed Lot 6: 4,000m²
- Drainage Reserve 1: 624.6m²
- Drainage Reserve 2: 516.7m²

Per the above, the proposed subdivision seeks to create allotments of which meet or exceed the minimum lot size specified under the Minimum Lot Size Map and consequently achieve the objectives and requirements of this clause.

It is noted that the proposed drainage reserves do not meet the minimum lot size requirements. However, as these are intended to be used for public purposes, their subdivision is permitted under Section 2.75(f) of the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.

Clause 5.10 – Heritage conservation

The objectives of this clause are to conserve the environmental heritage of Port Stephens, to conserve the heritage significance of heritage items and heritage conservation areas, including associated fabric, settings and views, to conserve archaeological sites, and to conserve Aboriginal objects and Aboriginal places of heritage significance.

In accordance with Clause 5.10.(4) the consent authority must, before granting consent under this clause in respect of a heritage item or heritage conservation area, consider the effect of the proposed development on the heritage significance of the item or area concerned.

The proposed development is not located within or in proximity to any local or state listed heritage items or conservation areas. An Aboriginal Heritage Management Systems (AHIMS) search was completed with the assessment, which showed that there are no recorded Aboriginal heritage sites or items within the subject site, or in close proximity to the subject site. The site is not located within any Aboriginal sensitive landscape features and exhibits evidence of previous ground disturbance.

As such, no adverse impact to Aboriginal heritage is expected, and a condition of consent relating to unexpected finds has been recommended to ensure that appropriate steps are taken should any be identified during works.

Clause 7.1 – Acid sulfate soils

The objective of this clause is to ensure that development does not disturb, expose or drain acid sulfate soils and cause environmental damage.

The subject land is mapped as containing potential Class 5 acid sulfate soils. The proposed development is not anticipated to entail excavations below 5 metres and therefore it is not expected that acid sulfate soils would be encountered during works.

Clause 7.2 – Earthworks

The objective of this clause is to ensure that earthworks for which development consent is required will not have a detrimental impact on environmental functions and processes, neighbouring uses, cultural or heritage items or features of the surrounding land.

In accordance with Clause 7.2(3) before granting development consent for earthworks (or for development involving ancillary earthworks), the consent authority must consider the following matters:

- The likely disruption of, or any detrimental effect on, drainage patterns and soil stability in the locality of the development.
- The effect of the development on the likely future use or redevelopment of the land.
- The quality of the fill or the soil to be excavated, or both.
- The effect of the development on the existing and likely amenity of adjoining properties.
- The source of any fill material and the destination of any excavated material.
- The likelihood of disturbing relics.
- The proximity to, and potential for adverse impacts on, any waterway, drinking water catchment or environmentally sensitive area.
- Any appropriate measures proposed to avoid, minimise or mitigate the impacts of the development.

The site features a generally flat topography and therefore does not require extensive earthworks. Earthworks would primarily be associated with the proposed civil works, including the construction of the internal road and the installation of stormwater infrastructure. Excavation for the installation of the stormwater basins would be to a maximum depth of approximately 2m. As such, the earthworks are minor in nature and are not anticipated to result in any negative impacts on the subject or adjoining land, or any public place. As outlined in the assessment against clause 5.10 above, the likelihood of disturbing relics is low.

Conditions of consent have been recommended relating to sediment and erosion control, stockpiling of materials, quality of imported/exported fill materials and disposal of excavated materials in accordance with the EPA's Waste Classification Guidelines.

Subject to the above recommended conditions of consent, the development accords with the requirements of this clause.

Clause 7.4 – Airspace operations

The objectives of this clause is to provide for the effective and ongoing operation of the RAAF Base Williamstown Airport by ensuring that such operation is not compromised by proposed development that penetrates the Limitation or Operations Surface for that airport and to protect the community from undue risk from that operation.

Clause 7.4(2) provides that if a development application is received and the consent authority is satisfied that the proposed development will penetrate the Limitation or Operations Surface, the consent authority must not grant development consent unless it has consulted with the relevant Commonwealth body about the application.

Clause 7.4(3) provides that the consent authority may grant development consent for the development if the relevant Commonwealth body advises that:

- The development will penetrate the Limitation or Operations Surface but it has no objection to its construction, or
- The development will not penetrate the Limitation or Operations Surface.

The development is located within the Limitation or Operations Surface mapped area, with a height of 15m applicable. As the development is for subdivision only, the proposal would not penetrate the Limitation or Operations Surface.

Clause 7.6 – Essential services

Cause 7.6 provides that development consent must not be granted to development unless the consent authority is satisfied that services that are essential for the development are available or that adequate arrangements have been made to make them available when required. The essential services include the following:

- The supply of water.
- The supply of electricity.
- The disposal and management of sewage.
- Stormwater drainage or on-site conservation.
- Suitable vehicular access.

The subject site is capable of being serviced by reticulated water, electricity and sewer. In addition, the application has demonstrated that stormwater drainage resulting from hard stand areas and future dwellings can be catered for in accordance with Councils requirements. The subject land also maintains direct access to Medowie Road and a new internal road is proposed in accordance with Council's Infrastructure Specifications. As such, the requirements of this clause have been met.

Clause 7.8 – Drinking water catchments

The objective of this clause is to protect drinking water catchments by minimising the adverse impacts of development on the quality and quantity of water entering drinking water storages.

Clause 7.8 provides that development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that:

- The development is designed, sited and will be managed to avoid any significant adverse impact on water quality and flows, or
- If that impact cannot be reasonably avoided - the development is designed, sited and will be managed to minimise that impact, or

- If that impact cannot be minimised - the development will be managed to mitigate that impact.

The proposed development is located within a drinking water catchment and accordingly the requirements of this clause apply. The subject development has been designed so as not to result in negative impacts on the quality or quantity of water entering the drinking water storage through the use of an on-site stormwater management system, comprising of two stormwater basins. The on-site system has been designed in accordance with Councils requirements to reduce the levels of identified pollutants to acceptable levels, prior to discharge from the site. There are no anticipated adverse impacts on the drinking water catchment as a result of the proposed development. Furthermore, the proposed development was referred to HWC who have given in principle support of the proposed development, subject to conditions of consent.

Section 4.15(a)(ii) – Any draft environmental planning instrument that is or has been placed on public exhibition

There are no draft EPI's relevant to the proposed development.

Section 4.15(a)(iii) – Any development control plan

Port Stephens Development Control Plan 2014 (PSDCP 2014)

The Port Stephens Development Control Plan 2014 (DCP) is applicable to the proposed development and has been assessed below.

Section B – General Provisions

B1 – Tree Management

This chapter applies to the removal or pruning of trees or other vegetation within non-rural areas and gives effect to SEPP (Biodiversity and Conservation) 2021 by listing those trees or other vegetation that require approval.

The objectives of this chapter are:

- To give effect to State Environmental Planning Policy (SEPP) (Biodiversity and Conservation) 2021 by listing those trees or other vegetation that require approval;
- To ensure adequate consideration is provided to the relevant matters for the removal or pruning of trees or other vegetation; and
- To ensure adequate information is provided to determine the application for the removal of trees or vegetation.

The proposed development requires the removal of 15 trees, ten (10) of which are located within the road reserve and five (5) of which are located within the subject site. The species of trees proposed for removal are outlined below:

- 1x Red Gum (*Angophora costata*)
- 2x Lemon Scented Tea Tree (*Leptospermum petersonii*)
- 1x Weeping Bottlebrush (*Callistemon viminalis*)
- 1x Coastal Banksia (*Banksia integrifolia*)
- 1x Willow Bottlebrush (*Callistemon salignus*)
- 1x Broad Leaved Paperbark (*Melaleuca quinquenervia*)
- 2x Crepe Myrtle (*Lagerstroemia indica*)
- 2x Hoop Pine (*Araucaria cunninghamii*)
- 1x Cabbage Tree Palm (*Livistonia australis*)
- 2x Date Palm (*Phoenix canariensis*)
- 1x Hickory Wattle (*Acacia implexa*)

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An arborist report was provided with the application to assess the proposed vegetation removal. The report found that the vegetation could not be feasibly retained, due to being within the development footprint or having major encroachments into tree protection zones. Notwithstanding, the report found that 16 trees located on the subject site and adjoining land can be retained, subject to recommendations. The arborist report and tree removal was assessed by Council's Environmental Planner who did not raise any objections. Furthermore, Council's Environmental Planner noted the recommendations of the arborist report should be included in the determination as conditions of consent. As such, the proposed tree removal is considered to be consistent with the requirements of this Chapter.

B2 – Flora and Fauna

This chapter applies to development that has the potential to impact upon native flora and/or fauna, is any LEP or State mapped wetlands or watercourses, and has the potential to impact these areas, is located on land containing biosecurity risks, is located on land mapped as Koala habitat identified by Council's Comprehensive Koala Plan of Management (CKPoM).

The objectives of this chapter are:

- To avoid and minimise impacts on native flora and fauna.
- To protect and enhance native flora and fauna, vegetation communities, and significant habitat on the site.
- To encourage the proper identification, management and conservation of Koala habitat in accordance with Council's Comprehensive Koala Plan of Management (CKPoM).
- To facilitate the compensatory replacement of important biodiversity features which cannot be avoided and are proposed to be removed under a tree permit or development consent.
- To reduce the negative impact of biosecurity risks (weeds) on the economy, community and environment by eliminating or restricting their geographical spread

This chapter requires assessment of the proposed development in accordance with the requirements of the NSW Biodiversity Conservation Act 2016 and Port Stephens Comprehensive Koala Plan of Management (CKPoM). See these sections for further details.

B2.A – Ecological Impact

In accordance with this section, a tree retention/removal plan has been included in the arborist report. Furthermore, the arborist report confirmed trees proposed for removal did not contain hollows and there was no evidence that the trees provided habitat for threatened species. Furthermore, a site inspection was undertaken by Council's Environmental Planner who confirmed that no threatened species were observed and no habitat features were observed within the vegetation proposed for removal. As such, the development is not considered to have any significant ecological impacts.

B2.B – Koala Habitat

The subject site is mapped as containing a small portion of preferred koala habitat towards the rear of the site. As such, assessment against this section and the Comprehensive Koala Plan of Management (CKPoM) is required.

In accordance with the CKPoM, developments must minimise the removal of native vegetation within preferred koala habitat, maximise the retention of preferred koala feed trees, include restoration or rehabilitation of areas identified as koala habitat, include long term management and use appropriate fencing. The proposed development does not involve the removal of any native vegetation within the preferred koala habitat area and does not involve the removal of any preferred koala feed trees. Additionally, the planting of eight (8) Blackbutt (*Eucalyptus pilularis*) along the rear boundary will link the preferred koala habitat to another pocket of vegetation to the north. As such,

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the development is considered to be consistent with the requirements of this section and the CKPoM.

B2.C – Compensatory Requirements

As the proposed development does not involve the removal of any preferred koala feed trees, no compensatory planting is required under B2.10.

Of the trees proposed to be removed, nine (9) of them trigger compensatory planting under Control B2.11. As such, this would require 18 compensatory plantings. The proposed development includes a total of 24 compensatory plantings, including 16 street trees for the proposed access road and eight (8) plantings along the rear of the site. As such, the requirements of B2.11 have been satisfied.

It is noted that ten (10) trees along Medowie Road along Medowie Road are proposed for removal with no specific replacement trees proposed. Notwithstanding, this has been supported on merit noting the proposed compensatory planting exceeds the ratio required under B2.11. Additionally, the Medowie Planning Strategy identifies the potential for Medowie Road to be upgraded to four lanes. As such, any street tree plantings would likely need to be removed as a part of these works. As such, the development is considered to satisfy the requirements of this Chapter.

B2.D – Biosecurity risks (weeds)

The site is not identified as containing weeds.

B3 – Environmental Management

This chapter applies to development that has the potential to produce air pollution, has the potential to produce adverse offensive noise, or involves earthworks.

The objectives of this chapter are:

- To ensure air quality is not negatively impacted on by dust and odour in recognition of the associated human health impacts;
- To identify potentially offensive noise to ensure it is managed within the relevant legislative requirements; and
- To facilitate earthworks so as to minimise potential environmental impacts, such as erosion or the release of sulfuric acids as identified by the Local Environmental Plan.

Noise

The separation distances incorporated into the development will limit any adverse impacts on the adjoining development. The impacts of the development during construction could be limited through conditions of consent which limit construction work hours. The eventual residential use of the sites is not considered to result in any adverse noise impacts. It is noted that there is an existing animal boarding and training establishment located on an adjoining property which may potentially impact future residents. However, as the proposal would result in large residential allotments, it is considered that there is a sufficient buffer between the noise source and future dwellings. As such, subject to the aforementioned conditions, the application is satisfactory in regards to noise management.

Air Quality

Dust generated during construction is expected to be minimal, subject to conditions of consent requiring erosion and sediment control be carried out in accordance with the guidelines set out in the NSW Department of Housing manual 'Managing Urban Stormwater: Soils and Construction Certificate' (the Blue Book) and the 'Do it Right On-Site, Soil and Water Management for the Construction Industry' (Southern Sydney Regional Organisation of Councils and the Natural

Heritage Trust). The proposed residential land use would not cause any ongoing air quality impacts during the operational phase of the development.

Earthworks

As discussed at clause 7.2 above the proposed development involves minor earthworks associated with the installation of services, stormwater infrastructure and construction of the access road. The impacts of the proposed earthworks can be mitigated through conditions of consent. The proposal is therefore consistent with requirements outlined in Councils DCP relating to earthworks.

B4 – Drainage and Water Quality

This section applies to development that increases impervious surfaces, drains to the public drainage system, or involves a controlled activity within 40m of waterfront land.

The objectives of this chapter are:

- To ensure a stormwater drainage plan is submitted when development either increases impervious surfaces or drains to the public drainage system;
- To ensure the stormwater drainage plan details a legal and physical point of discharge to minimise impacts on water balance, surface water and groundwater flow and volume regimes and flooding;
- To implement sustainable mitigation systems that can be maintained using resources available to the maintainer;
- To regulate the impacts on the capacity of the public drainage system, to ensure development does not detrimentally impact on water quality through the use of water quality modelling, such as small scale stormwater water quality model (SSSQM) or model for urban stormwater improvement conceptualisation (MUSIC), and subsequent water sensitive urban design (WSUD) measures;
- To safeguard the environment by improving the quality of stormwater run-off, to ensure water quality is protected and maintained during the construction phase through the conditioning of appropriate measures; and
- To provide further guidance to clauses in the local environmental plan relating to water quality for development in drinking water catchments, and to protect and retain riparian corridors as localities of environmental importance.

A stormwater management plan was submitted with the application and includes adequate quality and quantity controls in accordance with the requirements of this section. The stormwater drainage plan has been assessed as being consistent with Council's Infrastructure Specification and a condition of consent has recommended requiring the provision of detailed engineering plans, prior to the issue of a subdivision works certificate.

Furthermore, under Control B4.9, the application was referred to Hunter Water Corporation in accordance with Section 51 of the Hunter Water Act 1991. Council has considered the comments provided by Hunter Water Corporation as addressed elsewhere in this report.

B6 – Williamstown RAAF Base – Aircraft Noise and Safety

This section applies to development that is situated within the 2025 Australian Noise Exposure Forecast (ANEF), bird strike zone, extraneous lighting area or the Royal Australian Air Force (RAAF) Base Williamstown Obstacle Limitation map.

The objectives of this chapter are:

- To ensure development satisfies the requirements of the Local Environmental Plan;
- To ensure appropriate consideration is given to land burdened by aircraft noise;

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- To ensure acceptable levels of indoor noise in accordance with the relevant Australian Standards; and
- To ensure that the operational needs of the Williamstown RAAF Base are considered.

The proposed development would not penetrate the Williamstown Obstacle Limitation Map, is not located within the 2025 ANEF mapped area and would not increase risk of bird strikes. As such, the development is considered to be compliant with this Chapter.

B7 – Heritage

This section applies to development that is situated on land that contains a heritage item or within a heritage conservation area.

The objectives of this chapter are:

- To ensure satisfactory consideration of the objectives for LEP clause 5.10;
- To ensure that maintenance or repairs do not distract from the heritage significance of an existing item;
- To ensure evidence is provided for the demolition of a building of heritage significance; and
- To ensure due diligence is followed before carrying out development that may harm Aboriginal objects.

The site is not located on land that contains any local or state listed heritage items and therefore the provisions of this section do not apply. In addition, the proposed development is/is not located within or in proximity to any local or state listed heritage items or conservation areas. A search of the Aboriginal Heritage Management Systems did not reveal any previously recorded Aboriginal sites in proximity to the proposed development. The site is not located within 200m of any Aboriginal sensitive landscape features.

B8 – Road Network and Parking

This section applies to development with the potential to impact on the existing road network or create demand for on-site parking.

The objectives of this chapter are:

- To ensure that the impacts of traffic generating development are considered and that the existing level of service of the road network is maintained;
- To ensure development provides adequate on-site parking, loading and servicing spaces;
- To ensure that vehicle access is in a safe location and has minimal impacts on existing transit movements;
- To ensure driveways have adequate sight distances for traffic and pedestrians on footpaths;
- To ensure that vehicle access is located in a safe location, where it least impacts on existing transit movements;
- To ensure driveway exits maximise intersection sight distances for traffic and pedestrians on footpaths;
- To ensure visitor parking is conveniently located and easily identifiable;
- To ensure loading facilities do not adversely impact on the road network and are visually concealed;
- To encourage more active lifestyles and ecologically sustainable development by providing convenient and accessible public transport options;
- To recognise the increasing use and demand for electric vehicles and ensure new development is designed to reflect this; and
- To ensure development includes adequate infrastructure to provide for the charging of electric vehicles.

Traffic impacts

As the development proposes a new internal road and intersection with Medowie Road, a Traffic Impact Assessment (TIA) was lodged with the application to assess potential impacts on the road network.

The TIA found that the proposed development would generate minimal traffic movements, with an average of 0.71 movements per dwelling in the AM peak and 0.78 movements per dwelling in the PM peak. As the proposed development is for a six lot subdivision, this would result in four traffic movements in the morning and five traffic movements in the afternoon, inclusive of inbound and outbound traffic. As a result of the minimal movements, this indicates a higher order intersection treatment, such as a channelised right turn treatment is not required and that the existing road network has sufficient capacity to cater for the minor increase in traffic movements. As such, a basic turn treatment is considered to be suitable for the proposed intersection and the development is not anticipated to have any adverse traffic impacts on the existing road networks.

On-site parking provisions

Not applicable for subdivision.

On-site parking access

The proposed development does not include any driveways, with the exception of access handle for Lots 3 & 4. Both access handles have a length of approximately 90m, width of 4m and a passing bay at the halfway point. This represents a minor variation to B5.12 which requires passing bays every 30m and an entry width of 6.5m. However, as the access handles would be used for a single residential lot with minimal vehicle conflicts, this has been supported on merit.

Section C – Development Types

The proposed development includes subdivision and retaining walls and therefore Sections C1 & C8 are applicable.

C1 – Subdivision	
C1.A – All Subdivision – Lot Size and Dimensions	
Objective	
<ul style="list-style-type: none"> To ensure all new lots have a size and shape appropriate to their proposed use, and to allow for the provisions of necessary services and other requirements 	
Control	C1.1 – Lot size Subdivision adheres with <i>Local Environmental Plan Part 4</i> .
Assessment	The subdivision is compliant with the PSLEP 2013, as discussed under Clause 4.1 of the PSLEP 2013.
Control	C1.2 – Rectangular footprint A residential lot is capable of supporting a rectangular building footprint of 15m x 8m or 10m x 12m as illustrated by Figure CA.
Assessment	All residential lots are capable of supporting a suitable building footprint.
Control	C1.3 – Battle-axe lots All lots provide direct street frontage. <ul style="list-style-type: none"> Battle-axe lots are only considered when there is no practical way to provide direct street frontage.

C1 – Subdivision	
	<ul style="list-style-type: none"> • Right of carriageway is constructed prior to the issuing of subdivision certificate and is provided in accordance with Figure CB. • Alternative solutions are to be considered to lots created prior to the Local Environmental Plan, but only where safety is not impeded.
Assessment	<p>All lots would have direct street frontage, with the exception of Lots 3 & 4, which are accessed via separate battle-axe handles from the proposed road.</p> <p>The access handles would have a total length of 90m and an entry width of 4m, which represents a variation to Figure CB, which prescribes a maximum length of 30m.</p> <p>Notwithstanding, as the access handle is for large lot residential dwellings, the variation is considered reasonable and has been supported on merit, noting rural battle-axe handles are permitted to have a maximum length of 200m.</p>
Control	<p>C1.4 – Splay corners</p> <p>Splay corners are provided for corner lots and must be a minimum of:</p> <ul style="list-style-type: none"> • 4m x 4m for residential zones; • 8m x 8m for commercial and industrial zones; • 6m x 6m or merit-based approach for other zones.
Assessment	Proposed Lot 6 would be a corner lot with an appropriate splay corner provided.
C1.B – All Subdivision – Street Trees	
	<p style="text-align: center;">Objective</p> <ul style="list-style-type: none"> • To ensure street tree planting is of an appropriate species and undertaken in accordance with Council's guidelines
Control	<p>C1.5 – Street tree requirements</p> <p>Street trees are required as a component of the road reserve for the following:</p> <ul style="list-style-type: none"> • Residential subdivisions; • Commercial subdivisions; • Industrial subdivisions creating 10 or more lots. <ul style="list-style-type: none"> - Street trees are provided in accordance with the tree technical specification. <ul style="list-style-type: none"> - Tree Planting Guidelines of the tree technical specification provides guidance to the application of the tree technical specification to determine the total number of trees to be provided.
Assessment	Street trees in the form of 7x Grey Gum (<i>Eucalyptus punctata</i>) and 9x Cheese Tree (<i>Glochidion ferdinandi</i>) have been proposed for the access road.
Control	<p>C1.6 – Street tree replacement</p> <p>Where street trees are required to be removed to facilitate development, they must be replaced in a practical location, in accordance with Section 4.6 of the tree technical specification.</p>
Assessment	While street trees along Medowie Road are required to be removed, replacement plantings have not been required. As part of the Medowie Planning Strategy, Medowie Road is intended to be upgraded to four lanes in the future. As such, it is likely that any replacement plantings would require removal to facilitate this upgrade. Furthermore, the development includes substantial replacement plantings for the proposed access road and to connect koala habitat at the rear of the site.

C1 – Subdivision	
C1.C – All Subdivision – Solar Access	
Objective	
<ul style="list-style-type: none"> To maximise solar access for residential dwellings 	
Control	C1.7 – Solar access
	Residential subdivision addresses the following guidelines for solar access. Any inconsistency clearly justifies how alternative energy efficiency is achieved. <ul style="list-style-type: none"> Where possible, lots should be oriented to provide one axis within 30 degrees east and 20 west of true solar north; Where a northern orientation of the long axis is not possible, lots should be wider to allow private open space on the northern side of the dwelling; Topography and landform should inform the subdivision layout in order to maximise solar access opportunities.
Assessment	Each lot is of a sufficient orientation and size that they would receive adequate solar access.
C1.D – All Subdivision – Public Scale Drainage	
Objective	
<ul style="list-style-type: none"> To ensure further guidance is provided for subdivision that is consistent with B4 Drainage and Water Quality and the Infrastructure Specification (where relevant) 	
Control	C1.8 – Inter-allotment drainage
	Each lot must be able to be gravity drained through the drainage system to public drainage.
Assessment	Each lot is capable of being gravity drained to the proposed basins, with the basins discharging to the public system on Medowie Road.
Control	C1.9 – Inter-allotment drainage
	Inter-allotment drainage may be required for subdivision where a lot does not drain directly to the road kerb.
Assessment	Inter-allotment drainage has been provided for lots that do not directly drain to the public system.
Control	C1.10 – Drainage reserves
	An overland flow path is provided for the 1% Annual Exceedance Probability (AEP) storm event and is a drainage reserve dedicated to Council as operational land.
Assessment	The basins are proposed to be dedicated to Council.
C1.E – Major Subdivision – Block and Street Layout	
Objectives	
<ul style="list-style-type: none"> To ensure local streets are well-connected to the street network with obvious pedestrian and cycle links to higher order streets To ensure priority is provided to residents needs when designing local streets to encourage usability To ensure pathways follow desire lines 	
Control	C1.11 – Block dimensions
	A block seeks to achieve the dimensions identified in Figure CC.

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C1 – Subdivision	
Assessment	Block lengths are achieve the block dimensions identified in Figure CC.
Control	<p>C1.12 – Technical Specifications</p> <p>Street layout complies with the road network specifications in the Infrastructure Specification.</p>
Assessment	Conditions of consent have been imposed requiring the proposed road to comply with the Infrastructure Specification.
Control	<p>C1.13 – Street layout attributes</p> <p>The street layout addresses the following:</p> <ul style="list-style-type: none"> • All street components are integrated, such as kerbing, pavement type, width, street tree planting, footpaths, on road cycleway, shared paths, lighting and seating are provided as specified in infrastructure specific – design; • Road widths accommodate the necessary movements of service and emergency vehicles; • Driveways and footpaths are provided at subdivision as a part of the subdivision works; • Footpaths and shared paths follow desire lines; • Street layout is interconnected to provide a grid-like structure; • Street layout is informed by street connection for future subdivision on adjacent lands; • Street layout seeks to provide a perimeter road between residential dwellings and; <ul style="list-style-type: none"> - Bush fire prone land - Open space defined as a regional park, district park, or local park • Street layout ensures public access to public open space is maintained and encouraged. <p>Note: Development should have consideration for the Port Stephens Pathways Plan.</p>
Assessment	Conditions of consent have been recommended requiring detailed engineering plans to be provided with the Subdivision Works Certificate.
Control	<p>C1.14 – Cul-de-sacs</p> <p>Cul-de-sacs are generally only supported where:</p> <ul style="list-style-type: none"> • The existing street layout does not permit a through street; • Connectivity to an adjoining street is not required; • The cul-de-sac has a maximum length of 75m; • Access is provided to no more than 10 allotments; • Clear line of sight is provided from the nearest intersection.
Assessment	The application proposes a cul-de-sac road as the site does not have the ability to construct a through street. The cul-de-sac would have a total length of 125m, servicing a total of six allotments and has a clear line of sight from the intersection with Medowie Road. As such, the cul-de-sac is compliant with this control, with the exception of its length. Notwithstanding, this variation has been accepted on merit, noting a future road connection would be possible through the adjoining property to the south. This would result in the removal of the cul-de-sac and create a through road to Hudson Street. Therefore, a cul-de-sac of the proposed length is considered suitable until such time that the lot to the south is developed.

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C1 – Subdivision	
C1.F – Major Subdivision – Public Open Space	
Objectives	
<ul style="list-style-type: none"> • To provide a hierarchy of public open space in accordance with public open space hierarchy • To provide parks that are multi-functional • To ensure parks achieve centrality by being located near transport nodes, public building, waterfronts, libraries or places of public worship • To ensure public open space meets the demands of the local community to encourage usability and critical mass 	
Control	C1.15 – Open space hierarchy Council may require the provision of public open space in accordance with Figure CD.
Assessment	As the development would only create five new allotments, public open space is not required and further assessment against controls C1.16-C1.19 is not required.
Control	C1.16 – Open space reduction The quantity of public open space may be reduced if: <ul style="list-style-type: none"> • Accessibility is improved through such measures as providing extended connections to the wider pedestrian network; or • Value of open space is improved through such measures as an increased amount and/or quality of park furniture, amenities, play equipment, sports infrastructure.
Assessment	Not applicable.
Control	C1.17 – Open space attributes Public open space for the purpose of a local park, district park, or regional park must: <ul style="list-style-type: none"> • Be of regular shape (rectangle/square) to maximise recreation opportunities. Note: Long narrow open spaces are not acceptable unless used for linkages. <ul style="list-style-type: none"> • Be generally flat and centrally located near transport nodes, public buildings, waterfronts, libraries or places of public worship to maximise accessibility for all members of the public; • Provide for safe and convenient access by being located on pedestrian cycle routes; • Clearly demonstrate that is a public space and be bounded by a street and faced by lots zoned or used for residential or commercial purposes; • Be designed with consideration to crime prevention through environmental design (CPTED) principles; • Include access for services (e.g. garbage collection, maintenance, water, sewerage, and electricity). Note: The provision of playgrounds is assessed on a case by case basis by primarily considering proximity to other community and recreation facilities. Note: Further attributes specific to a local park, district park, and regional park are provided in Part E1 of the DCP.
Assessment	Not applicable.
Control	C1.18 – Open space attributes

C1 – Subdivision	
	Land that may be deemed unsuitable as public open space for the purposes of a local park, district park, or regional park includes: <ul style="list-style-type: none"> • Contaminated land; • Land primarily used for stormwater management or drainage control purposes; • Land identifies as an asset protection zone (APZ).
Assessment	Not applicable.
Control	C1.19 – Open space attributes
	Corridor open spaces are drainage reserves classified as operational land under the <i>Local Government Act 1993</i> .
Assessment	Not applicable.
C1.G Major Subdivision – Infrastructure	
Objective	
<ul style="list-style-type: none"> • To ensure detailed consideration is provided to the provision of integrated and quality public infrastructure 	
Control	C1.20 – Technical specifications
	Infrastructure in accordance with the Infrastructure Specification is identified on the concept utility plans or more detailed preliminary engineering plans.
Assessment	Infrastructure has generally been provided in accordance with the Infrastructure Specification. A condition has been recommended requiring additional civil engineering plans to be provided with the Subdivision Works Certificate.
Control	C1.21 – Public infrastructure
	Subdivision provides public infrastructure within the adjoining road or public land, including kerb/gutter, stormwater drainage, footpaths, street lighting, street trees and bus shelters, excluding: <ul style="list-style-type: none"> • Public utilities, such as water and electricity, are kept within private lot boundaries and are not located within the road reserve.
Assessment	A condition of consent has been recommended requiring the section of Medowie Road adjoining the development to be upgraded in accordance with this control.
Control	C1.22 – Lifecycle and maintenance
	Lifecycle and maintenance costs are a key determinant when considering alternative methods, products and manufacturers to those specification in the Infrastructure Specification. <ul style="list-style-type: none"> • Council will request life cycle costing and maintenance manual details for infrastructure to assist in ongoing maintenance.
Assessment	Not applicable.
C8 – Ancillary Structures	
C8.A – Ancillary Structures	
Control	C8.23 – Retaining walls
	Maximum height of 1m.
Assessment	Retaining walls are proposed along the northern boundary of the site and around the perimeter of the detention basins. Retaining adjacent the northern boundary

C8 – Ancillary Structures	
	would have a maximum height of 800mm, which complies with this control. The retaining for the detention basins would have a maximum height of 1800mm, representing a variation of 800m. Notwithstanding, this variation has been supported noting the retaining is associated with drainage infrastructure and would have no adverse impacts on adjoining properties, the public domain or future residents.
Control	C8.24 – Retaining walls Masonry construction within 0.9m of the property boundary when greater than 0.6m in height.
Assessment	The retaining walls are proposed to be of masonry constructed. Detailed plans have been recommended to be provided prior to the issue of the Subdivision Works Certificate.
Control	C8.25 – Retaining walls Retaining walls are wholly contained within the site.
Assessment	There is sufficient space for all retaining walls to be contained within the site and this must be demonstrated with the detailed plans provided for the Subdivision Works Certificate.

Section D – Specific Areas

The proposed development is not located within a DCP specific area.

Section 4.15(1)(a)(iia) – Any planning agreement or draft planning agreement entered into under section 7.4

There are no planning agreements or draft planning agreements which have been entered into under section 7.4 of the EP&A Act which are relevant to the development.

Section 4.15(1)(a)(iv) – The regulations (to the extent that they prescribe matters for the purposes of this paragraph)

The following sections within the EP&A Regulation 2021 apply to the development, and have been considered through the assessment of this application:

Section 61 – Additional matters that consent authority must consider

In regard to section 61(1) of the EP&A Regulations 2021, Council has considered the Australian Standard AS 2601—2001: The Demolition of Structures in the assessment of this application with appropriate conditions being imposed on the consent.

Section 4.15 (1)(b) The likely impacts of that development

Social and Economic Impacts

The proposal will facilitate additional residential development, helping to provide for the housing needs of the community. It will do so without requiring upgrades that burden the public or adversely impacting the amenity of the area. Additionally, the development is consistent with the adopted Local Housing Strategy which identifies Medowie as an emerging centre and a key area for residential growth.

The proposal would also have beneficial economic impacts, with employment opportunities provided during the construction of the development and the increased number of residents would provide direct and indirect monetary inputs to the local economy through their daily living activities. Overall,

the proposed development is not considered to have any significant adverse social and economic impacts.

Impacts on the Built Environment

The proposed development will reinforce the large lot residential nature of the area and is consistent with adjoining developments. As the proposal is for subdivision only, the development would have only minor impacts on the built environment. The construction of civil infrastructure, including the proposed road and drainage basin is not considered to adversely affect the built environment.

Impacts on the Natural Environment

The proposed development will involve removal of minor vegetation on the subject site and in the adjoining road reserve. Notwithstanding, the removal of this vegetation is not considered to have to have a significant impact on the natural environment. Additionally, compensatory plantings are proposed in the form of street trees and mapped areas of koala habitat are proposed to be connected at the rear of the site. The application includes a stormwater management plan that ensures stormwater discharge from the site achieve neutral or beneficial effects. As such, the development is not considered to have any significant impacts on the natural environment.

Section 4.15(1)(c) The suitability of the site for the development

The subject site is located within an established residential area of Medowie. The adopted Local Housing Strategy identifies Medowie as an emerging centre and key area for infill housing. The proposed development is consistent with this adopted strategy. Additionally, the development is of a scale that is suitable for the proposed site and does not require any significant upgrades to facilitate the development. The site does not feature any significant constraints that would impact or be impacted by the proposed development and the site is predominantly clear of significant vegetation. For these reasons, the site is considered to be suitable for the proposed development.

Section 4.15(1)(d) Any submissions

Public Submissions

The application was exhibited from 25 February 2025 to 11 March 2025, in accordance with the provisions of the Port Stephens Council Community Engagement Strategy. One (1) submission was received during this time. The matters raised during the exhibition period have been detailed in the table below.

Item	Matter raised	Response
1	Impact on Existing Business	
1.1	<p>The submission raised concerns that development may impact the operations of an existing business, being an animal boarding and training establishment. Specifically, the submission requested the following:</p> <ul style="list-style-type: none"> • That the development does not impose any restrictions, conditions or obligations that would hinder the operation of the business by way of access or noise complaints • Notification to prospective purchases of the future lots accepting the presence of the existing business 	<p>The proposed development is considered unlikely to result in significant land use conflicts. Due to the proposed lot configuration, the majority of the future residential dwellings would feature a substantial buffer between the existing development. Additionally, existing vegetation between the properties would provide some acoustic attenuation and the size of the lots would allow for future dwellings to be suitably setback from the existing development. As such, the risk of adverse noise impacts is considered low.</p>

	<ul style="list-style-type: none"> Mitigation of potential conflicts by way of planning measures such as easements, acoustic buffering or disclosure statements 	If future noise complaints were made, these would be handled in accordance with Council's adopted policies and any applicable legislation.
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Section 4.15(1)(e) The public interest

The proposed development would provide additional housing to service the needs of the community and is consistent with Council's adopted Local Housing Strategy. The development would have beneficial social and economic impacts and would not have any significant impact on the built or natural environment. The site is considered suitable for the proposed development. As such, the proposed development is considered to be in the public interest.

Section 7.11 – Contribution towards provision or improvement of amenities or services

The development triggers section 7.11 development contributions for the creation of five (5) additional lots.

Section 7.12 – Fixed Development Consent Levies

Not applicable.

Housing and Productivity Contribution Order 2023

The development triggers Housing and Productivity contributions for the creation of five (5) additional lots.

CONCLUSION

This development application has been considered in accordance with the requirements of the EP&A Act and the Regulations as outlined in this report. Following a thorough assessment of the relevant planning controls, issues raised in submissions and the key issues identified in this report, it is considered that the application can be supported.

RECOMMENDATION

The application is recommended to be approved pursuant to s4.15 of the *Environmental Planning and Assessment Act 1979*, subject to conditions of consent provided as contained in the notice of determination.

MR C L PRIMROSE
 Senior Development Planner
 (Community Futures Directorate)

ITEM 1 - ATTACHMENT 3 LOCALITY PLAN.



116 Adelaide Street, Raymond Terrace NSW 2324. Phone: (02) 49800255 Fax: (02) 49873612 Email: council@portstephens.nsw.gov.au

ITEM NO. 2

**FILE NO: 26/6449
EDRMS NO: PSC2009-02488**

POLICY REVIEW - PRICING POLICY

REPORT OF: GLEN PETERKIN - FINANCIAL SERVICES SECTION MANAGER
DIRECTORATE: CORPORATE STRATEGY AND SUPPORT

RECOMMENDATION IS THAT COUNCIL:

- 1) Place the revised Pricing Policy shown at **(ATTACHMENT 1)** on public exhibition for a period of 28 days.
- 2) Should no submissions be received, the policy be adopted without a further report to Council.
- 3) Revoke the Pricing Policy dated 14 February 2023, Minute No. 006 should no submissions be received.

BACKGROUND

The purpose of this report is to provide the revised Pricing Policy (the 'policy') at **(ATTACHMENT 1)** to Council for consideration prior to public exhibition.

The purpose of this policy is to outline the principles to be used when setting fees and charges.

The subject policy was originally adopted in June 2012 and has been reviewed as part of Council's ongoing policy review program. There were no changes to the policy following this review.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Resources and finance	Implement the Long Term Financial Plan 2025 to 2035.

FINANCIAL/RESOURCE IMPLICATIONS

There are no financial implications as a result of this policy review.

ORDINARY COUNCIL - 24 FEBRUARY 2026

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Section 610B of the Local Government Act 1993 requires that fees are to be determined in accordance with pricing methodologies adopted by Council.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that Council may breach legislation and suffer loss of reputation, should a Pricing Policy not be in place.	Low	Adopt the recommendations.	Yes
There is a risk that Council may endure a potential financial loss through inappropriate setting of fees and charges, should a Pricing Policy not be in place.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

A Pricing Policy protects the financial interests of Council while at the same time ensuring that its community obligations are met.

COMMUNICATION AND ENGAGEMENT

Council's Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

ORDINARY COUNCIL - 24 FEBRUARY 2026

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communication and engagement

CONSULT	In accordance with local government legislation the revised Pricing Policy will go on public exhibition for 28 days and will be notified on Council's website.
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Internal communications and engagement

Consultation has been undertaken by the Financial Services Section with:

- The Executive Team to seek management endorsement.

OPTIONS

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

ATTACHMENTS

- 1) Revised Pricing Policy. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.



Policy

FILE NO: PSC2009-02488
TITLE: PRICING POLICY
OWNER: FINANCIAL SERVICES SECTION MANAGER

1. PURPOSE:

1.1 This Pricing Policy ('policy') outlines the principles to be used when setting fees and charges. It needs to be read in conjunction with Council's annual fees and charges document and any guidelines developed by Council's Financial Services Section to assist Council staff in calculating the amount of fees and charges.

2. CONTEXT/BACKGROUND:

2.1 In accordance with Sections 608 – 610 of the Local Government Act 1993 and other relevant legislation, Council charges and recovers approved fees and charges for any services it provides as contained within Council's annual fees and charges document.

3. SCOPE:

3.1 This policy applies to all fees and charges levied by Council, its 355c Committees and others as authorised by Council to levy fees and charges on its behalf and/or for the use of facilities and provision of services. These are known as discretionary fees.

4. DEFINITIONS:

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

Discretionary fees/charges Fees that are set by Council itself for services provided, as opposed to fees mandated from time to time by other levels of government.

Community Service Obligation (CSO) Recognition that facilities have been provided using community resources (via Council) for the benefit of the community. This recognition often takes the form of discounted user fees for residents / ratepayers.

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Policy

5. STATEMENT:

5.1 Objectives of the policy:

- a) To provide a decision-making framework for the determination of fees and charges.
- b) To enable determination of fees and charges that is equitable, consistent, timely and accountable.
- c) To provide opportunities for cost recovery whilst meeting Council's community service obligations.
- d) To meet Council's statutory requirements under the Local Government Act 1993 and other relevant legislation in relation to setting fees and charges.
- e) To assist Council staff, when reviewing existing fees and charges and/or considering new fees and charges for recommendation to Council.

5.2 Principles of the policy:

- a) Council has a charter under the Local Government Act 1993 for fair imposition of fees and charges.
- b) Council has a charter under the Local Government Act 1993 to effectively account for and manage the assets for which it is responsible.
- c) Council will strive to provide equitable access to its facilities and services.
- d) Council recognises that as a monopoly provider of some facilities and services it has a duty to deliver value for money to ratepayers and residents.

5.3 General

- 5.3.1 Port Stephens Council recognises that it has community service obligations which are non-commercial requirements for identified social purposes, and that these obligations constitute a significant component of the social policies of Council. The concept of community service obligations informs Council's Pricing Policy.

5.4 Pricing Policy

- 5.4.1 Sections 608 – 610 of the Local Government Act 1993 authorise Council to charge and recover fees and any service it provides apart from services for which the charging of a fee is prohibited. Council may waive all or part of a fee unless it is a fee regulated directly by the State Government. In determining whether a fee should be charged for a service Council will consider a number of principles, firstly, whether the service provides a public benefit or private benefit.
- 5.4.2 A 'public' service is one where there is a general benefit to the community and where there is limited opportunity of collecting a fee, for example, roads and parks.

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- 5.4.3 A 'private' service is one which provides a discernible private benefit to persons and which offers an opportunity of collecting a fee, for example processing a rezoning application. Where a service generates a private benefit then recovery of costs through a fee is appropriate.
- 5.4.4 In determining the cost of providing a service, Council will:
- Identify and quantify the full absorbed cost including appropriate overheads, which reflect the proportion of 'centralised' support cost that should be recovered.
 - Consider any community service obligations (CSO) where there are clear social or equity objectives in the provision of the service.
- 5.4.5 In assessing the existence and level of a CSO, Council will consider:
- The social or community objectives achieved or assisted by the consumption of the service.
 - The social or community values promoted by wider availability of the service.
 - Whether the direct consumers are unable to purchase a socially desirable level of service.
 - Whether direct beneficiaries of the service are deserving of favourable pricing.
- 5.4.6 If it is determined that a CSO is present, then Council will consider setting a fee below the level of full cost recovery. In determining the amount of discount or subsidy, Council will consider:
- The level of CSO in the service.
 - The objectives of the service.
 - The consumers' ability to pay.
 - Price sensitivity of the service.
 - The application of a suggested industry reference price.
- 5.4.7 In case of fees set by statute, the fee will be set in accordance with the relevant statute.
- 5.5 Pricing methods
- 5.5.1 Fees and charges made by Council will be classified according to the pricing structures as outlined below. Full cost pricing will apply to all of Council's fees and charges, except in the circumstances outlined in the alternative pricing structures.
- 5.5.2 Full cost pricing
- 5.5.2.1 Council will recover all direct and indirect costs of the service (including on costs, overheads and depreciation of assets employed).

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5.5.3 Partial cost pricing

5.5.3.1 Council will recover less than the full cost (as defined above).

5.5.3.2 Partial cost pricing may be used if shared benefits are derived from the provision of the service that accrue to the community as a whole as well as to individual users. It may also be applied where charging full cost recovery pricing will result in widespread evasion.

5.5.3.3 The price structure may also be used to stimulate demand for a service in the short term, although foregoing full cost recovery must be for a defined term only.

5.5.4 Statutory pricing

5.5.4.1 The price of this service is determined by legislation and dependent on that price, Council may or may not recover its full costs, but has no discretion to do so.

5.5.5 Market pricing

5.5.5.1 The price of the service is determined by examining alternative prices of surrounding service providers (this also may or may not recover the full cost of the service).

5.5.5.2 This pricing structure should also apply in cases where the service is in competition with that provided by another council, agency or commercial provider and there is consequent pressure to set a price that will attract adequate usage of the service.

5.5.5.3 Market pricing should also apply where a service is predominantly provided for Council's in-house use, but sale to external markets will defray costs.

5.5.6 Free (zero priced)

5.5.6.1 Some services may be provided free of charge and the whole cost determined as a community service obligation and may fall within the class of public good. This price structure may be used where the services provide a broad community benefit, and/or it is impractical or inconceivable to charge for the service on a user basis.

5.5.6.2 The price structure may also apply where the service is a minor part of the overall operation of Council and the potential for revenue collection is so minor as to be outweighed by the cost of collection.

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Policy

5.5.7 Financial Sustainability

5.5.7.1 Price setting is informed by the cost of providing the service (per Section 610D of the Local Government Act 1993), the capacity of the user to pay and, where relevant, any expected return on the investment of community assets.

6. RESPONSIBILITIES:

6.1 The Financial Services Section Manager is responsible for implementing, complying with, monitoring, evaluating, reviewing and providing advice on the policy.

7. RELATED DOCUMENTS:

- 7.1 Local Government Act 1993 (NSW).
- 7.2 Office of Local Government Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality (2014).
- 7.3 A New Tax System (Goods and Services Tax) Act 1999 (Cth) and regulations.
- 7.4 Council's annual fees and charges document.

CONTROLLED DOCUMENT INFORMATION:

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EDRMS container No.	PSC2009-02488	EDRMS record No.	TBA
Audience	Port Stephens Community, Council, Council staff		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	3 4 years	Next review date	TBA
Adoption date	26/06/2012		

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Policy

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1.0	26 June 2012	Corporate Strategy & Planning Manager	Review with no change	155
2.0	12 August 2014	Corporate Strategy & Planning Manager	Review with no change	209
3.0	13 September 2016	Corporate Strategy & Planning Manager	Responsibility changed from Corporate Strategy & Planning Manager to Financial Services Section Manager. Change to name of Competitive Neutrality Guide. Name change from Division of Local Government to Office of Local Government. Revised Policy developed in new format.	258
4.0	9 October 2018	Financial Services Section Manager	Policy reviewed and formatted into the new template. References to RM8 updated to EDRMS. 5.1 – Removed ‘are as follows’. 5.2 Removed ‘are as follows’. 6.1 – Updated to ‘Financial Services Section Manager’. 7.1 – Added ‘(NSW)’. 7.3 – Removed ‘(Federal)’ and inserted ‘(Cth)’. 7.4 – Added ‘Council’s annual fees and charges document’.	122

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Policy

5.0	27 October 2020	Financial Services Section Manager	<p>Policy reviewed and formatted into the new template.</p> <p>5.4.5.2 - Removed '5.4.5.2 The social or community objectives achieved or assisted by the consumption of the service;'</p> <p>Updated EDRMS file number in version history.</p>	222
6.0	14 February 2023	Financial Services Section Manager	<p>5.5.7 - Added new clause - Financial Sustainability.</p> <p>6.1 – added 'is responsible for implementing, complying with, monitoring, evaluating, reviewing and providing advice on the policy' to ensure consistency in formatting.</p> <p>Controlled document information:</p> <p>Amended review timeframe to 3 years in accordance with Council's policy and management directive review process.</p>	006
7.0	TBA	Financial Services Section Manager	<p>Policy reviewed and formatted into the new template.</p> <p>Controlled document information:</p> <p>Amended review timeframe to 4 years in accordance with Council's policy review process.</p>	TBA

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ITEM NO. 3

**FILE NO: 25/337459
EDRMS NO: PSC2015-01399**

POLICY REVIEW - FLOOD RISK MANAGEMENT POLICY

REPORT OF: JOHN MARETICH - ASSETS SECTION MANAGER
DIRECTORATE: FACILITIES AND INFRASTRUCTURE

RECOMMENDATION IS THAT COUNCIL:

- 1) Place the revised Flood Risk Management Policy shown at **(ATTACHMENT 1)** on public exhibition for a period of 28 days.
- 2) Should no submissions be received the policy be adopted without a further report to Council.
- 3) Revoke the Flood Risk Management Policy dated 24 May 2022, Minute No.135 should no submissions be received.

BACKGROUND

The purpose of this report is to provide the revised Flood Risk Management policy (the 'policy') at **(ATTACHMENT 1)** to Council for consideration prior to public exhibition.

In June 2023, the State Government released the Flood Risk Management Manual including the NSW Flood Prone Land Policy, replacing the Floodplain Development Manual 2005. These documents have evolved in response to significant flood events, reviews and improvements in national and international flood risk management practices. The new manual and its toolkit support the implementation of the NSW Flood Prone Land Policy through the combined efforts of all levels of government.

Council's policy has been reviewed and amended to ensure it is consistent with the risk management principles outlined in the State Government's Flood Risk Management Manual and NSW Flood Prone Land Policy.

Please note that yellow highlighting in the attached policy indicates an amendment has been made and strikethrough text is to be deleted.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Infrastructure, facilities & connections	Deliver asset and engineering services to meet customer demand

FINANCIAL/RESOURCE IMPLICATIONS

The cost of implementing the policy will be carried out within existing budgets.

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

The Local Government Act 1993 (Section 733) provides Council with a general exemption from liability with respect to flood liable land if decisions are made or advice given in accordance with the State Government's Flood Risk Management Manual.

The State Government has issued a direction regarding the advice to be provided on Section 10.7 Planning Certificates where land is subject to flood related development controls. The direction promotes the appropriate use of flood prone land and designates the land into areas dependent upon:

- Whether the land, or part of the land, is located within the flood planning area, and is subject to flood related development controls.
- Whether the land, or part of the land, is located between the flood planning area and probable maximum flood and is subject to flood related development controls.

The Insurance Council of Australia has indicated that while insurance companies use a variety of flood data sources to make their own assessment of risk, it is likely that they will take a conservative view of risk. A conservative view without up to date data will result in an increase in insurance premiums for residents. Hence having up-to-date flood studies in accordance with the latest State Government guidelines and the Flood Risk Management Manual will benefit residents and potentially reduce insurance premiums.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that not following the State Government's Flood Risk Management Manual will lead to Council not meeting legislative obligations exposing Council to financial and legal risk.	High	Adopt recommendations.	Yes
There is a risk that not following the State Government's Flood Risk Management Manual will allow the insurance companies to continue to take a conservative view of flood risk which results in increased insurance premiums for residents.	High	Adopt recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The policy aims to systematically reduce the impact of flooding and flood liability on individual owners and reduce the private and public losses resulting from floods. It also recognises that flood prone land is a valued resource to the community, land holders and the economy and these lands should not be sterilised by unnecessarily restricting appropriate development.

The policy takes an integrated risk management approach using the best available information that classifies land in terms of flood risk so that decisions take into account flood risk while recognising the social, economic and environmental values of flood prone land.

COMMUNICATION AND ENGAGEMENT

Council's Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
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ORDINARY COUNCIL - 24 FEBRUARY 2026

CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communications and engagement

CONSULT	The policy will be placed on public exhibition for 28 days and will be notified on Council's website.
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Internal communications and engagement

Consultation has been undertaken by the Assets Section with:

- The Executive Team.
- Development Services Section.
- Strategy and Environment Section.

OPTIONS

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

ATTACHMENTS

- 1) Flood Risk Management Policy. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

Policy



FILE NO: PSC2015-01399

TITLE: FLOODPLAIN RISK MANAGEMENT

OWNER: ASSETS SECTION MANAGER

1. PURPOSE:

- 1.1 Port Stephens Council is committed to managing flooding across the local government area using an integrated risk management approach, in order to:
- a) Systematically reduce the impact of flooding and flood liability on individual owners and occupiers of flood prone property, hence reduce the losses resulting from floods.
 - b) Recognise that appropriately developed flood prone land is a valuable resource to the community, land holders and the economy and these lands should not be sterilised by unnecessarily restricting its development.
 - c) Consider floodplain risk as early as possible in the planning and development process using the best available flood information.
 - d) Classify land in terms of floodplain risk so that decisions take into account the risk while recognising the social, economic and environmental values of flood prone land.
 - e) Provide the framework to manage floodplain risk through cost-effective measures that address existing, future and continuing risks in a hierarchy of avoidance, minimisation and mitigation as identified in local floodplain risk management studies and plans.
 - f) Remain consistent with the floodplain risk management principles outlined in the State Government's Flood Prone Land Policy and Floodplain Development Manual 2005 Risk Management Manual 2023 and associated guideline documents.
 - g) Facilitate the systematic collection of flood information and floodplain risk data, and the provision of such information in a timely way so that residents can understand the severity of floodplain risk and plan their affairs accordingly.
 - h) Promote the integration between Council's floodplain risk management activities and flood-related emergency management undertaken by the State Emergency Service and the Port Stephens Local Emergency Management Committee.
- 1.2 The measurement of success for this policy is the implementation of the integrated risk management approach.

2. CONTEXT/BACKGROUND:

- 2.1 Port Stephens covers a diverse number of catchments, generally flowing to the Hunter Estuary or the Port Stephens Estuary. The area has a number of

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Policy

creeks, rivers, estuaries, foreshore areas, stormwater channels and drains which are impacted by flooding or coastal inundation, sometimes with little or no warning.

- 2.2 Flooding is a significant issue affecting existing and future development throughout Port Stephens and may involve significant risk, including risks to life and property. While it is not usually cost-effective to entirely eliminate all floodplain risks, appropriate risk strategies can manage the existing, future and continuing flood risks for the sustainable long-term benefit of the community and the environment, and to improve community resilience to floods. the risks can be managed.
- 2.3 Council has been undertaking the necessary flood studies and developing flood management plans in accordance with the State Government's Flood Risk Management Manual 2023 and associated guideline documents Floodplain Development Manual 2005. Where the catchments cross local government boundaries, Council has been working in collaboration with neighbouring councils.
- 2.4 The Local Government Act (section 733) provides Council with a general exemption from liability with respect to flood liable land if the necessary studies and works are carried out in accordance with the principles contained in the NSW Floodplain Development Manual 2005 State Government's Flood Risk Management Manual 2023 and associated guideline documents.

3. SCOPE:

- 3.1 While local government in NSW has the primary responsibility for controlling the development within flood-prone land, both the State Government (for example, Crown developments and state significant developments) and the Federal Government (for example, development on Commonwealth land) consider development on the floodplain. Both local government and the State Government (principally through the State Emergency Service) are responsible for managing floodplain risk.

4. DEFINITIONS:

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

Flood prone land (flood liable land)	Land that is likely to be inundated by the probable maximum flood, (PMF is the largest flood that could conceivably occur in a particular catchment) and which is the largest flood that could conceivably occur at a particular location, usually estimated from probable maximum precipitation, coupled with the worst flood-producing catchment conditions. This defines the
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Policy



"floodplain" for that catchment.

Flood Planning Level	The level of the 1% AEP (annual exceedance probability) flood event 100 years from now in the year 2400 plus 0.5 metre freeboard, except for urban overland flooding areas where a freeboard of 0.3 metre is applied. The area of land below the Flood Planning Level (i.e. the Flood Planning Area) is subject to flood-related development controls.
Floodway area	<p>Land that is a pathway taken by major discharges of floodwaters, the partial obstruction of which would cause a significant redistribution of floodwaters, or a significant increase in flood levels. Floodways are often aligned with natural channels, are usually characterised by deep and relatively fast flowing water, and have major damage potential.</p> <p>Areas of the floodplain which generally convey a significant discharge of water during floods and are sensitive to changes that impact flow conveyance. They often align with naturally defined channels or form elsewhere in the floodplain.</p>
Flood Storage area	<p>Those parts of the floodplain that are important for the temporary storage of flood waters. The loss of storage areas may increase the severity of flood impacts by reducing natural flood attenuation.</p> <p>Areas are those parts of the floodplain that are outside floodways which generally provide for temporary storage of floodwaters during the passage of a flood and where flood behaviour is sensitive to changes that impact on temporary storage of water during a flood.</p>
Flood Fringe area	The remaining land in the Flood Planning Area after the floodway area and flood storage area have been defined.
Overland flow path	Areas of inundation by local runoff rather than inundation created by overbank flows discharging from a watercourse way.
High Hazard flood area	The area of flood which poses a possible danger to personal safety, where the evacuation of trucks would be difficult, where able-bodied adults would have difficulty wading to safety or where there is a potential for significant damage to buildings.

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Low Hazard flood area The area of flood where, should it be necessary, a truck could evacuate people and their possessions or an able-bodied adult would have little difficulty in wading to safety.

5. STATEMENT:

- 5.1 Council will manage the risk of flooding on lands in accordance with State Government's ~~Flood Prone Land Policy and Floodplain Development Manual 2005~~ Flood Risk Management Manual 2023 and associated guideline documents. This can be summarised as:
- a) ~~Formation of~~ Operating sustainable governance arrangements across Council, including forming a Floodplain Risk Management Committee Advisory Panel, including with members from the Council, community and state government agencies.
 - b) ~~Collection of social, economic, flooding, ecological, land use, cultural and emergency management data.~~ Thinking and planning strategically, including by understanding what is known about flood behaviour, constraints and risks and how these change over time (such as those related to climate change and changes in catchments, developments and infrastructure) as well as knowledge gaps and limitations.
 - c) ~~Undertaking a flood study, in accordance with "Australian Rainfall & Runoff" published by the Commonwealth of Australia (Geoscience Australia), to define floodplain risk throughout the catchment, including hydrologic and hydraulic aspects of floods of varying severity.~~ Being consultative and connecting with government agencies, neighbouring councils, stakeholder groups and the community, to bring together knowledge of historic floods or other relevant information, to develop multifaceted solutions that are practical and realistic and can be implemented in a reasonable timeframe with broad community support.
 - d) ~~Identifying, assessing and comparing various risk management options through a Floodplain Risk Management Study.~~ Making flood information available for the community, ensuring that this knowledge is readily accessible, maintained and improved, where necessary.
 - e) ~~Developing a Floodplain Risk Management Plan outlining the implementation of acceptable flood response and property modification measures, and is formally approved by Council after public exhibition.~~ Understanding flood behaviour across the full range of floods and how flood behaviour, constraints and impacts vary between flood events and across the floodplain.
 - f) Understand flood risk and how it may change over time as flood behaviour changes with climate change, changes in the catchment and floodplain including groundwater levels, and with implemented flood risk management measures.

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Policy



- g) Considering variability and uncertainty in flood risk management decisions and the cumulative impact with existing or likely future activities, to lead to more robust infrastructure and development decisions.
- h) Maintaining natural flood functions, including the conveyance of floodway areas and the capacity of storage areas to limit the impacts of change to the floodplain and associated flood risk to the existing community as well as identifying and maintaining local flowpaths.
- i) Managing flood risk effectively for the existing community, considering the full range of flood behaviour and risk and how this may change over time and including limiting increases in flood risk from new and modified development and existing and proposed community infrastructure.
- j) Continually improving the management of flood risk by understanding flood events and lessons learnt, updated studies into flood behaviour and management, the best-available data and latest industry guidance and standards, new and emerging technologies and practices, the process of understanding and managing flood risk to communities, improved understanding of the impacts of climate change on factors that affect flood behaviour, including sea level, flood-producing rainfall events, ocean storm conditions, waterway entrance conditions, and their coincidence.

5.2 Council will categorise the risk across the floodplain risk in terms of the hazard (low hazard and high hazard), the location (floodway area, flood storage area and flood fringe area) and the chance of the flood occurring in any one year (the annual exceedance probability) (AEP), namely:

- a) Minimal risk flood prone land (above the Flood Planning Level and below the Flood prone land extent).
- b) Low hazard flood fringe area.
- c) Low hazard flood storage area.
- d) Low hazard floodway area.
- e) Low hazard overland flow path.
- f) High hazard flood fringe area.
- g) High hazard flood storage area.
- h) High hazard floodway area.
- i) High hazard overland flow path.

5.3 Keeping the Flood Hazard Maps up to date by incorporating relevant information from Council adopted Flood Studies, Floodplain Risk Management Plans, flood modification measures and approved filling within the floodplain which may change the categorisation of floodplain risk.

5.4 Undertaking a comprehensive benefit cost analysis of proposed flood modification measures (for example, levees, retarding basins, flood gates) in each catchment using a standard approach and include those measures with a benefit: cost ratio greater than 1 into Council's Strategic Asset Management Plan (where possible Council will seek State and Federal government funding

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Policy

for such measures).

- ~~5.5 Considering property modification measures including voluntary purchase or house raising and Development Control Plan (DCP) changes based on the floodplain risk categories.~~
- ~~5.6 Utilising a site specific risk management approach for the finished floor level for non-residential developments, focused on reducing risk to life and risk to property, based on the floodplain risk categories and specified in Council's DCP.~~
- ~~5.7 Ensuring that the State Emergency Service and the Port Stephens Local Emergency Management Committee are provided with the most up-to-date flood information so they can include it in their emergency response and recovery planning.~~
- ~~5.8 Ensuring that decisions relating to flood prone land do not have adverse consequences for emergency management or cause adverse impacts on flooding in other locations.~~
- ~~5.9 Ensuring that new Council assets have an appropriate floodplain risk category, so that future generations of residents and ratepayers are not inordinately burdened.~~
- ~~5.10 Developing a system for the timely provision of up-to-date flood information, to facilitate the assessment of development applications, to achieve a merit-based outcome for each floodplain risk category for an individual site.~~
- 5.3 Council will develop and maintain a system for the timely provision of up-to-date flood information, to facilitate the assessment of development applications, to achieve a merit-based outcome for each flood risk category for an individual site and to help the community understand the local flood risk.
- 5.4 Council will maintain the best-available flood data by reviewing and updating the flood mapping, flood studies and flood risk management plans, based on the need of the community, significant changes in catchments, development and infrastructure, regulatory requirements, knowledge gaps and the changing climate, taking into account Council budgetary constraints and the availability of government grants.

6 RESPONSIBILITIES:

- 6.1 Assets Section Manager has overall responsibility for this policy.
- 6.2 Engineering Services Manager and Principal Flooding & Drainage Engineer is responsible for the implementation of the engineering aspects of this policy, including management of the Floodplain Risk Management process.

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Policy



- 6.3 Strategy and Environment Section Manager is responsible for the implementation of the strategic planning aspects of this policy, including consideration of floodplain risk as early as possible in the planning process and the provision of the most up-to-date flood information through the issuing of Section 10.7 certificates.
- 6.4 Development and Compliance Services Section Manager is responsible for the implementation of the development assessment aspects of this policy, including a merit-based consideration of the floodplain risk categories for an individual site, against the relevant planning controls and guidelines, focused on reducing risk-to-life and risk-to-property, based on advice provided by Assets Section Manager, Engineering Services Manager and Principal Flooding & Drainage Engineer whose expert knowledge would need to be provided in making such decisions.
- 6.5 Communications and Customer Experience Section Manager is responsible for the implementation of the communications aspects of this policy, including assisting in the coordination of community engagement through the Floodplain-Risk Management process.
- 6.6 Facilities and Services Group Manager Infrastructure Director is responsible for the integration between Council's floodplain risk management activities and flood-related emergency management undertaken by the State Emergency Service and the Port Stephens Local Emergency Management Committee.

7 RELATED DOCUMENTS:

- 7.1 Local Government Act 1993 (NSW).
- 7.2 Environmental Planning and Assessment Act 1979 (NSW).
- 7.3 Water Management Act 2000 (NSW).
- 7.4 Hunter Water Act 1991 (NSW).
- 7.5 State Emergency and Rescue Management Act 1989 (NSW).
- ~~7.6 Flood Prone Land Policy 2005.~~
- ~~7.7 Floodplain Development Manual 2005.~~
- 7.5 Port Stephens Council Local Environment Plan 2013.
- 7.6 Port Stephens Council Development Control Plan 2044 2025.
- 7.7 Risk Management Manual 2023 (NSW).
- 7.8 Shelter-in-Place Guideline for Flash Flooding 2024 (NSW).

CONTROLLED DOCUMENT INFORMATION:

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Policy

EDRMS container No.	PSC2015-01399	EDRMS record No.	TBA
Audience	Councillors, staff and community		
Process owner	Manager , Assets Section Manager		
Author	Manager , Assets Section Manager		
Review timeframe	3 4 years	Next review date	TBA
Adoption date	12 December 2017		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	16 Dec 2008	Integrated Planning Manager	Areas affected by flooding and/or inundation.	384
2	27 Oct 2015	Asset Section Manager	Draft Floodplain Risk Management Policy for Public Exhibition	323
2.1	8 Mar 2016	Asset Section Manager	Floodplain Risk Management Policy	054
3	12 Dec 2017	Asset Section Manager	Updated to new template, overland flooding areas, definitions, and policy responsibility.	322
3.1	10 April 2018	Asset Section Manager	Reconciled definitions against other Council documentations and modified as required. Modified Council officer titles to reflect current role title. Modified Policy responsibilities as required.	080
4	24 May 2022	Asset Section Manager	Updated into the new policy template 5.1c by Replace "Engineers, Australia" with "the Commonwealth of Australia (Geoscience Australia)" 6.1 Remove "149" and replace with "10.7" and include "Customer Relations" to the Section Manager title.	135

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Policy



5	TBA	Assets Section Manager	<p>Review and updated policy.</p> <p>Title - 'plain' removed from title and throughout policy where it best defines.</p> <p>1. f) – delete 'Prone Land Policy and Floodplain Development Manual 2005' add 'Risk Management Manual 2023 and associated guideline documents'.</p> <p>2.2 – add 'appropriate risk strategies can manage the existing, future and continuing flood risks for the sustainable long-term benefit of the community and the environment, and to improve community resilience to floods. Delete 'the risks can be managed.'</p> <p>2.3 – add 'and developing flood management plans' and 'Flood Risk Management Manual 2023 and associated guideline documents' delete 'Floodplain Development Manual 2005'.</p> <p>2.4 – delete 'NSW Floodplain Development Manual 2005' add 'State Government's Flood Risk Management Manual 2023 and associated guideline documents.</p> <p>4 – Definition. Rewritten to improve purpose.</p> <p>5 – Statement. Rewritten to improve purpose.</p> <p>6.3 – delete 'through the issuing of Section 10.7 certificate.'</p> <p>6.4 – Updated Development Services name. Added "against the relevant planning controls and guidelines".</p> <p>7 – Related documents. Updated to reflect owner. Add new related documents.</p> <p>Amended review timeframe to 4 years in accordance with Council's policy and management directive review process.</p>	TBA
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ITEM NO. 4

**FILE NO: 26/3555
EDRMS NO: PSC2017-00180**

QUARTERLY BUDGET REVIEW TO 31 DECEMBER 2025

REPORT OF: GLEN PETERKIN - FINANCIAL SERVICES SECTION MANAGER
DIRECTORATE: CORPORATE STRATEGY AND SUPPORT

RECOMMENDATION IS THAT COUNCIL:

- 1) Approve the amended budget (**ATTACHMENT 1**) presented as the Quarterly Budget Review to 31 December 2025.
-

BACKGROUND

The purpose of this report is to provide an update to Council on the 30 June 2026 budget. The Quarterly Budget Review to 31 December 2025 (**ATTACHMENT 1**) sets out the details of any variations between Council's current budget and the proposed budget.

The Office of Local Government (OLG) recently released a new mandated reporting template for all councils to use for Quarterly Budget Reviews. The new template has been used in the preparation of this report with some additional information added regarding Council's financial performance.

Operating Budget

The Quarterly Budget Review to 31 December 2025 has shown an increase in total income by \$1.925 million, which is largely due to the reforecasting of investment income and recognition of new grants or grants that were unspent from last financial year.

Operating expenditure increased by \$1.292 million which is largely due to the delivery costs associated with the grant income being recognised and digital improvement projects.

Further information of the changes to the budget are outlined in the Income and Expenditure Statement as shown in (**ATTACHMENT 1**).

Capital Budget

The capital budget increased by \$2.547 million largely due to the recognition of transport infrastructure projects being delivered under the Roads Acceleration Program. Further information of the changes to the budget are outlined in the Capital Budget Statement as shown in **(ATTACHMENT 1)**.

Performance Indicators

All performance indicators have met the benchmark. Council continues to monitor the situation.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Resources and finance	Implement the Long Term Financial Plan 2025 to 2035.

FINANCIAL/RESOURCE IMPLICATIONS

Council’s anticipated underlying result increased to \$1,322,000. The movement from the original underlying result will be shown each quarter.

	Surplus (\$) 000	Deficit (\$) 000
Budget 2025 - 2026	1,294	
September 2025 review	1,134	
December 2025 review	1,322	
March 2026 review		

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that income and expenditure deviate from the budget which could impact on Council's ability to deliver its Operational Plan in a financially sustainable manner.	High	Periodic review and forecasting of the actual performance against the budget is undertaken regularly to ensure that approved expenditure levels and projected revenue streams remain sustainable.	

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

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

CONSULTATION

Council's Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communications and engagement

	No external communications and engagement are required for this report.
--	---

Internal communications and engagement

Consultation with the following stakeholders has been undertaken by the Financial Services Section to discuss the overall financial result for the quarter.

- Executive Team.

OPTIONS

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

ATTACHMENTS

- 1) Quarterly Budget Review to 31 December 2025. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

Quarterly Budget Review Statement

2025-2026

31 December 2025



Quarterly budget review statement

31 December 2025

The Office of Local Government's (OLG) Quarterly Budget Review reporting requirements are attached as follows:

- Report 1** Report by Responsible Accounting Officer
- Report 2** How to read your Quarterly Budget Review Statement Financial Overview
- Report 3** QBRS financial overview
- Report 4** Consolidated income and expenditure budget review statement
- Report 5** Income and expenditure budget review statement with commentary on significant changes
- Report 6** Capital budget review statement with commentary on significant changes
- Report 7** Cash and investments budget review statement
- Report 8** Summary of developer contributions

The following additional report has been included to provide further information regarding Council's performance:

- Report 9** Key performance indicators statement

Report 1: Report by Responsible Accounting Officer

Budget review for the quarter ending 31 December 2025

The following statement is made in accordance with clause 203(2) of the Local Government (General) Regulations 2021.

It is my opinion that the Quarterly Budget Review Statement for Port Stephens Council for the quarter ended 31 December 2025 indicates that Council's projected financial position at 30 June 2026 will be satisfactory at year-end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:



Glen Peterkin
Financial Services Section Manager
Port Stephens Council

Date:

30/01/2026

Report 2: How to read your Quarterly Budget Review Statement Financial Overview

QBR FINANCIAL OVERVIEW											
(Name) Council											
Budget review for the quarter ended - XX XXXXXXXX 20XX											
DESCRIPTION	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL	
	Actual	Original	Changes	Changes	Changes	Budget	changes	Year End (PYE)	ORIGINAL	YTD	
	20xx/xx	20xx/xx	Review	Review	Review	Budget	for council	Result	budget v PYE	20xx/xx	20xx/xx
	\$000's	\$000's	Q 1	Q 2	Q 3	\$000's	resolution	\$000's	\$000's	\$000's	\$000's
Net Operating Result before grants and contributions provided for capital purposes	General Fund	0	0	0	0	0	0	0	0	0	0
	Water Fund	0	0	0	0	0	0	0	0	0	0
	Sewer Fund	0	0	1	0	0	2	3	4	5	6
	Consolidated	0	0	0	0	0	0	0	0	0	0
Operating Result from continuing operations (with capital grants and contributions) excluding depreciation, amortisation and impairment of non financial assets	Consolidated	0	0	0	0	0	0	0	0	0	0
										0	
Borrowings	Total borrowings										0
Liquidity	External restrictions	0	0	0	0	0	0	0	7	0	0
	Internal Allocations	0	0	0	0	0	0	0	0	0	0
	Unallocated	0	0	0	0	0	0	0	0	0	0
	Total Cash and Cash Equivalents	0	0	0	0	0	0	0	0	0	0
Capital	Capital Funding	0	0	0	0	0	0	0	8	0	0
	Capital Expenditure	0	0	0	0	0	0	0	0	0	0
	Net Capital	0	0	0	0	0	0	0	0	0	0

1. Approved changes – Review

These are the changes for the quarter that were approved by a previous council resolution. The original budget amount plus the approved changes determine the revised budget in this QBR.

2. Revised budget

This figure is the original budget plus prior quarter approved changes.

3. Recommended changes for council resolution

Any change to the budget must be approved by council. By resolving to accept this QBR, Councillors are approving the recommended changes.

4. Projected year end result

This figure is the revised forecast position of the fund at financial year end. The projected year end result is the original budget plus the approved and recommended budget changes.

5. Variance

This column shows the variance between the original adopted budget and the revised projected year result. Councillors should be aware of the reasons behind the variance.

6. Actual YTD

Actual year to date is the result from 1st July up until the end of the quarter being reported.

7. Internal allocations and unallocated reserves

Internal allocations and unallocated reserves demonstrate the level of liquidity of Council. Specifically, the Council's ability to cover short term liabilities such as employee entitlements.

8. Capital

The capital overview should inform council as to whether the capital works program is on track to deliver programs outlined in the IP&R documentation.

Report 3: QBRs financial overview

Budget review for the quarter ending 31 December 2025

Description		Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Q1 Review \$000's	Approved Changes Q2 Review \$000's	Approved Changes Q3 Review \$000's	Revised Budget \$000's	Recommended changes for council resolution \$000's	Project year end (PYE) result 2025/26 \$000's	Original Budget v PYE 2025/26 \$000's	Actual YTD 2025/26 \$000's
Net Operating Result before grants and contributions provided for capital purposes	General Fund	(1,616)	9,690	(137)			9,554	446	9,999	309	2,884
	Water Fund										
	Sewer Fund										
	Consolidated	(1,060)	8,340	(137)			8,204	446	8,649	309	2,209
Operating Result from continuing operations (with capital grants and contributions) excluding depreciation, amortisation and impairment of non financial assets	Consolidated	58,430	45,953	13,604			59,557	632	60,189	14,236	27,698
Borrowings	Total borrowings	12,272	12,323	(1,294)	-	-	11,029		11,029	-	11,634
Liquidity	External restrictions	45,153	64,166	(25,133)			39,033	(915)	38,118	(26,048)	42,325
	Internal Allocations	33,812	37,754	(12,166)			25,589	(1,873)	23,715	(14,039)	29,958
	Unallocated	569	1,000	-			1,000		1,000	-	4,497
	Total Cash, Cash Equivalents and Investments	79,534	102,920	(37,299)	-	-	65,621	(2,788)	62,833	(40,087)	76,780
Capital	Capital Funding	41,631	31,069	37,939			69,008	2,547	71,554	40,486	22,462
	Capital Expenditure	41,631	31,069	37,939			69,008	2,547	71,555	40,486	22,462
	Net Capital	-	-	-	-	-	-	-	-	-	-
		Opening Balance	Total Cash Contributions Received	Total Interest Earned	Total Expended	Total Internal Borrowings (to)/from	Held as Restricted Asset	Cumulative balance of internal borrowings (to)/from			
		As at 1 July 2025	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q			
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's			
Developer Contributions	Total Developer Contributions	25,550	4,127	453	4,795	-	25,334	-			

Report 4: Consolidated income and expenditure budget review statement

Budget review for the quarter ending 31 December 2025

Description	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Q1 Review \$000's	Approved Changes Q2 Review \$000's	Approved Changes Q3 Review \$000's	Revised Budget \$000's	Recommended changes for council resolution \$000's	Project year end (PYE) result 2025/26 \$000's	Original Budget v PYE 2025/26 \$000's	Actual YTD 2025/26 \$000's
Income from continuing operations										
Rates and Annual Charges	81,803	89,770	-			89,770	-	89,770	-	44,537
User Charges and Fees	58,983	61,117	(177)			60,939	(5)	60,935	(182)	29,709
Other Revenues	6,088	5,639	222			5,862	399	6,261	622	3,152
Grants & Contributions for Operating purposes	13,059	14,852	1,705			16,557	344	16,901	2,049	8,408
Capital Grants and Contributions	37,414	12,998	13,740			26,738	187	26,924	13,927	13,682
Interest & Investment Revenue	4,496	3,398	-			3,398	1,000	4,398	1,000	2,294
Other Income	2,989	6,977	13			6,990	-	6,990	13	3,036
Net gains from the disposal of assets	391	250	-			250	-	250	-	403
Total Income from continuing operations	205,223	195,000	15,504	-	-	210,504	1,925	212,429	17,428	105,222
Expenses from continuing operations										
Employee benefits and on-costs	66,113	69,530	440			69,970	451	70,422	892	35,172
Materials & Services	68,530	62,658	1,410			64,068	841	64,909	2,251	34,003
Borrowing Costs	2,616	5,996	-			5,996	-	5,996	-	2,913
Other Expenses	9,534	10,864	50			10,914	-	10,914	50	5,436
Net Loss from Disposal of Assets	-	-	-			-	-	-	-	-
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	146,793	149,048	1,900	-	-	150,948	1,292	152,240	3,193	77,524
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	58,430	45,953	13,604	-	-	59,557	632	60,189	14,236	27,698
Depreciation and amortisation	22,076	24,615				24,615		24,615	-	11,807
Operating result from continuing Operations	36,354	21,338	13,604	-	-	34,942	632	35,574	14,236	15,891
Net Operating Result before grants and contributions provided for capital purposes*	(1,060)	8,340	(137)	-	-	8,204	446	8,649	309	2,209

* All income & expenditure (inc loans and borrowings costs) includes Councils consolidated portion of the Newcastle Airport. The consolidation is required by Australian Accounting Standards to represent Councils financial interests as a result of its 50% shareholding. As a corporate shareholder Council is entitled to financial returns however is not liable for the debts owed by Newcastle Airport.

Refer to 'Report 5: Income and expenditure budget review statement' for Council's net operating result excluding Newcastle Airport.

Report 5: Income and expenditure budget review statement

Budget review for the quarter ending 31 December 2025

General Fund

Description	Note	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Q1 Review \$000's	Approved Changes Q2 Review \$000's	Approved Changes Q3 Review \$000's	Revised Budget \$000's	Recommended changes for council resolution \$000's	Project year end (PYE) result 2025/26 \$000's	Original Budget v PYE 2025/26 \$000's	Actual YTD 2025/26 \$000's
Income from continuing operations											
Rates and Annual Charges		81,803	89,770	-			89,770	-	89,770	-	44,537
User Charges and Fees		36,134	38,483	(177)			38,305	(5)	38,301	(182)	18,392
Other Revenues	1	5,988	5,455	222			5,678	399	6,077	622	3,060
Grants & Contributions for Operating purposes	2	13,059	14,852	1,705			16,557	344	16,901	2,049	8,408
Capital Grants and Contributions	3	27,775	9,248	13,740			22,988	187	23,174	13,927	11,807
Interest & Investment Revenue	4	4,211	2,761	-			2,761	1,000	3,761	1,000	1,975
Other Income		2,989	3,632	13			3,645	-	3,645	13	1,364
Net gains from the disposal of assets		790	250	-			250	-	250	-	403
Total Income from continuing operations		172,749	164,450	15,504	-	-	179,954	1,925	181,879	17,428	89,947
Expenses from continuing operations											
Employee benefits and on-costs	5	60,077	63,366	440			63,806	451	64,258	892	32,090
Materials & Services	6	58,049	55,431	1,410			56,841	841	57,682	2,251	30,389
Borrowing Costs		603	646	-			646	-	646	-	238
Other Expenses		9,534	7,655	50			7,705	-	7,705	50	3,832
Net Loss from Disposal of Assets									-	-	
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets		128,263	127,098	1,900	-	-	128,998	1,292	130,290	3,193	66,549
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets		44,486	37,353	13,604	-	-	50,957	632	51,589	14,236	23,398
Depreciation and amortisation		18,327	18,415	-			18,415	-	18,415	-	8,707
Operating result from continuing Operations		26,159	18,938	13,604	-	-	32,542	632	33,174	14,236	14,691
Net Operating Result before grants and contributions provided for capital purposes		(1,616)	9,690	(137)	-	-	9,554	446	9,999	309	2,884
Less: Non-Cash Items and operating funding capital			(5,008)				(5,008)	(500)	(5,508)	(500)	(2,085)
Less: Local Election Allocation			(250)				(250)		(250)	-	(63)
Less: Enhanced Services			(3,851)				(3,851)		(3,851)	-	(1,926)
Add: Natural Disaster Costs							-		-	-	1,368
Add: Digital Transformation			690				690	243	933	243	300
Underlying Operating Surplus/(Deficit)*			1,270	(137)	-	-	1,134	189	1,322	52	480

*Underlying result refers to performance measures that do not include abnormal, non-recurring events or transactions that are restricted for a capital purpose, providing a better representation of underlying financial performance without the impact of any unusual or extraordinary items.

Income and expenditure: commentary on significant changes

(Note: only significant changes of greater than \$100k are listed below)

Income from continuing operations

1. Other Revenues (\$399k increase)

The increase is due to reforecasting revenue from compliance activities and sand mining royalties.

2. Grants & Contributions for Operating purposes (\$344k increase)

Grant funding for Apprentices, Trainees & Cadets, Australia Day and Soldiers Point Hall upgrades.

3. Capital Grants and Contributions (\$187k increase)

Grant funding for Nelson Bay Croquet Club lighting, Fern Bay Tennis lighting, Ray Wood Reserve dinghy rack and bus shelter upgrades.

4. Interest & Investment Revenue (\$1m increase)

Reforecast interest income from investments due to holdings, portfolio management and economic conditions.

Expenditure from continuing operations

5. Employee benefits and on-costs (\$451k increase)

Expenditure side of operating grant for Apprentices, Trainees & Cadets and increased labour for compliance activities.

6. Materials & services (\$841k increase)

Expenditure side of operating grants, allocations for digital strategy implementation and reforecast subscription costs.

Report 6: Capital budget review statement

Budget review for the quarter ending 31 December 2025

Description	Note	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Q1 Review \$000's	Approved Changes Q2 Review \$000's	Approved Changes Q3 Review \$000's	Revised Budget \$000's	Recommended changes for council resolution \$000's	Project year end (PYE) result 2025/26 \$000's	Original Budget v PYE 2025/26 \$000's	Actual YTD 2025/26 \$000's
Capital Funding											
Rates & other untied funding		1,574	1,558	-			1,558	14	1,572	14	27
Capital Grants & Contributions		27,775	9,248	13,740			22,988	172	23,159	13,912	6,415
Reserves - External Restrictions		5,360	2,050	11,339			13,389	3,759	17,148	15,098	4,831
Reserves - Internally Allocated		6,416	18,213	12,416			30,629	(1,423)	29,206	10,993	11,189
New Loans			-	-			-		-	-	
Proceeds from sale of assets			-	-			-		-	-	
General fund contribution to capital		506	-	444			444	25	469	469	-
Total Capital Funding		41,631	31,069	37,939	-	-	69,008	2,547	71,554	40,486	22,462
Capital Expenditure											
New Assets		22,621	552	6,234			6,786	-	6,786	6,234	1,627
Asset Renewal	1	19,010	24,450	31,705			56,156	2,546	58,702	34,252	20,835
Transfer to reserves		-	6,066	-			6,066	-	6,066	-	-
Total Capital Expenditure		41,631	31,069	37,939	-	-	69,008	2,547	71,554	40,485	22,462
Net Capital Funding - Surplus/(Deficit)		-	-	-	-	-	-	-	-	-	-

Note: This table does not include capital dedications revenue or expenditure.

Capital Budget: commentary on significant changes

(Note: only significant changes of greater than \$100k are listed below)

1. Asset renewal (\$2.5m increase)

The increase is due to the following:

Aquatic Structures	33	Longworth Park seawall
Buildings	(406)	Reallocate unspent asset rehabilitation to open space projects
Corporate Assets	(1,038)	Reforecast budgets in relation to digital strategy implementation
Drainage	37	Drainage works at Clemenceau Crescent, Tanilba Bay and Buderl Close, Raymond Terrace subsidence
Open Space	389	Nelson Bay Croquet Club lighting, Salamander Sports Complex field drainage works, Ray Wood Reserve dinghy rack, East Seaham Knitting Circle Memorial, Hinton Foreshore Pathway and Fly Point Park furniture replacement
Transport Infrastructure	3,532	Italia Road, East Seaham, Fairlands Road, Medowie, Birubi Point Aboriginal Place Tourism Interchange and allocation for Roads Acceleration Program
	2,546	

A number of other new and renewal capital project budgets have been increased or decreased due to changes in project timing or expected cost. These budget reallocations do not materially impact the total capital budget for the 2025/26 financial year.

Report 7: Cash and investments budget review statement

Budget review for the quarter ending 31 December 2025

Description	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Q1 Review \$000's	Approved Changes Q2 Review \$000's	Approved Changes Q3 Review \$000's	Revised Budget \$000's	Transfers	Recommended changes for council resolution \$000's	Project year end (PYE) result 2025/26 \$000's	Original Budget v PYE 2025/26 \$000's	Actual YTD 2025/26 \$000's
Total Cash, Cash Equivalents & Investments	79,534	102,920	(37,299)			65,621		(2,788)	62,833	(40,087)	76,780
External Restriction											
Developer contributions - General	25,550	31,930	(7,336)			24,594		(550)	24,044	(7,886)	25,333
Unspent grants	7,796	15,195	(15,195)			0		(275)	(275)	(15,470)	2,012
Domestic waste management	7,725	11,707	(886)			10,821		(50)	10,771	(936)	10,176
Stormwater management						-			-	-	
Crown Reserve	3,544	4,796	(1,716)			3,080		(40)	3,040	(1,756)	4,268
Unclaimed money	538	538				538			538	-	536
Total External Restriction	45,153	64,166	(25,133)	-	-	39,033		(915)	38,118	(26,048)	42,325
Cash, cash equivalents & investments not subject to external restrictions	34,381	38,754	(12,166)	-	-	26,589		(1,873)	24,715	(14,039)	34,455
Internal Restriction											
Bonds and Retentions	1,631	1,631				1,631		-	1,631	-	1,564
Administration Building Reserve	92	236	(237)			(0)		-	(0)	(237)	149
Asset Rehabilitation Reserve	4,274	4,616	(4,617)			(0)		-	(0)	(4,617)	4,277
Commercial Properties Reserve	5,134	5,725	(1,995)			3,730		93	3,823	(1,902)	5,617
Community Loans	200	200				200		-	200	-	200
Community Halls	127	131				131		-	131	-	156
Drainage Reserve	1,653	1,987	(1,843)			144		-	144	(1,843)	1,064
Election Reserve	-	150				150		-	150	-	75
Employee Leave Entitlements (ELE)	1,000	1,000				1,000		-	1,000	-	1,000
Enhanced Services Reserve	766	1,532	(766)			766		27	793	(739)	672
Federal Assistance Grant Reserve	4,322	-				-		-	-	-	2,161
Fleet Reserve	346	812	(21)			791		-	791	(21)	239
IT Reserve	1,782	3,364	(1,843)			1,521		1,038	2,559	(805)	1,603
Meadow Place Plan and Sporting Facilities Reserve	-	-				-		-	-	-	-
Other Waste Services Reserve	-	388				388		-	388	-	161
Parking Meters Reserve	1,188	1,726	(203)			1,524		(31)	1,493	(234)	1,680
Repealed Funds Reserve	1,396	8	(8)			(0)		-	(0)	(8)	1,396
Roads Acceleration Program (RAP) Reserve	-	-				-	3,000	(3,000)	-	-	2,000
Roads / Environmental Reserve	620	1,003	(633)			370		-	370	(633)	924
Sustainable Energy & Water Reserve	52	80				80		-	80	-	66
Unexpended Loan Funds Reserve	-	-				-		-	-	-	-
Ward Funds Reserve	28	-				-		-	-	-	37
Emergency & Natural Disaster	4,509	6,000				6,000	(3,000)	-	3,000	(3,000)	1,150
Grant Co-Contribution Reserve	528	3,000				3,000		-	3,000	-	267
Resilience Fund	3,500	3,500				3,500		-	3,500	-	3,500
Section 355c	664	664				664		-	664	-	
Total Internal Restriction	33,812	37,754	(12,166)	-	-	25,589	-	(1,873)	23,715	(14,039)	29,958
Unallocated	569	1,000	-	-	-	1,000	-	-	1,000	-	4,497

Report 8: Summary developer contributions

Budget review for the quarter ending 31 December 2025

Purpose	Opening Balance	Developer Contributions Received			Total actual interest earned	Total amounts expended	Held as Restricted Asset*	Cumulative balance of internal borrowings (to)/from
	As at 1 July 2025	Total Actual Cash	Non-Cash Land	Non-Cash Other				
	\$000's	As at this Q \$000's	As at this Q \$000's	As at this Q \$000's				
Drainage	1,066	146	-	-	19	-	1,231	
Roads	2,753	508	-	-	49	352	2,958	
Traffic facilities	2,161	151	-	-	38	345	2,005	
Parking	-	-	-	-	-	-	-	
Open space	11,206	975	-	-	198	717	11,662	
Community facilities	4,359	792	-	-	76	31	5,196	
Other	463	206	-	-	11	10	670	
Total S7.11 Under plans	22,008	2,777	-	-	391	1,455	23,720	
S7.11 Not under plans	-	-	-	-	-	-	-	
S7.12 Levies	2,106	1,350	-	-	37	901	2,592	
S7.4 Planning agreements	-	-	-	-	-	1,488	(1,488)	
S84 Contributions	-	-	-	-	-	-	-	
Other	1,436	-	-	-	25	951	510	
Total Developer Contributions	25,550	4,127	-	-	453	4,795	25,334	

*NOTE: The restricted asset balance has been calculated based on funds actually spent to date. An additional amount of \$5,850,000 has been committed to various projects from this balance.

Report 9: Key Performance Indicators ⁽¹⁾

Result for the financial quarter ending 31 December 2025

	\$'000	Indicator	Benchmark	
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses	2,383			
Total continuing operating revenue excluding capital grants and contributions	78,140	3.05%	>0.00%	✓
This ratio measures Council's achievement of containing operating expenditure within operating revenue.				
2. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation	11,829			
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	786	15.06	>2.00x	✓
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.				
3. Unrestricted Working Capital ratio				
Total Current Assets less external restrictions	68,680			
Total Current Liabilities less external restrictions	41,662	1.65	>1.5x	✓
This ratio measures Council's ability to meet its short term obligations as they fall due.				
4. Cash expense ratio				
Current year's cash and cash equivalents plus all term deposits	76,780			
Operating expenses less depreciation ÷ YTD days	11,092	6.92	>3.00 mths	✓
This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow.				
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding YTD	3,468			
Rates and annual charges collectable	91,337	3.8%	<10.00%	✓
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.				
6. Restricted Cash				
	42,325			
	29,958			
	4,497			
	76,780			✓

(1) Excludes Newcastle Airport and related entities

ITEM NO. 5

**FILE NO: 26/19646
EDRMS NO: PSC2017-02839**

AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION NATIONAL GENERAL ASSEMBLY 2026

REPORT OF: TIMOTHY CROSDALE - GENERAL MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Nominate Council delegates to attend the 2026 Australian Local Government Association National General Assembly to be held in Canberra from 23-25 June 2026.
-

BACKGROUND

The purpose of this report is to inform Council and call for nominations for the upcoming Australian Local Government Association National General Assembly (ALGA) Conference for 2026.

This event provides a unique opportunity for Local Government to engage directly with the Federal Government, to develop national policy and to influence the future direction of councils and communities.

The theme for the 2026 conference is 'Stronger Together: Resilient. Productive. United'. The proposed program is available at (**ATTACHMENT 1**).

The 10 priority areas for this year's conference are:

- Financial sustainability
- Emergency management
- Housing and planning
- Roads and infrastructure
- Closing the gap
- Jobs and skills
- Environment
- Cyber security
- Climate change
- Intergovernmental relations.

The conference is open to all Elected Members.

COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Resources and finance	Deliver Governance Services and internal audit program

FINANCIAL/RESOURCE IMPLICATIONS

The costs associated with registration are covered within existing budget – subject to an Elected Member not exceeding budget limits set out in the Payment of Expenses and Provision of Facilities to Mayor and Councillors Policy. Council will also meet the reasonable cost of meals when they are not included in the conference fees.

The early bird registration cost for the conference is \$999 per delegate (not including additional functions).

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		As per the Payment of Expenses and Provision of Facilities to Mayor and Councillors Policy.
Reserve Funds	No		
Developer Contributions (\$7.11)	No		
External Grants	No		
Other	No		

LEGAL, POLICY AND RISK IMPLICATIONS

As per the Payment of Expenses and Provision of Facilities to the Mayor and Councillors Policy, approval to participate in a conference or seminar is subject to approval of a full Council.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council may have its reputation damaged by not participating in the national debate on key Local Government matters in NSW.	Low	Adopt the recommendation.	Yes

ORDINARY COUNCIL - 24 FEBRUARY 2026

There is a risk that Port Stephens Council will not be represented on matters at the conferences.	Low	That the recommendation be adopted.	Yes
---	-----	-------------------------------------	-----

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

The Port Stephens community would benefit from Elected Members participating in conferences to ensure the local government area has a voice in the national development of policy and initiatives.

COMMUNICATION AND ENGAGEMENT

Council's Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communications and engagement

	No external communications and engagement are required for this report.
--	---

Internal communications and engagement

Communication was undertaken with Councillors.

OPTIONS

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

ATTACHMENTS

- 1) Proposed 2026 ALGA NGA Program. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.



[Register Now](#)



National Convention Centre,

STRONGER TOGETHER: RESILIENT. PRODUCTIVE. UNITED.

Date: 23-25 June 2026

Proposed Program

2026 program outline is now available

Regional Forum

Tuesday: 9.00AM - 5.30PM

<https://conferenceco-nga2026.eventsair.site/program>

1/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

Wednesday - Thursday

Urban Forum

Tuesday: 9.00AM - 5.30PM

PROPOSED PROGRAM

Tuesday, June 23

8AM

REGISTRATIONS OPEN

Regional Forum & Urban Forum

Concurrent sessions. Regional Forum sessions will be held in the Royal Theatre and the Urban Forum sessions will be held in the Bradman Theatre

9AM

9am → 10am

Regional Forum (RF) Opening Session

Royal Theatre

Regional

<https://conferenceco-nga2026.eventsair.site/program>

2/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

Urban

10AM

10am → 10:30am

Forums Morning Tea

10:30am → 11:30am

RF Session 1: Opportunities & Challenges - Renewable Transition

Royal Theatre

Regional

10:30am → 11:30am

UF Session 1: State of the Cities

Simon Kuestenmacher The Demographics Group

Bradman Theatre

Urban

11AM

11:30am → 12:30pm

RF Session 2: State of the Regions

Simon Kuestenmacher The Demographics Group

Royal Theatre

Regional

11:30am → 12:30pm

UF Session 2: Precinct Building

Creating places people want to be

Urban

12PM

https://conferenceco-nga2026.eventsair.site/program

3/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

1PM

1:30pm → 2:30pm

RF Session 3: Disaster Management Fatigue

Royal Theatre

Regional

1:30pm → 2:30pm

UF Session 3: Emergency Management

Communicating to large populations

Bradman Theatre

Urban

2PM

2:30pm → 3:30pm

RF Session 4: National productivity & local roads

Royal Theatre

Regional

2:30pm → 3:30pm

UF Session 4: Growing pains

Rapid urban growth

Bradman Theatre

Urban

3PM

3:30pm → 4:30pm

Forums Afternoon Tea

4PM

<https://conferenceco-nga2026.eventsair.site/program>

4/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

Royal Theatre

Regional

4:30pm → 5:30pm

UF Session 5: Decarbonisation in the urban context

Bradman Theatre

Urban

5PM

5:30pm → 7:30pm

Welcome Reception | Sponsored by Payble

The Welcome Reception will be held within the Exhibition Halls at the National Convention Centre for the delegates to have a meet and greet with the 2026 Exhibitors.

Wednesday, June 24

8AM

REGISTRATIONS OPEN.

9AM

9am → 10am

Opening Session

Royal Theatre

10AM

https://conferenceco-nga2026.eventsair.site/program

5/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

David Speers

Royal Theatre

11AM

11am → 12pm

MEAL BREAK ONE - DAY 1

12PM

12pm → 2pm

NGA Session 2: Listen and Action

With Jason Clarke, including the launch of the Jobs and Skills Survey

Jason Clarke

Royal Theatre

2PM

2pm → 3pm

MEAL BREAK TWO - Day 1

3PM

3pm → 5:30pm

NGA Session 3 - Debate on Motions

Thursday, June 25

8AM

<https://conferenceco-nga2026.eventsair.site/program>

6/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

8:30am → 11am

NGA Session 4 - Debate on Motions

Royal Theatre

11AM

11am → 12pm

MEAL BREAK ONE - Day Two

Exhibition Hall

12PM

12pm → 1pm

NGA Session 5: Financial Sustainability

Launch of State of the Assets & Around the Grounds (Association Presidents)

Royal Theatre

1PM

1pm → 2pm

NGA Session 6: Disability Inclusion in Action

Launch of the updated Disability Inclusion Guide

Royal Theatre

2PM

2pm → 3pm

MEAL BREAK TWO - Day Two

Exhibition Hall

3PM

<https://conferenceco-nga2026.eventsair.site/program>

7/9

1/19/26, 2:23 PM

2026 NGA Program



Register Now

Royal Theatre

4PM

4pm → 5pm

NGA Session 8: Respectful communication in the online world

Royal Theatre

7PM

7pm → 11pm

General Assembly Dinner | Sponsored by Telstra

Venue TBA

7pm → 10pm

Networking Event: Verity Lane

Market Hall, Verity Lane

ALGA reserves the right to change the program without notice.

Conference Co-ordinators

P: 02 6292 9000

E: nga@confco.com.au

ALGA

<https://conferenceco-nga2026.eventsair.site/program>

8/9

ITEM NO. 6

**FILE NO: 25/341651
EDRMS NO: PSC2024-03158**

REQUEST FOR FINANCIAL ASSISTANCE

REPORT OF: TIMOTHY CROSDALE - GENERAL MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

- 1) Approves provision of financial assistance under Section 356 of the Local Government Act 1993 from Mayoral and Ward Funds to the following:
 - a) Voice of Wallalong and Woodville (VOWW) – Rapid response - Mayoral funds - \$500 donation towards event for completion of Brandy Hill pathway project.
 - b) Tomaree Museum Association – Mayoral funds - \$2,000 donation towards hosting the Australian National Maritime Museum touring exhibition.
 - c) Nelson Bay Civic Pride Volunteers – Rapid response – Mayoral funds - \$500 donation towards revitalising gardens in Nelson Bay CBD.
 - d) Port Stephens Sister Cities Committee – Mayoral funds – \$1,050 donation towards costs for 3 participants in the Wakashio Marathon 2026.
 - e) MobReady – Mayoral funds - \$1,000 donation towards a team to represent the Aboriginal families of Karuah at the 2026 Elders Olympics.
 - f) Nelson Bay Bandits RLFC - \$1,000 donation towards ongoing costs of the 2026 season.
 - g) Mayoral Academic Scholarship Program 2026 – Mayoral funds - \$3,000 donation towards academic scholarships.
 - h) Endorse the provision of funds to Kim Saarenpaa – Mayoral funds - \$1,000 donation towards son attending the Junior Theatre Festival in Europe in 2027 and place the proposal on public exhibition for a period of 28 days, in accordance with the Local Government Act 1993 to seek public comment.
 - i) 1st Tilligerry Scouts – Rapid response – Cr Jason Wells – Central Ward funds - \$258 donation towards annual fire safety schedule fee.
 - 2) Should no submissions be received as a result of the public exhibition stated in 1h) above, the funds be approved.
-

BACKGROUND

The purpose of this report is to determine and, where required, authorise payment of financial assistance to recipients judged by the Mayor and or Councillors as deserving of public funding. The Grants and Donations Policy gives the Mayor and Councillors a wide discretion either to grant or to refuse any requests.

ORDINARY COUNCIL - 24 FEBRUARY 2026

Council's Grants and Donations Policy provides the community, the Mayor and Councillors with a number of options when seeking financial assistance from Council. Those options being:

1. Mayoral Funds
2. Rapid Response
3. Community Financial Assistance Grants – (bi-annually)
4. Community Capacity Building

Council is unable to grant approval of financial assistance to individuals unless it is performed in accordance with the Local Government Act 1993. This would mean that the financial assistance would need to be included in the Operational Plan or Council would need to advertise for 28 days of its intent to grant approval. Council can make donations to community groups.

The requests for financial assistance are shown below:

MAYORAL FUNDS

Voice of Wallalong and Woodville (VOWW)	A not-for-profit community group formed to protect the area's heritage, environment and rural character.	\$500	Donation towards event for completion of Brandy Hill pathway project.
Tomaree Museum Association	The Tomaree Museum Association works to establish and develop a regional museum for Port Stephens to document, protect, and promote the area's unique history, natural environment, and cultural heritage.	\$2,000	Donation towards hosting the Australian National Maritime Museum touring exhibition.
Nelson Bay Civic Pride Volunteers	The Nelson Bay Civic Pride Group is a volunteer organisation focused on beautifying the Nelson Bay CBD through gardening	\$500	Donation towards revitalising gardens in Nelson Bay CBD.

ORDINARY COUNCIL - 24 FEBRUARY 2026

	and maintenance, transforming public spaces with plants and flowers.		
Port Stephens Sister Cities Committee	Port Stephens Sister Cities Committee aims to promote communication between cities leading to friendships, understanding between nations and worldwide peace.	\$1,050	Donation towards costs for 3 runners to participate in the Wakashio Marathon 2026.
MobReady	MobReady is a socially inclusive group training organisation offering trainee and apprentice opportunities for Aboriginal and Torres Strait Islander people.	\$1,000	Donation towards a team to represent the Aboriginal families of Karuah at the 2026 Elders Olympics.
Nelson Bay Bandits RLFC	The Nelson Bay Bandits RLFC is a ladies tackle and league tag club, creating an inclusive environment for all to enjoy.	\$1,000	Donation towards ongoing costs associated with 2026 season.
Mayoral Academic Scholarship Program 2026	The Mayoral Academic Scholarship Program helps local students to cover their study costs thanks to the joint initiative by Port Stephens Council and	\$3,000	Donation for academic scholarships.

ORDINARY COUNCIL - 24 FEBRUARY 2026

	local businesses.		
Kim Saarenpaa	Individual.	\$1,000	Donation towards son's attendance at the Junior Theatre Festival in Europe in 2027.

WARD FUNDS

1 st Tilligerry Scouts	1st Tilligerry Scouts offer fun activities, outdoor adventures and youth leadership on the Tilligerry Peninsula for youth aged 5 to 18 years of age.	\$258	Donation towards annual fire safety schedule fee.
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COMMUNITY STRATEGIC PLAN

Strategic Direction	Delivery Program 2025-2029
Resources and finance	Develop and implement strategic direction and governance of Council

FINANCIAL/RESOURCE IMPLICATIONS

Source of Funds	Yes/No	Funding (\$)	Comment
Existing budget	Yes		
Reserve Funds	No		
Developer Contributions (S7.11)	No		
External Grants	No		
Other	No		

LEGAL AND POLICY IMPLICATIONS

To qualify for assistance under Section 356(1) of the Local Government Act 1993, the purpose must assist the Council in the exercise of its functions. Functions under the Act include the provision of community, culture, health, sport and recreation services and facilities.

The Policy interpretation required is whether the Council believes that:

- a) applicants are carrying out a function, which it, the Council, would otherwise undertake.
- b) the funding will directly benefit the community of Port Stephens.
- c) applicants do not act for private gain.

Risk	<u>Risk Ranking</u>	Proposed Treatments	Within Existing Resources?
There is a risk that Council may set a precedent when allocating funds to the community and an expectation those funds will always be available.	Low	Adopt the recommendations.	Yes

SUSTAINABILITY IMPLICATIONS

Includes Social, Economic and Environmental Implications

Nil.

COMMUNICATION AND ENGAGEMENT

Council’s Communication and Engagement Strategy uses the IAP2 Framework to identify the level of engagement undertaken. An explanation for each level is shown below.

INFORM	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
CONSULT	To obtain public feedback on analysis, alternatives and/or decisions.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
EMPOWER	To place final decision-making and/or developed budgets in the hands of the public.
	No external communications and engagement are required for this report.

The following communication and engagement applies to this report.

External communications and engagement

INFORM	Community members are advised of the outcome of their application.
---------------	--

Internal communications and engagement

Consultation has been undertaken by the General Manager's Office.

Consultation has been undertaken to ensure budget requirements are met and approved.

OPTIONS

- 1) Accept the recommendation.
- 2) Vary the dollar amount before granting each or any request.
- 3) Decline to fund all the requests.

ATTACHMENTS

Nil.

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 7

**FILE NO: 26/19865
EDRMS NO: PSC2024-03232**

INFORMATION PAPERS

REPORT OF: TIMOTHY CROSDALE - GENERAL MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

RECOMMENDATION IS THAT COUNCIL:

Receives and notes the Information Papers listed below being presented to Council on 24 February 2026.

No:	Report Title	Page:
1	Cash and Investment Portfolio - November 2025	143
2	Cash and Investment Portfolio - December 2025	153
3	Cash and Investment Portfolio - January 2026	163
4	Elected Members' Professional Development and Expenses Reports - 1 July 2025 to 31 December 2025	164
5	Designated Persons' Return	167
6	Delegations Report	168
7	Council Resolutions	170

INFORMATION PAPERS

ITEM NO. 1

**FILE NO: 25/330153
EDRMS NO: PSC2017-00180**

CASH AND INVESTMENT PORTFOLIO - NOVEMBER 2025

REPORT OF: GLEN PETERKIN - FINANCIAL SERVICES SECTION MANAGER
DIRECTORATE: CORPORATE STRATEGY AND SUPPORT

BACKGROUND

The purpose of this report is to present Council's schedule of cash and investments held at 30 November 2025.

Council's total portfolio of investments was \$76.4 million with an additional \$1.3 million held in Council's operational account as at 30 November 2025.

The investment portfolio meets the benchmarks for product type, rating exposure and maturity limits but is outside the benchmark in relation to institution exposure. As at 30 November 2025 Council held 0.1% more cash with State Bank of India (BBB rated) than the benchmark allows. Cashflow requirements have reduced the overall portfolio size however at the time of investing with State Bank of India all benchmark requirements were met. No further investments will be placed with State Bank of India until the single institution limit has improved.

The investment portfolio is currently yielding 5.28% p.a. on a rolling 1 year performance, which was 1.24% above the benchmark with investment income on target to meet or exceed budget.

Council has sufficient cash to cover all reserves.

ATTACHMENTS

- 1) Cash and Investment Report - November 2025. [↓](#)



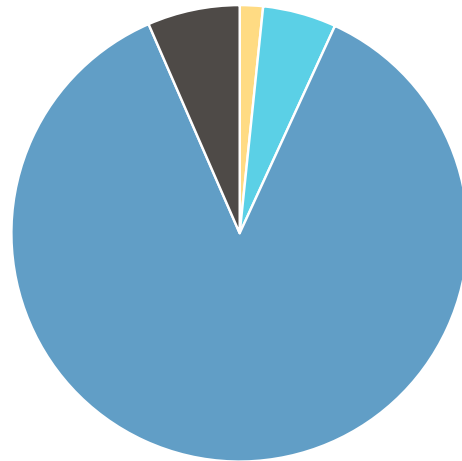
PORT STEPHENS
COUNCIL

Cash Investment Portfolio

Asset Allocation as at 30 November 2025



Cash Investment Portfolio Holdings



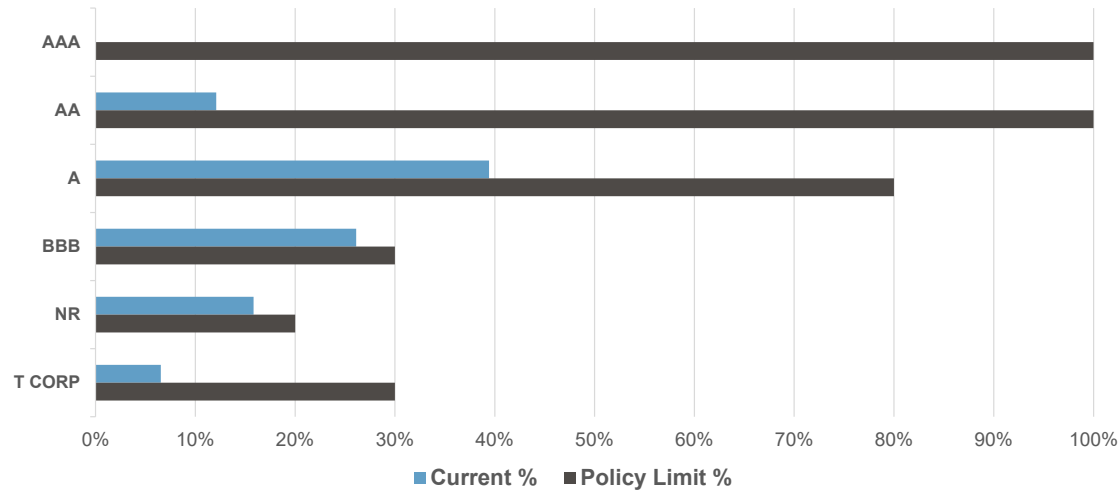
■ At Call ■ Cash ■ At Notice ■ TD ■ Managed Fund

Product Type	Market Value (\$)	Within Policy
At Call	-	
Cash	1,276,475	✓
At Notice	4,047,780	✓
TD	67,285,030	✓
Managed Fund	5,079,529	✓
	77,688,813	

✓ = Yes
 x = No

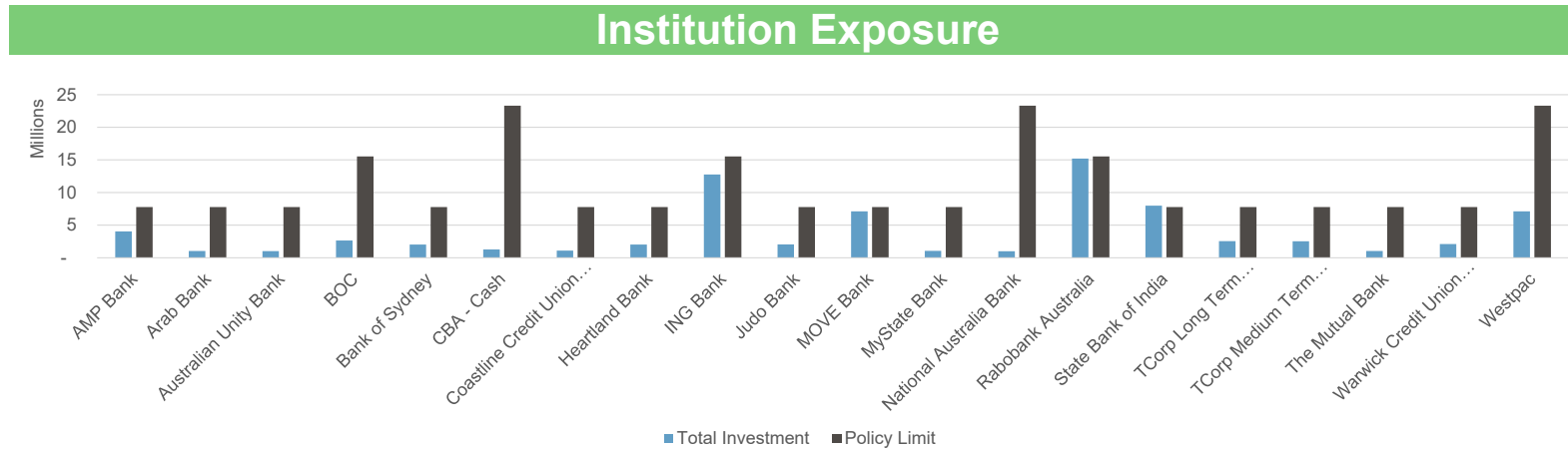
Rating Exposure

Total Credit Exposure



Credit Rating Group	Market Value (\$)	Current %	Policy Limit %	Within Policy
AAA	-	0%	100%	✓
AA	9,397,488	12%	100%	✓
A	30,622,998	39%	80%	✓
BBB	20,293,624	26%	30%	✓
NR	12,295,175	16%	20%	✓
T CORP	5,079,529	7%	30%	✓
	77,688,813	100%		

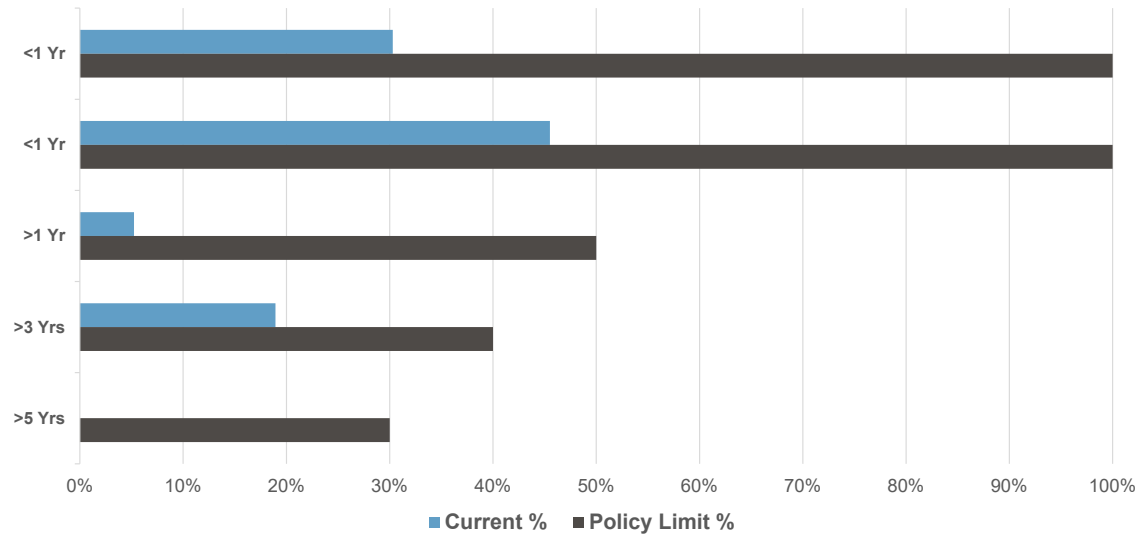
✓ = Yes
x = No



Institution	Rating	Total Investment	Exposure	Policy Limit	Remaining to Limit	Within Policy
AMP Bank	BBB	4,047,780	5%	10%	3,721,101	✓
Arab Bank	NR	1,044,561	1%	10%	6,724,320	✓
Australian Unity Bank	BBB	1,019,438	1%	10%	6,749,443	✓
BOC	A	2,645,534	3%	20%	12,892,229	✓
Bank of Sydney	NR	2,027,515	3%	10%	5,741,367	✓
CBA - Cash	AA	1,276,475	2%	30%	22,030,169	✓
Coastline Credit Union Limited	BBB	1,088,548	1%	10%	6,680,333	✓
Heartland Bank	BBB	2,021,863	3%	10%	5,747,018	✓
ING Bank	A	12,768,883	16%	20%	2,768,879	✓
Judo Bank	BBB	2,037,293	3%	10%	5,731,588	✓
MOVE Bank	NR	7,121,663	9%	10%	647,218	✓
MyState Bank	BBB	1,051,176	1%	10%	6,717,705	✓
National Australia Bank	AA	1,003,468	1%	30%	22,303,175	✓
Rabobank Australia	A	15,208,581	19%	20%	329,182	✓
State Bank of India	BBB	7,988,337	10%	10%	219,456	*
TCorp Long Term Growth Fund	TCORP LONG	2,552,145	3%	10%	5,216,737	✓
TCorp Medium Term Growth Fund	TCORP MED	2,527,384	3%	10%	5,241,497	✓
The Mutual Bank	BBB	1,039,189	1%	10%	6,729,692	✓
Warwick Credit Union Ltd	NR	2,101,436	3%	10%	5,667,446	✓
Westpac	AA	7,117,544	9%	30%	16,189,100	✓
Total		77,688,813				

✓ = Yes
* = No

Term to Maturity Limits



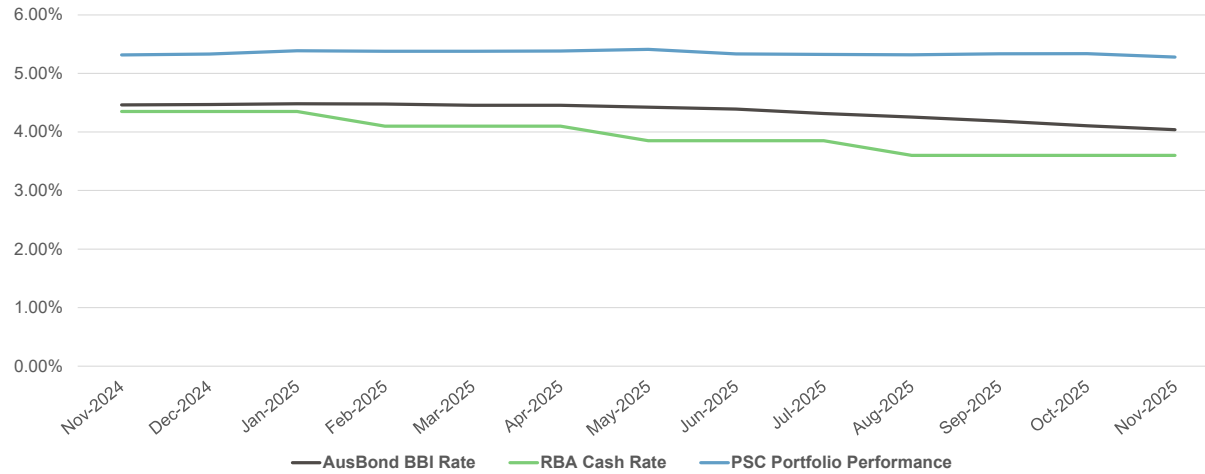
Detailed Maturity Profile	Market Value (\$)	Current %	Policy Limit %	Within Policy
Less than or equal 90 Days	23,543,244	30%	100%	✓
Between 90 Days and 365 Days	35,367,936	46%	100%	✓
Between 366 Days and 3 Years	4,066,479	5%	50%	✓
Between 3 Years and 5 Years	14,711,154	19%	40%	✓
Greater than 5 Years	-	0%	30%	✓
	77,688,813	100%		

✓ = Yes

x = No

Portfolio Performance

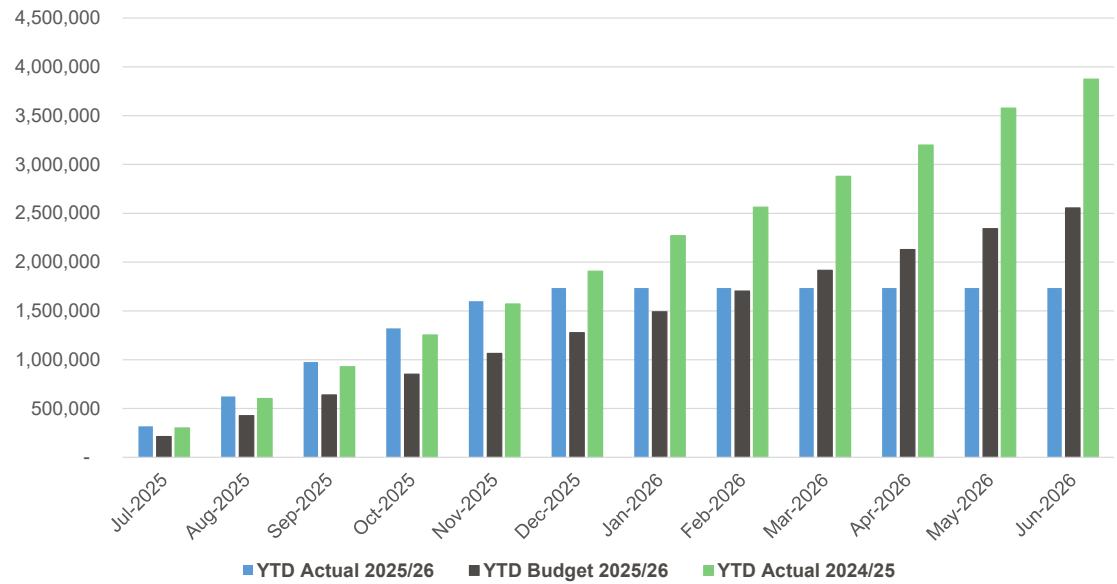
One Year Rolling Performance



Performance	1 month actual	3 months actual	6 months actual	FYTD actual	1 year % p.a. (Rolling)
Bloomberg AusBond BBI (Benchmark)	0.30%	0.89%	1.84%	1.52%	4.04%
PSC Investment Portfolio	0.37%	1.30%	2.57%	2.18%	5.28%
Outperformance/(underperformance)	0.08%	0.42%	0.73%	0.66%	1.24%

Income Earned vs Budget

Monthly Investment Income - Actual to Budget



ITEM 1 - ATTACHMENT 1 CASH AND INVESTMENT REPORT - NOVEMBER 2025.

Investment Register

Institution	Market Value	Days Held	Interest Rate	Date Invested	Maturity Date	Rating
CBA - Cash	1,276,475	1		30/11/2025	1/12/2025	AA
Westpac	1,051,218	538	5.15%	11/06/2024	1/12/2025	AA
MyState Bank	1,051,176	370	5.16%	3/12/2024	8/12/2025	BBB
MOVE Bank	1,021,192	178	4.55%	13/06/2025	8/12/2025	NR
Coastline Credit Union Limited	1,088,548	655	5.05%	29/02/2024	15/12/2025	BBB
MOVE Bank	1,021,192	185	4.55%	13/06/2025	15/12/2025	NR
Warwick Credit Union Ltd	1,051,145	381	5.20%	6/12/2024	22/12/2025	NR
Warwick Credit Union Ltd	1,050,290	375	5.20%	12/12/2024	22/12/2025	NR
MOVE Bank	1,022,910	221	4.52%	29/05/2025	5/01/2026	NR
Arab Bank	1,044,561	733	5.02%	10/01/2024	12/01/2026	NR
MOVE Bank	1,022,786	234	4.52%	30/05/2025	19/01/2026	NR
Rabobank Australia	1,025,749	601	5.28%	5/06/2024	27/01/2026	A
State Bank of India	1,066,597	530	5.15%	15/08/2024	27/01/2026	BBB
BOC	1,040,778	369	4.88%	29/01/2025	2/02/2026	A
Rabobank Australia	1,024,034	607	5.13%	12/06/2024	9/02/2026	A
BOC	519,742	377	4.82%	4/02/2025	16/02/2026	A
ING Bank	1,022,446	602	5.39%	1/07/2024	23/02/2026	A
State Bank of India	1,062,877	545	5.00%	28/08/2024	24/02/2026	BBB
State Bank of India	525,556	444	5.30%	13/12/2024	2/03/2026	BBB
ING Bank	1,022,404	616	5.38%	1/07/2024	9/03/2026	A
Rabobank Australia	1,510,212	521	4.97%	11/10/2024	16/03/2026	A
State Bank of India	1,076,849	623	5.50%	8/07/2024	23/03/2026	BBB
Rabobank Australia	753,027	514	5.08%	1/11/2024	30/03/2026	A
State Bank of India	1,076,849	637	5.50%	8/07/2024	6/04/2026	BBB
Rabobank Australia	753,027	528	5.08%	1/11/2024	13/04/2026	A
State Bank of India	1,076,849	651	5.50%	8/07/2024	20/04/2026	BBB
BOC	1,085,014	735	5.35%	29/04/2024	4/05/2026	A
MOVE Bank	1,012,279	270	4.15%	14/08/2025	11/05/2026	NR
Rabobank Australia	1,017,919	661	5.15%	26/07/2024	18/05/2026	A
State Bank of India	1,052,129	536	5.30%	6/12/2024	26/05/2026	BBB
AMP Bank	4,047,780	303	4.50%	30/07/2025	29/05/2026	BBB
State Bank of India	1,050,630	535	5.25%	13/12/2024	1/06/2026	BBB
ING Bank	1,035,110	472	4.66%	28/02/2025	15/06/2026	A
ING Bank	1,035,110	486	4.66%	28/02/2025	29/06/2026	A
Bank of Sydney	1,018,079	374	4.23%	27/06/2025	6/07/2026	NR
ING Bank	1,033,361	488	4.63%	12/03/2025	13/07/2026	A
MOVE Bank	1,012,279	340	4.15%	14/08/2025	20/07/2026	NR
Australian Unity Bank	1,019,438	404	4.30%	18/06/2025	27/07/2026	BBB
Judo Bank	1,018,496	410	4.30%	26/06/2025	10/08/2026	BBB
Rabobank Australia	1,035,228	536	4.78%	6/03/2025	24/08/2026	A
Bank of Sydney	1,009,436	363	4.20%	9/09/2025	7/09/2026	NR
ING Bank	1,009,100	733	4.55%	18/09/2024	21/09/2026	A
Heartland Bank	1,010,932	390	4.20%	27/08/2025	21/09/2026	BBB
Westpac	1,012,244	412	4.10%	13/08/2025	29/09/2026	AA
Heartland Bank	1,010,932	405	4.20%	27/08/2025	6/10/2026	BBB
Westpac	1,012,214	419	4.09%	13/08/2025	6/10/2026	AA
Westpac	1,012,214	432	4.09%	13/08/2025	19/10/2026	AA
National Australia Bank	1,003,468	367	4.22%	31/10/2025	2/11/2026	AA
Westpac	1,009,885	439	4.10%	3/09/2025	16/11/2026	AA
Westpac	1,009,885	453	4.10%	3/09/2025	30/11/2026	AA
Westpac	1,009,885	455	4.10%	3/09/2025	2/12/2026	AA
The Mutual Bank	1,039,189	733	4.80%	5/02/2025	8/02/2027	BBB
MOVE Bank	1,009,025	542	4.17%	12/09/2025	8/03/2027	NR
TCorp Medium Term Growth Fund	2,527,384	1095		2/09/2025	1/09/2028	TCORP MED
Rabobank Australia	1,008,380	1096	4.19%	18/09/2025	18/09/2028	A
Rabobank Australia	1,003,498	1664	5.32%	6/11/2024	28/05/2029	A
Rabobank Australia	500,651	1663	5.28%	21/11/2024	11/06/2029	A
Rabobank Australia	1,002,717	1687	5.22%	11/11/2024	25/06/2029	A
Judo Bank	1,018,797	1474	4.37%	26/06/2025	9/07/2029	BBB
Rabobank Australia	1,008,780	1460	4.39%	18/09/2025	17/09/2029	A
Rabobank Australia	519,568	1680	5.12%	24/02/2025	1/10/2029	A
Rabobank Australia	1,002,468	1825	5.30%	13/11/2024	12/11/2029	A
ING Bank	500,647	1831	5.25%	21/11/2024	26/11/2029	A
ING Bank	518,995	1806	4.97%	24/02/2025	4/02/2030	A
ING Bank	519,758	1825	4.84%	5/02/2025	4/02/2030	A
Rabobank Australia	1,040,838	1831	5.14%	13/02/2025	18/02/2030	A
ING Bank	1,039,041	1840	5.00%	18/02/2025	4/03/2030	A
ING Bank	1,017,689	1834	4.22%	30/06/2025	8/07/2030	A
TCorp Long Term Growth Fund	2,552,145	1825		2/09/2025	1/09/2030	TCORP LONG
ING Bank	1,008,242	1820	4.36%	22/09/2025	16/09/2030	A
ING Bank	1,004,898	1827	4.36%	20/10/2025	21/10/2030	A
Rabobank Australia	1,002,483	1826	4.77%	11/11/2025	11/11/2030	A
ING Bank	1,002,082	1837	4.75%	14/11/2025	25/11/2030	A
Total	77,688,813					

Restricted Cash

Reserve	As at November 2025 \$'000
External	
Grants and Contributions	2,152
Developer contributions (inc Haulage)	26,587
Domestic Waste Management	8,875
Crown Reserve	3,336
Crown - Surf Life Saving Clubs	78
Unclaimed money	536
Internal	
Deposits, retentions and bonds	1,567
Admin Building	126
Asset Rehab/Reseals	4,414
Commercial Property	5,528
Community Buildings	148
Community Loans	200
Council Parking	1,492
Drainage	1,204
Election Reserve	63
Emergency & Natural Disaster	1,395
Employee Leave Entitlements (ELE)	1,000
Enhanced Services Focus Area	927
Federal Assistance Grant in Advance	2,521
Fleet	180
Grants Receivable	-
IT	1,405
Mayoral and Ward Funds	35
Medowie Place Plan and Sporting Facilities	-
Other Waste	41
RAP	2,000
Repealed	1,396
Resilience fund	3,500
Sustainable energy and water reserve	64
Transport and Environmental Levy	920
Unexpended loan funds	-
Total	71,690
Cash and Investment Report	77,689
Variance Cash Reserves to Bank Account - Unadjusted Position	5,999
Variance Due to:	
Outstanding Creditors	(3,730)
Outstanding Debtors	-
Outstanding GST refund	713
Total Variance	(3,017)
Unrestricted Cash/(Shortfall) - Adjusted Position (due to timing of income and expenditure)	2,983

ITEM NO. 2

**FILE NO: 25/330164
EDRMS NO: PSC2017-00180**

CASH AND INVESTMENT PORTFOLIO - DECEMBER 2025

REPORT OF: GLEN PETERKIN - FINANCIAL SERVICES SECTION MANAGER
DIRECTORATE: CORPORATE STRATEGY AND SUPPORT

BACKGROUND

The purpose of this report is to present Council's schedule of cash and investments held at 31 December 2025.

Council's total portfolio of investments was \$74.4 million with an additional \$2.4 million held in Council's operational account as at 31 December 2025.

The investment portfolio meets the benchmarks for product type, rating exposure and maturity limits but is outside the benchmark in relation to institution exposure. As at 31 December 2025 Council held 0.4% more cash with State Bank of India (BBB rated) than the benchmark allows. Cashflow requirements have reduced the overall portfolio size however at the time of investing with State Bank of India all benchmark requirements were met. No further investments will be placed with State Bank of India until the single institution limit has improved.

The investment portfolio is currently yielding 5.24% p.a. on a rolling 1 year performance, which was 1.27% above the benchmark with investment income on target to meet or exceed budget.

Council has sufficient cash to cover all reserves.

ATTACHMENTS

- 1) Cash and Investment Report - December 2025. [↓](#)



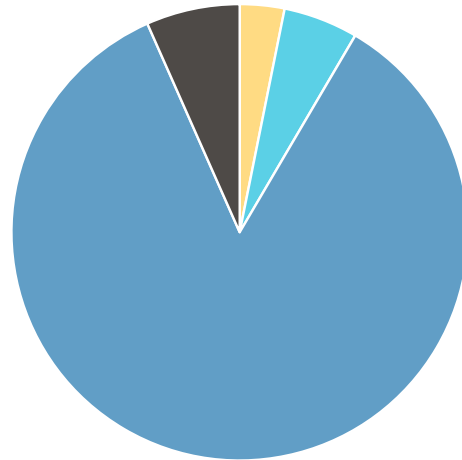
PORT STEPHENS
COUNCIL

Cash Investment Portfolio

Asset Allocation as at 31 December 2025



Cash Investment Portfolio Holdings



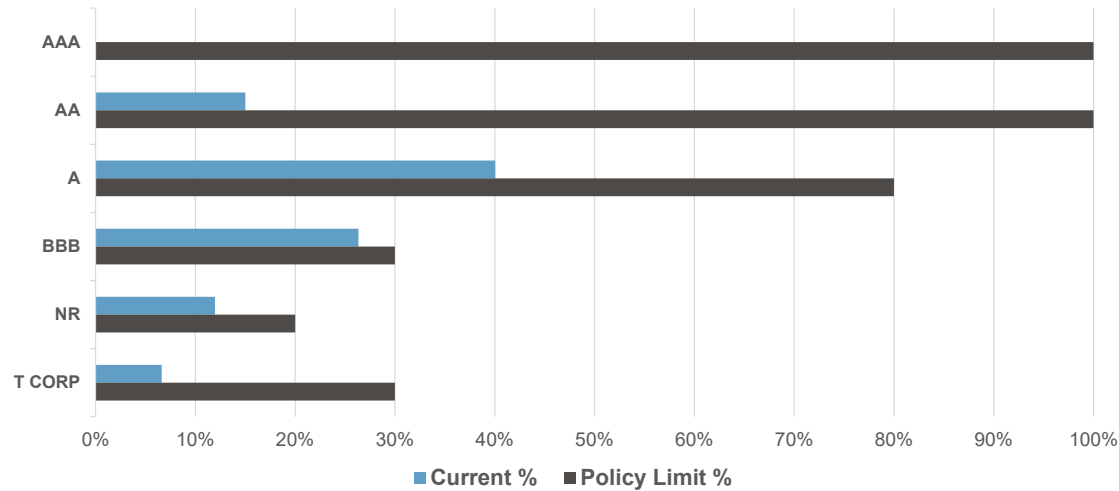
■ At Call ■ Cash ■ At Notice ■ TD ■ Managed Fund

Product Type	Market Value (\$)	Within Policy
At Call	-	
Cash	2,425,261	✓
At Notice	4,063,251	✓
TD	65,201,477	✓
Managed Fund	5,090,042	✓
	76,780,031	

✓ = Yes
 x = No

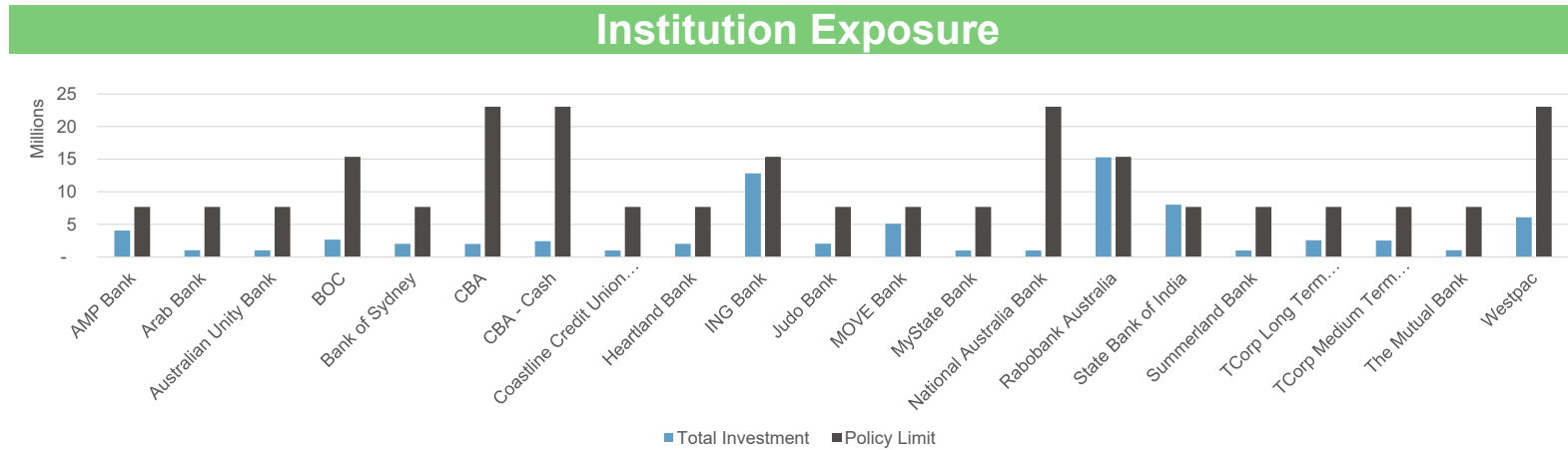
Rating Exposure

Total Credit Exposure



Credit Rating Group	Market Value (\$)	Current %	Policy Limit %	Within Policy
AAA	-	0%	100%	✓
AA	11,526,914	15%	100%	✓
A	30,747,911	40%	80%	✓
BBB	20,231,618	26%	30%	✓
NR	9,183,546	12%	20%	✓
T CORP	5,090,042	7%	30%	✓
	76,780,031	100%		

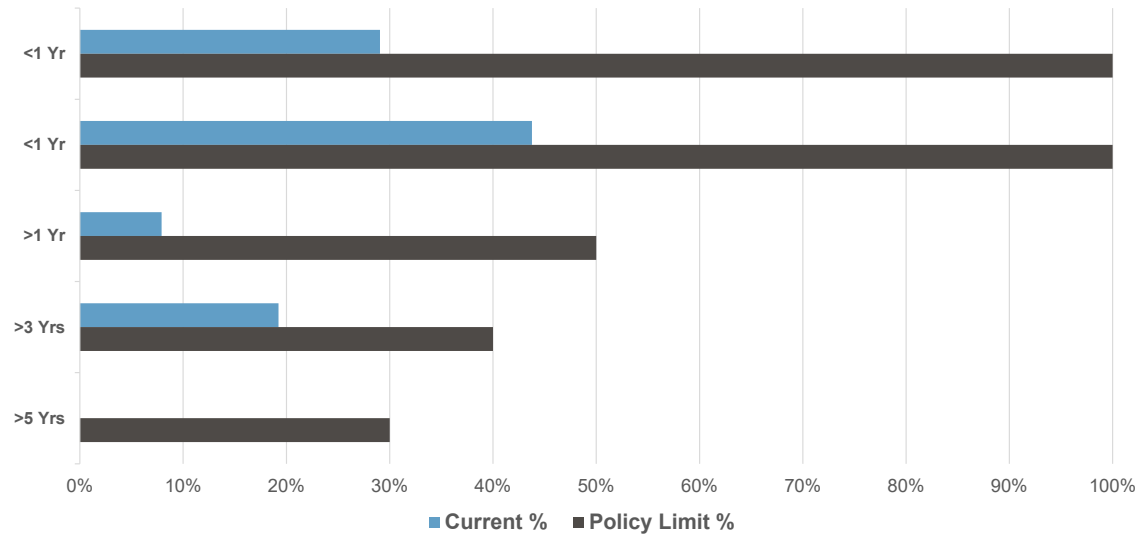
✓ = Yes
x = No



Institution	Rating	Total Investment	Exposure	Policy Limit	Remaining to Limit	Within Policy
AMP Bank	BBB	4,063,251	5%	10%	3,614,752	✓
Arab Bank	NR	1,048,825	1%	10%	6,629,178	✓
Australian Unity Bank	BBB	1,023,090	1%	10%	6,654,913	✓
BOC	A	2,656,269	3%	20%	12,699,737	✓
Bank of Sydney	NR	2,034,674	3%	10%	5,643,329	✓
CBA	AA	2,007,397	3%	30%	21,026,612	✓
CBA - Cash	AA	2,425,261	3%	30%	20,608,748	✓
Coastline Credit Union Limited	BBB	1,003,277	1%	10%	6,674,726	✓
Heartland Bank	BBB	2,028,997	3%	10%	5,649,006	✓
ING Bank	A	12,819,409	17%	20%	2,536,597	✓
Judo Bank	BBB	2,044,656	3%	10%	5,633,347	✓
MOVE Bank	NR	5,097,548	7%	10%	2,580,455	✓
MyState Bank	BBB	1,002,899	1%	10%	6,675,104	✓
National Australia Bank	AA	1,007,053	1%	30%	22,026,957	✓
Rabobank Australia	A	15,272,233	20%	20%	83,773	✓
State Bank of India	BBB	8,022,182	10%	10%	344,179	*
Summerland Bank	NR	1,002,499	1%	10%	6,675,504	✓
TCorp Long Term Growth Fund	TCORP LONG	2,561,019	3%	10%	5,116,984	✓
TCorp Medium Term Growth Fund	TCORP MED	2,529,023	3%	10%	5,148,980	✓
The Mutual Bank	BBB	1,043,266	1%	10%	6,634,737	✓
Westpac	AA	6,087,203	8%	30%	16,946,806	✓
Total		76,780,031				

✓ = Yes
* = No

Term to Maturity Limits



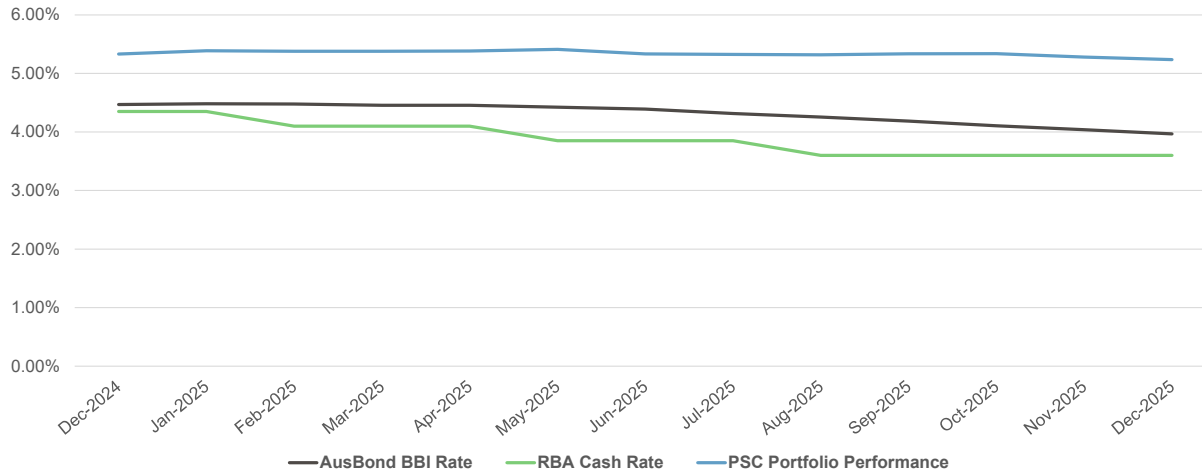
Detailed Maturity Profile	Market Value (\$)	Current %	Policy Limit %	Within Policy
Less than or equal 90 Days	22,317,063	29%	100%	✓
Between 90 Days and 365 Days	33,615,976	44%	100%	✓
Between 366 Days and 3 Years	6,076,445	8%	50%	✓
Between 3 Years and 5 Years	14,770,546	19%	40%	✓
Greater than 5 Years	-	0%	30%	✓
	76,780,031	100%		

✓ = Yes

x = No

Portfolio Performance

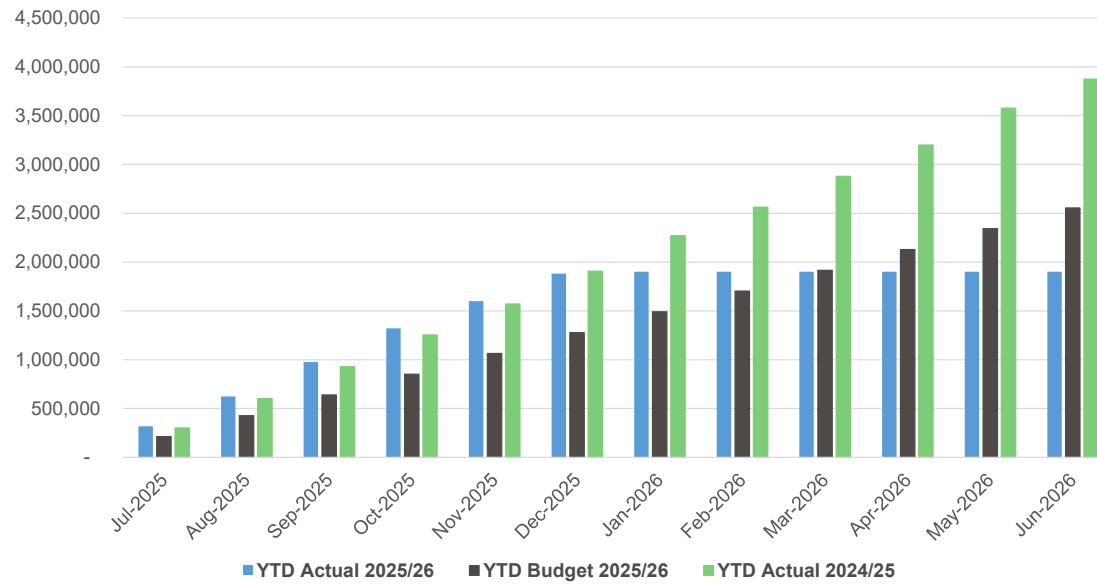
One Year Rolling Performance



Performance	1 month actual	3 months actual	6 months actual	FYTD actual	1 year % p.a. (Rolling)
Bloomberg AusBond BBI (Benchmark)	0.31%	0.90%	1.83%	1.83%	3.97%
PSC Investment Portfolio	0.38%	1.23%	2.57%	2.57%	5.24%
Outperformance/(underperformance)	0.07%	0.32%	0.74%	0.74%	1.27%

Income Earned vs Budget

Monthly Investment Income - Actual to Budget



ITEM 2 - ATTACHMENT 1 CASH AND INVESTMENT REPORT - DECEMBER 2025.

Investment Register

Institution	Market Value	Days Held	Interest Rate	Date Invested	Maturity Date	Rating
CBA - Cash	2,425,261	1		31/12/2025	1/01/2026	AA
MOVE Bank	1,026,748	221	4.52%	29/05/2025	5/01/2026	NR
Arab Bank	1,048,825	733	5.02%	10/01/2024	12/01/2026	NR
MOVE Bank	1,026,625	234	4.52%	30/05/2025	19/01/2026	NR
Rabobank Australia	1,030,233	601	5.28%	5/06/2024	27/01/2026	A
State Bank of India	1,070,971	530	5.15%	15/08/2024	27/01/2026	BBB
BOC	1,044,923	369	4.88%	29/01/2025	2/02/2026	A
Rabobank Australia	1,028,391	607	5.13%	12/06/2024	9/02/2026	A
BOC	521,789	377	4.82%	4/02/2025	16/02/2026	A
ING Bank	1,027,024	602	5.39%	1/07/2024	23/02/2026	A
State Bank of India	1,067,123	545	5.00%	28/08/2024	24/02/2026	BBB
State Bank of India	527,807	444	5.30%	13/12/2024	2/03/2026	BBB
ING Bank	1,026,974	616	5.38%	1/07/2024	9/03/2026	A
Rabobank Australia	1,516,544	521	4.97%	11/10/2024	16/03/2026	A
State Bank of India	1,081,521	623	5.50%	8/07/2024	23/03/2026	BBB
Rabobank Australia	756,263	514	5.08%	1/11/2024	30/03/2026	A
State Bank of India	1,081,521	637	5.50%	8/07/2024	6/04/2026	BBB
Rabobank Australia	756,263	528	5.08%	1/11/2024	13/04/2026	A
State Bank of India	1,081,521	651	5.50%	8/07/2024	20/04/2026	BBB
BOC	1,089,558	735	5.35%	29/04/2024	4/05/2026	A
MOVE Bank	1,015,804	270	4.15%	14/08/2025	11/05/2026	NR
Rabobank Australia	1,022,293	661	5.15%	26/07/2024	18/05/2026	A
State Bank of India	1,056,630	536	5.30%	6/12/2024	26/05/2026	BBB
State Bank of India	1,055,089	535	5.25%	13/12/2024	1/06/2026	BBB
ING Bank	1,039,067	472	4.66%	28/02/2025	15/06/2026	A
ING Bank	1,039,067	486	4.66%	28/02/2025	29/06/2026	A
AMP Bank	4,063,251	334	4.50%	30/07/2025	29/06/2026	BBB
Bank of Sydney	1,021,672	374	4.23%	27/06/2025	6/07/2026	NR
ING Bank	1,037,294	488	4.63%	12/03/2025	13/07/2026	A
MOVE Bank	1,015,804	340	4.15%	14/08/2025	20/07/2026	NR
Australian Unity Bank	1,023,090	404	4.30%	18/06/2025	27/07/2026	BBB
Judo Bank	1,022,148	410	4.30%	26/06/2025	10/08/2026	BBB
Rabobank Australia	1,039,288	536	4.78%	6/03/2025	24/08/2026	A
Bank of Sydney	1,013,003	363	4.20%	9/09/2025	7/09/2026	NR
Heartland Bank	1,014,499	390	4.20%	27/08/2025	21/09/2026	BBB
ING Bank	1,012,964	733	4.55%	18/09/2024	21/09/2026	A
Westpac	1,015,726	412	4.10%	13/08/2025	29/09/2026	AA
Westpac	1,015,688	419	4.09%	13/08/2025	6/10/2026	AA
Heartland Bank	1,014,499	405	4.20%	27/08/2025	6/10/2026	BBB
Westpac	1,015,688	432	4.09%	13/08/2025	19/10/2026	AA
National Australia Bank	1,007,053	367	4.22%	31/10/2025	2/11/2026	AA
Westpac	1,013,367	439	4.10%	3/09/2025	16/11/2026	AA
Westpac	1,013,367	453	4.10%	3/09/2025	30/11/2026	AA
Westpac	1,013,367	455	4.10%	3/09/2025	2/12/2026	AA
CBA	1,003,699	378	4.50%	1/12/2025	14/12/2026	AA
CBA	1,003,699	385	4.50%	1/12/2025	21/12/2026	AA
Coastline Credit Union Limited	1,003,277	402	4.60%	5/12/2025	11/01/2027	BBB
MyState Bank	1,002,899	413	4.60%	8/12/2025	25/01/2027	BBB
The Mutual Bank	1,043,266	733	4.80%	5/02/2025	8/02/2027	BBB
Summerland Bank	1,002,499	437	4.80%	12/12/2025	22/02/2027	NR
MOVE Bank	1,012,567	542	4.17%	12/09/2025	8/03/2027	NR
TCorp Medium Term Growth Fund	2,529,023	1095		2/09/2025	1/09/2028	TCORP MED
Rabobank Australia	1,011,939	1096	4.19%	18/09/2025	18/09/2028	A
Rabobank Australia	1,008,016	1664	5.32%	6/11/2024	28/05/2029	A
Rabobank Australia	502,893	1663	5.28%	21/11/2024	11/06/2029	A
Rabobank Australia	1,007,151	1687	5.22%	11/11/2024	25/06/2029	A
Judo Bank	1,022,508	1474	4.37%	26/06/2025	9/07/2029	BBB
Rabobank Australia	1,012,508	1460	4.39%	18/09/2025	17/09/2029	A
Rabobank Australia	521,742	1680	5.12%	24/02/2025	1/10/2029	A
Rabobank Australia	1,006,970	1825	5.30%	13/11/2024	12/11/2029	A
ING Bank	502,877	1831	5.25%	21/11/2024	26/11/2029	A
ING Bank	521,813	1825	4.84%	5/02/2025	4/02/2030	A
ING Bank	521,105	1806	4.97%	24/02/2025	4/02/2030	A
Rabobank Australia	1,045,204	1831	5.14%	13/02/2025	18/02/2030	A
ING Bank	1,043,288	1840	5.00%	18/02/2025	4/03/2030	A
ING Bank	1,021,273	1834	4.22%	30/06/2025	8/07/2030	A
TCorp Long Term Growth Fund	2,561,019	1825		2/09/2025	1/09/2030	TCORP LONG
ING Bank	1,011,945	1820	4.36%	22/09/2025	16/09/2030	A
ING Bank	1,008,601	1827	4.36%	20/10/2025	21/10/2030	A
Rabobank Australia	1,006,534	1826	4.77%	11/11/2025	11/11/2030	A
ING Bank	1,006,116	1837	4.75%	14/11/2025	25/11/2030	A
Total	76,780,031					

Restricted Cash

Reserve	As at December 2025 \$'000
External	
Grants and Contributions	2,012
Developer contributions (inc Haulage)	25,333
Domestic Waste Management	10,176
Crown Reserve	4,183
Crown - Surf Life Saving Clubs	85
Unclaimed money	536
Internal	
Deposits, retentions and bonds	1,564
Admin Building	149
Asset Rehab/Reseals	4,277
Commercial Property	5,617
Community Buildings	156
Community Loans	200
Council Parking	1,680
Drainage	1,064
Election Reserve	75
Emergency & Natural Disaster	1,150
Employee Leave Entitlements (ELE)	1,000
Enhanced Services Focus Area	672
Federal Assistance Grant in Advance	2,161
Fleet	239
Grants Receivable	267
IT	1,603
Mayoral and Ward Funds	37
Medowie Place Plan and Sporting Facilities	-
Other Waste	161
RAP	2,000
Repealed	1,396
Resilience fund	3,500
Sustainable energy and water reserve	66
Transport and Environmental Levy	924
Unexpended loan funds	-
Total	72,283
Cash and Investment Report	76,780
Variance Cash Reserves to Bank Account - Unadjusted Position	4,497
Variance Due to:	
Outstanding Creditors	(1,108)
Outstanding Debtors	811
Outstanding GST refund	442
Total Variance	145
Unrestricted Cash/(Shortfall) - Adjusted Position	4,643
(due to timing of income and expenditure)	

ITEM NO. 3

**FILE NO: 25/330169
EDRMS NO: PSC2017-00180**

CASH AND INVESTMENT PORTFOLIO - JANUARY 2026

REPORT OF: GLEN PETERKIN - FINANCIAL SERVICES SECTION MANAGER
DIRECTORATE: CORPORATE STRATEGY AND SUPPORT

BACKGROUND

Due to the timing of the distribution of the Council agenda for 24 February 2026, the Cash and Investment Report as at 31 January 2026 was not available for publication at that time.

The Cash and Investment Report as at 31 January 2026 will be available for Council's consideration in a Supplementary Report.

ATTACHMENTS

Nil.

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

ITEM NO. 4

**FILE NO: 25/338889
EDRMS NO: PSC2017-00739**

**ELECTED MEMBERS' PROFESSIONAL DEVELOPMENT AND EXPENSES
REPORTS - 1 JULY 2025 TO 31 DECEMBER 2025**

REPORT OF: TONY WICKHAM - GOVERNANCE SECTION MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

BACKGROUND

Professional Development

The purpose of this report is to provide an account of the expenses incurred by the Elected Members in accordance with clause 5.14 of the Councillor Induction and Professional Development Policy for the period July to December 2025.

Expenses

The purpose of this report is to provide an account of the expenses incurred by the Elected Members in accordance with the Payment of Expenses and Provision of Facilities to Mayor and Councillors Policy for the period 1 July 2025 to 31 December 2025 (**ATTACHMENT 1**).

Expenses incurred on continuing professional development and conferences are shown at (**ATTACHMENT 2**).

The costs in the report are those incurred by the Elected Members that have been reconciled during this period and does not include expenses incurred that have not been submitted for reimbursement. The report also shows the total costs incurred to Council by Elected Members (including the monthly allowance) for each costing category listed.

ATTACHMENTS

- 1) Elected Members' Expense Report - 1 July 2025 to 31 December 2025. [↓](#)
- 2) Elected Members' Continuing Professional Development and Conference Report - 1 July 2025 to 31 December 2025. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

ITEM 4 - ATTACHMENT 1 ELECTED MEMBERS' EXPENSE REPORT - 1 JULY 2025 TO 31 DECEMBER 2025.

Elected Members' Expense Report 1 July 2025 to 31 December 2025

		Mayor Leah Anderson	Cr Rosalyn Armstrong	Cr Giacomo Arnott	Cr Chris Doolan	Cr Nathan Errington	Cr Peter Francis	Cr Paul Le Moktee	Cr Ben Niland	Cr Mark Watson	Cr Jason Wells	TOTALS
Total Number of Council Meetings Attended (8 held)		8	8	8	8	8	7	7	8	8	7	
Total Number of Months Reimbursed during the period		4	5	0	1	5	0	4	0	2	0	
Description of Expense	Limits as per policy											
Councillor Mobile Rental	75% up to \$200 per month											\$0.00
Councillor Mobile Calls		\$74.00	\$517.00					\$233.00				\$824.00
Councillor Landline Phone Rental												\$0.00
Councillor Landline Phone Calls												\$0.00
Councillor Fax Rental												\$0.00
Councillor Fax Calls												
Councillor Internet	75% up to \$60 per month	\$161.00	\$749.00									\$910.00
Councillor Intrastate Travel Expenses	\$7000 per year	\$1,351.00	\$5,364.00			\$863.00		\$1,446.00		\$640.00		\$9,664.00
Councillor Interstate Travel (out of NSW)	\$2000 per year											\$0.00
Councillor Interstate Accommodation (out of NSW)												\$0.00
Councillors Intrastate Accommodation		\$4,363.00	\$1,317.00	\$1,317.00	\$1,372.00	\$1,317.00	\$1,317.00	\$394.00	\$1,372.00			\$12,769.00
Councillor Conferences	\$3000 per year	\$1,765.00	\$1,630.00	\$1,455.00	\$1,455.00	\$1,609.00	\$1,630.00		\$1,455.00			\$10,999.00
Councillor Training												\$0.00
Councillor Partner Expenses	Mayor \$1000 per year Cr's \$500 per year (excluding LGNSW Annual Con.)											\$0.00
Councillor ICT Devices (incl. Mobile phones)	\$5000 per term				\$2,369.00			\$228.00				\$2,597.00
Councillor Stationery	\$500 per year							\$188.00				\$188.00
Councillor Awards/Ceremonies/Dinners		\$1,027.00	\$116.00		\$100.00	\$77.00	\$145.00					\$1,465.00
Councillor Child Care Costs	\$6000 per year											\$0.00
Councillor Communications Bundle	75% up to \$100 per month landline 75% up to \$100 per month mobile											\$0.00
Councillor Professional Development	\$15,000 per term	\$540.00										\$540.00
Councillor Uniforms												\$0.00
TOTALS		\$9,281.00	\$9,693.00	\$2,772.00	\$5,296.00	\$3,866.00	\$3,092.00	\$2,489.00	\$2,827.00	\$640.00	\$0.00	\$39,956.00
Councillor Superannuation		\$6,699.00	\$1,931.00	\$1,931.00	\$1,931.00	\$1,931.00	\$1,931.00	\$1,931.00	\$1,834.00	\$1,931.00	\$1,931.00	\$23,981.00
Councillor Allowances	Mayor \$96,660 pa Cr's - \$27,860 pa	\$56,392.00	\$16,184.00	\$16,184.00	\$16,184.00	\$16,184.00	\$16,184.00	\$16,184.00	\$15,847.00	\$16,184.00	\$16,184.00	\$201,711.00
TOTALS		\$72,372.00	\$27,808.00	\$20,887.00	\$23,411.00	\$21,981.00	\$21,207.00	\$20,604.00	\$20,508.00	\$18,755.00	\$18,115.00	\$265,648.00

ITEM 4 - ATTACHMENT 2 ELECTED MEMBERS' CONTINUING PROFESSIONAL DEVELOPMENT AND CONFERENCE REPORT - 1 JULY 2025 TO 31 DECEMBER 2025.

**Elected Members' Professional Development and Conference Expenses Report
1 July 2025 to 30 December 2025**



	Mayor Anderson	Cr Armstrong	Cr Arnott	Cr Doohan	Cr Errington	Cr Francis	Cr Le Mottee	Cr Niland	Cr Watson	Cr Wells
AICD ¹ event, Sydney	\$150									
AIM ² – Applying Strategic Thinking Course	\$71									
Bulletproof Performance Strengths Session	\$319									
Country Mayors' Association	\$11									
LGNSW ³ Annual Conference	\$1,754	\$ 1,630	\$1,455	\$1,455	\$ 1,609	\$ 1,630		\$ 1,455		
Total	\$2,305	\$ 1,630	\$ 1,455	\$ 1,455	\$ 1,609	\$ 1,630	\$0	\$ 1,455	\$0	\$0

¹ – Australian Institute of Company Directors

² – Australian Institute of Management

³ – Local Government NSW

ITEM NO. 5

**FILE NO: 25/291214
EDRMS NO: PSC2025-01083**

DESIGNATED PERSONS' RETURN

REPORT OF: TONY WICKHAM - GOVERNANCE SECTION MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to table Councillor and Designated Persons' Return/s (return) submitted.

In accordance with Part 4 – Pecuniary Interest of the Code of Conduct, all designated persons are required to submit a return. Returns are to be tabled at the first Council meeting after the lodgement date.

The following is a list of position/s who have submitted return/s:

- Councillor Nathan Errington.
- Ranger PSC017.
- Strategic Planner PSC638.
- Principal Strategic Planner PSC044.

ATTACHMENTS

Nil.

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

- 1) Designated Persons' Return.

ITEM NO. 6

**FILE NO: 25/315259
EDRMS NO: PSC2009-00965**

DELEGATIONS REPORT

REPORT OF: TONY WICKHAM - GOVERNANCE SECTION MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to advise Council of each occasion the Mayor and/or General Manager have exercised their delegations, other than under section 226 and 335 of the Local Government Act 1993, which are conferred on each role.

The report at **(ATTACHMENT 1)** provides details of the delegation exercised, such as the delegated authority, the date and the reason for exercising the delegation.

ATTACHMENTS

1) Delegations Report. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

ITEM 6 - ATTACHMENT 1 DELEGATIONS REPORT.

MAYOR AND GENERAL MANAGER DELEGATION REPORT

Date exercised	Delegations exercised	Purpose	Role exercising delegation	Reported to Council
8-Dec-25	Code of Meeting Practice	Approval of Public Access application - Item 2 - Planning Proposal - 339 Tarean Road, Karuah	Mayor	24 February 2026
8-Dec-25	Code of Meeting Practice	Approval of Public Access application - Item 3 - Local Housing Strategy Amendment - 22 Homestead Street, Salamander Bay	Mayor	24 February 2026
8-Dec-25	Code of Meeting Practice	Approval of Public Access application - Birubi Point lower car park and traffic management	Mayor	24 February 2026

ITEM NO. 7

**FILE NO: 25/315258
EDRMS NO: PSC2017-00106**

COUNCIL RESOLUTIONS

REPORT OF: TIMOTHY CROSDALE - GENERAL MANAGER
DIRECTORATE: GENERAL MANAGER'S OFFICE

BACKGROUND

The purpose of this report is to inform the Mayor and Councillors of the status of all matters to be dealt with arising out of the proceedings of previous meetings of the Council in accordance with the Code of Meeting Practice.

ATTACHMENTS

- 1) Community Futures resolutions. [↓](#)
- 2) Corporate Strategy and Support resolutions. [↓](#)
- 3) Facilities and Infrastructure resolutions. [↓](#)
- 4) General Manager's Office resolutions. [↓](#)

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

ITEM 7 - ATTACHMENT 1 COMMUNITY FUTURES RESOLUTIONS.



Action Sheets Report	Division: Community Futures	Date From: 22/07/2025
	Committee:	Date To: 28/01/2026
	Officer:	Printed: Wednesday, 28 January 2026

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 22/07/2025	Lamont, Brock	Request to Revoke Remaining Declared Offshore Wind Zone and Restore to Community and Environment	10/03/2026		
1		Peart, Steven				25/191415
28 Jan 2026						
It was resolved that the item be deferred to allow Council staff to seek information from the Federal Energy Minister regarding the legal process and the Government's ability to revoke the balance of the offshore wind zone. Correspondence was sent to the Minister on 14 August 2025. Follow-up correspondence was sent on 14 October 2025. Council is awaiting a response.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/10/2025	Lamont, Brock	Planning Proposal - 19 Gan Gan Road, Anna Bay	10/03/2026	29/10/2025	
2		Peart, Steven				25/300809
28 Jan 2026						
The community workshop and public exhibition are being prepared by staff as per the Council resolution. These activities will be delivered in February/March 2026.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/10/2025	Lamont, Brock	Policy Review - Public Tree and Vegetation Vandalism Policy	24/03/2026	29/10/2025	
10		Peart, Steven				25/300809
28 Jan 2026						
The revised Public Tree and Vegetation Vandalism Policy has been on public exhibition for a period of 28 days and has received 1 submission. The Public Tree and Vegetation Vandalism Policy will be reported to Council on 24 March 2026.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/10/2025	Lamont, Brock	Kings Hill	1/04/2026	29/10/2025	
2		Peart, Steven				25/300809
28 Jan 2026						
Correspondence was sent to Department of Planning, Housing and Infrastructure on 22 January 2026 and Council is awaiting a response.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Lamont, Brock	Planning Proposal - 339 Tarean Road, Karuah	1/04/2026	10/12/2025	
2		Peart, Steven				25/342831
28 Jan 2026						
A Councillor briefing was held on 17 December 2025. Council is awaiting further information from the applicant before the matter can be reported to Council.						

ITEM 7 - ATTACHMENT 1 COMMUNITY FUTURES RESOLUTIONS.



Action Sheets Report	Division: Community Futures	Date From: 22/07/2025
	Committee:	Date To: 28/01/2026
	Officer:	Printed: Wednesday, 28 January 2026

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Lamont, Brock	Local Housing Strategy Amendment - 22 Homestead Street, Salamander Bay	24/03/2026	10/12/2025	
3		Pearl, Steven				25/342831
28 Jan 2026						
On 16 December 2025, the addendum request to identify 22 Homestead Street in the Housing Supply Plan was sent to the Department of Planning, Housing and Infrastructure for consideration and endorsement. Council is awaiting a response.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Lamont, Brock	Draft Medowie Town Centre Masterplan	26/05/2026	10/12/2025	
4		Pearl, Steven				25/342831
28 Jan 2026						
It was resolved that the draft Medowie Town Centre Masterplan be placed on public exhibition from 12 December 2025 until 1 March 2026, with an active communications and engagement program to be delivered during February 2026. The masterplan will return to Council following Public Exhibition to allow for consideration of submissions and any necessary amendments to the masterplan for final endorsement.						

ITEM 7 - ATTACHMENT 2 CORPORATE STRATEGY AND SUPPORT RESOLUTIONS.



Action Sheets Report	Division:	Corporate Strategy and Support	Date From:	11/04/2023
	Committee:		Date To:	28/01/2026
	Officer:		Printed: Wednesday, 28 January 2026	

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 11/04/2023	Pattison, Zoe	22 Homestead Street, Salamander Bay	31/12/2026	12/04/2023	
5088		Pattison, Zoe				23/92450
28 Jan 2026						
Council is investigating options for the rezoning of 22 Homestead Street, Salamander Bay, and the development of a Vegetation Management Plan, to provide the best opportunity to enable a successful long-term rehabilitation of the site.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 22/08/2023	Pattison, Zoe	Raymond Terrace Gateway Site Masterplan	31/12/2026		
1193		Pattison, Zoe				23/214729
28 Jan 2026						
Options for the future of the Gateway site will be considered as part of the broader Raymond Terrace Town Centre Strategy.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 24/06/2025	Pattison, Zoe	112 Adelaide Street and 18A Sturgeon Street, Raymond Terrace	30/06/2026	25/06/2025	
1		Pattison, Zoe				25/159107
28 Jan 2026						
It was resolved that Council progresses with Option 2 outlined in the confidential business paper.						

ITEM 7 - ATTACHMENT 3 FACILITIES AND INFRASTRUCTURE RESOLUTIONS.



Action Sheets Report	Division: Facilities and Infrastructure	Date From: 27/08/2013
	Committee:	Date To: 28/01/2026
	Officer:	Printed: Wednesday, 28 January 2026

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
	Ordinary Council 27/08/2013	Maretich, John Kable, Gregory	Campvale Drain	31/12/2026		
28 Jan 2026 This long term action will form part of the discussion with Hunter Water Corporation.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/11/2023	Maretich, John Kable, Gregory	Sale of closed roads in Raymond Terrace	31/03/2026	29/11/2023	
1						23/324875
28 Jan 2026 Expression of Interest (EOI) of the road is still under negotiation. 1 road proceeding with closure and 1 road sold.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/05/2024	Maretich, John Kable, Gregory	Bus Stop Infrastructure Plan	31/03/2026	29/05/2024	
1						24/131056
28 Jan 2026 Council Engineers will continue development of the Bus Shelter Infrastructure Plan. Future Country Passenger Transport Infrastructure Grants Scheme (CPTIGS) funding is expected to aid in the plan's completion within the next financial year. Deferred as per PS Item dated 29 August 2025.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 23/07/2024	Maretich, John Kable, Gregory	Raymond Terrace Boat Ramp	30/04/2026	24/07/2024	
6						24/189773
28 Jan 2026 A report will be provided to Council once funding opportunities are available that will help determine the scope of works. Discussions have commenced with funding agencies to seek funding.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/12/2024	Maretich, John Kable, Gregory	Bus Shelters in Port Stephens	31/03/2026	11/12/2024	
1						24/333356
28 Jan 2026 Bus Shelter Expression of Interest was released to market on 28 January 2026 and closes on 26 February 2026.						

ITEM 7 - ATTACHMENT 3 FACILITIES AND INFRASTRUCTURE RESOLUTIONS.



Action Sheets Report	Division: Facilities and Infrastructure	Date From: 27/08/2013
	Committee:	Date To: 28/01/2026
	Officer:	Printed: Wednesday, 28 January 2026

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 10/06/2025	Kable, Gregory	Port Stephens Roads Acceleration Program Expanded Funding Strategy	31/12/2026	11/06/2025	
4		Kable, Gregory				25/148178
115						
28 Jan 2026						
As resolved, strategy for funding of the RAP program will be pursued over the next 18 months.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
	Ordinary Council 10/06/2025	Maretich, John	MATTER ARISING - Min No. 131 - NOM 1 - Trial of Tomaree Shuttle Bus	30/04/2026		
131		Kable, Gregory				
28 Jan 2026						
Staff are continuing to prepare report with ongoing consultations.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 24/06/2025	Maretich, John	Medowie Drainage	31/03/2026	25/06/2025	
1		Kable, Gregory				25/159107
28 Jan 2026						
Council staff have commenced discussion with Hunter Water Corporation to address the items within this NOM.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 24/06/2025	Maretich, John	Drainage on Sports Fields	31/03/2026	25/06/2025	
2		Kable, Gregory				25/159107
28 Jan 2026						
Council staff will report back to Council on all sporting fields within the LGA that require drainage upgrades and investigate a funding strategy to commence drainage upgrades on identified sporting fields.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 22/07/2025	Maretich, John	Review and Strategic Planning for Dog Recreation Areas in Port Stephens	31/08/2026		
2		Kable, Gregory				25/191415
28 Jan 2026						
Staff will review the existing dog parks and off-leash areas in accordance with the resolutions. This review will be finalised in 2026 and a report will be prepared for Council. The next revision of the Strategic Assets Management Plan (SAMP) will be modified to incorporate dog parks.						

ITEM 7 - ATTACHMENT 3 FACILITIES AND INFRASTRUCTURE RESOLUTIONS.



Division: Facilities and Infrastructure **Date From:** 27/08/2013
Committee: **Date To:** 28/01/2026
Officer: **Printed:** Wednesday, 28 January 2026
Action Sheets Report

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 26/08/2025	Maretich, John	Acquisition of Part 79 Brandy Hill Drive, Brandy Hill for the Brandy Hill Shared Pathway	31/03/2026	27/08/2025	
1		Kable, Gregory				25/231579
28 Jan 2026						
Staff will prepare the documents required to affect the payment of compensation, for the General Manager's signature as Council's authorised representative.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 23/09/2025	Maretich, John	Anna Bay Traffic and Transport Management	31/03/2026	24/09/2025	
1		Kable, Gregory				25/263649
28 Jan 2026						
Staff to review, prepare and report as per Council resolution.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Maretich, John	Tomaree Sports Complex Masterplan	31/05/2026	10/12/2025	
6		Kable, Gregory				25/342831
28 Jan 2026						
As per resolution the draft masterplan has been placed on public exhibition.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Maretich, John	Roads Futures Strategy	30/04/2026	10/12/2025	
1		Kable, Gregory				25/342831
28 Jan 2026						
Staff to prepare report for Council.						



Division: General Manager's Office **Date From:** 23/09/2025
Committee: **Date To:** 28/01/2026
Officer: **Printed:** Wednesday, 28 January 2026

Action Sheets Report

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 23/09/2025	Wickham, Tony	Proposal to Alter the Port Stephens Local Government Boundaries	30/04/2026	24/09/2025	
9		Crosdale, Timothy				25/263649
28 Jan 2026 Resolution of Council progressing.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 28/10/2025	Hilkemeijer, Chris	General Manager's delegations	27/02/2026	29/10/2025	
1		Crosdale, Timothy				25/300809
28 Jan 2026 Resolution of Council progressing.						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council 9/12/2025	Wickham, Tony	Delegations	28/02/2026	10/12/2025	
3		Crosdale, Timothy				25/342831
28 Jan 2026 Letter was forwarded to the Minister for Local Government in 2025. Awaiting response.						

QUESTIONS ON NOTICE

ITEM NO. 1

FILE NO: 25/344527
EDRMS NO: PSC2021-04203**QUESTIONS ON NOTICE / QUESTIONS WITH NOTICE**REPORT OF: STEVEN PEART - DIRECTOR COMMUNITY FUTURES
DIRECTORATE: COMMUNITY FUTURES**RECOMMENDATION IS THAT COUNCIL:**

- 1) Receives and notes the information provided in response to Questions on Notice / Questions with Notice.

BACKGROUND

The purpose of this report is to provide responses to questions taken on or with notice in accordance with the Code of Meeting Practice.

Item:	Notice of Motion Item 1 – Ordinary Council Meeting 22 July 2025 – Request to Revoke Remaining Declared Offshore Wind Zone and Restore to Community and Environment
Councillor:	Mark Watson
Date Received:	9 December 2025
Question with Notice:	What is the status of the outstanding resolution - Request to Revoke Remaining Declared Offshore Wind Zone and Restore to Community and Environment?
Response:	<p>It was resolved that the item be deferred to allow Council staff to seek information from the Federal Energy Minister regarding the legal process and the Government's ability to revoke the balance of the offshore wind zone.</p> <p>Correspondence was sent to the Federal Energy Minister on 14 August 2025. Follow up correspondence was sent on 14 October 2025. No response has been provided to date.</p>

ATTACHMENTS

Nil.

COUNCILLORS' ROOM/DASHBOARD

Nil.

TABLED DOCUMENTS

Nil.

NOTICES OF MOTION

NOTICE OF MOTION

ITEM NO. 1

FILE NO: 26/26944

EDRMS NO: PSC2024-03148

PACKAGING AND PLASTICS SCHEME

COUNCILLOR: ROSALYN ARMSTRONG

THAT COUNCIL:

- 1) Notes the report released from the Australian Council of Recyclers and the Australian Packaging Covenant Organisation, Securing Australia's Plastic Recycling Future, presents a sobering picture of an industry in danger of collapse.
- 2) Notes that the Australian Local Government Association (ALGA) is urgently calling for a regulated national product stewardship scheme for packaging and plastics following the release of this report.
- 3) Notes that environmental cost of waste containments are projected to exceed \$5 billion by 2050.
- 4) Notes that Local Governments, and therefore ratepayers, already carry a significant cost burden of the current system. Without change, this cost burden is set to increase given the current low demand for recycled materials.
- 5) Requests the General Manager write to Senator the Hon. Murray Watt, Federal Minister for the Environment and Water, in support of a change to the current policy that will see a shift in some of the end-of-life costs for all types of packaging from consumers to manufacturers.

BACKGROUND REPORT OF: CAMERON DONALDSON – COMMUNITY SERVICES SECTION MANAGER

BACKGROUND

The Securing Australia's Plastic Recycling Future report was published in December 2025 (**ATTACHMENT 1**).

The report is intended for use by the Australian Council of Recycling (ACOR), government agencies, industry participants, and other stakeholders involved in policy discussions concerning plastic packaging recycling in Australia.

In 2023, Australia's State and Federal Environment Ministers committed to National Packaging Reform to ensure all consumer packaging meets strict design, recyclability

and recycled content standards. Despite this, domestic demand for recycled plastic remains weak, threatening the viability of local recyclers.

Each year, Australia uses over 1.3 million tonnes of plastic packaging, with the majority ending up in landfill.

Companies that use packaging currently have no responsibility for the packaging they put into the market, and local councils and landfills are overwhelmed by rising volumes of material that could be recycled.

The Australian Local Government Association (ALGA) is urgently calling for a regulated, national product stewardship scheme for packaging and plastics.

It would require companies to reclaim, recycle and reuse their commercial packaging and plastic.

National Packaging Reform is recommended to support recycling and shift focus towards sustainability and ensuring responsible manufacturing.

ATTACHMENTS

- 1) Securing Australia's Plastic Recycling Future Report. [↓](#)

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Securing Australia's Plastic Recycling Future

December 2025

ACOR

APCO

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

Limitation of Our Work

This report has been prepared by Rennie Advisory Pty Ltd (ABN 26 629 902 085) (Rennie Advisory) for the Australian Council of Recycling (ACOR) under the terms of our engagement.

This report is intended for use by ACOR, government agencies, industry participants, and other stakeholders involved in policy discussions concerning plastic packaging recycling in Australia. The report may be cited and distributed for these purposes.

Publication and distribution of this report does not create an advisory relationship between Rennie Advisory and any reader other than ACOR. Readers other than ACOR should not treat this report as advice specific to their circumstances and should seek independent professional advice as appropriate.

Artificial intelligence tools have been used to assist in the research for and development of this report. All contents of this report have been reviewed and finalised by Rennie Advisory.

This report presents:

- Economic analysis based on publicly available data and industry consultation
- Illustrative modelling scenarios to demonstrate policy trade-offs
- International precedent analysis from comparable jurisdictions

This report does not present:

- Predictions of specific policy outcomes
- Legal advice on regulatory compliance or trade law matters
- Recommendations of specific policy settings (policy choices remain with government)
- Guaranteed economic or environmental outcomes

Rennie Advisory has sought to provide objective, evidence-based analysis while acknowledging inherent uncertainties in forward-looking economic modelling.

While this report is available for public use, readers are responsible for their own interpretation and application of the findings. Rennie Advisory accepts no liability for decisions made, or actions taken, by third parties based on this report, the findings of this report, or for any errors or omissions resulting from incomplete or inaccurate information provided by third parties in the development of this report.

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The report must not be altered, edited, or misrepresented in any way.

Suggested citation: Rennie Advisory (2025), Securing Australia's Plastic Packaging Recycling Future, report prepared for Australian Council of Recycling, December 2025.

Rennie Advisory Pty Ltd (ABN 26 629 902 085) is a corporate authorised representative (CAR No. 1297656) of Sandford Capital Pty Limited (ABN 82 600 590 887) (AFSL 461981).

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

About the project partners



The Australian Council of Recycling (ACOR) is Australia's peak body for resource recovery, recycling and remanufacturing. Committed to leading the transition to a circular economy through the recycling supply chain.



Australian Packaging Covenant Organisation (APCO) is Australia's not-for-profit packaging co-regulator, driving industry collaboration and accountability to create a circular, sustainable packaging system.

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Rennie Advisory is a professional services firm providing independent analysis which helps organisations across many different industries navigate and optimise their transition to a sustainable future.

Acknowledgements

We acknowledge the valuable support of the following organisations:



ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

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Securing Australia's Plastic Packaging Recycling Future

Key Terms

Australasian Recycling Label (ARL): APCO's national on-pack labelling system that details how to correctly dispose of each part of the packaging for households.

Chemical (advanced) recycling: breaks plastic polymers down into their chemical building blocks or hydrocarbon feedstocks, which can then be used to manufacture virgin-equivalent plastics or fuels. These technologies are mainly suited to specific plastic types that are difficult to recycle mechanically (such as contaminated, multi-layer, or degraded plastics) and usually require sorted and pre-processed feedstock.

Circularity / Circular Economy: refers to an economic model that keeps products, materials, and resources in use for as long as possible through reuse, repair, refurbishment, and recycling, minimising waste and regenerating natural systems.

Cradle-to-grave: a full life-cycle emissions accounting framework which measures all greenhouse gas emissions from the extraction of raw materials through to the final use of that material.

Demand-side: the drivers, behaviours, policies, technologies, or interventions that affect how much plastic recyclate is purchased.

Eco-modulation: a mechanism under an EPR whereby the fee paid by a producer is adjusted (up or down) based on the environmental performance of a product or packaging. This can extend to other characteristics such as ease of recycling or use of domestic content.

End Markets: the final destination where a recycled or recovered material is sold or used to make new products

Extended Producer Responsibility (EPR): a policy approach whereby a producer's responsibility for a product extends to the post-consumer stage of the life cycle (either physically or financially).

Externality: occurs when the actions of one party impose costs or benefits on others, and these impacts are not compensated for or paid for through the market.

Free rider: an entity which enjoys benefits from a shared good or service without paying or contributing to it.

Flexibles: plastic packaging that can be bent, rolled, folded, or easily changed in shape without fracturing or losing integrity. Commonly used in bags, outer wrapping for dry, fresh and frozen food and non-food packaging pouches and wrappers. Often produced from LDPE, HDPE, or PP and can have multi-layer structures, adding complexity to recycling and reprocessing.

Mechanical recycling: involves physically reprocessing plastic waste without altering its chemical structure. Materials are sorted, cleaned, shredded, melted and remoulded into new products. This pathway is most effective for clean, mono-material (single polymer) plastics.

Rigids: plastic packaging which are solid, inflexible shapes that retain their form under normal use, even when empty. Commonly used for beverage, food, laundry and personal care packaging and often produced from PET, HDPE or PP. Typically produced from a single a polymer, providing a level of simplicity to recycling and reprocessing.

Supply-side: the production, manufacturing, resource extraction, generation, or infrastructure that supplies plastic recyclate to the market.

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

Acronyms

ACOR	Australian Council of Recycling
APCO	Australian Packaging Covenant Organisation
APRA	Advancing Plastic Recycling in Australia
ARL	Australasian Recycling Label
CDS	Container Deposit Scheme
DCCEEW	Department of Climate Change, Energy, the Environment and Water
EPR	Extended Producer Responsibility (defined in key terms)
EoL	End of Life
FTE	Full-time Equivalent
HDPE	High-Density Polyethylene (also PE-HD)
IEA	International Energy Agency
KTPA	Kilotonnes per annum
LDPE	Low-Density Polyethylene (also PE-LD/LLD)
MRF	Material Recovery Facilities
MT	Million tonnes
NEPM	National Environment Protection (Used in Packaging Materials) Measure
PET	Polyethylene Terephthalate
PP	Polypropylene
PRO	Producer Responsibility Organisation
RAWR Act	Recycling and Waste Reduction Act (2020)
RMF	Recycling Modernisation Fund
SKU	Stock Keeping Unit
SUP	Single-Use Plastics
TBT	Technical Barriers to Trade

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Key Findings

In 2023, Australia's State and Federal Environment Ministers committed to National Packaging Reform to ensure all consumer packaging meets strict design, recyclability and recycled-content standards. Despite this, domestic demand for recycled plastic remains weak, threatening the viability of local recyclers.

Market failure is inhibiting Australia's plastic recycling industry ...



Australia currently uses **1.3 million tonnes** of plastic packaging each year, with the majority ending up in landfill



Australian-made recycled plastic is, at times, **50% more expensive** than imported virgin plastic



Australia has failed to achieve our 2025 plastic packaging recycling targets set in 2018

Failing to act could see ...



Plastic waste ending up in landfill continue to grow, reaching **4.9 million tonnes in 2050**



Facility closures and cancellation of planned investment supported by Government and industry funds



Environmental costs amounting to a total of **\$32 billion by 2050** in present value terms

For plastics alone, by 2030 national packaging reform could ...



Reduce plastic packaging waste going to landfill by **370,000 tonnes** per annum



Eliminate **700,000 tonnes** CO₂e per annum and avoid total environmental costs of **\$2 billion**



Attract **\$220 million** in private investment alongside **19,000** direct and indirect jobs and **\$2.5 billion** in gross value-add



be delivered economically, at a cost of less than **0.1% of product cost**

Industry needs ...

An urgent commitment from the Australian Government to introducing National Packaging Reform in this term of government.

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

Executive Summary

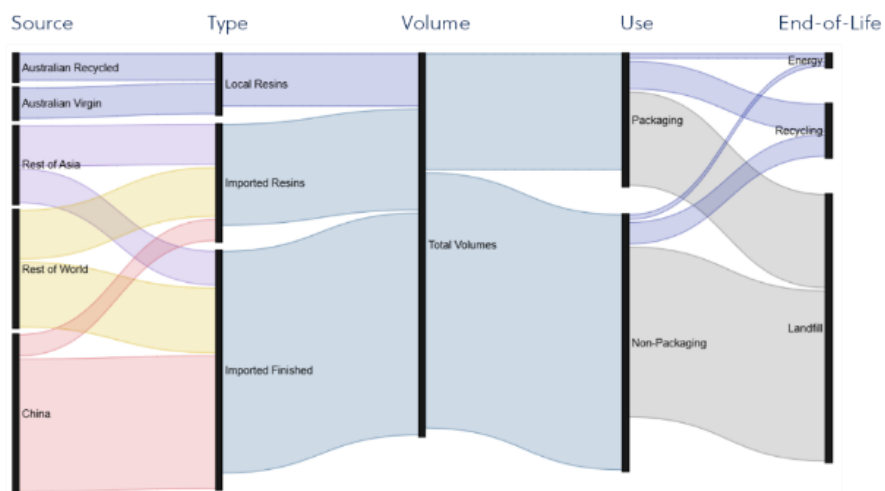
Plastic packaging is essential in Australia's modern economy, particularly for food security through extending the shelf-life of products and ensuring food safety. Most of this plastic, including plastic used in packaging, is imported from overseas in the form of resins and finished products. Specifically, Australia currently uses 4.2 million tonnes of plastic each year, of which approximately 93 per cent (or 3.9 million tonnes) is imported. Around 1.3 million tonnes of this plastic is used in packaging.

Most plastics entering Australia will end up in landfill rather than be recycled

Most of the plastic consumed in Australia ends up in domestic waste streams. The introduction of the Recycling and Waste Reduction (RAWR) Act (2020) and China's National Sword policy banning waste imports mean that unprocessed end-of-use plastic cannot be exported from Australia and must be dealt with here through recycling, landfill or energy-from-waste.

In the absence of a commercially viable and appropriately regulated industry, the reliance on imported plastics in Australia has created a cycle of "import, consume and dispose". After use, approximately 2.7 million tonnes of plastic ends up in landfill each year (Figure S-1); around 1.0 million tonnes of which is from plastic packaging.

Figure S-1: Australian plastic sources and fates

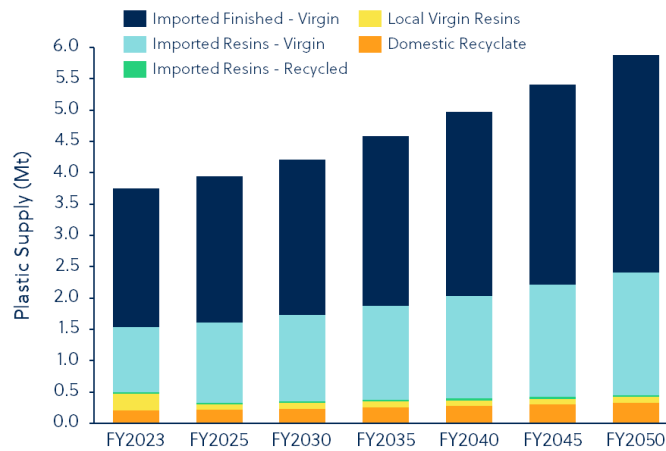


Without significant changes in policy and consumer behaviour, our current import, consume and dispose approach is expected to remain the dominant profile into the future. Overall, plastic imports into Australia are expected to grow to around 5.6 million tonnes by 2050. Almost the entirety of this growth is coming from imported virgin plastic (Figure S-2). Without action, by 2050 there will be 4.9 million tonnes of plastic per annum disposed of to landfill or incinerated in Australia.

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

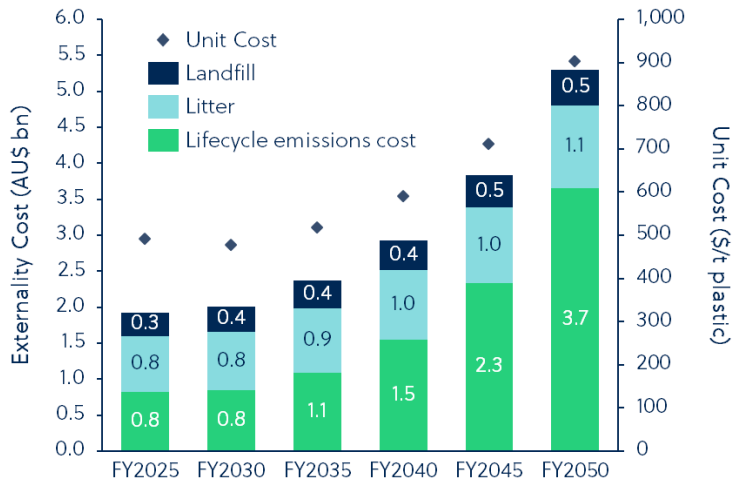
Figure S-2: Australia's plastic supply mix if we fail to act



The “import, consume and dispose” system of plastic consumption comes with significant environmental costs

This current approach has significant external costs in the form of litter, landfill and emissions—all forms of environmental harm. Environmental harm will grow over time unless demand for domestically recycled plastic is created. These costs are estimated at \$2 billion per annum today and grow to over \$5 billion a year by 2050 in real terms (Figure S-3). Cumulatively to 2050, this environmental harm cost could exceed \$32 billion in real terms.

Figure S-3: The costs we ignore at the grocery store—the externality costs from plastic waste environmental impacts¹



¹ Values exclude externalities from waste-to-energy facilities which require detailed modelling of the energy market.



ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

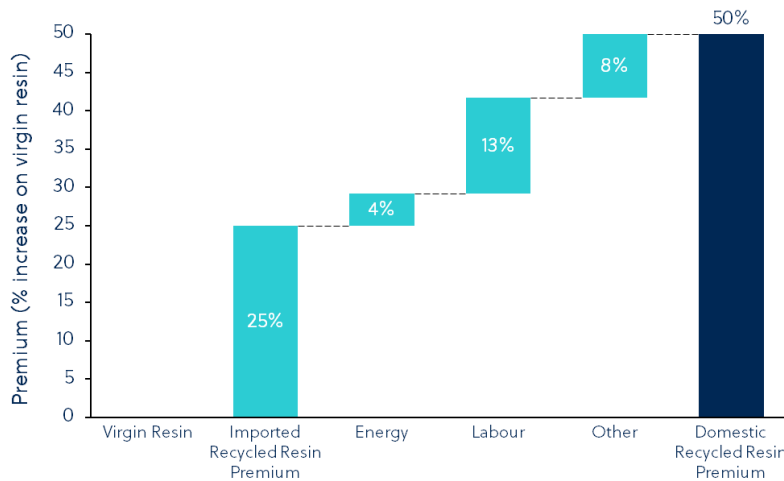
Domestic remanufacturing is maturing but the industry faces global market headwinds

The domestic plastic packaging recycling supply chain consists of collection, processing and remanufacture for sale into end markets. These three steps need to work together to transform waste into new products that are fit-for-purpose. If these three steps work together, then there is a significant domestic remanufacturing opportunity.

Currently, the end markets for recycled plastics in Australia compete against the global oversupply of low-cost virgin plastic, much of it produced in Asia. This oversupply means that Australian-made recycled plastic is at a structural cost disadvantage compared to overseas virgin and recycled plastic.

As a result, domestic recycled plastic is the highest cost option for businesses. A survey of plastic recycling industry participants revealed imported recycled resin has a premium of around 25% compared to virgin plastic, and that domestic recycled plastic has a premium of around 50% compared to virgin resin (Figure S-4). This premium is for rigid plastics, such as the plastics used in food and beverage containers, where there is currently a scaled domestic recycling industry. The price premium can be much greater for flexible plastics that require more complex recycling approaches and where remanufacturing is currently less commercially mature than mechanical recycling of rigid plastics in Australia.

Figure S-4: Structural domestic recyclate cost disadvantage for rigid plastics (food-grade HDPE and PET)²



There has been significant progress made on collection and processing in Australia. Most recently, this has taken the form of investment into plastic recycling infrastructure co-funded by the Australian Government and industry. This investment aims to address capacity constraints in recycling Australia's used plastic. However, investments in collection and processing cannot stand alone. They are dependent on strong markets for the domestically recycled plastic packaging product.

² This premium refers to food contact resin from mechanically recycled rigid plastic. Industrial (non-food grade) can be at parity or lower. Chemically recycled food contact resin from flexible plastics will be at a greater premium.



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Securing Australia's Plastic Packaging Recycling Future

Closing the market gap in Australia is critical for redirecting plastics from landfill

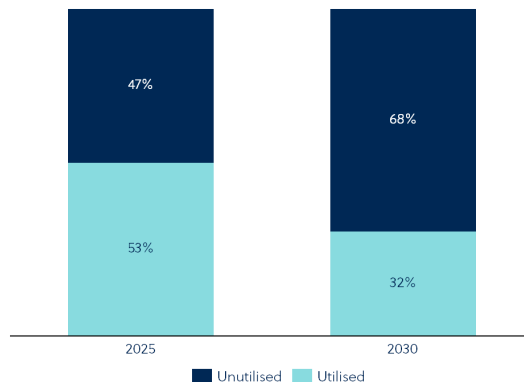
The core issue limiting Australia's domestic plastic remanufacturing opportunity is a market failure: domestic recycled plastic remains more expensive than imported virgin or recycled plastic due to high domestic costs and a lack of mechanisms to drive demand.

The current global market oversupply of virgin plastic resin and existing global packaging supply chain structure creates strong disincentives for local industry to purchase domestic recycled plastic products. Increasing supply of domestic recycled plastics in Australia alone is insufficient for markets to form for domestic recycle. Increasing demand for Australian recycled plastics must also be addressed, acknowledging that cheaper imported products will remain in the global market. Closing this market gap is the critical missing element in redirecting plastics from landfill in Australia.

In Australia, today, the lack of demand for local recycled plastic products is creating an underutilisation of plastic recycling capacity. A survey of industry participants indicates that utilisation of plastic recycling capacity in Australia is only 53%. Industry stakeholders consider this to be below commercially viable levels.

Despite government and industry commitments to increase investment in recycling infrastructure, utilisation is set to decline over time in Australia. In the absence of deliberate demand-side interventions, forecasts indicate utilisation could decrease to around 32% by 2030 (Figure S-5). Such low levels of utilisation worsen the already challenging operating conditions for many facilities. Industry stakeholders indicate that these projected levels of utilisation are already affecting the ability of businesses to raise finance for investment in plastic recycling capacity.

Figure S-5: Australia faces a capacity utilisation challenge



If utilisation trends continue as forecast, then there is significant risk of stranded assets in the Australian plastic recycling industry. This puts the \$432 million in committed investment from the Recycling Modernisation Fund (RMF) at risk. This investment combines funding from the private sector with Australian and State Government co-contributions and is expected to deliver 62 plastic recycling facilities. This RMF investment is just a fraction of the additional investment planned by the broader industry.

This situation is not unique to Australia, with the ongoing exit of recyclers in the EU and US currently underway. Australian plastic recyclers are at risk of following the path of these EU and US recyclers. Loss of these facilities would not only be loss of private and public investment but would mean significant reduction in sovereign capability in Australia and increased reliance on global markets. Once these types of remanufacturing facilities close, it will be very difficult to re-establish the necessary capital, skills and expertise in the future.



ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

We are now at a decisive moment for advancing the plastic recycling market in Australia

Packaging makes up about a third of all plastic consumed in Australia and is highly visible to the public. Additionally, packaging is where the majority of plastic recovery and recycling capability and investment has been made, presenting an ideal starting point for closing existing market gaps where packaging is recycled into packaging and commercial and industrial products.

Recent consultation on reforming packaging regulation by the Australian Government indicates that a broad spectrum of industry, including the brands and retailers responsible for the procurement of plastic packaging and recyclers, are supportive of stronger national regulation around the packaging and plastic packaging recycling value chain.

Additional consultation by the Australian Packaging Covenant Organisation (APCO) confirms the high levels of industry support for packaging value chain regulation. But also shows that this support is conditional on certainty around the timing and scope of regulation, as well as ensuring that all businesses and industry sectors must participate (*i.e.*, managing free-rider issues and establishing system wide minimum quality standards). Government is perfectly placed to address these two issues, underscoring the imperative for promised packaging regulatory reform to address the ongoing structural challenges in the domestic market.³

Extended producer responsibility is identified as the priority approach to reform

Both the Australian Government and APCO's work identified that extended producer responsibility (EPR) is the industry's preferred approach. EPR makes brand owners and retailers financially and operationally responsible for managing their products after they are sold, including after consumer use.

EPR relies on an eco-modulated fee and incentive structure where producers and brand owners and retailers pay a fee based on the volume of packaging they place on the market. The more sustainable the packaging (*e.g.*, if it's recyclable and made with recycled content) the lower the fee and/or greater the incentive. The collected revenue from EPR eco-modulated fees can then be invested in waste collection, recovery and recycling infrastructure. Re-investment can help to address the cost gap between virgin and recycled materials, ideally reducing the gap over time.

EPR has a long history in markets like the EU and US, states where significant trial and error has occurred in implementation. In particular, the EU schemes are currently introducing adjustments to close the market gap for domestic recycling by introducing incentives for domestically produced recycle.⁴

An Australian mandated EPR can learn from these schemes to develop an approach that addresses the challenges imposed by global supply chains and markets in which plastic packaging is produced and procured.

National packaging reforms can redirect 370 kilotonnes of plastic packaging waste from landfill and reduce emissions by 0.7 million tonnes CO₂e each year while increasing economic activity by \$2.5b

Rennie has developed a techno-economic model of production, import, consumption and post-consumer uses of plastic in Australia, with a particular focus on packaging. This model allows for an investigation of the trade-offs that can come from different approaches to reforming packaging regulation. In particular, it allows testing of different levels of EPR eco-modulated fees and different minimum recycled content requirements focused on the use of domestic recycled plastic content in packaging.

³ DCCEEW, [Reforming Packaging Regulation](#) (2025)

⁴ OECD, [Plastics Recycled Content Requirements](#) (2024)

ITEM 1 - ATTACHMENT 1 SECURING AUSTRALIA'S PLASTIC RECYCLING FUTURE REPORT.

Securing Australia's Plastic Packaging Recycling Future

The model has been informed by significant industry consultation and data from a bespoke survey of recycling industry participants. Key findings of this survey indicate that EPR measures which close a weighted average cost gap of around \$1,000 per tonne between domestic recycled plastic and imported virgin plastic will level the playing field (noting this varies by polymer). Closing this gap would drive change in procurement practices and is comparable to eco-modulated fee levels seen internationally. **It should be noted the specific EPR eco-modulated fee magnitudes within the scenarios do not form a part of the policy proposal.**

The results indicate that, within the next 5 years, fully closing the \$1,000 gap via an EPR scheme and accompanying this with an overall 30% domestic recycled content requirement can:

- Reduce emissions by 0.7 million tonnes CO₂e per annum
- Increase economic activity in Australia by \$2.5 billion in gross value-add
- Create 19,000 direct and indirect jobs,
- Spur additional investment of \$220 million in private capital
- Reduce the total plastic packaging waste going to landfill by 370 kilotonnes per annum.

The cost to Australian households for EPR reform is minimal

On average, Australian households spend about \$246 per week on groceries, with the materials used in packaging (such as paper, plastic, aluminium and glass) accounting for around 2.5% of this total, or approximately \$6.14 per week. Introducing an effective EPR scheme with a 20-30% domestic recycled content requirement for plastic packaging is estimated to increase weekly plastic packaging material costs by only \$0.19-0.31, which is around 0.1% of the weekly grocery bill.

This cost is relatively small compared to the additional cost of plastic waste borne by households. Australians currently face an average environmental harm cost of \$215 per year due to plastic waste externalities and already pay over \$200 a year on total household bin collection alone. Of this \$200, it's likely that around \$70-\$95 can be attributed to packaging.⁵

While this modelling is intended to quantify trade-offs in different policy choices (rather than identifying a preferred policy), it does show that a well-balanced policy can complement existing packaging reform initiatives while boosting Australia's domestic recycling sector.

Two key asks from industry to the Australian Government have emerged based on extensive consultation with industry, surveying, data analysis and modelling:

- Within the next 3 months, announce a timebound commitment to introducing National Packaging Reform through mandated EPR.
- Commit to measures to drive procurement of domestic recycled plastic in packaging and other applications, through government procurement and EPR incentives.

These two key asks can be achieved quickly within existing legislation and do not require a wholesale review of the broader circular economy in Australia. Speed is necessary to avoid closures seen in the EU and US and support investment certainty in a highly uncertain financial climate.

While this analysis focuses on structural reform, there are also immediate actions government could take to support the sector during policy design, including enhanced public procurement of domestic recycled content.

⁵ Maddin and Florin (2024), "Characterisation of household single-use packaging flows through a municipal waste system: A material flow analysis for New South Wales, Australia"

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Securing Australia's Plastic Packaging Recycling Future

1 Introduction

1.1 Focus of this report

Project Background

Australia has failed to meet our 2025 National Packaging Target of recycling or composting 70% of plastic packaging.

The core issue is a market failure: domestic recycled plastic remains more expensive than imported virgin or recycled material due to high domestic costs and a lack of mechanisms to drive demand. This situation means that, currently, half of Australia's recycling capacity is unused and further capacity is unlikely to grow. Global oversupply of cheap virgin plastics further undermines local producers, creating financial, economic, environmental and sustainability risks for Australia's people, environment, industries and economy.

The Project

Within this context, Rennie Advisory, the Australian Council of Recycling (ACOR) and the Australian Packaging Covenant Organisation (APCO) have partnered for the Advancing Plastic Recycling in Australia (APRA) project. The goal of the project is to develop an evidence base to support National Packaging Reform which unlocks the use of domestic plastic recyclate. As such, the work is focused on plastic packaging but recognises that plastic packaging exists in the broader context of plastic markets, the recycling industry and other packaging types.

The objectives of the work are to:

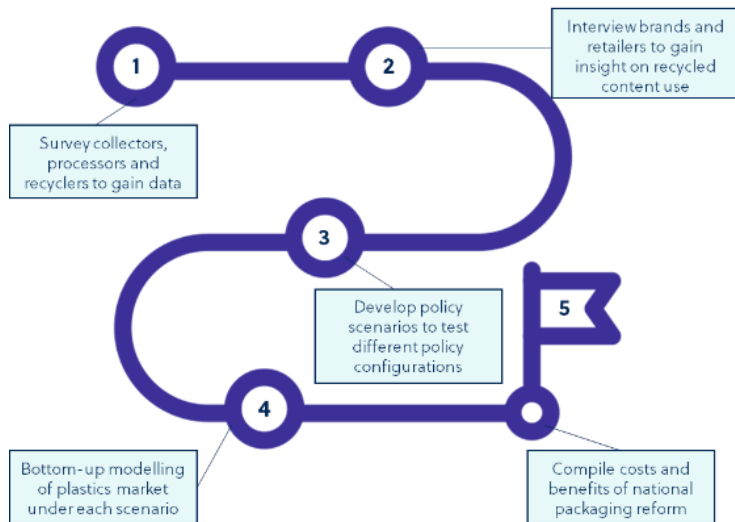
- **Quantify the challenge:** Model supply-demand imbalances, cost structures, and environmental impact for domestic and imported plastics,
- **Illustrate the cost of failing to act:** develop scenarios articulating the environmental and economic effects of inaction,
- **Demonstrate benefits of reform:** Provide the robust economic, environmental, social, and sovereign capability case for the implementation of reform, identifying the optimal approach for plastic packaging waste,
- **Identify actionable policy options:** Develop practical EPR eco-modulated fee mechanisms, quick wins, and regulatory pathways for government intervention.

The approach followed for the project is outlined in Figure 1-1.

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Figure 1-1: Approach to evidence base development



1.2 Report structure

The report outlines:

- **Plastics in Australia:** Providing an overview of the global market context, plastics flows in Australia today and into the future and environmental harm.
- **Plastic recycling in Australia:** Detailing the role of plastic recycling in Australia, current industry and planned investment, insights from the recycling industry survey, cost disadvantage and the utilisation challenge if Australia fails to support recycle markets.
- **Opportunities for reform in recycling and plastic packaging:** Outlining Australia's ambitions and lack of progress, key reform models, industry support for clear national reform, lessons learnt from overseas and the critical need to incorporate brand and retailer perspectives.
- **Impacts of reform options:** Presenting the modelling, scenarios analysed, results and their implications for policy design.
- **Policy Directions:** Sets out industry priorities for Government action, key features of an effective approach, how this approach mitigates industry's risks, roles and responsibilities and alignment with existing government initiatives.

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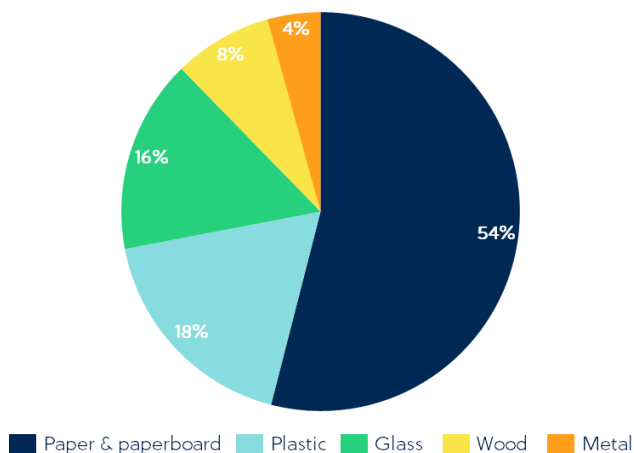
2 Plastic and Packaging in Australia

2.1 Plastic packaging use in Australia today

Packaging serves a critical role in the transport, protection and storage of products across the Australian economy. Packaging in Australia spans a range of materials (e.g. glass, paperboard, metals, wood, and plastics), each selected for specific properties such as strength, weight, barrier and thermal performance, sustainability and recyclability. In Australia, plastic packaging accounted for around 18% of all packaging placed on the market by weight in 2022-23 (Figure 2-1).⁶

Plastic packaging remains essential in food, beverage, and pharmaceutical supply chains due to its lightweight nature, durability, versatility, and cost-effectiveness. It is used in both rigid formats (e.g. bottles and containers) and flexible formats (e.g. wraps and films), across retail and industrial applications. Its role in maintaining product integrity, hygiene, and shelf life will continue to make it the preferred choice for manufacturers and retailers.^{7,8}

Figure 2-1: Australia's packaging consumption in 2022-23⁹



Materials such as paper, cardboard, glass and metals frequently struggle to meet the technical specifications required for plastic packaging applications. In applications demanding moisture and oxygen barriers, strength, and transparency, many alternatives must be multilayered or coated, often still incorporating plastic elements. This contaminates fibre or organics streams and impedes recyclability.^{10,11}

Furthermore, substitutes like glass, metal, and wood are significantly heavier than plastic, increasing transport-related emissions and costs. While these materials may offer benefits in perceived sustainability or recyclability, life-cycle assessments show that their higher embodied energy and weight can offset those gains.¹²

⁶ APCO, [Australian Packaging Consumption & Recovery Data 2022-23](#) (2024)
⁷ Farrell et al., [The function and properties of common food packaging materials and their suitability for reusable packaging: The transition from a linear to circular economy](#) (2024)
⁸ APCO, [Flexible Plastic Consumption and Recovery 2022-2023 Factsheet](#) (2024)
⁹ DCCEEW, [National Waste and Resource Recovery Report](#) (2024)
¹⁰ Tamizhdurai, P. et al., [A state-of-the-art review of multilayer packaging recycling: Challenges, alternatives, and outlook](#) (2024)
¹¹ APCO, [Quickstart Guide – Designing for Recyclability: Fibre-Based Packaging](#), (2025)
¹² ECD, [Global Plastics Outlook – Policy Scenarios to 2060](#), (2022)

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2.2 Australia’s position in the global plastic supply chain

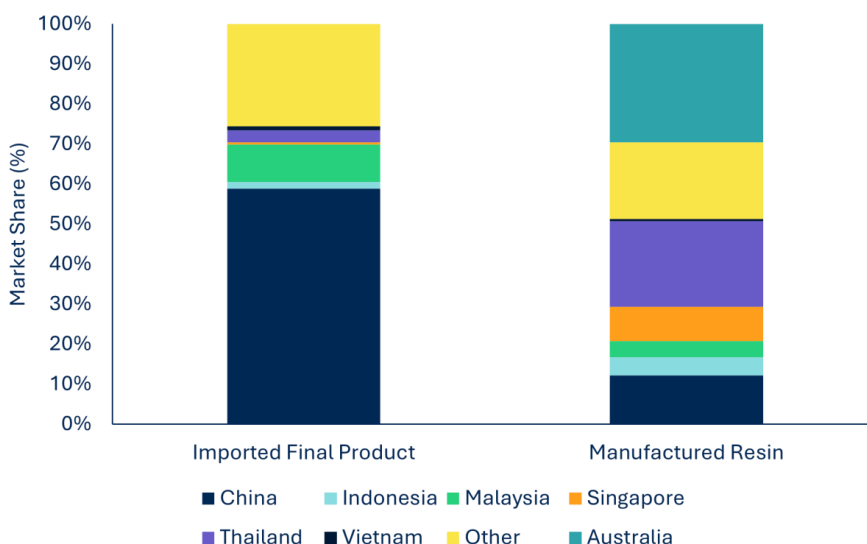
Around 90% of plastics sold in Australia are imported. This includes around 2.8 million tonnes of imported finished products and around 1.1 million tonnes of resins imported for domestic manufacturing, reflecting a strong reliance on offshore supply chains.¹³

Imported finished products are dominated by China, which supplies nearly 59% of Australia’s plastic goods. Other major contributors include Malaysia, Thailand, Indonesia, Vietnam, and Singapore.

Virgin resins are primarily sourced from large petrochemical refineries across Asia. These refineries benefit from economies of scale, producing large volumes of virgin plastic resin cheaply. The lack of economies of scale in Australia mean virgin plastic production is more expensive than international alternatives. Additionally, local manufacturers face higher energy, labour, regulatory and land costs, which result in premium pricing and make it difficult to compete with imports.¹⁴

These Asian refineries form part of a regional trade network that reinforces Australia’s dependence on upstream processing capacity located offshore.

Figure 2-2: Tracing the origins of Australia’s plastic supply¹⁵



All but one domestic plastic manufacturing facility for virgin plastic resins has closed in Australia. Over the past 15 years, multiple local resin production sites have shut down or ceased basic materials manufacturing, including Qenos, leaving only Viva Energy’s polypropylene plant.¹⁶ As a result, Australia’s plastic lifecycle remains overwhelmingly linear, with imported plastics dominating supply, and disposal as the default end-of-life pathway.¹⁷

The mix of these international and domestic sources is highlighted in Figure 2-2, above. The relatively restricted role of Australian suppliers can be further seen in Figure 2-3, below, where Australia accounts for a minority share of input into the total volume of manufactured

¹³ DCCEEW, [Australian Plastics Flows and Fates Reporting](#) (2025);
¹⁴ Australian Strategic Policy Institute [Helium, polyethylene and more: Australia loses basic-materials industries](#) (2024)
¹⁵ Developed from World Integrated Traded Solutions weighted-average import pricing across virgin resins.
¹⁶ AFR, [Gas costs could sink more manufacturers after Qenos collapse](#), (2024)
¹⁷ DCCEEW, [Australian Plastics Flows and Fates Reporting](#) (2025)

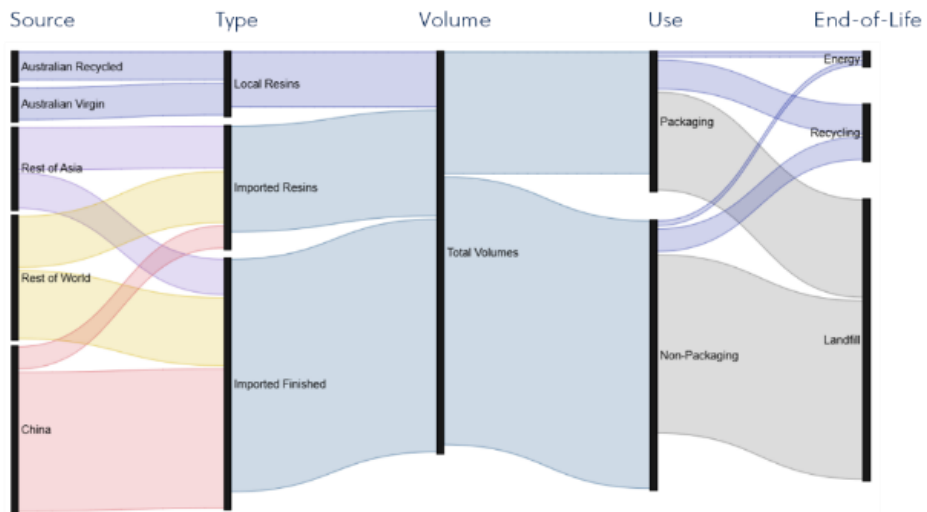


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resins. All Australian manufactured resins must then be further processed, domestically, into final products.

Figure 2-3: Australian plastic sources and fates¹⁸



¹⁸ Developed from World Integrated Trade Solution databases for primary plastics and finished goods. Market share determined based upon value of product sold into the Australian market.

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2.3 The global market context

Understanding Australia's domestic recycling challenge requires an understanding of the global market forces that have fundamentally altered the economics of polymer production over the past five years. Virgin plastic production is increasingly becoming a core profit centre for some of the world's largest and most well-capitalised companies. The combination of Chinese coal-to-chemicals expansion and oil major investment is creating structural oversupply that is suppressing virgin plastic prices globally.

China's coal-to-chemicals sector has rapidly expanded, converting China's abundant coal resources into chemicals used to make plastics, rather than relying on imported oil or gas. Between 2019 and 2024, China reportedly added petrochemical capacity equivalent to the combined capacity of Europe, Japan, and Korea.¹⁹ Coal consumption in chemicals increased 46.5% year-on-year in February 2024, with 75 new coal-to-chemical initiatives across 15 provinces potentially consuming 1 billion tonnes of coal annually.²⁰

This expansion has repositioned China from the world's largest polymer importer to a significant exporter, placing sustained downward pressure on global virgin plastic prices. According to the International Energy Agency (IEA), shipments from the Middle East and Asia declined approximately 30% in the first nine months of 2023 compared to 2019 levels as Chinese production displaced imports and began competing in export markets.

Major oil companies are also fundamentally repositioning their businesses as petrochemicals become the primary driver of oil demand growth. The IEA projects petrochemicals will account for just under 50% of oil demand growth to 2050, making plastics production central to the long-term strategy of fossil fuel producers.²¹

This strategic pivot is already visible in corporate results. ExxonMobil's 2024 Chemical Products earnings reached US\$2.6 billion, an increase of US\$940 million compared to 2023. High-value chemical products, such as plastics, are projected to contribute significantly to 2030 earnings potential. Similar strategic repositioning is occurring across major producers globally.²²

For Australian recyclers, this means competing not just against cheaper labour and energy costs overseas, but against a global industry undergoing fundamental capacity expansion.

Critically, this price suppression comes with significant environmental costs that are not reflected in market prices. Coal-based polymer production generates approximately twice the CO₂ emissions of petrochemical production.^{23 24} This creates a perverse outcome as the cheapest virgin plastic available to Australian manufacturers often carries the highest environmental footprint, while domestically recycled content cannot compete on price.

These global dynamics mean that supply-side investment in Australian recycling infrastructure alone cannot create viable markets for domestic recyclate. Without demand-side intervention to close the cost gap for domestic recycled plastic, Australian recyclers will continue to be undercut by global oversupply of virgin plastic produced with externalised environmental costs.

¹⁹ International Energy Agency, "China's petrochemical surge is driving global oil demand growth," IEA Commentary (2023), <https://www.iea.org/commentaries/china-s-petrochemical-surge-is-driving-global-oil-demand-growth>

²⁰ Qiu, C. and Schäpe, B., "Analysis: China's coal-to-chemicals growth risks climate goals," Centre for Research on Energy and Clean Air / Dialogue Earth (December 2024), <https://dialogue.earth/en/business/analysis-chinas-coal-to-chemicals-growth-risks-climate-goals/>

²¹ International Energy Agency, "The Future of Petrochemicals: Towards more sustainable plastics and fertilisers," IEA Report (2018), <https://www.iea.org/reports/the-future-of-petrochemicals>

²² Exxon Mobil Corporation, "ExxonMobil announces 2024 results," Press Release (January 2025), https://corporate.exxonmobil.com/news/news-releases/2025/0131_exxonmobil-announces-2024-results

²³ HSBC Global Research, cited in ICIS, "China monthly: Coal-to-olefins economics are a major challenge" (April 2013), <https://www.icis.com/explore/resources/news/2013/04/05/9656098/china-monthly-coal-to-olefins-economics-are-a-major-challenge/>

²⁴ Cabernard, L. et al., "Growing environmental footprint of plastics driven by coal combustion," Nature Sustainability (December 2021), <https://www.nature.com/articles/s41893-021-00807-2>

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Case Study 2-1: Europe's recycling infrastructure collapses despite ambitious regulatory targets

In November 2025, twelve major companies spanning Europe's plastics value chain issued an urgent warning that the continent's recycled plastics industry was on the verge of collapse. The group included LyondellBasell, Eastman, and waste management giants Remondis and Suez. Despite being recognised as strategically vital for achieving EU sustainability goals, European recyclers face unprecedented plant closures driven by what the industry described as "unfair competition and a regulatory framework still under development."

According to Plastics Recyclers Europe, nearly one million tonnes of recycling capacity had been lost across just three years from 2023 to 2025. Facility closures in 2024 doubled compared to 2023, with preliminary 2025 data showing a further 50% increase. The Netherlands lost seven plastic recycling plants in 2024 alone. These losses were focussed on materials targeted for increased recycling under the forthcoming Packaging and Packaging Waste Regulation. The Netherlands and United Kingdom together represented half of all capacity lost.

The industry had invested €5 billion between 2020 and 2023 specifically to meet mandatory targets. Yet recyclers found themselves squeezed between high European energy costs, falling demand, and what they characterised as a flood of cheap, unregulated imports from outside the region. At the same time, EU plastic waste exports to countries outside the OECD surged in 2024 compared to 2022. This revealed a fundamental contradiction with Europe exporting more waste while its domestic recycling infrastructure contracted.

The regulatory framework compounded these market pressures. The EU introduced a Plastic Levy in 2021, requiring member states to contribute €0.80 per kilogram of non-recycled plastic packaging waste which generates approximately €7 billion annually for the EU budget. However, these funds went to general budget purposes rather than supporting the recycling industry. Meanwhile, the detailed secondary legislation needed to operationalise the Packaging and Packaging Waste Regulation remained under development, leaving investors unable to commit capital without clarity on future market rules.

The European industry has developed a three-pillar response proposal. First, they called for mandatory recycled content targets with explicit geographic restrictions, requiring recycled content to be sourced from Europe. They warned that, without this, targets would simply drive additional imports and finance foreign infrastructure development. France had already moved in this direction, introducing financial rewards from January 2026 of €450 to €1,000 per tonne for manufacturers incorporating locally produced recycled plastics. Second, the industry demanded protection against fraud in recycled content claims through strengthened verification mechanisms and potentially specific customs codes for circular products. Third, the industry proposed reallocating EU Plastic Levy revenues specifically to support European recycling infrastructure rather than general budget purposes.

One industry representative summarised: "Without urgent intervention, Europe's ambitious goal to double recycling capacity by 2030 will remain out of reach, future investments in Europe will dry up, vital jobs within the entire value chain will be lost and announced projects risk never materialising."

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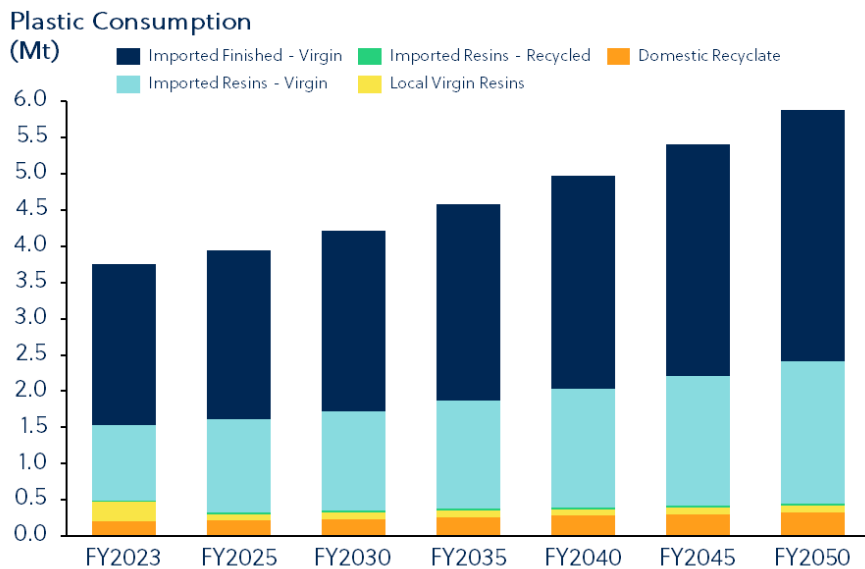
2.4 Plastic packaging use in Australia in the future

In this work, modelling of the Australian plastic system under a baseline scenario has been undertaken to assess what happens if Australia fails to act on national packaging reform. In the baseline scenario, Australia continues to be a prime market for cheap fossil fuel-based virgin resin (Figure 2-4). Without any driving force for recovery and recycling, Australia remains reliant upon China and other Asian nations for supply, reflecting their cost advantage in virgin resins.

Under the baseline projection:

- End-of-use plastic recycling remains low, with the majority of plastic remaining in a linear system, ending up in disposal.
- Recycling remains stagnant as a share of end-of-use plastic, reflecting the lack of viable markets for the product (Figure 2-4).
- Disposal increases, in line with expansion in waste-to-energy capacity within the Australian economy and growing plastic packaging flows to landfill. However, this continues the linear system of supporting fossil fuel-based plastic entering the Australian market and doesn't enable more sophisticated manufacturing capability.
- Processed recovered product sent for export is also assumed to continue to grow modestly but makes up a small portion of the market.

Figure 2-4: Australia's plastic supply mix in the baseline scenario



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2.5 Environmental harm from current use of plastic

Virgin resin prices today ignore the significant externalities created in their use, with the harm borne by Australian ecosystems and communities. Plastic packaging waste in Australia causes three distinct categories of environmental harm, each with significant and growing impacts on Australian ecosystems and communities.^{25,26,27}

- **Ecosystem pollution**
Each year, 130,000 tonnes of plastic leaks into Australia's marine environment. This pollution has significant effects on marine life, with half of all seabirds and turtles now found to have plastic in their stomachs. This harm extends beyond wildlife as plastic pollution costs Australia's tourism and fishing industries through damage to marine environments, including the Great Barrier Reef.^{28 29 30}
- **Climate impact from plastic production**
Emissions from Australian plastics consumption amount to the equivalent of over 4 million cars each year. Manufacturing virgin fossil-fuel-based plastics produces more than double the emissions of producing new plastics through mechanical recycling. If current trends continue, the cost of emissions from Australia's plastic consumption will more than quadruple by 2050, the year Australia has legislated to reach net-zero emissions.³¹
- **Landfill capacity crisis**
Currently, the vast majority of Australia's annual plastic waste goes to landfill, where it persists almost indefinitely, permanently consuming finite space. Unlike organic waste, which decomposes, plastic occupies landfill capacity essentially forever.³² This creates an acute crisis as every Australian capital city now faces landfill strain or failure. As an example, Greater Sydney's current landfill capacity is projected to reach capacity by 2030. Running out of capacity could increase household waste management costs as waste must either be transported to regional areas at high expense or new facilities must be constructed.³³

These environmental harms translate to significant costs that grow exponentially over time. Following standard approaches to pricing these externalities (such as Treasury modelling for Australia's Net Zero Plan), the combined cost of this environmental harm grows from approximately \$2 billion in FY2025 to over \$5 billion by 2050, in real terms. Cumulatively, this represents an environmental harm cost of \$32 billion to 2050 in real terms. Figure 2-5 shows this trajectory. The externality cost remains around AU\$500 per tonne between 2025 and 2035 but grows to over AU\$900/t by 2050 as the cost of carbon emissions increases.

This significant cost burden aligns with public opinion on required action. An overwhelming 78% of Australians are concerned about plastic use in the country, with plastic pollution in oceans identified as the number one environmental concern in surveys of Australian households.³⁴ Additionally, 78% of Australians want all new plastic products to contain recycled plastic, and 80% are concerned about climate change, with 66% agreeing Australia should be doing more to address it.^{35 36}

²⁵ Minderoo Foundation, [The Price of Plastic Pollution – Annex 1](#), (2022)

²⁶ ACOR, [Reform of Packaging Regulation: Consultation Paper](#) (2024)

²⁷ The Australia Institute, [Plastic Waste in Australia: And the recycling greenwash](#) (2024)

²⁸ Clean Up, [Litter Report FY24](#) (2024)

²⁹ NSW EPA, [From litter to legacy: Turning the tide on plastic waste – This World Environment Day](#), (2025)

³⁰ Australian Marine Conservation Society, [Cutting Plastic Pollution at the Source](#), (2025)

³¹ Inside Waste, [Carbon emissions of Australian plastics to 2050](#), (2023)

³² DCCEEW, [Resource recovery and waste materials analysis](#) (2024)

³³ Australian Museum, [Australia's looming landfill crisis is fixable but ...](#), (2025)

³⁴ YouGov, [78% of Australians are concerned about the use of plastic in the nation](#), (2024)

³⁵ WWF, [New Research: Eight In 10 Australians Want Manufacturers And Retailers To Be Responsible For Recycling Plastic Packaging](#), (2022)

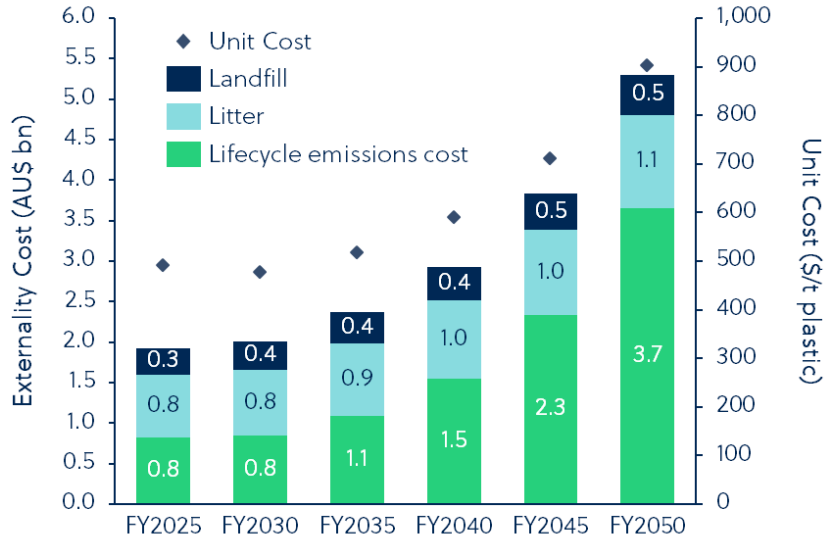
³⁶ IPSOS, [8 in 10 Australians are concerned about climate change with a clear public expectation of Government action](#), (2022)

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Ensuring these societal costs are reflected in the cost of plastic would help to reduce environmental harm. This would support domestic recycling capacity, reduce leakage into the environment, and help create jobs in Australia's circular economy.^{37,38}

Figure 2-5: The costs we ignore at the grocery store—the externality costs from plastic waste environmental impacts^{39,40}



³⁷ ACOR, [The Economic Contribution of the Australian Recycling Industry](#), (2023)
³⁸ CSIRO, [Local efforts have cut plastic waste on Australia's beaches by almost 30% in 6 years](#), (2022)
³⁹ Developed based upon cradle-to-grave lifecycle emissions, litter profile and landfill costs using the baseline scenario from the APRA work. Emissions: international emissions from [Lawrence Berkley National Laboratory](#), domestic emissions for polypropylene adapted according to Viva Energy emissions intensity, domestic emissions for recycled content from confidential data provided by recyclers during the APRA stakeholder survey, emissions from transport from [Global Logistical Emissions Council Framework](#), emissions for end-of-life from [Blue Environment](#) and emissions costs from [Treasury Modelling for the Net Zero Plan](#). Litter: volume estimated from [DCCEEW](#) and cost from [Microplastics pollution: Economic loss and actions needed](#). Landfill: costs from [DCCEEW](#). Full references and methodology to be available in Appendices.
⁴⁰ Note: the combustion of plastic within waste-to-energy facilities could further elevate the environmental costs of inaction. However, this has been excluded due to uncertainty over investment over coming years. Additionally, growing real increases in waste levies over time could see the EoL waste cost similarly rise.



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3 Plastic recycling in Australia

3.1 What is plastic recycling?

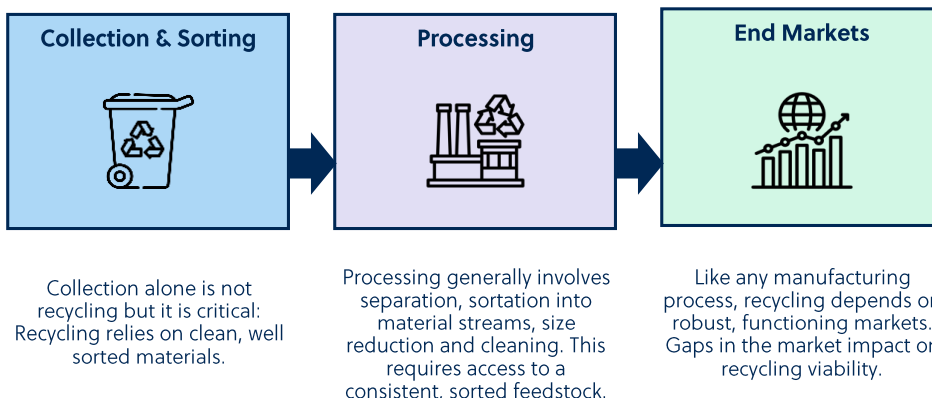
Plastic recycling is a remanufacturing supply chain which consists of three key elements: collection and sorting, processing and end markets (Figure 3-1). All three of these elements must be scaled and economically viable for recycling to occur.

Plastic packaging recycling relies on collection systems such as kerbside bins and container deposit scheme (CDS) drop-off points which gather plastics from households and businesses. Kerbside materials are sent to material recovery facilities (MRFs), where they are mechanically sorted using screens, air classifiers and optical sorters to separate plastics by type and form before they are reprocessed. Collection and sorting alone is not recycling but it is critical: recycling relies on clean, well-sorted materials to operate.

Once plastics are sorted, they are sent to specialised processing facilities where they are shredded or ground into flakes, cleaned, melted, and re-pelletised through mechanical recycling, or alternatively broken down into chemical feedstocks through chemical or thermal processes (Explainer 3-1). These recycled outputs (e.g. plastic pellets, monomers, or oils) are then supplied to manufacturers to produce new plastic products or packaging. Processing infrastructure requires a consistent, sorted feedstock.

Like any manufacturing process, recycling depends on viable, functioning markets. End markets are essential for plastic recycling because they ensure that collected and processed plastics have a viable economic use. Without viable end markets, the remanufacturing value chain comes to a standstill, leading to lower investment, reduced recycling capacity, and ultimately more plastic ending up in landfill or waste-to-energy.

Figure 3-1: Recycling is a remanufacturing supply chain comprising three key elements which must all be economically viable



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Explainer 3-1: Types of plastic packaging and the implications for recycling

Plastic packaging is commonly classified into two categories: **flexible** and **rigid** plastics.

- **Flexibles:** plastic packaging which can be bent, rolled, folded or easily changed in shape without fracturing or losing integrity. Commonly used in bags, outer wrapping for dry, fresh and frozen food and non-food packaging pouches and wrappers. Often produced from LDPE, HDPE, or PP and can have multi-layer structures adding complexity to recycling and reprocessing
- **Rigids:** plastic packaging in the form of solid, inflexible shapes that retain their form under normal use, even when empty. Commonly used for beverage, food, laundry and personal care packaging and often produced from PET, HDPE or PP. Typically produced from a single a polymer providing a level of simplicity to recycling and reprocessing.

This distinction has important implications for the recycling technologies that can be applied. Two main pathways exist: **mechanical recycling** and **chemical (advanced) recycling**.

- **Mechanical recycling:** involves physically reprocessing plastic waste without altering its chemical structure. Materials are sorted, cleaned, shredded, melted and remoulded into new products. This pathway is most effective for clean, mono-material (single polymer) plastics.
- **Chemical (advanced) recycling:** breaks plastic polymers down into their chemical building blocks or hydrocarbon feedstocks, which can then be used to manufacture virgin-equivalent plastics or fuels. These technologies are mainly suited to specific plastic types that are difficult to recycle mechanically (such as contaminated, multi-layer, or degraded plastics) and usually require sorted and pre-processed feedstock rather than mixed plastics.

The inherent characteristics of rigid plastics make them more conducive to mechanical recycling: they are typically mono-material, easier to sort, less prone to contamination, and retain polymer quality through processing. In contrast, flexible plastics are more challenging to process mechanically. They tend to tangle in sorting equipment, are difficult to accurately identify with optical sensors, and often carry higher contamination due to their thin form and complex structures. As a result, many flexible formats are more suited to chemical recycling.

Both mechanical and chemical recycling remain more expensive than producing virgin resin. Chemical recycling is still at an early stage of commercial maturity and carries structurally higher costs relative to mechanical processes. Without developing robust end markets for outputs from both mechanical and chemical recycling, Australia's plastic recovery rates are likely to remain low.

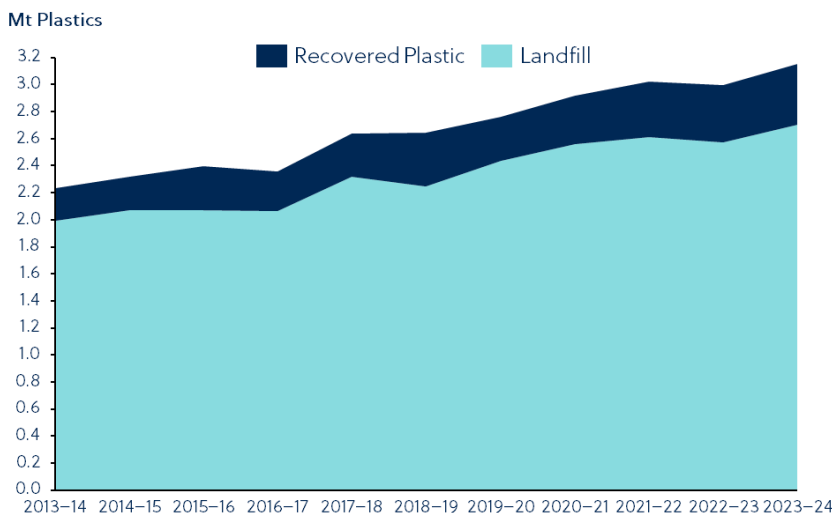
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3.2 The current state of Australia’s plastic recycling industry

The higher cost of local recycled resin compared to imported virgin resin has seen limited market demand for domestically recycled polymers which, in turn, has constrained the growth of domestic reprocessing.⁴¹ This has seen facilities operate under capacity, with a large portion of plastic packaging waste disposed of to landfill (Figure 3-2).

Figure 3-2: Post consumer plastic destination over time⁴²



Today Australia recovers just 19% of plastic packaging waste, with 28% of rigids and 9% of flexibles recovered.^{43,44,45} The use of recycled content is worse, with post-consumer recycled content going into new packaging of just 16% for rigids and 1% for flexibles, including imported material.^{46,47}

Australia’s limited recycling performance reflects ongoing challenges across the supply chain. These include inadequate sorting infrastructure, contamination, limited reprocessing capacity, especially for flexible plastics, and weak market demand for domestically recycled resins. Despite investment in infrastructure, the lack of viable markets continues to constrain the development of domestic recycling.⁴⁸

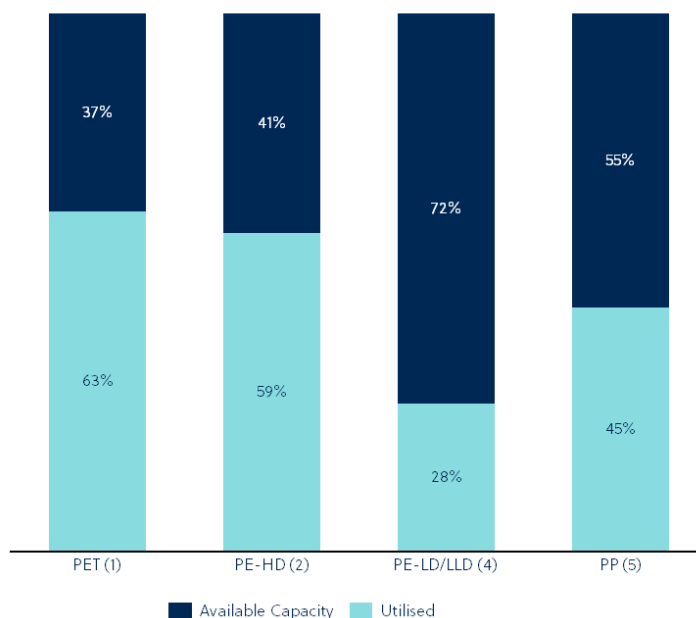
⁴¹ Equilibrium, [Australian Recycling Infrastructure, Capacity and Readiness \(Plastic and Paper\)](#), (2022)
⁴² DCCEEW, [Australian Plastics Flows and Fates Reporting](#) (2025)
⁴³ APCO, [Australian Packaging Consumption & Recovery Data 2022–23](#) (2024)
⁴⁴ APCO, [Rigid Plastic Consumption and Recovery](#) (2025)
⁴⁵ APCO, [Flexible Plastic Consumption and Recovery](#) (2025)
⁴⁶ APCO, [Rigid Plastic Consumption and Recovery](#) (2025)
⁴⁷ APCO, [Flexible Plastic Consumption and Recovery](#) (2025)
⁴⁸ Equilibrium, [Australian Recycling Infrastructure, Capacity and Readiness \(Plastic and Paper\)](#).



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Figure 3-3: Australian recycling infrastructure utilisation rates by plastic type (2023-24)⁴⁹



3.3 Packaging policy and co-regulatory arrangements

The National Environment Protection Council Act 1994 and the National Environment Protection (Used Packaging Materials) Measure 2011 (NEPM) establish a co-regulatory product stewardship framework for managing the environmental impacts of packaging in Australia. The framework applies to all packaging, not just plastic packaging.

Under this framework, Brand Owners with an annual turnover of greater than \$5 million have statutory obligations for their packaging. These obligations can be met by either:

- Becoming a signatory to the Australian Packaging Covenant (The Covenant), and meeting design, reporting and performance requirements.
- Being part of an industry arrangement that participating jurisdictions agree produces equivalent outcomes to the Covenant, or
- Complying with the laws, policies or other arrangements that implement the NEPM in each state and territory where brand owner products are distributed and sold.

In 2021, there was an independent review of the co-regulatory arrangement under the NEPM. The review found that key elements of the NEPM have not been implemented or operationalised effectively. They found this created a lack of clarity for brand owners, enabled free-riders and reduced confidence in the scheme.⁵⁰

⁴⁹ DCCEEW, [Australian Plastics Flows and Fates Reporting \(2025\)](#)

⁵⁰ DCCEEW, [Review of the co-regulatory arrangement under the National Environment Protection \(Used Packaging Materials\) Measure 2011 \(2021\)](#)

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3.4 Supply-side investment: the Recycling Modernisation Fund

To increase Australia's recycling capacity, the government has provided supply-side support for sorting, processing and remanufacturing. The Recycling Modernisation Fund (RMF) is contributing over AU\$250 million in funding across the supply chain to expand capacity for plastic, glass, tyres, paper and cardboard.⁵¹ In doing so, the RMF is seeking to support waste export bans, build and modernise Australian recycling capacity and drive a circular economy.

Supply-side support has been effective in bringing new capacity online and developing a pipeline of projects across the plastic recycling supply chain. To date, the RMF has committed around AU\$137 million to 62 completed and announced projects, which could expand Australia's plastic recycling capacity by 350 kilotonnes per annum by FY26-27.⁵²

Recycling processing capacity is only one side of the equation: recyclers also need functioning end markets for their product. The RMF has enabled project developers to invest in infrastructure to improve recovery outcomes for end-of-use plastic within Australia. However, as plastic recycling requires viable markets for the recyclate, and this material cannot compete with imported virgin and recycled resins, facilities won't process more plastic than they can sell. Without such markets, infrastructure remains underutilised, limiting growth in recycling capacity.

3.5 Waste export bans and the shift to domestic processing

Most plastic entering or made in Australia must now be processed domestically

The introduction of the Recycling and Waste Reduction (RAWR) Act (2020) and China's National Sword policy banning waste imports mean that unprocessed end-of-use plastic cannot be exported out of Australia and must be dealt with here through recycling, landfill or energy-from-waste.

China's "National Sword" policy, introduced in 2018, restricted the import of post-consumer waste and reshaped global recycling markets.⁵³ This, along with similar restrictions from other Asian countries such as Thailand, Malaysia, and Indonesia, significantly reduced Australia's ability to export unprocessed plastic packaging waste. Today, many of Australia's trading partners will no longer accept our exported plastic packaging waste, forcing a shift toward domestic remanufacture of plastic waste.

This is intensified by Australia's waste export ban through the RAWR Act. Together, the restricted markets for exported plastic waste and the Australian ban on exporting, combined with the RMF funding, spurred investment in domestic plastic packaging recycling without creating demand for the recycled product. Since the RAWR Act, the export of unprocessed plastic packaging waste has been prohibited, except where a ministerial exemption applies. Only reprocessed materials, such as flakes and pellets, can be exported. This policy has delivered investment in domestic plastic packaging supply chains, however, does not create a market for domestic recycled plastic resins.

3.6 The plastic recycling industry faces significant cost pressures

Australia's recycled plastics market has lacked consistent data on cost structures, pricing, and policy impacts, creating barriers to effective reform. To address these gaps, a targeted survey was developed to gather insights from key stakeholders across the recycling supply chain.

The survey engaged participants from across collection, processing and remanufacturing to build a comprehensive picture of industry challenges. Responses were collected on:

⁵¹ DCCEEW, [Investing in Australia's waste and recycling infrastructure](#) (2025)

⁵² DCCEEW, [Investing in Australia's waste and recycling infrastructure](#) (2025)

⁵³ The Australia Institute, [Plastic Waste in Australia: And the recycling greenwash](#) (2024)

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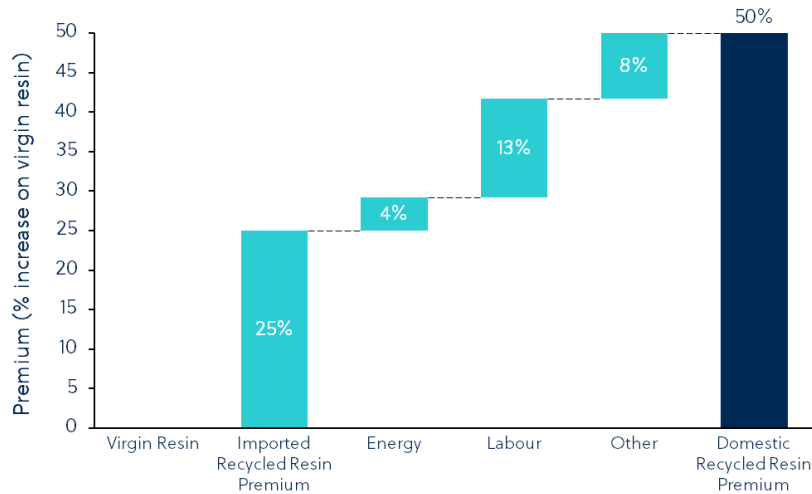
- Production volumes,
- Planned capacity and investment,
- Cost structures and economics (including premiums relative to imported product),
- Market dynamics and competitive position (including imported virgin resin and imported recycle prices),
- Barriers to recycled content adoption, and
- Perspectives on policy (focused on a mandated EPR scheme and recycled content thresholds).

Insights from the survey have informed the design of policy mechanisms assessed within this work that support the use of domestic recycled content. By capturing real-world data on cost premiums, supply constraints, and technical limitations, the survey has helped to ensure that proposed reforms are grounded in industry realities and tailored to Australia’s unique market conditions.

Domestic rigid plastic recyclers face a structural cost disadvantage relative to recycled imports and virgin resins

The survey highlighted that food contact resins produced by Australian rigid plastic recyclers incur a cost premium of up to 50% on the virgin resin price (Figure 3-4).⁵⁴ This fluctuates with variances in the underlying oil price and input costs for recyclers. But the industry insight captures the challenging operating environment arising from steep energy, labour, logistics and regulatory costs. Notably, the Australian cost premium is approximately double the premium for imported recycled resin, reflecting differences in labour standards, energy costs and other burdens between markets.

Figure 3-4: Structural domestic recycle cost disadvantage for rigid plastics (food-grade PET and HDPE)⁵⁵



Recycled flexible plastics face even higher premiums due to greater collection, sorting and recycling challenges

Flexibles incur a premium almost double the import gap premium for rigids. Furthermore, closing the cost gap to achieve food-grade quality requires chemical recycling technologies

⁵⁴ This premium refers to food contact resin from mechanically recycled rigid plastic. Industrial (non-food grade) can be at parity or lower. Chemically recycled food contact resin from flexible plastics will be at a greater premium.
⁵⁵ Developed from stakeholder engagement



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which are commercially immature and incur a significant cost premium beyond mechanical recycling methods.

Participants identified that National Packaging Reform must be tailored toward closing this cost gap to influence brand, retailer and packaging manufacturer decision making. Failure to do this will see imported virgin and recycled products preferred over domestic material.

Case Study 3-1: Why soft plastics chemical recycling requires policy certainty before investment

Stakeholder consultations consistently identified soft plastics as the major gap in Australia's recycling system. Unlike rigid PET and HDPE bottles, flexible packaging such as bread bags, snack wrappers and cling film cannot be mechanically recycled to food-grade standards due to their multi-layer, multi-material composition. Following the collapse of the REDcycle collection scheme in 2022, Australia has had no national pathway for soft plastics recovery.

Chemical recycling through pyrolysis offers a potential solution. The process heats plastic to approximately 600°C in the absence of oxygen, breaking it down into oil that, with appropriate quality controls, can be processed through existing refinery infrastructure to produce new food-grade polymers. In May 2025, Viva Energy's Geelong Refinery successfully processed 9.5 tonnes of plastic pyrolysis oil to produce recycled food-grade polypropylene, demonstrating the technical viability of the approach.

However, moving from technical demonstration to commercial scale requires substantial investment over extended timeframes. A joint feasibility study by Viva Energy and Cleanaway has identified 50,000 tonnes of plastic feedstock as the optimal scale that would support a first plant. The project assessed 160 pyrolysis technologies globally before shortlisting two suppliers for detailed evaluation. Even with this work underway, construction of a pyrolysis plant would not commence until 2027 at the earliest with commissioning extending into 2029-2030.

Critically, the project partners have explicitly linked their investment timeline to regulatory reform milestones. Their feasibility work assumes that mandatory EPR legislation with known enforcement dates will be finalised by 2026-2027, including minimum recycled content requirements, minimum design standards, and a national traceability framework recognising mass balance accounting with free attribution. Without these policy settings confirmed, the partners note that financing and final investment decisions cannot proceed.

This illustrates a broader point raised across consultations that policy uncertainty is itself preventing the infrastructure investment needed to meet future recycled content requirements. Multiple stakeholders described being in a "waiting game" where neither manufacturers nor recyclers will commit capital while EPR details remain unclear. The Viva Energy-Cleanaway Cycleback Plastic project demonstrates that even with community appetite for a recycling option, committed partners, proven technology and active feasibility work, policy reform and five or more years are required to deliver new capacity.

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3.7 Cost disadvantage and utilisation challenges

Over the next 5 years, significant recycling capacity is planned to become operational, however, this may not eventuate without investment certainty. With no driving force for recycled content adoption and a persistent cost gap, utilisation of plastic packaging recycling capacity falls from around 60% today to around 30% by 2030 (Figure 3-5).

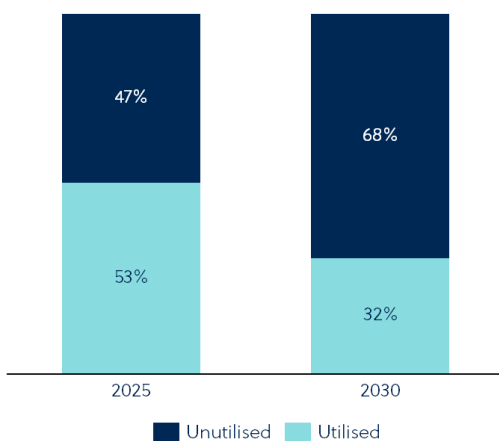
Underutilised capacity at this scale will see Australian plastic recycling facilities close and planned capacity fail to eventuate. Without policies to fix the market failure, some operators have stated they will be left with no option but to shut down operations or not open in the first place.

Facility underutilisation is a direct threat to public and private capital in Australia's plastic recycling sector. Projected underutilisation will jeopardise \$432 million in committed RMF funding (\$137 million from government) for 62 plastic recycling facilities, which would support 1,498 direct jobs.⁵⁶ Further private sector investment, beyond the investment supported by the RMF, would also be at risk, putting an even greater number of jobs at risk. Stakeholders have identified investment reticence is already being reflected in sentiment from the finance sector.

European facility closures serve as a clear warning for Australia if domestic capability is not prioritised within any policy response. Multiple European nations have ratified EPR schemes (Explainer 4-11), however, these policies have failed to support markets for domestic recycled content. This has been catastrophic for the domestic industry, with low-cost imported virgin and recycled plastic driving out EU-produced recycle. An estimated 1 million tonnes of recycling capacity has closed in the EU since 2023.⁵⁷ If Australia fails to heed the lesson on the need to stimulate a domestic recycle market, our local industry will face similar closures.

It is paramount Australia prevents deindustrialisation from occurring as once it takes place it is very challenging to recover a lost industry. This has been evident within other key sectors which have undergone deindustrialisation, such as vehicle manufacture, with insurmountable challenges for multiple players looking to restart an Australian industry.^{58,59}

Figure 3-5: Projected plastic recycling capacity utilisation in Australia



⁵⁶ [DCCFEW Investing in Australia's Waste and Recycling Infrastructure \(2025\)](#)
⁵⁷ [Plastic Recyclers Europe \(2025\)](#)
⁵⁸ Australian Associated Press, [Bid by Belgian entrepreneur to take over Holden plant collapses](#) (2016)
⁵⁹ Manufacturers Monthly, [Holden, GM reject British billionaire's automotive assets bid](#) (2018)

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Case Study 3-2: How regulatory delays prompted an Australian manufacturer to move away from recycled content

Stakeholder consultations revealed that policy uncertainty is not merely delaying new investments in recycled content adoption but, in some cases, it is actively reversing progress already made. The collapse of existing recycled content arrangements demonstrates how regulatory ambiguity creates commercial risk that drives manufacturers back to virgin materials.

For several years, a prominent Australian food manufacturer used domestically produced food-grade recycled PET to make bottles for their range of products. This represented approximately 600 tonnes per year of Australian recycled content. The arrangement demonstrated technical and commercial viability when both parties committed to the partnership.

However, in early 2025, the manufacturer reversed this decision and transitioned back to virgin PET. The company cited three factors: the cost premium of recycled PET compared to virgin alternatives, concerns about reliable supply availability, and the lack of regulatory clarity around future packaging requirements. Without certainty that recycled content would become mandatory, the commercial case for paying a premium over virgin resin had weakened over time.

This decision was commercially rational. Environment Ministers had discussed packaging reform throughout 2024, with communiques in June noting that design guidance would be released by year end, and December communiques acknowledging states and territories emphasising the need for urgent regulatory reform as soon as possible. Yet by year end, no meaningful progress had been made on the regulatory scheme. With mandatory recycled content requirements no longer appearing imminent, reverting to lower cost virgin PET offered immediate cost savings for the business with no regulatory or consumer downside.

The Australian recycler affected by this decision noted that other manufacturers were expected to follow suit or, at minimum, place their own recycled content plans on hold pending regulatory clarity.

This example illustrates the fragility of voluntary recycled content adoption in the absence of regulatory certainty. Australia has approximately 81,000 tonnes per year of commercial food-grade recycled PET production capacity, built with substantial government investment through both direct grants and infrastructure funding for Container Deposit Schemes and Materials Recovery Facilities. Yet this capacity sits underutilised while customers find it difficult to resist the cost savings from virgin materials.

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4 Opportunities for reform in recycling and plastic packaging

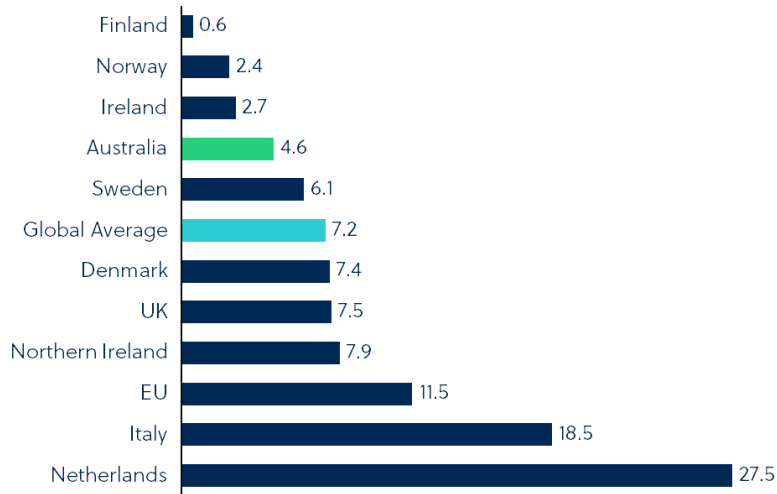
4.1 Australia has ambitious goals for circularity and recycling

The Australian Government has identified circular packaging as a core priority, noting that "Australia is reforming the domestic regulation of packaging to ensure products placed on the market are designed to be recovered, reused, recycled and reprocessed safely".⁶⁰

Improving plastic packaging recovery and recycling is an important pathway to meeting Australia's circularity goal. Whilst approximately half of all packaging put on market was recovered in 2022-23, this recovery rate fell to 19% for plastic packaging.⁶¹ This is despite APCO identifying 42% of plastic packaging has good recyclability.⁶²

To achieve this priority, the Australian Government has set the ambitious goal of doubling the circularity rate from 4.6% to 9.2% by 2035.⁶³ This would see Australia move beyond the global circularity average of 7.2%, as captured by Figure 4-1.

Figure 4-1: Australia is below the global average for circularity (%)⁶⁴



⁶⁰ DCCEEW, [Australia's Circular Economy Framework \(2024\)](#)
⁶¹ APCO, [Australian Packaging Consumption & Recovery Data 2022-23 \(2024\)](#)
⁶² DCCEEW, [Australia's Circular Economy Framework \(2024\)](#)
⁶³ DCCEEW, [Australia's Circular Economy Framework \(2024\)](#)
⁶⁴ DCCEEW, [Australia's Circular Economy Framework \(2024\)](#)



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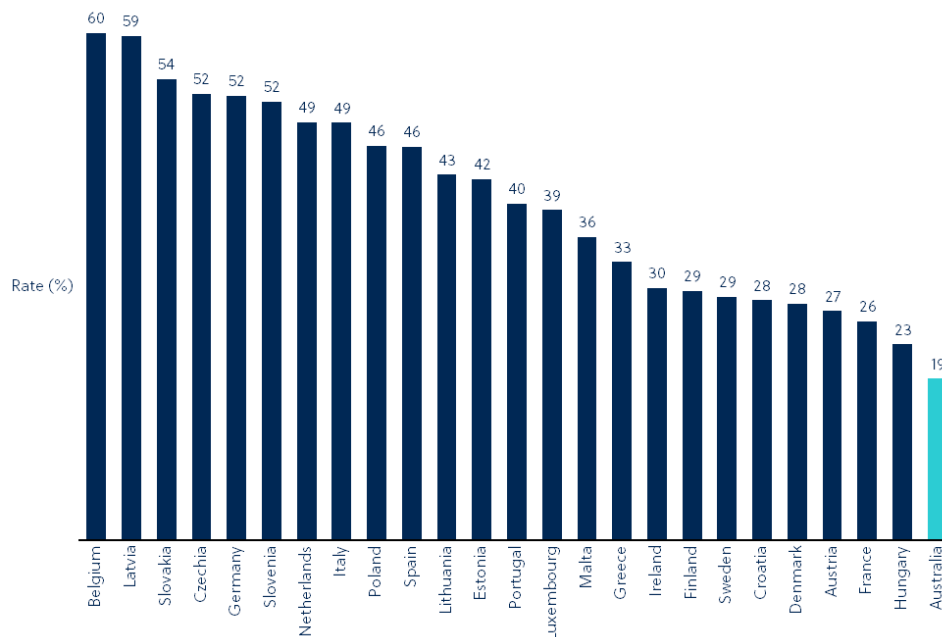
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4.2 Australia has failed to meet key targets

Australia’s National Packaging Targets set clear goals for driving recyclability of plastic packaging. Most prominently, these targets, set in 2018, include 70% of plastic packaging being recycled or composted.⁶⁵ Material-specific targets were subsequently set in 2019, targeting the most common plastic types.

While Australia has made incremental improvements in packaging recyclability, the results show Australia has not met its 2025 packaging target. In 2022–23, 86% of packaging placed on the market was recyclable. However, only 19% of plastic packaging was recovered, well short of the 70% target.⁶⁶ This failure has been consistent over time (Figure 4-2).

Figure 4-2: Australia’s plastic packaging recovery rate compared to European plastic recycling rates ⁶⁷



4.3 The lack of national action has led to fragmented interventions

In the absence of decisive national leadership, states have already stepped in with piecemeal measures such as container deposit schemes and bans on single-use plastics. Most recently, the NSW Government released its Plastics Plan 2.0, which goes further by phasing out ‘problematic’ products, mandating design standards, and proposing a product stewardship scheme for takeaway cups and food containers.⁶⁸ These actions underscore the growing appetite for stronger regulation across the country.

When states act independently, industry faces overlapping and inconsistent rules, making compliance more difficult and costly. This patchwork approach adds confusion at the business and consumer level, undermining confidence in recycling outcomes. Additionally,

⁶⁵ APCO, [Australia’s National Packaging Targets](#) (n.d.)

⁶⁶ APCO, [Australia’s National Packaging Targets](#) (n.d.)

⁶⁷ Eurostat, [Plastic packaging waste in the EU: 35.3 kg per person](#) (2025). Note: comparing Australia’s recovery rate (which includes waste-to-energy) to European recycling rates.

⁶⁸ NSW EPA, [Plastic Plan 2.0](#) (2025)



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this approach removes economies of scale, discourages investment, and risks creating perverse market outcomes.

4.4 Industry is supportive of clear national reform

Industry has been clear: a harmonised, federally led framework is essential to deliver certainty, consistency, clarity, efficiency, and fairness. Without it, Australia risks locking in a fractured system that fails to address market failure and leaves market gaps in a circular supply chain. National Packaging Reform is the only pathway that can align policy, unlock investment, and accelerate progress toward circularity.

In September 2024, the Department of Climate Change, Energy, the Environment and Water consulted on three packaging reform options:⁶⁹

- Option 1: Strengthening administration of the co-regulatory arrangement,
- Option 2: National mandatory requirements for packaging, which would establish minimum recycled content requirements,
- Option 3: A mandated EPR scheme for packaging (Explainer 4-1).

Consultation feedback showed broad support for regulation of packaging at the Commonwealth level, with 65% supporting an EPR scheme with mandatory requirements.⁷⁰ In March 2025, APCO similarly undertook a national consultation with its members and stakeholders on a proposed industry-led EPR approach.⁷¹ Members and stakeholders provided extensive feedback. Overall, there was strong support for the intent behind an EPR approach to packaging and a recognition that additional investment in collection, sorting, and reprocessing is required. However, many members and stakeholders expressed the need for greater regulatory certainty and free rider management.⁷²

Explainer 4-1: What is a mandated EPR scheme?

- **Extended Producer Responsibility (EPR):** a policy approach whereby a producer's responsibility for a product extends to the post-consumer stage of the life cycle (either physically or financially). Examples include Container Deposit Schemes and the Product Stewardship Scheme for Oil.
- **Eco-modulation:** a mechanism under an EPR whereby the fee paid by a producer is adjusted (up or down) based on the environmental performance of a product or packaging. This can extend to other characteristics such as ease of recycling or use of domestic content.

⁶⁹ DCCEEW, [Reform of packaging regulation](#) (2024)

⁷⁰ DCCEEW, [Reform of packaging regulation: Consultation summary](#) (2025)

⁷¹ APCO, [Consultation on a strengthened industry-led EPR approach for packaging](#) (2025)

⁷² APCO, [Consultation feedback helps shape next steps for EPR activation](#) (2025)

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4.5 Producer voices are critical to inform the design of reforms

Brand owners and retailers that procure packaging for their products want to see domestic recycled content use increase but require the nuanced challenges they face to be addressed to effectively implement any demand-side policy.

It is critical that brand owner and retailer views are captured in national packaging reform. Interviews with key national and multi-national brand owners and retailers have been conducted as a part of this work to inform the analysis process and policy ask. Thirteen key themes surrounding a mandated EPR scheme and minimum recycled content requirements with a domestic content preference have emerged from this process:

1. Packaging supply chains are highly complex and diverse, with different business models requiring different policy approaches.
2. Current recycled content adoption rates show a wide range across polymers, products and businesses. There are significant free-rider concerns.
3. Food safety and technical performance requirements create a critical dividing line between what is achievable today and what remains challenging.
4. Chemical recycling is strongly preferred for food contact applications but faces cost and supply constraints, while mechanical recycling currently has limitations.
5. Domestic versus international sourcing involves trade-offs between cost, quality, availability and traceability.
6. Market structure concerns centre on limited market competition and supply security, with mandates potentially enabling uncompetitive pricing in the absence of sufficient competitive pressure.
7. Cost pressures and international competitiveness concerns are particularly acute for local manufacturers competing against imports.
8. Export market requirements impose significant limitations on packaging choices for Australian manufacturers.
9. National policy harmonisation is strongly preferred over state-based approaches, with integration of existing CDS schemes essential.
10. The design of a minimum domestic recycled content requirement needs careful attention to practical implementation challenges including scope, flexibility and phasing.
11. EPR scheme design should cover all materials with a focus on problematic materials, incentivising recycled content, ensuring mandatory participation and maintaining reporting simplicity.
12. Consumer understanding and behaviour change is under-developed but critical to supporting the packaging transition.
13. Need for aligned supply chain minimum quality standards to drive efficiencies, lower cost to the economy and reducing the risk of greenwash.

Based upon the thirteen themes identified above, several implications for the design of a mandatory EPR scheme with minimum recycled content requirements preferencing domestic recycle emerge:

- **Policy Frame & National Harmonisation:**
 - Sensible combination of minimum recycled content requirements by packaging format with EPR scheme is needed in order to achieve desired outcomes.
 - Prioritise national consistency through an Australian Government-led approach rather than state-by-state variation in packaging regulations.
- **Certainty & Clarity:**
 - Announce policy settings with sufficient lead time, recognising validation processes, supply chain development and capital investment require substantial timeframes.
- **Reporting, Verification and Standards:**
 - Create a national framework for traceability of recycled content.

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Support certification marks such as Australasian Recycling Label (ARL) and Re-made in Australia to communicate value and justify price premiums.

A mandatory EPR scheme:

- **EPR Scheme Design:**
 - Focus eco-modulated fees on closing the cost gap between recycled and virgin materials.
 - Preference for tiered incentive structure: penalties and rebates
 - Hypothecate and secure funds.
- **Carve-outs and Special Provisions:**
 - Provide specific carve-outs for therapeutic goods, consider special treatment for GST-exempt essential items and a flexibility mechanism for eco-modulated fees if minimum recycled content requirements are unachievable.
- **Integration with Existing CDS Schemes:**
 - Carefully integrate national EPR scheme with eight existing Container Deposit Schemes which already function as EPR for beverage containers.
- **Consumer Education and Behaviour Change**
 - Consider using EPR eco-modulated fee revenue to fund comprehensive consumer education campaigns.
 - Improve recycling behaviour and build understanding of packaging changes and cost implications.

Minimum recycled content requirements:

- **Mandate Structure & Scope:**
 - Establish a moderate starting point for minimum recycled content requirements with lower thresholds for food contact applications.
 - Minimum recycled content requirements should be phased to align with supply development or accompanied by substantial infrastructure investment.
- **Market Competitiveness Safeguards**
 - Include mechanisms to ensure competitive pricing and prevent monopolistic behaviour in domestic recycled plastics market.
- **Phasing and Implementation of minimum recycled content thresholds:**
 - Phase implementation over several years beginning with domestically recycled materials where recycling pathways are established and scaled (i.e. rigid plastics).

These findings have directly informed thinking around the modelled options and policy approaches put forward. Additional detail is provided in Appendix C.

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Case Study 4-1: Timelines for changing packaging are longer than you would think

Stakeholder consultations revealed a consistent message from food and grocery manufacturers that meaningful packaging changes require 2-3 years from project initiation to complete market transition. This timeline reflects operational reality, not commercial resistance.

A packaging format change typically requires 12-24 months of development work before production begins. This includes design brief development, consumer research, concept iteration, prototype creation and testing, stability and shelf-life validation, and financial feasibility assessment. These workstreams cannot simply be compressed, for example, shelf-life testing requires actual elapsed time to validate product integrity. Once design is approved, artwork processes add 1-3 months depending on complexity. New artwork delivery from suppliers requires up to 16 weeks. Products manufactured overseas face 2-3 months shipping time to Australia. Critically, manufacturers must then run through existing packaging inventory which can take 6-18 months depending on minimum order quantities and sales volumes.

This timeline is paired with significant financial costs. Capital investment for machine modifications can exceed \$2 million per line and even artwork changes carry significant costs. Stock on hand of existing packaging can represent significant value per product at any time.

Packaging must also satisfy multiple regulatory requirements simultaneously including ACCC consumer law, FSANZ food standards, APCO's Australasian Recycling Label requirements, and trademark protections. This requires sequential sign-offs across product development, legal, regulatory affairs, marketing, design agencies, procurement, and print quality management teams.

For multinational companies, this process escalates further as legal text creation may require global sign-off, and changes must align with budget cycles that operate on annual planning horizons.

As a specific example, an Australian manufacturer noted recent experience where they changed from a white to clear polymer in one of their products. This process took about 18 months to execute and required multiple rounds of validation on their packaging line. Each round of validation required involvement from machinery experts from overseas. Overall, this relatively simple change amounted to a multi-million-dollar project.

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Case Study 4-2: Australian exporters face specific challenges

An Australian food manufacturer faced a strategic dilemma when pursuing recycled content targets. With approximately half of their production exported to Asian markets, they discovered that domestic sustainability ambitions were challenged by key export market regulations.

The regulatory landscape across Asia presents a patchwork of restrictions. China currently has no approved pathway for recycled plastics in food contact applications. The National Center for Food Safety Risk Assessment is only now conducting industry surveys and initiating risk assessment methods. South Korea's 2020 revision to its Standards and Specifications explicitly clarifies that recycled synthetic resins are permitted only in materials that do not come into direct contact with food, such as outer layers in multi-layer packaging. Most other Asian jurisdictions lack explicit regulations either permitting or prohibiting recycled plastics in food contact which creates regulatory uncertainty that risk-averse manufacturers interpret as implicit prohibition. Japan represents the closest the region has to a food-grade regulatory framework through industry trade association guidelines, but compliance remains voluntary.

The practical result of this is that manufacturers serving both domestic Australian markets (where recycled content is encouraged) and Asian export markets (where it may be prohibited or unregulated) face difficult choices. They must either maintain separate packaging lines at significant cost, abandon export markets to pursue sustainability goals, or forgo recycled content entirely to maintain market access. For products where packaging accounts for only a small fraction of total cost, the economics strongly favour the lowest-risk option.

As a specific example, an Australian food manufacturer noted that a significant portion of their production is exported to Asian markets where recycled plastic is prohibited in food contact packaging. If Australian policy mandated recycled content in every product, they would need to either establish separate production runs at significant cost, seek regulatory exemptions, or exit export markets entirely. The manufacturer emphasised that packaging choices are driven by the most restrictive market requirements, meaning export constraints effectively dictate domestic packaging decisions for dual-market products.

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4.6 Lessons can be learnt from overseas

Policymakers globally are increasingly implementing EPR schemes and minimum recycled content requirements to drive recycled plastic adoption. Internationally, EPR schemes are applied to packaging across markets such as Europe, key provinces and states in Canada and the United States, Japan, South Korea and India. Some of these regions, such as Europe, also incorporate minimum recycled content requirements.⁷³

Australia's current voluntary approach to packaging stewardship has delivered limited systemic change and has failed to develop robust domestic recycled content markets. Voluntary measures are vulnerable to free-riding and do not create a level playing field for producers. In contrast, international experience shows mandatory EPR schemes with eco-modulated fees produce stronger incentives for design-for-recycling and recycled content uptake. Early evaluations of eco-modulation in European schemes (notably France, Italy and other EU programmes) find that fee modulation can change product design behaviour when the modulation is substantial and paired with strong monitoring; they also emphasise that robust rules and oversight are required to prevent loopholes.^{74,75} Additionally, international experience has found that fees must be sufficient to close the cost gap between domestic recycle and virgin plastics to drive recycled content adoption.

Minimum recycled content requirements without a domestic preference do not create markets for domestic recycle. Without mechanisms that prioritise or incentivise local reprocessing, brands and retailers may meet recycled-content targets using cheaper imported material, which can undermine the viability of domestic recycling. Several jurisdictions, including the EU, have experienced this challenge, leading to an estimated one million tonnes of recycling capacity having closed since 2023 in the EU.⁷⁶ As a result, recycled-content rules in many markets are now being paired with traceability requirements or EPR fee-modulation measures designed to support domestic reprocessing capacity.⁷⁷

⁷³ Net Zero Compare, [Extended Producer Responsibility \(EPR\) for Packaging: Country-by-Country Comparison](#) (2025)

⁷⁴ OECD, [Extended Producer Responsibility: Basic facts and key principles](#) (2024)

⁷⁵ CONAI, [Screening the efficiency of packaging waste in Europe](#) (n.d.)

⁷⁶ [Plastic Recyclers Europe](#) (2025)

⁷⁷ OECD, [Plastics Recycled Content Requirements](#) (2024)

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Case Study 4-3: Manufacturers and retailers have had a negative experience with the UK's Plastic Tax

In April 2022, the United Kingdom introduced the Plastic Packaging Tax. This is a £200 per tonne levy on plastic packaging containing less than 30% recycled content (since increased to £217.85). The policy had clear environmental intentions to create an economic incentive for recycled material uptake. Early results appeared promising, with the share of packaging meeting the 30% threshold rising from 37% to 46% within a year.

However, the transition exposed a fundamental market reality as demand for food-grade recycled PET (rPET) far outstripped available supply. Industry data indicates demand for recycled plastic increased significantly, while costs rose by more than 50%. In 2022, rPET prices hit record highs across Europe, with food-grade material commanding significant premiums.

Industry sources indicated that large multinationals responded by securing long-term supply contracts with recyclers, effectively locking in available material at the start of each year. This left small and medium enterprises scrambling to source compliant packaging or face the tax penalty. Some smaller operators found themselves unable to meet compliance requirements regardless of willingness to pay. One Australian business noted that this experience demonstrates the risk of introducing mandates before adequate supply exists, as it creates market distortions that favour the largest companies who can secure supply contracts while smaller businesses are left unable to comply.

Perhaps most concerning is that the policy intended to stimulate domestic recycling has coincided with significant capacity losses. In November 2024, waste management company Viridor announced closure of its £317 million Avonmouth polymers recycling plant, just two and a half years after opening. The company had already closed its Skelmersdale facility in January 2023. According to the British Plastics Federation, approximately 260,000 tonnes per year of UK recycling capacity has been lost to site closures in the past 18 months. Viridor cited 'persistently and increasingly challenging market conditions' alongside delays to supporting legislation.

HMRC initially predicted 20,000 manufacturers and importers would register for the tax. As of mid-2024, only around 4,000 businesses had done so. Plastic tax revenue fell 3% to £259 million in 2024-25 despite rate increases, not necessarily because of successful behaviour change but because of market dysfunction. In particular, multiple stakeholders cited experience from the UK, where the 30% recycled content threshold has led some producers to actually reduce their recycled content because paying the tax is cheaper than compliance. This illustrates the importance of calibrating fee levels to genuinely incentivise desired behaviour rather than creating a cheap buy-out option that undermines policy objectives.

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4.7 Reducing environmental harm through reform

Minimum recycled content requirements and EPR schemes are often viewed through the lens of economic cost. However, there is a strong environmental harm rationale for prioritising domestic recycled content, particularly where current market conditions favour lower cost imported recycled polymers that may have weaker traceability, higher contamination risks, or greater transport emissions.⁷⁸

Under the WTO Agreement on Technical Barriers to Trade (TBT Agreement), governments are permitted to introduce measures that may otherwise affect trade, "*where urgent problems of safety, health, environmental protection or national security arise or threaten to arise*".⁷⁹ This includes pollution impacts. The environmental harms detailed in this report may meet this threshold. Marine pollution of 130,000 tonnes annually, climate emissions equivalent to over 4 million cars, and a landfill capacity crisis across Australia's capital cities support the need for intervention.

Prioritising domestic recycled content specifically reduces environmental harm. Domestically recycled plastic avoids both the production emissions of virgin material and the transport emissions from long-distance shipping. It ensures Australian environmental standards apply throughout the material lifecycle, preventing uncertain environmental outcomes from offshore reprocessing. Keeping plastic waste in domestic recycling loops prevents leakage into Australian marine environments and ensures recovery infrastructure investment delivers local environmental benefits.

The presence of environmental harm means that minimum recycled content requirements and procurement preferences favouring domestic recycled content can be designed in a way that is consistent with Australia's free trade obligations, provided they are non-discriminatory, transparent, and evidence-based.⁸⁰ That is, given the environmental harm of current market outcomes, including reliance on offshore reprocessing, loss of domestic material value, and higher lifecycle emissions from transport, prioritising domestic recycled content can be justified.⁸¹

Government leadership through sustainable procurement is therefore both a critical pathway to stimulate local demand and may be a legitimate exercise of environmental protection authority under international trade law.⁸² By prioritising domestic recycled content, Australia can address urgent environmental harm while supporting reprocessing investment and ensuring circular economic value remains onshore.

⁷⁸ European Commission, [Circular Economy](#) (n.d.)

⁷⁹ World Trade Organization, [Agreement on Technical Barriers to Trade](#) (n.d.)

⁸⁰ World Trade Organization, [Agreement on Technical Barriers to Trade](#) (n.d.)

⁸¹ Plastics Recyclers Europe, [Study confirms rising imports of recycled plastic threaten EU industry](#) (2024)

⁸² DCCEEW, [Sustainable Procurement Guide](#), (2024)



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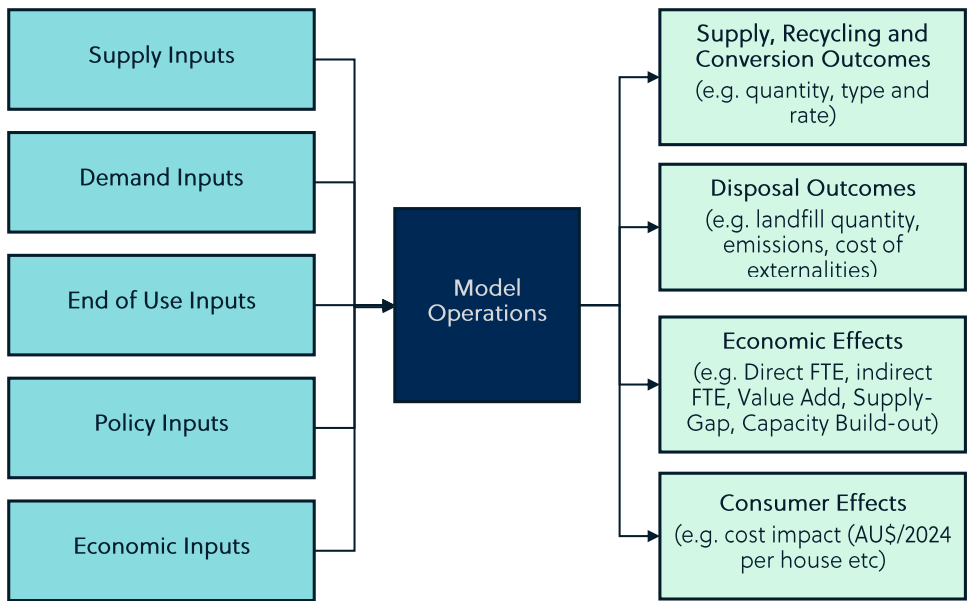
5 Impacts of reform options

5.1 Modelling purpose and approach

This work assesses a range of policy mechanisms designed to drive the increased use of domestic recycled material. This work builds upon the consultation process undertaken by the Australian Government and international precedents for packaging reform. In doing so, the purpose is to illustrate the effects of different packaging reform approaches in developing markets for Australian plastic recycle. Key policies explored include a mandated EPR scheme with eco-modulated pricing and minimum recycled content requirements, with a preference for domestic recycled content use.

A custom model of the Australian plastics industry has been developed, capturing domestic production, international trade and post-consumer fates (Figure 5-1). This work builds upon the Australian Plastics Flows and Fates Reporting and APCO Packaging Consumption and Recovery Data, applying Recon economic inputs and policy effects to indicatively illustrate the impacts of different policy responses on the Australian packaging ecosystem.⁸³

Figure 5-1: Material and economic impacts model schematic



⁸³ Recon is Rennie Advisory's proprietary economic modelling tool.



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5.2 Scenarios modelled

In the modelling, five key scenarios have been developed, all measured against the baseline scenario. These scenarios (Table 5-1) are designed to explore three different pathways:

1. What happens if Australia prices a mandated EPR with eco-modulated fees below the cost gap for domestic recycled content (Low Price-led scenario)?
2. What happens if Australia prices a mandated EPR with eco-modulated fees to close the cost gap at moderate and high price levels (Moderate price-led and High Price-led scenarios)?
3. What happens if Australia prices a mandated EPR with eco-modulated fees to close the cost gap at moderate and high price levels while enforcing minimum recycled content requirements with a domestic preference (Moderate Price & Regulatory led and Strong Price & Regulatory led scenarios)?

It should be noted the specific EPR eco-modulated fee magnitudes within the scenarios do not form a part of this policy proposal. EPR eco-modulated fees in these scenarios are benchmarked against Australia's domestic recycle cost gap, international benchmarks, and the environmental damage from inaction. The scenarios presented are designed to show different trade-offs for policy-makers.

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Table 5-1: Scenarios modelled as a part of the APRA study

Factor	Baseline	Low Price-led	Moderate Price-led	Strong Price-led	Moderate Price & Regulatory Led	Strong Price & Regulatory Led
Packaging Design Standards	None	Design standards aligned with international approaches to ensure compatibility and recyclability at scale.				
What it Tests?	Status Quo	Can a low price EPR work?	How effective is a moderate price EPR?	How effective is a high price EPR?	How effective is a moderate EPR and domestic content requirement?	How effective is a high EPR and domestic content requirements?
EPR Eco-modulated price average	\$0/t	\$300/t	\$600/t	\$1,000/t	\$600/t	\$1,000/t
Minimum Domestic Recycled Content Requirement	None	None	None	None	20% by 2030	30% by 2030

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5.3 Modelling results

What happens if Australia prices a mandated EPR with eco-modulated fees below the cost gap for domestic recycled content?

If the EPR eco-modulated fee does not fully account for environmental harm, it will have little impact on encouraging the use of domestic recycled content. When the fee is set too low, brands and retailers are likely to simply pay the fee instead of changing their packaging practices. Although fee revenue could help reduce production costs, under-pricing ultimately fails to strengthen local markets for recycled materials.

If the fee only reduces the cost gap compared to international recyclate, but not domestic recyclate, Australian recycled content will remain at a cost disadvantage. This encourages companies to use imported recycled materials instead of locally produced ones.

Implementing EPR without considering the global market disadvantages facing Australian recyclate risks reinforcing current problems. Australia may continue to miss recycling targets, depend on imports, and face negative environmental impacts.

Without stronger incentives for local production, Australia gains few economic benefits. Planned recycling facilities could be cancelled due to low demand, while packaging production may shift overseas, further undermining domestic recycling efforts.

What happens if Australia prices a mandated EPR with eco-modulated fees to close the cost gap at moderate and high price levels?

Setting EPR eco-modulated fees to reflect the full environmental cost can encourage greater use of recyclate. This alignment is an important first step but, on its own, it won't be enough to drive use of domestic recycled materials.

To boost local recyclate adoption, policy must distinguish between domestic and imported recycled content. Without this, manufacturers will continue to choose cheaper imported recyclate, which often has a price advantage of over 25%. Offering bigger fee discounts for domestic recycled content, matching its price premium, can help close the cost gap and make local materials more competitive.

EPR eco-modulated fees must also adjust over time to reflect changes in prices for virgin resin, imported recyclate, and domestic recyclate. If fees are not reviewed regularly, incentives can weaken, reducing demand for recycled materials overall. Ongoing market review and fee adjustment are essential to keep incentives effective.

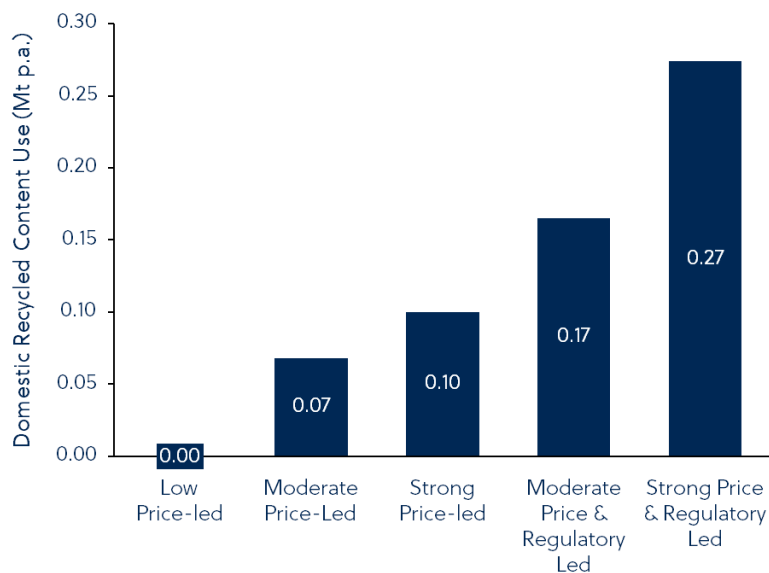
What happens if Australia prices a mandated EPR with eco-modulated fees to close the cost gap at moderate and high price levels while enforcing minimum recycled content requirements with a domestic preference?

Setting EPR eco-modulated fees at the right level and introducing minimum recycled content requirements that prioritise domestic recyclate can directly boost local recyclate use. In both the moderate and strong policy scenarios, this approach leads to a major increase in recycled content use, driven by strong domestic content targets.

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Figure 5-2: Additional domestic recyclate use under each scenario, 2030



5.4 Policy implications

Assuming that the full cost of the scheme is passed through to consumers, in the most aggressive scenario it is expected to increase the cost of plastic packaging in an average shopping basket by \$0.31 a week or 0.1% of the total cost of the basket. In all modelled cases, the impact on end consumers is modest because the input material is only a share of overall packaging costs and packaging represents a small share of the total cost of a product (Table 5-2). For example, for an average weekly shop of \$246, all common packaging materials (i.e., paperboard, plastic, glass and aluminium) are estimated to represent around 2.5% of the cost or \$6.14 per week, with plastic accounting for \$1.31 of this.

A balanced approach is necessary to develop a viable plastic recycling system, while keeping consumer costs low. By stratifying the implementation of a mandated EPR and allowing the market to adapt efficiently, the cost to end consumers can be minimised.

Eco-modulation is critical to provide incentives and disincentives to the market. By adapting pricing over time to reflect the improved economics of collection, sorting and recycling as the supply chain matures, an EPR scheme can minimise costs to the end consumer.

As outlined in Section 4.7, minimum recycled content requirements can be structured to remain compliant with WTO obligations while still supporting domestic recycled content. Where domestic preferencing is used, it must be justified on legitimate environmental grounds, applied transparently, and be non-discriminatory. Government procurement favourability provides one practical, WTO-consistent pathway to strengthen domestic demand for recycled content.

Variability in the cost gap between domestic recyclate, imported recyclate and imported virgin resins needs to be considered in the development of EPR eco-modulated fees. Failure to adapt EPR eco-modulated fees to structural changes could see the use of recycled content miss expected volumes, particularly if the cost gap remains perpetually open.

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Table 5-2: Comparison of the effects of policy intervention

Scenario	Domestic Recycling Increase	Import Reduction	Landfill Reduction	Economic Impacts			Emissions Outcome	Consumer Impacts		
	t	t	t	FTE (jobs)	GVA (\$ billion)	Investment (\$ million)	tCO ₂ e / annum	\$/average weekly shop per household	Share of average weekly shop per household	Share of red and yellow bin collection costs
\$300/t EPR		19,000	16,000				66,000	0.09	<0.1%	2%
\$600/t EPR	68,000	102,000	117,000	4,700	0.6	2	270,000	0.18	<0.1%	3%
\$600/t EPR, 20% domestic content	165,000	178,000	233,000	11,400	1.5	11	426,000	0.19	<0.1%	5%
\$1,000/t EPR	100,000	156,000	234,000	6,900	0.9	7	537,000	0.29	0.1%	4%
\$1,000 EPR, 30% domestic content	274,000	269,000	367,000	19,000	2.5	224	690,000	0.31	0.1%	6%

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5.5 Benchmarking of consumer impacts

The modelling in this report demonstrates the limited impact of EPR eco-modulated fees on end consumers and allows for direct comparison with international eco-modulated fees.

As a point of comparison, application of EPR eco-modulated fees at the magnitudes investigated by APCO in previous work or as introduced in other markets (such as Italy), is estimated to have a negligible impact on product prices (<1% of product cost in all cases). That is, the estimated increase in the average weekly shopping basket of, \$0.19-0.31 is spread across a range of products, each one increasing by well less than 5 cents. This reflects the small share of the product price that packaging represents. Consequently, EPR eco-modulated fees are not anticipated to drive inflationary impacts for consumers or costs to government.

Table 5-1: Price effects of EPR eco-modulated fees are a small relative to the underlying product cost⁸⁴

Product	Weight	Price	EPR Fee priced at APCO proposed rate	EPR Fee priced at Italian EPR Fee Rate
 2L Milk Bottle	45 g	\$3.20	<\$0.01 (0.1%)	\$0.02 (0.5%)
 Bread Bag	5 g	\$4.60	<\$0.01 (0.1%)	<\$0.01 (0.1%)
 1.25L Soft Drink	19 g	\$4.00	<\$0.01 (<0.1%)	<\$0.01 (0.2%)
 Meat Tray	38 g	\$11.00	<\$0.01 (<0.1%)	\$0.04 (0.4%)

This cost is relatively small compared to the additional cost of plastic waste borne by households. Australians currently face an average environmental harm cost of \$215 per year due to plastic waste externalities and already pay over \$200 a year for household bin collection. Of this \$200, it's likely that around \$70-\$95 can be attributed to packaging.⁸⁵

⁸⁴ Prices developed based upon an average Coles catalogue for the week ending 16/11/2025. APCO proposed EPR rate in 2030 of \$60/tonne rigid plastic and \$415-551/tonne soft plastic from APCO, APCO Member Consultation Paper (2025). Italian eco-modulated fees from CONAI, [Plastic modulated fee](#) (2025). Assumed bands: 2L milk bottle band B1.1, bread bag band B2.2, 1.25L soft drink bottle B1.1 and meat tray B2.1.

⁸⁵ Maddin and Florin (2024), "Characterisation of household single-use packaging flows through a municipal waste system: A material flow analysis for New South Wales, Australia"

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6 Policy Direction

6.1 The ask from industry

An urgent commitment from the Australian Government to introducing National Packaging Reform in this term of government.

Based on the industry survey, international review and discussions with stakeholders, two key asks have emerged as a summary position. Priority should be given to commencing the EPR scheme in 2027.

1. **Within the next 3 months, announce a timebound commitment to introducing National Packaging Reform in the current term of government through mandated EPR.**

Key elements include:

- industry-led governance
- design standards and labelling (ARL)
- traceability systems and standards
- mandatory recycled content thresholds, with priority for domestic content
- A well-considered eco-modulated fee model with funds reinvested back into the system

2. **Commit to measures to drive procurement of domestic recycled plastic in packaging and other applications, including through government procurement.**

Key elements include:

- Commit to government procurement of domestic recycled content as a key enabler of a viable market for domestic recycled plastics,
- Phase in mandatory thresholds for recycled content in packaging, prioritising domestic content. These need to recognise packaging's technical and global supply chain constraints and the importance of diverse and sustainable end markets in a global circular economy.

6.2 Mitigating industry risks through policy design

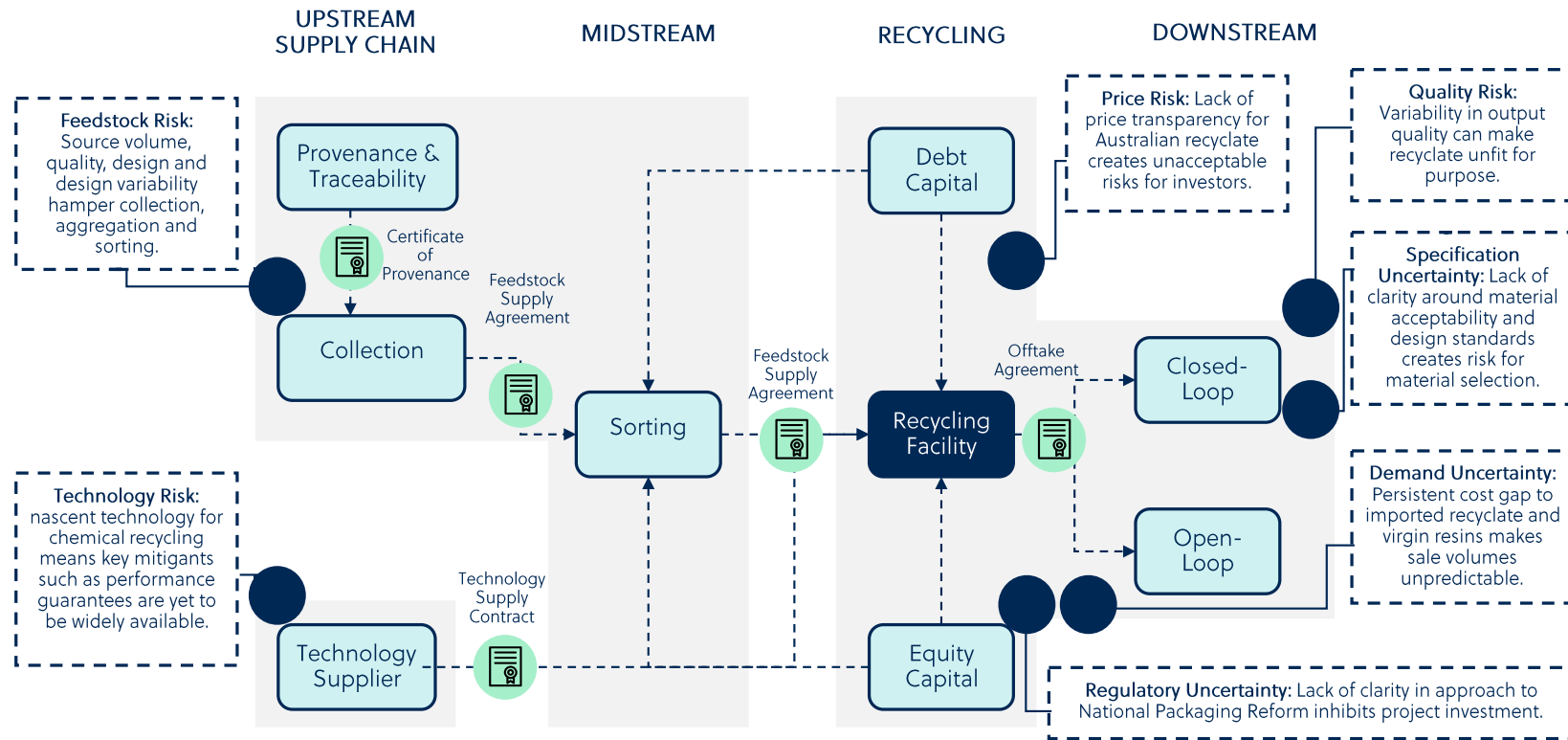
Recyclers in Australia are contending with seven interrelated risks that are inhibiting infrastructure utilisation and investment, contributing to asset underutilisation and a lack of investment. These risks require mitigation for the recycling sector to grow (Figure 6-1).

Government has already started this process through the RMF Fund. However, supply-side support alone is insufficient to mitigate the full spectrum of risks. Demand-side intervention and institutional infrastructure are necessary to unlock the market (Table 6-1).

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Figure 6-1: Seven key risks across the plastic recycling supply chain are inhibiting market formation



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Table 6-1: Tracing actions to mitigate risks to these underlying risks

Key Risk	Description	What can be done to reduce this risk?
Feedstock Risk	Source volume, quality. Design and consistency variability hamper collection, aggregation and sorting.	<ol style="list-style-type: none"> 1. Work with state governments for the harmonisation of kerbside collection nationally, coupled with a household education scheme. 2. Implement national (sustainable) packaging design standards and a clear and consistent labelling recyclability scheme. 3. Require imported and domestic feedstocks to meet consistent provenance and traceability standards under an Australian EPR. 4. Utilise fees from a potential Australian EPR to provide investment support for collection and sorting infrastructure.
Technology Risk	Nascent technology for chemical recycling means key mitigants, such as performance guarantees, are yet to be widely available.	<ol style="list-style-type: none"> 1. RMF funding is supporting the commercialisation of chemical recycling pathways. 2. Utilise EPR fees to provide revenue certainty for chemical recycling commercialisation projects.
Price Risk	Lack of price transparency for Australian recycle creates unacceptable risks for investors.	<ol style="list-style-type: none"> 1. Ensure potential Australian EPR fees are adaptable to market conditions.
Quality Risk	Variability in output quality can make recycle unfit for purpose.	<ol style="list-style-type: none"> 1. A restricted book-and-claim scheme where recycled content 'credits' can be purchased to meet minimum recycled content requirements can support broader adoption, allowing packaging manufacturers with technical barriers to adopt recycled content.
Specification Uncertainty	Lack of clarity around material acceptability and design standards creates risk for material selection.	
Demand Uncertainty	Persistent cost gap between domestic recycle and imported resins makes sale volumes unpredictable.	<ol style="list-style-type: none"> 1. EPR scheme with minimum domestic local content requirements phased with clear timeframes for implementation and enforcement. 2. Public procurement of domestic content to support local recyclers. 3. Design standards for undesirable product role-out, phased with clear timeframes for implementation and enforcement.
Regulatory Uncertainty	Lack of clarity in approach to National Packaging Reform inhibits project investment.	

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6.3 Key features of an effective approach

Overcoming demand and regulatory uncertainty: A mandated EPR with eco-modulated fees and minimum recycled content requirements preferencing domestic recycled content

A mandatory EPR scheme with a minimum recycled content requirement prioritising domestic content is essential to address the structural cost disadvantage faced by domestic recyclers.

- Eco-modulated EPR pricing can shift packaging producer behaviour toward more sustainable packaging choices. Key in establishing eco-modulated price levels will be an explicit fee differential prioritising domestic recycled content.
- A minimum recycled content requirement, prioritising domestic recycle, is critical to ensure local producers are not undermined by cheaper imports. As shown in Chapter 5, a mandated EPR scheme alone is insufficient to drive users to adopt domestic content, given the persistent and fluctuating premium relative to imported recycled content.

Overcoming price risk: ensuring flexibility in EPR eco-modulation price levels will be critical to account for virgin resin and recycle cost movements

A mandated EPR scheme in the Australian context will be successful in driving circularity if it can be combined with other measures to close the cost gap. Procurement drivers for virgin resin are dictated by price and quality. To be effective in driving demand for recycled content use, the cost gap must be closed for each plastic packaging type. Consequently, eco-modulated pricing under an EPR scheme offers a clear pathway to support this.

EPR schemes should support competitive pricing of domestic recycle. However, a prerequisite of competition is having sufficient market players and a large enough market size to drive this competition. Hence packaging reform which stimulates demand is critical to ensuring the most efficient operators are constantly pushing scale and input costs down.

Critically, eco-modulated pricing should drive good design standards that align with recycling supply chain standards to prevent greenwashing. Different measures will be necessary across the recycling mix to reflect the ease of recyclability and the different environmental harm caused by different plastic types. Similar support mechanisms for use of domestic content versus imported could offer an avenue that does not contradict Australia's free trade obligations.

Australia can learn from the adaptive approaches taken overseas. For example, Italy has consistently re-evaluated eco-modulated fee pricing in response to market insights (Figure 6-2). This further supports the need for early price discovery and trial and error across the market. In France, the negative effects of failing to support domestic manufacturing are being recognised, with the addition of incentives to support local recycled content use.

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Case Study 6-1: How fee structures can preference Australian recycled content without creating uncompetitive markets

A central tension in stakeholder consultations was concern that mandatory domestic recycled content requirements could create monopoly pricing power for Australian recyclers. Multiple manufacturers expressed anxiety that with only two or three major domestic recyclers, mandates without competitive supply mechanisms could lead to higher prices. Yet without some form of preference, Australian recyclers face an uneven playing field against lower-cost imports.

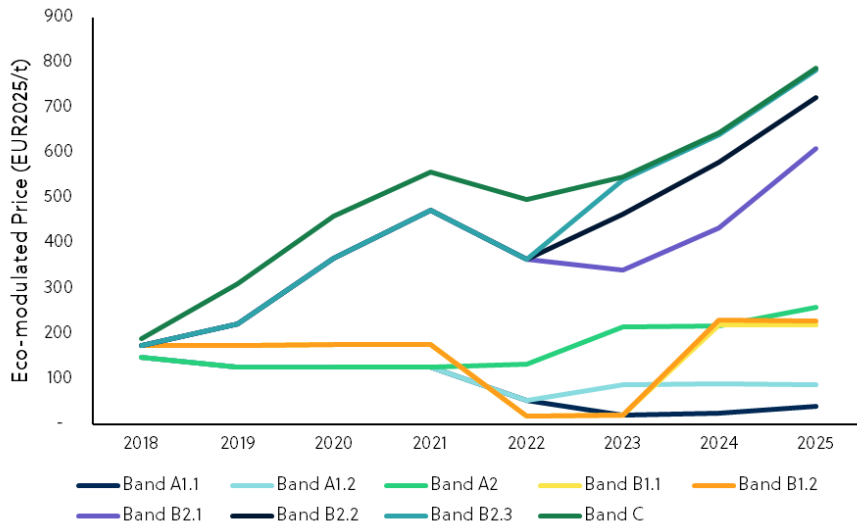
One Australian recycler proposed a tiered fee structure that threads this needle. Under their model, a levy would apply to all packaging placed on market at a base rate. Rebates would then be available based on verified recycled content and origin. Packaging using verified Australian recycled content meeting minimum thresholds could access significant rebates, while packaging using verified imported recycled content would receive a smaller rebate. Crucially, unverified recycled content claims would receive no rebate at all, treating the packaging as equivalent to virgin material. This structure creates meaningful preference for domestic recycled content without an outright mandate. A manufacturer using verified Australian recycled PET at 50% content would pay less than a competitor using verified imported recycled content and one using unverified or virgin material would pay the full amount. The differential creates commercial incentive to source domestically where feasible, while still permitting imports where domestic supply is genuinely unavailable.

The recycler noted that their facility currently operates well below its annual capacity, with insufficient demand identified as the primary constraint. They have designed their plants to enable capacity growth but will not contemplate expansion until packaging regulations and EPR have been implemented and enforced. This echoes a broader theme from consultations that policy uncertainty is itself preventing the infrastructure investment needed to meet future recycled content requirements. The recycler also highlighted competitive pressures from foreign recycled materials where prices were reported as reflecting little more than cash cost recovery. This has led to surplus material flooding Australia at prices which domestic recyclers cannot match. The manufacturer identified that a well-designed EPR scheme with verification requirements would help level this playing field by ensuring all recycled content claims are substantiated through third-party audit.

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Figure 6-2: Italy's evolving approach to eco-modulated EPR pricing over time⁸⁶



Overcoming quality and specification uncertainty: A timebound book-and-claim scheme for supporting broader adoption of recycled content

Brand and retailer concerns regarding technical and regulatory barriers to adopting recycled content must be acknowledged and addressed through National Packaging Reform. In some key packaging applications, brands and retailers are currently unable to incorporate mechanically recycled resins. As such, these limits must be considered as a part of the establishment of any minimum recycled content requirement.

A timebound book-and-claim mechanism could serve as a transitional tool to support recycled content adoption in technically constrained applications. This system (Figure 6-3) would allow brands and retailers to purchase credits from overperforming peers and apply them toward compliance, while maintaining integrity through strict eligibility and traceability rules. This transitional mechanism must be carefully designed to avoid undermining long-term market development for chemically recycled content and should sunset once infrastructure and supply chains mature for chemical recycling methods. It should also require like-for-like purchases of recycled content (i.e. the recycled content available for a purchaser through a book-and-claim mechanism must match the plastic type they already procure). The key principle of such a scheme is to bridge the gap until collection, sorting and recycling infrastructure matures at scale.

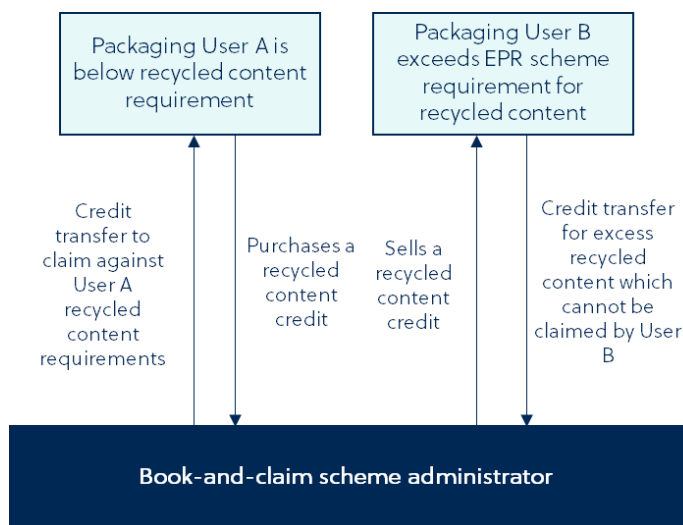
⁸⁶ CONAI, [Plastic modulated fee](#) (2025)



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Figure 6-3: Structure of a targeted book-and-claim scheme for packaging recycled content



Overcoming feedstock risk: Provenance and traceability systems, labelling and harmonisation of disposal and collection

A robust and transferable provenance and traceability certification framework is critical to verify recycled content claims and ensure compliance with minimum content requirements. Certification needs to consider origin (country and waste type/stream) and feedstock quality. A uniform approach is needed, which is consistent and clear in the process for verification.

Full consideration of social and environmental costs should be captured through a mandated EPR scheme provenance and traceability certification system. Requiring both imported and domestic recycled plastics to meet traceability standards for lifecycle emissions and minimum labour conditions levels the playing field and drives demand for sustainable materials. By ensuring thorough provenance and traceability conditions are attached to recycled content and enforced, the Australian Government can support domestic recycle use while ensuring social and environmental outcomes.

The lack of aligned minimum standards in the recycling value chain ultimately leads to an unnecessary lack of consistency in recycling services across Australia. This ultimately causes confusion for the community. Australia needs a labelling system (e.g. the Australasian Recycling Label (ARL)) which allows the user to quickly and clearly identify what packaging goes into what bin to help overcome feedstock heterogeneity challenges.

A harmonised national approach to kerbside collection is essential in the long run to support a circular plastics economy. The present approach, varying between councils, leads to confusion, variability in material separation and inconsistent approaches to collection. It is recognised that this is a challenging change, however, it is important all Australian governments work together to drive harmonisation.

Overcoming feedstock and price risk: Using eco-modulated fee revenue for reinvestment in the supply chain

EPR eco-modulated fee revenue should fund the development of consistent methodologies for provenance and traceability, as well as ongoing enforcement of minimum recycled content requirements. It can also support stakeholder education. This approach ensures the scheme funds its own operations without burdening taxpayers.

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EPR revenue can unlock collection and sorting infrastructure to accelerate domestic industry growth. As the scheme matures, this funding remains critical for such investments, mirroring the dominant use of EPR fees in markets like Spain.⁸⁷

Once supply chains mature, EPR revenue can support chemical recycling long-term, especially for packaging applications limited by mechanical recyclate. Currently, chemical recyclate costs more than mechanical recyclate or virgin resin, so revenue mechanisms, like contracts for difference, can bridge this gap in the near term. This supports R&D, unlocks domestic use, and captures market premiums for strategically significant facilities.

Independent management of the EPR scheme is critical, with revenue reinvested directly into supply chain improvements for better recycling outcomes. Diverting funds to general government revenue would undermine targeted system enhancements.

Overcoming quality and specification uncertainty: The need for clear and consistent design standards and bans for chemicals of concern

Design standards must incorporate provisions for designing for recyclability. This should prioritise recycling system design standards and be incentivised through eco-modulated pricing under a mandated EPR scheme. These standards should also eliminate problematic materials that harm the environment and hinder recycling. Chemicals of concern like carbon black and PFAS are widespread in packaging, posing risks to environmental and human safety that demand their phase-out. Additionally, these system design standards should aim to work in conjunction with packaging standards, doing so can raise Australia's overall recycling capability which can increase efficiency and lower cost of living impacts by more than the sum of their parts.

Incorporating these chemicals into banned lists requires careful timing, as they often provide unique material properties hard to replace quickly. The Australian Government should adopt a phased approach to allow packaging users time to develop and adopt viable alternatives.

6.4 Government procurement

Federal and state governments can lead by prioritising Australian recycled plastic content in procurement for construction, infrastructure, office supplies, and packaging. Key applications include recycled plastic in road base, pipes, signage, furniture, and government packaging needs.

From July 2024, the Australian Government's Environmentally Sustainable Procurement Policy requires federal construction projects over \$7.5 million to achieve sustainability outcomes.⁸⁸ However, because it does not specify the use of domestic recyclate, the policy does little to support local material recovery or advance circular economy outcomes.

All states have similar sustainable procurement policies, often requiring recycled content in public works above certain thresholds to stimulate demand. These criteria should be expanded to explicitly include the use of domestically recycled materials.

By contrast, Victoria's Recycled First policy specifically targets locally recycled materials. However, further action is needed to drive the procurement of domestically recycled plastics.

Preferencing domestic recyclate overcomes key challenges like demand uncertainty for local producers, high energy costs making imports cheaper, and underutilisation of facilities. This builds supply chain resilience and drives market formation without undermining local industry. Moreover, because these measures are designed to prevent environmental harm, they are consistent with WTO rules.

⁸⁷ Ecoembes, [Th recycling of household packaging made of plastic, metal, beverage cartons, paper, cardboard, managed by Ecoembes, grew by 3.5% in 2023 \(2024\)](#)

⁸⁸ Circular Australia, [Australian Government releases Environmentally Sustainable Procurement Policy](#) (n.d.)

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6.5 Roles and responsibilities

Achieving a coherent and effective national framework for a nationally mandated EPR scheme with minimum recycled content requirements preferencing domestic recycled content requires coordinated action across the entire plastic packaging value chain. No single actor can deliver the system-wide change required to increase recovery, stimulate investment in domestic reprocessing, and shift markets toward circularity. Instead, success depends on clearly defined roles, aligned objectives, and complementary interventions by all stakeholders across government and industry.

The Australian Government is responsible for establishing the overarching regulatory architecture, ensuring that policy settings create the right incentives for producers while supporting domestic recycling outcomes and remaining compliant with international trade obligations. State and territory governments play a critical role in aligning collection systems and infrastructure planning, helping to ensure that material flows are consistent, efficient, and capable of supplying high-quality end-of-use plastic packaging to processors.

Intermediary bodies (particularly Producer Responsibility Organisations (PROs) and APCO) provide the operational and strategic backbone of the system. They administer the EPR scheme obligations, drive design and labelling improvements, and support industry participants through data, guidance, and market insights. It should be noted that the PRO and APCO could be the same organisation but are separated here to illustrate the difference from the current APCO role. Recyclers and remanufacturers form the downstream engine of the circular economy; their ability to scale, innovate, and deliver certified, high-quality recycled materials underpins the feasibility of meeting minimum recycled content requirements and supporting a resilient domestic industry. Brand owners and retailers sit at the centre of the system, as their procurement choices, packaging designs, and communication with consumers ultimately determine both the demand for recycled materials and the recyclability of products placed on the market.

Together, these actors create an integrated system in which responsibilities are distributed but mutually reinforcing. Table 6-2 outlines the key functions each group must undertake to ensure that EPR and minimum recycled content requirements translate into real environmental and economic outcomes for Australia.

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Table 6-2: Roles and responsibilities for key players in plastic packaging

<p style="text-align: center;">Australian Government</p> <ul style="list-style-type: none"> • Design and implement EPR scheme with appropriate eco-modulation • Establish an Administrator (currently APCO) independent of government for scheme administration • Maximise domestic preference while ensuring trade law compliance • Enforce compliance with EPR scheme and minimum recycled content standards • Coordinate with states on a harmonised approach to waste collection 	<p style="text-align: center;">State/Territory Governments</p> <ul style="list-style-type: none"> • Align collection systems and infrastructure planning • Support regional capacity development • Support the PRO in enforcement of EPR and design and labelling standards 	<p style="text-align: center;">Brand Owners & Retailers</p> <ul style="list-style-type: none"> • Transition procurement toward domestic recycled content • Invest in supply chain traceability systems • Improve design of packaging for recyclability where needed • Communicate sustainability to consumers
<p style="text-align: center;">Producer Responsibility Organisation⁸⁹</p> <ul style="list-style-type: none"> • Develop insights and set rates optimising consumer and recycling outcomes to cover the costs of multiple materials • Provide insights and work with brand owners and recyclers • Allot revenue to most efficient pathways to boosting recycling • Engage recycling supply chain via contractual arrangements 	<p style="text-align: center;">Administrator (currently APCO)</p> <ul style="list-style-type: none"> • Drive the implementation of clear and consistent labelling recyclability scheme (e.g. ARL) • Administrator has oversight of EPR fee method that recognises system costs • Provide members and PROs/stewardship schemes with integrated invoicing and reporting function • Enforce design and labelling standards • Work with brands and retailers to develop timelines and pathways for ending the use of problematic chemicals • Accountability to conduct compliance audits and report to Government • Uphold and administer the EPR Assurance Accreditation framework for service providers including PROs and stewardship schemes/initiatives 	<p style="text-align: center;">Recyclers & Remanufacturers</p> <ul style="list-style-type: none"> • Scale production to meet demand growth • Invest in quality improvement and certification • Collaborate on supply chain transparency • Build capability for food-grade and technical applications

⁸⁹ Note: There is the opportunity to adjust APCO's existing role to incorporate the PRO activities.

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6.6 Alignment with existing government initiatives

The key recommendations in this report integrate seamlessly with the Australian Government's existing framework for packaging reform. They build directly upon the reform pathways outlined in Section 4.4, specifically Option 2 (national mandatory requirements for packaging, including minimum recycled content) and Option 3 (a mandated EPR scheme with eco-modulated fees). The approach recommended in this report provides additional granularity to these options, offering a clearer implementation pathway and addressing the nuanced challenges identified by industry.

The proposed approach strengthens packaging obligations by reinforcing the National Packaging Targets and complementing investments made through the RMF. It ensures that the negative externalities associated with virgin plastics are priced into the system through EPR eco-modulated fees. By combining demand-side and supply-side interventions, this integrated approach supports the development of a competitive domestic recycling market and accelerates progress toward Australia's circular economy objectives.

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Appendix A Comparing plastics and their alternatives

	Plastic	Paper & Paperboard	Metal	Glass
Barrier performance (gas, oil, etc)	Certain plastics (or polymers) can deliver excellent barrier resistance to water vapour and oxygen, and plastics are widely used industrially in packaging application. ^{1,2}	Paper & paperboard substrates naturally exhibit very low barrier performance to gases and moisture; barrier coatings and laminates can significantly improve this. ^{3,4}	Metal forms a completely impermeable barrier to gases, moisture, and oils. This non-porous surface prevents any diffusion. ^{2,8}	Glass is inert and completely non-porous, providing a 100% barrier to gases, moisture, oils, and aromas, which preserves product purity and prevents any migration. ²
Mechanical & structural integrity	Plastics offer high mechanical performance (strong tensile behaviour, ductility and design flexibility) which contributes to robust packaging. ¹	Provide reasonable strength for packaging, but they can lose structural integrity when absorbing moisture, limiting strength for certain applications. ³	Provides strong structural performance, e.g. Aluminium can be manufactured to withstand significant mechanical stress, helping protect products. ^{2,8}	Glass offers strong structural consistency and maintains integrity well, but its brittleness can introduce transport and handling risks. ^{4,5}
Weight & transport effectiveness	Plastics are lightweight and enable efficient freight loads, reducing fuel consumption and transport emissions. Plastic's light weight allows more units per load and lower logistics cost. ⁶	Paper-based packaging offers favourable strength-to-weight ratios and lighter freight requirements compared to heavier bulk alternatives, aiding transport efficiency. ⁷	Metal is much heavier than plastic, increasing transport fuel use, and larger metal containers may need specialised handling, adding supply-chain complexity. ⁸	Because of glass's fragility and heaviness compared to other packaging alternatives introduces transport and handling risks such as product loss and waste. ^{2,4}
Recyclability & end-of-life options	Some plastics (PET, HDPE) are recyclable, and recovery is improving, but mechanical recycling reduces quality, chemical recycling can be energy-intensive, and contamination may introduce chemicals of concern that can migrate into food. ^{2,5}	Fibre-based packaging is broadly collected for recycling, has well-established mill preprocessing systems, and can also fit into composting where uncoated. ¹⁰	Metals are widely accepted for recycling and retain quality through repeated processing, giving them strong end-of-life recovery potential despite some format-specific limitations. ^{2,8}	Glass is highly recyclability, maintaining its structural integrity, which allows it to be recycled endlessly without compromising on quality. ³
Renewability & carbon footprint	Virgin plastics rely on non-renewable fossil fuels and generate high emissions and pollution, but their low weight and efficient production can reduce carbon impacts in some LCAs, though these often exclude wider issues like litter and microplastics. ²	Made from renewable wood fibres, however pulp-making and manufacturing are energy-intensive, giving it a noticeable carbon footprint. So, while the material is renewable, its processing drives moderate emissions. ¹⁰	Mining and refining aluminium and steel are fossil-fuel-intensive, cause significant emissions, and create high-impact wastes, giving metals a low renewability profile. ²	Glass manufacturing is energy-intensive and uses large amounts of raw materials, and its heavy weight increases transport emissions due to higher fuel use. ⁵
Cost & production scalability	Plastic packaging is widely recognised as cost-effective, with low production costs that support wide production scalability. This affordability also benefits the broader supply chain. ⁵	The global paper / paperboard packaging market is large and growing with moderate cost structure allowing broad scalability. ⁹	Metals are costly to produce due to energy-intensive mining and refining, but they support large-scale production due to their wide use and have mature, global manufacturing and recycling systems. ^{7,8}	Glass production is widely established but less flexible and efficient for high-speed packaging and also requires higher processing costs to recycled compared to plastics. ⁵

Source: 1) Sangroniz A et al., Packaging materials with desired mechanical and barrier properties and full chemical recyclability, (2019); 2) SPC, Materials decision matrix – key considerations when choosing single-use packaging materials; 3) Flint Group, Barrier coatings for paper and board food packaging: Keeping products fresh and safe sustainably, (2025); 4) Palletco SA, Timber Cases vs. Plastic Cases: A Comparative Analysis for Packaging Solutions, (2024); 5) Waste Managed Limited, Glass vs Plastic Packaging – What's Better?, (2024); 6) Plastics Industry Association, Plastic Packaging: Environmental Benefits in Supply Chains, (2025); 7) Technavio, Metal Packaging Market: Industry Analysis 2024-2028, (2024); 8) Container & Packaging, The Pros and Cons of Packaging with Metal Containers, (2025)

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Appendix B Techno-economic modelling

This appendix provides a detailed description of the Excel-based modelling framework developed to analyse the impact of different policy configurations on domestic recyclate demand in Australia, quantifying the associated environmental, economic, and social outcomes. Inputs and assumptions have been agreed between ACOR, APCO and Rennie Advisory. The model is designed to simulate the full lifecycle of plastics from initial demand through to end-of-use management while incorporating behavioural responses, investment requirements, and consumer cost implications. It supports scenario analysis across a range of policy configurations, including EPR eco-modulated pricing mechanisms and minimum domestic recycled-content requirements. The framework is intended to provide a transparent, adaptable, and evidence-based tool for evaluating the impacts of packaging reform.

Historical and projected demand characterisation

The model uses historical demand for plastics disaggregated by:

- **Polymer type** (e.g., PET, HDPE, LDPE, PP and other polymers),
- **Packaging format** (rigids and flexibles),
- **Country of origin** (domestic production vs. imports),
- **Recycled versus virgin content.**

Historical datasets are drawn from a combination of APCO and DCCEEW datasets, with country tracing based upon trade volumes.

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Figure B-1: Major demand inputs by source, type, plastic type and packaging/non-packaging⁹⁰

Description	PET (1)	HDPE (2)	PE-LD/LLD (4)	PP (5)
Imported Finished-Virgin-Packaging	29,599	174,283	159,113	89,459
Imported Finished-Virgin-Non-Packaging	217,334	81,416	46,012	223,122
Imported Resins-Virgin-Packaging	98,303	132,886	-	61,304
Imported Resins-Virgin-Non-Packaging	3,178	221,915	-	13,831
Imported Resins-Recycled-Packaging	4,444	-	-	-
Imported Resins-Recycled-Non-Packaging	-	1	-	327
Local Resins-Virgin-Packaging	-	-	99,292	65,273
Local Resins-Virgin-Non-Packaging	-	-	81,071	14,727
Local Resins-Recycled-Packaging	50,257	14,954	13,487	12,575
Local Resins-Recycled-Non-Packaging	6,087	56,290	14,060	36,637

⁹⁰ Developed from DCCEEW, [Australian plastics flows and fates reporting](#) (2025) and from World Integrated Traded Solutions weighted-average import pricing across virgin resins.

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Figure B-2: Country supply split by plastic packaging type and source material⁹¹

Description	China	Other Asia	Rest of World	Australia
Imported Finished-Virgin-Packaging	59%	16%	26%	
Imported Finished-Virgin-Non-Packaging	59%	16%	26%	
Imported Finished-Recycled-Packaging	59%	16%	26%	
Imported Finished-Recycled-Non-Packaging	59%	16%	26%	
Imported Resins-Virgin-Packaging	17%	56%	27%	
Imported Resins-Virgin-Non-Packaging	17%	56%	27%	
Imported Resins-Recycled-Packaging	17%	56%	27%	
Imported Resins-Recycled-Non-Packaging	17%	56%	27%	
Local Resins-Virgin-Packaging				100%
Local Resins-Virgin-Non-Packaging				100%
Local Resins-Recycled-Packaging				100%
Local Resins-Recycled-Non-Packaging				100%

⁹¹ Developed from World Integrated Traded Solutions weighted-average import pricing across virgin resins.

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Demand projections are constructed using:

- Historical growth rates, benchmarked against economic indicators,
- Elasticity-adjusted forecasts, which account for price changes arising from policy and supply conditions,

The model produces annual forecasts over the selected time horizon.

End-of-use modelling framework

The model employs a mass-balance approach to track plastic flows from initial use through to end-of-use. Key pathways include:

- Recovery for recycling,
- Export of processed content
- Landfill disposal,
- Energy recovery.

Flow coefficients are derived from APCO data.

Figure B-3: Share of each plastic which reaches end-of-use each year⁹²

Description	End of Use Share
PET (1)	91%
PE-HD (2)	76%
PE-LD/LLD (4)	91%
PP (5)	90%

⁹² Developed from DCCEE, [Australian plastics flows and fates reporting](#) (2025) and APCO, [Australian Packaging Consumption & Recovery Data 2022–23](#) (2024)

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Policy module

The policy module assigns EPR eco-modulated fee structures based on upon the scenario weighted-average eco-modulated fee. Minimum domestic recyclate requirements, are applied, with limits on mechanical recycling determining the split between the use of mechanical and chemical recycling. Mechanical recycling applications are preferenced first.

Elasticities and behavioural responses

The model incorporates demand elasticities to estimate how producers, consumers, and supply-chain actors respond to price changes driven by:

- EPR eco-modulated fees,
- Minimum domestic recycled content requirements,

Elasticities are applied at the material level (e.g., polymer substitution), ensuring that cost increases or supply constraints produce realistic shifts in demand.

Lifecycle emissions and environmental costs

The model estimates lifecycle emissions associated with:

- Virgin material production,
- Recyclate production,
- Product manufacture,
- Transportation,
- Reprocessing,
- End-of-life management (landfill, energy recovery, recycling).

Default emissions factors are sourced from literature and confidentially through the industry survey.^{93,94}

Environmental costs are calculated using:

- **Social cost of carbon,**

⁹³ Lawrence Berkeley National Lab, [Climate Impact of Primary Plastic Production](#) (2024)

⁹⁴ Blue Environment, [Carbon emissions assessment of Australian plastic consumption – Project report](#) (2023)

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- End-of-use waste disposal cost,
- End-of-use litter cost.

These costs are aggregated at scenario level to produce total environmental cost estimates.

Figure B-4: 5-year real costs of carbon, waste disposal and litter⁹⁵

Description	2025	2030	2035	2040	2045	2050
Carbon cost (\$/t CO ₂ e)	67	85	126	203	293	293
End-of-use waste cost (\$/t plastic waste)	109.2	109.2	109.2	109.2	109.2	109.2
End-of-use litter cost (\$/t litter)	5,595	5,595	5,595	5,595	5,595	5,595

Economic analysis

The model quantifies incremental investment required under each scenario. Costs are annualised and reported by plastic type.

The model evaluates:

- Domestic value creation from reprocessing,
- Avoided virgin resin imports,
- Job creation across the supply chain,
- Net economic benefits after accounting for compliance costs.

Employment impacts are estimated based on:

- Direct roles in collection, sorting, and reprocessing,

⁹⁵ Emissions costs from [Treasury Modelling](#) for the Net Zero Plan. Litter cost from [Microplastics pollution: Economic loss and actions needed](#). Landfill costs from [DCCEEW](#).

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- Indirect supply-chain employment,
- Induced economic activity.

FTE factors are applied consistently across sectors using labour intensity benchmarks.

Economic indicators are developed based upon Rennie Advisory's proprietary Recon model, which broadly aligns with Treasury modelling for the Intergenerational report.

Consumer cost impact assessment

The model estimates changes in consumer costs arising from:

- Increased packaging costs due to minimum domestic recycled content requirements,
- EPR eco-modulated fee pass-through,

Costs are translated into per-household impacts for the weighted-average weekly shop and contextualised with existing waste disposal spend.

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Appendix C Brand owner and retailer consultation feedback

This Appendix contains direct summaries of the consultations with Brands. These findings have directly informed thinking around the modelled options and policy approaches put forward. The views in this Appendix do not necessarily reflect the views of Rennie, ACOR, APCO or any recycling industry business.

1. Packaging supply chains are highly complex and diverse, with different business models requiring different policy approaches

- Retailers typically specify packaging requirements to product manufacturers but do not directly control packaging suppliers
- Local manufacturers producing 80-90% of goods domestically source a mix of local and imported packaging materials
- Multinational manufacturers often pack locally but import most packaging materials, while some import finished packaged goods from Asia, where packaging decisions are made for global markets. However, these patterns vary by packaging type, for example, high-volume, low-value items such as milk bottles are rarely imported because transport costs and the inefficiency of "shipping air" make it commercially less viable
- Many Australian manufacturers have significant export businesses, with half or more of production going offshore, which constrains packaging choices due to destination market regulations. For example, brands producing for both Australia and China often cannot use recycled content in their packaging because Chinese regulations restrict or prohibit PCR material, meaning packaging formats must be standardised to meet the strictest market requirement.
- If Australian mandates apply differently to locally produced versus imported goods, it creates competitive inequity
- If mandates apply equally to imported packaged goods, those products may simply be withdrawn from the Australian market or production may shift offshore
- This diversity means a single policy approach will affect different businesses very differently, with some able to adapt relatively easily while others face fundamental business model challenges
- Decision-making processes and supply chain control vary significantly across business models, with multinationals often having packaging decisions made at global headquarters, large Australian businesses having domestic decision-making authority, and small to medium enterprises facing different constraints around access to capital, supply chain leverage, and regulatory compliance resources

2. Current recycled content adoption shows a wide range across polymers, products and businesses. There are significant free-rider concerns.

- Leading organisations have achieved recycled content rates of 20-30% across plastic packaging portfolios and over 50% across all packaging materials
- Some leaders have achieved these rates even when most products are manufactured and packaged overseas, demonstrating that progress is possible across different supply chain models

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- Some leaders have removed tens of thousands of tonnes of virgin plastic from supply chains since 2018
- Leaders achieve rates of 95-100% in some rigid plastic applications such as meat trays and water bottles. However, the ease of achieving these levels varies by polymer type and the product being packed, with some applications far more technically or commercially challenging than others
- Many organisations currently use zero or minimal recycled content, citing cost as the primary barrier, with limited availability of suitable recycled material also constraining uptake
- Some major manufacturers using thousands of tonnes of plastic packaging annually still have zero recycled content due to significant cost premiums
- This disparity was repeatedly characterised as a free-rider problem, with early movers bearing costs that competitors avoid. However, many early movers are willing to absorb these costs because they have their own sustainability targets and corporate commitments that drive higher ambition
- Very few companies in Australia have met voluntary APCO targets
- There is frustration among leaders that too many companies will not act until legally required to do so
- Stakeholders consistently reported that voluntary approaches appear to have reached their limit, suggesting mandatory measures will be necessary to bring the broader market along
- However, mathematical analysis demonstrates that current recycled content targets cannot be met from current resin volumes available in the market
- Industry calculations show that with plastic recycling rates at 16-17%, if all manufacturers wanted recycled HDPE in milk bottles alone, only 5% average content could be achieved
- This supply-demand mismatch means targets must be carefully calibrated to available supply or accompanied by massive infrastructure investment

3. Food safety and technical performance requirements create a critical dividing line between what is achievable today and what remains challenging

- Rigid plastics such as PET for food contact are relatively mature with established mechanical recycling pathways. However, recycled HDPE currently lacks EU specific regulations that give industry a clear framework. Concerns remain about the risk of non-intentionally added substances. Decontamination technologies have improved, including the latest Erema systems, yet until recently there were questions about whether high molecular weight compounds could be adequately removed through mechanical recycling
- Some organisations have achieved very high recycled content rates in rigid plastic applications
- Soft plastics for food contact represent a major gap, with no domestic capability for food-grade recycled flexible packaging, and limited collection scale further constraining the development of viable end-market
- Chemical recycling is considered necessary for soft plastics but remains high cost with limited supply availability
- Personal care and therapeutic goods manufacturers apply standards close to food-grade due to product safety requirements

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- Some imported recycled materials have not met these stringent standards
- Technical barriers include machine performance issues such as static, speed reductions and quality variability for soft plastics produced to Ceflex or the Association of Plastic Recyclers requirements. Additionally heat resistance of these materials is typically reduced and is a major issue. Equipment needs increased pressure and specific jaw designs to seal the materials, and this control is not always available on older models. As a result, manufacturers may need to replace or upgrade equipment at significant cost
- Chemical compatibility issues arise with corrosive products such as bleach which interact with recycled content requiring high stability packaging
- Colour consistency is extremely difficult to achieve, with some manufacturers unable to reach higher recycled content targets solely due to inability to match required colours
- Transport durability can be affected by recycled content, requiring thicker packaging which increases material volumes and weights
- Supply reliability represents a critical barrier, with multiple examples of manufacturers forced to backtrack on recycled content adoption due to supplier inability to maintain quantity or quality
- Technical performance limits exist for recycled content levels, with HDPE particularly constrained at approximately 50% due to environmental stress cracking and chemical resistance issues
- Large format packaging faces additional constraints, with 50% practical limit for safety reasons including drop test performance and pallet stacking requirements
- Small format packaging with recycled PP faces quality issues where material is not clean enough for injection moulding, requiring machine shutdowns for cleaning
- Practical limits around 80% recycled content have been observed across materials, with the remaining 20% virgin material needed for physical properties in specific applications
- Performance degradation occurs at high recycled content levels across materials including glass and fibre, where excessive recycled content causes products to fail performance requirements
- Even mature recycling systems face technical constraints, with steel furnaces capping out at approximately 20% recycled steel content
- For tin packaging sourced internationally, manufacturers have limited leverage over recycled content decisions made by overseas steel mills
- Dangerous Goods classifications impose additional regulatory constraints on packaging materials, with products subject to Australian DG code for road and rail transport and stricter International Maritime DG code for shipping
- Recycled content in Dangerous Goods packaging may not meet safety requirements for market sale under these regulatory frameworks
- Validation costs are substantial, with companies citing costs exceeding one million dollars and timeframes of 12-24 months to validate even simple polymer changes
- A significant gap exists in food safety certification standards, with mechanical recycling approved in some international jurisdictions but not others
- Companies are left to self-assess risk with no clear national standard

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- A tension exists between optimising for design-for-recyclability versus maximising recycled content use, as these objectives do not necessarily complement each other
 - Design-for-recyclability principles may restrict material choices to preserve downstream food-grade recovery potential, but this can conflict with using available recycled feedstock that meets performance requirements for non-food applications
 - Policy frameworks need to balance upstream recycled content requirements with downstream recyclability objectives to ensure both goals can be achieved
 - Food packaging must be designed to protect food integrity, support food security, and minimise food waste, with any reduction in packaging performance potentially leading to increased spoilage and associated carbon impacts from wasted food that may exceed the environmental benefits of using recycled content
 - Consumers typically misunderstand the difference between recycled content and recyclability, and there is little consumer-driven demand that would create a commercial incentive for change
- 4. Chemical recycling is strongly preferred for food contact applications but faces cost and supply constraints, while mechanical recycling has limitations**
- For food contact applications, chemical recycling is strongly preferred as it solves food safety concerns, eliminates colour and quality issues, and ensures machine compatibility
 - Chemical recycling essentially produces virgin-equivalent polymer
 - Chemical recycling comes at a very high cost premium, cited as 50-100% above virgin materials
 - Supply is limited both globally and locally
 - Even when local chemical recycling capacity has been established, it may be pre-committed and not accessible to all potential users
 - Mechanical recycling works well for rigid plastics such as PET and increasingly for HDPE, whereas soft plastics typically rely on chemical recycling pathways
 - Mechanical recycling of polypropylene for food contact applications currently has no clear pathway
 - Quality and consistency concerns remain issues for mechanically recycled content, largely because input streams are continually changing. Manufacturers need to provide users with confidence that they meet the requirements of the Letter of No Objection, which typically expects input feedstocks to comprise at least 99% food-grade containers
 - Mechanical recycling is not considered suitable for soft plastics in food contact applications
 - This technological divide means different packaging types face fundamentally different cost structures and technical feasibility for recycled content adoption
- 5. Domestic versus international sourcing involves trade-offs between cost, quality, availability and traceability**
- All stakeholders agreed that imported recycled content is generally cheaper than Australian-sourced material for comparable quality
 - Quality can be equivalent to domestic supply if properly managed through diligent supplier selection and strong contractual arrangements
 - Overseas sourcing requires careful management but can deliver solid quality at better prices

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- Traceability represents a major concern for imported recycled content
- Unlike established certification schemes for sustainable forestry or palm oil, no robust chain of custody certification exists for recycled plastics and Australia lacks a competent authority to validate recycled materials, a gap that creates compliance challenges, particularly in relation to emerging EU regulatory requirements
- This creates fraud risk, particularly when paying premium prices for recycled content
- Mass balance certification methodologies for chemical recycling lack clear standards, particularly around fuel-exempt approaches
- Chemical recycling of soft plastics produces mixed outputs of both plastics and fuel at refineries
- Industry standards such as the New Plastics Economy require fuel-exempt mass balance methodology, excluding fuel outputs from recycled content calculations
- Australia's only refinery capable of processing pyrolysis oil is primarily geared toward fuel production rather than plastics
- This creates greenwashing risks where recycled content claims cannot be substantiated under fuel-exempt methodologies
- Brand owners are highly risk averse regarding recycled content claims that consumers could challenge
- When manufacturers attempt to verify Australian recycled content provenance, they encounter significant barriers as suppliers are only obligated to confirm material is recycled, not disclose its source
- Supply chain information disclosure typically stops at the bottle or packaging manufacturer level, making verification of recycled content origin extremely difficult
- For glass and metal packaging, traceability of recycled content is even more limited, with manufacturers having little or no ability to certify recycled content levels in these materials
- Availability of local options is limited, with some materials having only one or two domestic manufacturers
- The definition of domestic recycle should focus on material source and destination rather than processing location
- Australian waste collected and returned to the Australian market should count as Australian content even if processed offshore

6. Market structure concerns centre on limited market competition and supply security, with mandates potentially enabling uncompetitive pricing without sufficient competitive pressure

- Strong concerns emerged about Australia's recycled plastics market being dominated by two or three large players
- Multiple stakeholders expressed anxiety that mandates without competitive supply mechanisms could enable uncompetitive pricing
- Mandatory domestic content requirements would create an effective monopoly for Australian recycling industry, particularly problematic given current cost premiums of 200-300%
- Local recyclers could essentially have a licence to charge premium prices without international competitive pressure

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- While supporting local industry is important, it should not come at any cost and local suppliers must be held to international competitiveness standards
- Multiple organisations require at least two suppliers for each critical input to manage supply risk, but this is difficult to achieve in the current Australian market
- Sourcing exclusively from local suppliers represents a risk when the supply chain is tight
- Some organisations could potentially secure available supply but this would squeeze other parts of the industry out rather than representing new capacity
- Policy intervention will be needed to ensure competitive market dynamics
- Real-world evidence from the UK demonstrates supply shock risks: when recycled content mandates were introduced, recyclers auctioned off supply at the start of the year, driving prices up significantly as insufficient volumes were available
- In supply-constrained markets, larger organisations can secure available supply through long-term contracts, leaving small and medium enterprises struggling to compete and comply with mandates
- Mandates introduced before adequate supply exists risk market distortions that favour the largest players while crushing smaller competitors

7. Cost pressures and international competitiveness concerns are particularly acute for local manufacturers competing against imports

- Australian manufacturers already face significant cost disadvantages compared to Southeast Asian competitors
- The current cost of doing business was characterised as extremely challenging
- Adding mandatory recycled content requirements at current price premiums could put domestic manufacturing operations at risk
- This is particularly acute for manufacturers competing against imported finished goods where producers face no equivalent requirements
- Energy costs were highlighted as a specific pressure point, with one manufacturer the last remaining paper producer in New Zealand due to energy costs forcing other closures
- Several manufacturers questioned whether mandating local sourcing for recycled content is sustainable when similar mandates do not exist for fibre, cotton and other materials
- Piling additional costs onto domestic manufacturing through recycled content mandates could accelerate the shift of production offshore
- Policy uncertainty is preventing necessary infrastructure investment, with industry unable to commit capital while EPR scheme details and costs remain unclear, and manufacturers are currently dialling back packaging innovation and sustainability initiatives while awaiting regulatory certainty
- Regulatory certainty is essential before members can make the substantial investments required for 3-5 year packaging transitions, with approval processes for multinational companies particularly lengthy and requiring clear policy settings well in advance of implementation
- Cost of living impacts must be considered as packaging improvements and recycled content requirements will increase product costs that are ultimately borne by consumers, with particular concern about regressive impacts on lower-income households for essential items

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- For multinational companies, packaging and recycled content decisions are often made at global headquarters in Europe or elsewhere, with Australian market considerations potentially secondary
- Australian policy settings that differ significantly from major markets like the EU may have limited influence on global product specifications
- Packaging labelling and compliance requirements impose significant costs, with label changes costing hundreds of thousands of dollars when collection systems change
- Guidelines on what constitutes recyclable packaging in Australia have been fluctuating significantly, creating daily challenges for manufacturers in determining compliance
- Regulatory uncertainty around labelling requirements creates substantial risk and cost for first movers who must change specifications as rules evolve
- Data management and substantiation requirements for recycled content claims represent a massive administrative burden for manufacturers
- Specific cost threshold data indicates that small premiums per unit are manageable but rapidly become prohibitive at scale
- Small per-unit premiums in the low single-digit cents range across millions of units require internal approval but are achievable, while premiums in the double-digit cents range become extremely challenging
- Cost premiums of 50-100% above virgin pricing for HDPE recycled content represent prohibitive barriers for many applications
- Consumer education and support is necessary to help build understanding that packaging improvements come with costs that will ultimately be borne by consumers

8. Export market constraints impose significant limitations on packaging choices for Australian manufacturers

- Some major export destinations, particularly in Asia, prohibit the use of recycled plastic in food contact applications
- Manufacturers serving both domestic and export markets must either run separate packaging lines or forego recycled content entirely in certain product formats
- Export products must perform under different environmental conditions, with requirements for extended shelf life in high humidity and high temperature conditions and additional load requirements due to the extended supply chain
- Approximately half of production for some manufacturers goes offshore
- Packaging choices are driven by the most restrictive market requirements
- If Australian policy requires recycled content that is prohibited in key export markets, manufacturers must establish separate production runs at significant cost, abandon export markets, or seek exemptions
- Export-focused products may need separate treatment in policy frameworks
- Mandatory local content requirements could create barriers to trade and may trigger reciprocal actions from trading partners, potentially disadvantaging Australian exporters in key markets, with particular attention needed to trans-Tasman trade relationships and mutual recognition arrangements

9. National policy harmonisation is strongly preferred over state-based approaches, with integration of existing CDS schemes essential

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- Australia currently has eight different Container Deposit Schemes operating across states and territories, creating complexity for national businesses
 - State-based single-use plastics legislation varies significantly, with states seemingly competing to have the most stringent requirements
 - Different standards in different states create operational challenges for businesses that manufacture and distribute nationally
 - Examples include NSW legislating tethered caps on beverage bottles by 2030, requiring significant capital and operational expenditure
 - Manufacturers cannot easily produce different specifications for different states when products cross state borders
 - CDS schemes already function as EPR schemes for beverage containers
 - Any national EPR scheme must include explicit carve-outs and harmonisation provisions for CDS rather than creating duplicative or conflicting requirements
 - CDS schemes represent established producer responsibility mechanisms with existing collection infrastructure, consumer behaviour patterns, and financial flows that should not be disrupted by new EPR frameworks, and policy should focus intervention on materials and packaging types where collection and recovery systems are failing
 - Previous instances of poor integration include conflicts between CDS requirements and Australasian Recycling Label requirements, where labels suggested crushing bottles while CDS required intact returns
 - State governments and Environmental Protection Authorities generally understand this is an issue and are open to feedback on harmonisation
 - Strong preference for federal consistency rather than state-by-state variation, particularly for recycled content requirements
 - National businesses need the ability to supply products across the country without navigating multiple different regulatory frameworks
 - Proximity and density of collection points in CDS schemes remain below European benchmarks and affect collection rates
 - While CDS has successfully addressed litter problems, achieving higher collection rates requires policy improvements including return outlet density
- 10. Mandate design requires careful attention to practical implementation challenges including scope, flexibility and phasing**
- Targets should be set at company or portfolio level rather than at individual SKU level, while allowing for variation based on product type. For example, a manufacturer producing only infant-formula cans will have a lower feasible recycled-content target than a business producing beverages in PET, due to the different technical and regulatory constraints
 - Tracking and reporting at SKU level would be extremely difficult for companies with diverse product ranges
 - Mandates requiring Australian recycled content in overseas-manufactured packaging are considered impractical
 - Requiring offshore facilities to source Australian materials makes no sense from a lifecycle assessment perspective

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- Many major brands have the vast majority of products manufactured and packaged overseas, arriving in Australia as finished goods in containers
 - These companies will not ship Australian resin to overseas facilities for packaging production
 - If mandates apply only to Australian production, this increases costs for local manufacturing and accelerates the shift of production offshore
 - This creates an impossible bind where mandating all goods is unworkable but mandating only local production drives production offshore
 - Solution requires a differentiated approach: general recycled content requirements for all packaging with additional incentives for Australian content rather than blanket mandates
 - Overly prescriptive domestic content requirements could drive production offshore
 - Flexibility mechanisms or buy-out options are necessary where technical or commercial barriers prevent compliance
 - Carve-outs are needed for medicines and therapeutics, where packaging is often part of regulatory registrations requiring years of stability testing
 - Carve-outs are also needed for GST-exempt essential items such as milk, bread and fresh produce
 - A moderate starting point was suggested as a logical target, representing a stretch for many companies while being achievable where supply exists
 - Phasing should begin with materials where recycled supply exists, particularly rigid PET and HDPE, before tackling more difficult applications
 - Packaging transitions typically require 3-5 years to complete, encompassing validation processes, supply chain adjustments, manufacturing line modifications, and regulatory approvals, with multinational companies requiring additional time to secure approvals from global headquarters
 - Industry requires clarity and certainty, with frustration about ongoing policy discussions spanning more than five years without clear direction
 - Policy uncertainty itself is preventing necessary infrastructure investment, with industry in a waiting game unable to invest while EPR details and costs remain unclear
 - Government must establish clear standards for what constitutes acceptable recycled content claims, including chain of custody certification requirements and verification processes
 - Without government-defined standards, industry lacks a level playing field for recycled content claims, creating risks of unverified claims and competitive disadvantage for companies investing in proper certification
 - Introduce a formalised exemptions process for cases where there are substantive, unsolvable barriers, such as fit-for-purpose requirements, health and safety considerations, or increased product wastage, with exemptions applied at the product-category level
11. EPR scheme design should cover all materials with a focus on problematic materials, incentivise recycled content, ensure mandatory participation and maintain reporting simplicity
- EPR schemes were generally preferred over pure mandates, though a hybrid approach was suggested as most effective

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- EPR fees should apply to all packaging materials but with a focus on problematic and hard-to-recycle materials rather than applying fees uniformly across all packaging
- Packaging with functioning recycling systems such as cardboard, paper and glass should be subject to minimal or no fees
- Priority should be soft plastics and complex multi-material packaging where current systems are failing
- Soft plastics collection infrastructure has collapsed following the failure of previous schemes, creating an urgent need for system rebuilding
- Strong preference for incentivising recycled content through rebates or discounts rather than penalising virgin material use
- A three-tier incentive structure was proposed: penalties on virgin plastic, rebates for any recycled content, and greater rebates for Australian recycled content
- This structure ensures early adopters are rewarded rather than disproportionately penalised, while progressively incentivising local content
- International experience shows fee levels must be carefully calibrated: the UK's plastic tax on packaging with less than 30% recycled content has led some producers to reduce recycled content because paying the tax is cheaper than compliance
- EPR fees should be based on the actual packaged product and its recyclability in practice rather than just the materials used
- Identical polymers can have very different recovery rates depending on colour, format and other design features
- Mandatory participation is essential to prevent free riders from gaining competitive advantage by opting out
- Reporting requirements need to be simple and practical
- Current proposals requiring component-level detail are considered impossible to implement and likely to result in inaccurate data
- Funds collected must be reinvested into recycling infrastructure and education rather than becoming general revenue
- Small businesses must be included as they represent a significant portion of the packaging market
- Thresholds need careful design to avoid either excluding too much or creating unworkable compliance burdens
- Recycled content verification for glass and metal packaging presents particular challenges with limited traceability systems
- Policy may need to either exclude these materials from recycled content requirements or use industry average benchmarks where direct verification is not feasible
- EPR schemes must apply consistently across all packaging materials, not just plastics, to avoid unintended material substitution that could worsen overall environmental outcomes
- If EPR fees apply only to plastic packaging, industry may shift to alternative materials such as glass that could have higher lifecycle emissions

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- Policy objectives must be explicitly clear whether the goal is reducing overall waste or reducing plastic specifically, as these different objectives drive fundamentally different industry behaviours

12. Consumer understanding and behaviour change is under-developed but critical to supporting the packaging transition

- Consumers appear to only register recycled content claims when percentages exceed 50%, suggesting lower levels may not provide meaningful marketing value
- Recycled packaging does not appear to be a significant reason to buy for many products, particularly at lower income levels where price sensitivity is high
- Consumer research suggests that packaging recyclability is a higher priority than recycled content for purchasing decisions
- International examples demonstrate that stronger cultural approaches to waste and recycling can be built through sustained education campaigns
- The Re-made in Australia brand has potential value if properly supported and communicated
- There are different opinions on Government's role. Some expressed scepticism about government effectiveness in communicating the value of such programs while others explicitly see this as the government's role
- If consumers understand the value and see the brand on competitor products, it could motivate adoption as long as it provides genuine point of difference justifying additional expense
- EPR scheme funding could be directed toward comprehensive consumer education to improve segregation and recycling behaviour
- Current recycling behaviour is poor compared to comparable countries
- Without effective communication about why changes are occurring and what they mean for product costs and environmental outcomes, consumer behaviour is unlikely to shift sufficiently
- Consumer perception regarding changes to packaging formats, colours, and appearance is extremely important for brand owners, as packaging changes using recycled content may alter visual characteristics that consumers associate with product quality and brand identity
- Green hushing is occurring as companies avoid making recycled content claims due to ACCC enforcement risks around substantiation and greenwashing, with manufacturers concerned about making claims that could be challenged when traceability systems remain underdeveloped, as evidenced by recent ACCC actions including penalties imposed on companies for unsubstantiated environmental claims

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Appendix D Industry Involvement

Below is a list of organisations who have contributed information to this work. This is a recognition of these contributors' involvement with the project but does not represent an endorsement of this report.

- A2
- Aldi
- Amcor
- Australian Food & Grocery Council
- Australian Institute of Packaging
- Australian Micro Recyclers Association
- Australian Paper Recovery
- Blackmores
- CCEP
- CEMAC Technologies
- Chemistry Australia
- Cleanaway Operations
- Close The Loop
- CSIRO
- Dulux
- Essity
- GT Recycling
- iQ Renew
- Kangaroo Plastics Technology
- Kellanova
- Martogg & Company
- Nestle
- Pact Group
- Pellenc ST
- PepsiCo
- Re. Group
- Reckitt
- Recycling Plastics Australia
- Sanitarium
- Simplot
- Soft Plastic Stewardship Australia
- Solving Plastic Waste CRC
- TOMRA Australia
- Transmutation
- Unilever
- Visy Recycling
- Viva Energy
- Woolworths

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