



Minutes
Ordinary Council meeting
26 May 2015

**MINUTES OF THE ORDINARY MEETING OF COUNCIL
TUESDAY 26 MAY 2015 AT 5.38PM**

PRESENT:

Lord Mayor, Councillor Nuatali Nelmes (Chair)
Councillor Declan Clausen
Councillor David Compton
Councillor Therese Doyle
Councillor Jason Dunn
Councillor Brad Luke
Councillor Stephanie Posniak
Councillor Allan Robinson
Councillor Andrea Rufo

IN ATTENDANCE:

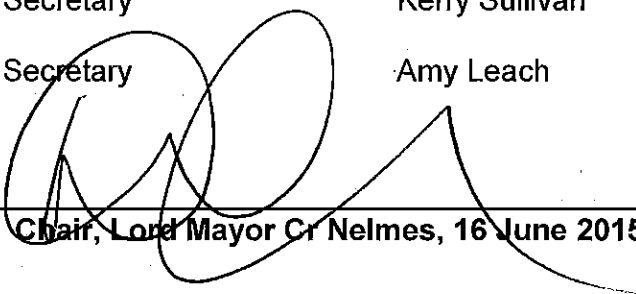
General Manager	Ken Gouldthorp
Director Corporate Services	Glen Cousins
Director Infrastructure	Frank Cordingley
Director Planning and Regulatory	Peter Chrystal
Manager Council and Legal Services	Frank Giordano
Manager Finance	Andrew Glauser
Manager Contracts and Projects	Greg Sainsbury
Manager Strategic Planning Services	Jill Gaynor
Manager Compliance Services	Andrew Baxter
Communications Officer	Dana Fischetti

MINUTES:

Meetings Secretary Kerry Sullivan

WEBCASTING:

Meetings Secretary Amy Leach


Chair, Lord Mayor Ci Nelmes, 16 June 2015

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TUESDAY 26 MAY 2015 AT 5.38PM**

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1 OPENING OF MEETING

- 1.1 The meeting was opened at 5.38pm.

2 MESSAGE OF ACKNOWLEDGEMENT

- 2.1 The Lord Mayor read the message of acknowledgment to the Awabakal and Worimi peoples.

3 PRAYER

- 3.1 The Lord Mayor read a prayer and a period of silence was observed in memory of those who served and died so that Council might meet in peace.

4 APOLOGIES

- 4.1 **MOTION:**
Moved by Cr Luke, seconded by Cr Posniak

The apologies submitted on behalf of Councillors Crakanthorp, Osborne, Waterhouse and Tierney be received and accepted and leave of absence granted.

Carried

5 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTERESTS

- 5.1 **Councillor Luke**
Councillor Luke declared a less than significant non-pecuniary interest in Item 37 - Executive Monthly Performance Report – March 2015, as Council may invest with businesses he is associated with. Councillor Luke said the interest was less than significant as the report to Council was to be received and he was not involved in any decision making processes.

6 CONFIRMATION OF PREVIOUS MINUTES

- 6.1 **MINUTES - ORDINARY COUNCIL MEETING 28 APRIL 2015**

MOTION

Moved by Lord Mayor Cr Nelmes, seconded by Cr Clausen

The draft minutes be added to the discussion in confidential session to discuss an element of the previous minutes discussed in confidential session.

Carried

The General Manager advised that consideration of the minutes was limited to their accuracy. He indicated that there was nothing contained in the draft minutes that was confidential and no reason under the Act to enable discussion in closed session.

PROCEDURAL MOTION

Moved by Lord Mayor Cr Nelmes, seconded by Cr Clausen

The draft minutes of Ordinary Council meeting of 28 April 2015 be discussed at the end of the meeting following the closed confidential session.

Carried

7 PRESENTATIONS TO COUNCIL

7.1 Nil.

8 LORD MAYORAL MINUTE

8.1 Nil.

9 REPORTS BY COUNCIL OFFICERS

ITEM-34 **CCL 26/05/15 - ANNUAL FEES FOR LORD MAYOR AND COUNCILLORS 2015/16**

REPORT BY: **EXECUTIVE MANAGEMENT**
CONTACT: **GENERAL MANAGER / MANAGER COUNCIL AND LEGAL SERVICES**

PURPOSE

To determine the annual fees payable to Councillors and the Lord Mayor for the 2015/16 financial year.

RECOMMENDATION

Council approve:

- 1 an increase of []% to the annual fees payable to the Lord Mayor in accordance with s. 249(1) of the Local Government Act, 1993 (**the Act**);
- 2 an increase of []% to the annual fees payable to Councillors in accordance with s. 248(1) of the Act;
- 3 the payment to the Lord Mayor of the increased annual fee payable to the mayor as provided for in accordance with s. 249(1) of the Act and the payment to the Lord Mayor of the increased annual fee payable to councillors in accordance with 248(1) of the Act, as provided for in s. 249(2) of the Act; and
- 4 the payment in the increased annual fees to the Lord Mayor and the Councillors be effective from the first full pay period in the 2015/16 financial year.

KEY ISSUES

- 5 The Local Government Remuneration Tribunal (Tribunal) released its Annual Report and Determination for fees paid to Councillors and Mayors on 13 April 2015 (refer to the copy of the report as attached at **Attachment A**). The Tribunal's report considers that an increase of 2.5% to the maximum annual fees for Councillors and Mayors is appropriate for the 2015/16 financial year. The current adopted annual fees are less than the maximum annual fees allowed by the Local Government Remuneration Tribunal.
- 6 Council may increase the annual fees for the Lord Mayor and Councillors up to the maximum limit as determined by the Tribunal of \$80,260 for the Lord Mayor and \$27,550 for Councillors in respect of the 2015/16 financial year. This would equate to an increase of approximately 7.7% over the current adopted level of fees for the 2014/2015 financial year.
- 7 Council employees will receive a pay increase of 2.7% from 1 July 2015 in accordance with the Local Government (State) Award 2014.

FINANCIAL IMPACT

- 8 The financial impact of options is set out in the table below:

	Councillor Fee (\$)	Lord Mayor Fee (\$)
Current rates	\$25,574	\$74,534
2.5% increase	\$26,213	\$76,397
7.7% increase	\$27,550	\$80,260

Applying the 2.5% increase to the annual fee payable to Councillors based on the current annual fee of \$25,574 results in a revised annual fee of \$26,313 from 1 July 2015. Similarly, applying the 2.5 increase to the annual fee payable to the Lord Mayor results in a revised annual fee of \$75,316 payable from 1 July 2015. Noting the Lord Mayor receives both fees means that the total annual fees payable to the Lord Mayor amount to \$102,610 payable from 1 July 2015.

- 9 Applying the alternative option of a 7.7% increase to the annual fee payable to Councillors, to bring the annual fee payable to Councillors in alignment with the maximum annual fees payable in accordance with the Local Government Remuneration Tribunal Determination means that the revised annual fee payable to Councillors would be \$27,550, effective from 1 July 2015. Applying a 7.7% increase to the annual fee payable to the Lord Mayor results in a revised annual fee of \$80,260, effective from 1 July 2015. The total of the combined revised annual fees payable to the Lord Mayor would amount to \$107,810.
- 10 The draft 2015/16 budget includes an increase of 3% to the annual fees for the Lord Mayor and Councillors. If Council were to approve an increase of 7.7%, the additional funding required to make up the difference would need to be budgeted for.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 11 Open and Collaborative Leadership: strategic objective 7.4b to ensure that all expenditure relating to the Lord Mayor and Councillors is compliant with Council policy and relevant legislation and regulations to ensure the long term financial sustainability of the organisation.

IMPLEMENTATION PLAN/IMPLICATIONS

- 12 The 2015/16 budget provides for an increase of 3% to the annual fees for the Lord Mayor and Councillors. An increase of up to 3% to Councillor fees will not impact other policies or programs. An increase in excess of 3% will impact other policies or programs.

RISK ASSESSMENT AND MITIGATION

- 13 Council must determine the fees payable to the Lord Mayor and Councillors within the range specified by the Local Government Remuneration Tribunal.

RELATED PREVIOUS DECISIONS

14 On 25 June 2013 Council adopted a nil increase to annual Councillor fees for the 2013/14 financial year.

15 On 24 June 2014 Council adopted a 2.5% increase to annual Councillor fees for the 2014/15 financial year.

CONSULTATION

16 N/A

OPTIONS

Option 1

17 The recommendation as at Paragraph 1.

Option 2

18 Council determine not to approve an increase in annual fees payable to the Lord Mayor and Councillors. This is not the recommended resolution.

BACKGROUND

19 Council has the power, under sections 248 and 249 of the Act, to fix an annual fee for Councillors and the Lord Mayor in accordance with the appropriate determination of the Local Government Remuneration Tribunal.

20 The history of Lord Mayor/Councillor annual fee increases for the last six years is set out below:

Year	Lord Mayor Fee (\$)	Councillor Fee (\$)
2014/15	74,534	25,574
2013/14	72,716	24,950
2012/13	72,716	24,950
2011/12	70,942	24,341
2010/11	68,083	23,360
2009/10	66,100	22,680

REFERENCES

ATTACHMENT

**Attachment A: Annual Report and Determination of the Local Government Remuneration Tribunal - 13 April 2015
Distributed under separate cover**

MOTION

Moved by Lord Mayor Cr Nelmes, seconded by Cr Clausen

A Council approve

- 1 An increase of 0% to the annual fees payable to the Lord Mayor in accordance with s. 249(1) of the Local Government Act, 1993 (**the Act**);
- 2 An increase of 0% to the annual fees payable to Councillors in accordance with s. 248(1) of the Act;

B A report be prepared for presentation to Council to reallocate the 3% increase budgeted for allowances to develop a Wallsend Town Centre Masterplan. Including but not limited to:

- Pedestrian and Footpath upgrades
- Façade improvement scheme
- Road and bridge works

Carried

ITEM-35 CCL 26/05/15 - PROPOSED MEMORANDUM OF UNDERSTANDING WITH URBAN GROWTH NSW - NEWCASTLE URBAN TRANSFORMATION AND TRANSPORT PROGRAM

REPORT BY: EXECUTIVE MANAGEMENT
CONTACT: GENERAL MANAGER / DIRECTOR PLANNING AND REGULATORY

PURPOSE

To recommend Council endorse the Memorandum of Understanding with Urban Growth NSW as provided in **Attachment A**.

RECOMMENDATION

- 1 Council endorse the Memorandum of Understanding with Urban Growth NSW as provided in **Attachment A** and delegate authority to the General Manager to sign the document for and on behalf of Council.

KEY ISSUES

- 2 At the Ordinary Council meeting of 9 December 2014 Council resolved to, among other things:

Part A

Council is committed to driving the future prosperity of The City of Newcastle by:

- a) *Fostering and supporting economic development and job creation.*
- b) *Partnering with the NSW State Government to deliver Urban Renewal including various catalyst projects and infrastructure initiatives, which will stimulate activity, jobs, development and investment in the City.*

.....

- d) *Working with UrbanGrowth NSW (the lead NSW State agency for the revitalisation of the City Centre) to deliver significant catalyst projects for the City's revitalisation.*

.....

Part B

Further, that Council:

- a) *affirms its commitment to the continued revitalisation of the Newcastle CBD as a key priority, and its desire to work in partnership with the state government and the local community to achieve this:*
- b) *confirms its support for the elements of the 2012 Newcastle Urban Renewal Strategy that attracted general community support, including its proposed improvements to the public realm and changes to planning controls to facilitate commercial and residential activity in the west end of the CBD.*
- c) *UrbanGrowth NSW is the NSW State Government lead agency for the planning and delivery of the Program. UrbanGrowth NSW is working in partnership with Transport for NSW and other NSW Government agencies to deliver this Program.*

FINANCIAL IMPACT

- 3 The MOU does not commit Council to any capital expenditure.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 4 The revitalisation of the city centre is a key project supported by the community and aligns to all the strategic directions adopted by the CSP.

IMPLEMENTATION PLAN/IMPLICATIONS

- 5 The MOU acknowledges that Council will work collaboratively with Urban Growth NSW whilst recognising that there are differing views in regards to aspects of the program. The MOU sets out that the parties will work in a respectful manner where differing views occur and focus on areas of agreement. Clause 10.2 of the MOU states that the MOU is not legally binding.
- 6 Notably the MOU requires UrbanGrowth to establish a Community Engagement Strategy and resend it to Council.
- 7 The MOU is not legally binding and explicitly stipulates that it does not fetter the statutory authority of either party, rather it establishes a framework to facilitate engagement and coordination between the parties. Some elected representatives have previously been critical of the lack of liaison with Council. The MOU addresses these issues.

RELATED PREVIOUS DECISIONS

- 8 Newcastle City Centre revitalisation has been the subject of reports and resolutions within Newcastle City Council over a considerable period of time. Related actions by Newcastle City Council as reported to the Ordinary meeting of 9 December 2014 (see attachment B):

- Resolution passed by the Strategic Policy Committee of Council (which had full delegations of Council) on 2 December 2008;
- Adoption of the Hunter Street Revitalisation Masterplan in December 2010;
- Commitment of \$3M to city centre projects in 2010-11 budget;
- Participating with Department for Planning and Infrastructure in the preparation of the Newcastle Urban Renewal Strategy during 2011 to present;
- Including the city centre as one of four key projects for the city to be funded by a special rate variation;
- Appointment of a City Centre Program Coordinator in October 2012;
- Delivery of projects including the Façade Improvement Program, Christmas in the City and various place making initiatives;
- Submission by Council on Newcastle Urban Renewal Strategy adopted on 9 April 2013;
- Resolution approved by Council on 25 February 2014;
- The foregoing resolution was reaffirmed at the Ordinary Council meeting held on 25 March 2014 (after the rescission motion was defeated);
- The Council resolution passed on 25 February 2014 was again reaffirmed at the Extraordinary Council Meeting held on 25 March 2014 and
- The Council resolution of 9 December 2014 rescinding the LMM of 25 February 2014.

CONSULTATION

- 9 Internal consultation was undertaken with Council's Executive, Planning and Regulatory, Infrastructure and Corporate Services Directorates. UrbanGrowth representatives have also met with the Lord Mayor on several occasions and a representative will be participating in the Future Cities Program.

OPTIONS

Option 1

- 10 The recommendation as at Paragraph 1.

Option 2

- 11 Council decides not endorse the MOU. This is not the recommended option as Council has previously resolved to partner with the NSW Government and work with UrbanGrowth NSW to deliver urban renewal in Newcastle.

ATTACHMENTS

Attachment A: MOU

Attachment B: Report and attachments to Ordinary Council meeting of 9 December 2014

Attachment A & B are distributed under separate cover.

MOTION

Moved by Lord Mayor Cr Nelmes, seconded by Cr Posniak

Council endorse the Memorandum of Understanding with Urban Growth NSW as provided in **Attachment A** amended as follows and delegate authority to the General Manager to sign the document for and on behalf of Council.

Clause 5.1, first dot point to be amended to read:

The parties agree the key principles of this MOU are:

- It is acknowledged that there are differing views in regards to aspects of the program. The parties will negotiate and work in a respectful manner where differing views occur and focus on areas of agreement. (Noting Council's decision of 9 December 2014 - Urban Renewal).

Clause 6.1, third dot point to be amended to read:

- UrbanGrowth NSW will develop and implement a community engagement plan which will be presented to Council for endorsement by the elected Council.

A new Clause 8.1, be inserted:

8.1 A Newcastle Urban Transformation Steering Group (NUTSG) will be established to guide urban transformation activities proposed under the Newcastle Urban renewal and Transport Program. This group will consist of: The Lord Mayor City of Newcastle, General Manager of Newcastle, Director of Planning City of Newcastle, Head of Urban Transformation UrbanGrowth NSW, Program Director UrbanGrowth NSW and the General Manager Hunter Development Corporation.

Existing Clause 8.1 to become 8.2 and remaining clauses renumbered accordingly.

Cont'd over...

PROCEDURAL MOTION

Moved by Cr Luke, seconded by Cr Doyle

Council adjourn for a three minute recess to enable the proposed motion to be copied and distributed.

Carried

Council adjourned at 5.59pm and reconvened at 6.02pm.

Councillor Compton requested the words 'negotiate and' be removed from the proposed revised Clause 5.1 first dot point.

The Lord Mayor Councillor Nelmes and Councillor Posniak stated they would accept Councillor Compton's revised wording.

The motion moved by Councillor Nelmes and seconded by Councillor Posniak incorporating the deletion of the words 'negotiate and' as proposed by Councillor Compton was put to the meeting.

Carried
Cr Doyle voted against

**ITEM-36 CCL 26/05/15 - QUARTERLY PERFORMANCE REPORT -
MARCH 2015**

REPORT BY: CORPORATE SERVICES
CONTACT: DIRECTOR CORPORATE SERVICES / MANAGER FINANCE

PURPOSE

To report on Council's financial position and performance against the 2014/15 Operational Plan as at 31 March 2015 in accordance with clause s203 of the Local Government (General) Regulation 2005.

RECOMMENDATION

- 1 Council receives the March 2015 Quarterly Budget Review Statements (**Attachment A**) and adopts the recommended budget variations therein.

KEY ISSUES

- 2 Operational budget variations totaling a positive \$3.5m have been identified within the March Quarterly Performance Report. This improves Council's operating deficit from \$6.3m to a forecast deficit of \$2.8m at 30 June 2015.
- 3 A revised scheduling of some projects has required a number of them to be deferred to the 2015/16 financial year which has resulted in a budget reduction for capital works of \$6.6m in the current financial year. As a result, the March Quarterly Performance Report is forecasting a positive \$2.8m net funds generated.
- 4 The revised funding position forecast for 30 June 2015 is for a surplus of \$2.7m which is comprised of a reduction in restricted cash reserves of \$24m, offset by an increase in unrestricted cash reserves of \$26.8m. The improved funding position is due to the reduction in the budgeted capital work program and additional asset sales.

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	A	B	C	D	E	F	
	<i>Reclassified 2014/15 Budget \$'000</i>	<i>2013/2014 Carry Forward Program \$'000</i>	<i>Variations Adopted in September \$'000</i>	<i>Variations Adopted in December \$'000</i>	<i>Recommend ed Changes for Council Resolution \$'000</i>	<i>Projected year end result \$'000</i>	<i>Actual YTD \$'000</i>
Total Operating Revenue	221,243	197	1,820	2,226	1,036	226,522	169,038
Total Operating Expenses	226,712	2,040	1,516	1,506	(2,476)	229,299	163,665
Total Operating Revenue Less Operating Expenditure	(5,469)	(1,843)	303	720	3,512	(2,777)	5,373
Total Capital Raising Revenue	9,423	270	8,177	4,792	15,148	37,810	21,347
Adjustments for Non Cash Item:	48,476	0	0	(4,792)	(9,217)	34,467	32,762
Funding available for capital expenditure	52,430	(1,573)	8,480	720	9,443	69,500	59,482
Total Capital Spend	54,989	15,807	9,716	(9,857)	(6,617)	64,038	28,721
Net Loans							
Borrowings/(Repayments)	(2,697)	0	0	0	0	(2,697)	2,023
Net Use of Funds	(5,256)	(17,380)	(1,236)	10,577	16,060	2,765	32,784
Net Transfers (from)/to Restricted Assets	(21,319)	(17,380)	(4,645)	9,144	10,196	(24,004)	(17,768)
Net Transfers (from)/to Unrestricted Cash	16,063	0	3,409	1,433	5,864	26,769	46,506
Net change in Council's Reserves	(5,256)	(17,380)	(1,236)	10,577	16,060	2,765	28,738

FINANCIAL IMPACT

- 5 The analysis below will focus exclusively on the financial impact of budget changes identified during the March Quarterly Performance Report (Column D). Key elements of the forecast include:

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	A	B	C	D	E	F	
	<i>Reclassified 2014/15 Budget</i>	<i>2013/2014 Carry Forward Program</i>	<i>Variations Adopted in September</i>	<i>Variations Adopted in December</i>	<i>Recommended Changes for Council Resolution</i>	<i>Projected year end result</i>	<i>Actual YTD</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Operating Revenue							
Rates & charges	128,191	0	0	98	0	128,289	96,666
User charges & fees	60,093	0	565	(208)	1,499	61,949	44,408
Interest	7,077	0	1,075	700	768	9,620	7,406
Other operating revenues	9,463	0	184	744	475	10,866	8,624
Grants & contributions - Operating	16,419	197	(4)	892	(1,706)	15,798	11,934
Total Operating Revenue	221,243	197	1,820	2,226	1,036	226,522	169,038
Operating Expenses							
Employee costs	90,813	0	90	(23)	(4,080)	86,800	62,516
Borrowing costs	4,257	0	0	0	0	4,257	2,351
Materials & contracts	40,256	2,040	2,328	1,009	275	45,908	31,897
Depreciation & amortisation	48,476	0	0	0	1,002	49,478	36,356
Other operating expenses	42,910	0	(901)	520	327	42,856	30,545
Total Operating Expenses	226,712	2,040	1,516	1,506	(2,476)	229,299	163,665
Total Operating Revenue Less Operating Expenditure	(5,469)	(1,843)	303	720	3,512	(2,777)	5,373

6 Factors improving Operational Financial Position

i User charges & fees – increase of \$1.5m

\$2.6m income for additional civil works performed under Transport NSW contract.

\$1m decrease to Waste Management tipping income that is offset by a \$1m reduction in the state waste levy (refer Other operating expenses).

ii Interest – increase of \$0.8m

Council's Investment Portfolio continues to return a higher than forecast investment return. Interest Income exceeded budget due to total portfolio holdings being greater than anticipated as a result of improved funding position and a higher actual yield than forecast.

iii Employee costs – decrease of \$4.1m

Removal of all corporately held employee cost provisions and any budget remaining for unfilled positions.

Analysis indicates that spending to budget on Council's capital works programs would have required an additional \$3m of employee costs.

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7 **Factors adversely impacting Operational Financial Position**

i **Grants & contributions operating – decrease of \$1.7m**

Grant received for civil construction has been classified as a capital grant.

ii **Materials & contracts – increase of \$.3m**

Materials expenditure (labour costs for this work are not included in this cost category) relating to additional civil works (\$1m).

(\$0.8m) costs associated with operational project works deferred to future years.

iii **Depreciation – increase of \$1m**

Amortisation costs associated with the site rehabilitation provision at the Summerhill Waste Management Centre.

	A	B	C	D	E	F	
	2013/2014				Recommended		
	Reclassified	Carry	Variations	Variations	Changes for	Projected	
	2014/15	Forward	Adopted in	Adopted in	Council	year end	
	Budget	Program	September	December	Resolution	result	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
						Actual	
						YTD	
						\$'000	
Capital Revenues							
Grants & contributions - Capital	2,252	270	8,177	4,792	10,219	25,710	9,339
Proceeds from the sale of Assets	7,171	0	0	0	4,929	12,100	12,008
Total Capital Raising revenue	9,423	270	8,177	4,792	15,148	37,810	21,347
Nett Surplus/(deficit) after capital revenue	3,954	(1,573)	8,480	5,512	18,660	35,033	26,720
Adjustments for Non Cash Items							
Add back Depreciation	48,476	0	0	0	1,002	49,478	36,356
Less land & infrastructure donations	0	0	0	(4,792)	(10,219)	(15,011)	(3,594)
Funding available for capital expenditure	52,430	(1,573)	8,480	720	9,443	69,500	59,482
Capital Expenses							
Asset renewals	24,505	3,344	1,406	(1,772)	(2,616)	24,867	11,396
New / upgrade	19,239	8,751	3,436	(1,554)	(3,968)	25,904	12,596
Special Projects	11,245	3,712	4,874	(6,531)	(33)	13,267	4,729
Total capital spend	54,989	15,807	9,716	(9,857)	(6,617)	64,038	28,721
Net Loans							
Borrowings/(Repayments)	(2,697)	0	0	0	0	(2,697)	2,023
Net Use of Funds	(5,256)	(17,380)	(1,236)	10,577	16,060	2,765	32,784
Net Transfers (from)/to							
Restricted Assets	(21,319)	(17,380)	(4,645)	9,144	10,196	(24,004)	(17,768)
Net Transfers (from)/to Unrestricted Cash	16,063		3,409	1,433	5,864	26,769	46,506
Net change in Council's Reserves	(5,256)	(17,380)	(1,236)	10,577	16,060	2,765	28,738

8 Factors affecting the capital program

i Grants & contributions – increase of \$10.2m

Council has additional forecast land under road and infrastructure asset donations of \$3.4m and section 94 contributions of \$4.8m that were not known at the time the original budget was prepared. These donations are recorded as a revenue item but do not involve any exchange of cash and so are removed before calculating the funding available for capital expenditure.

ii Proceeds from the sale of Assets – increase of \$4.9m

The March Quarterly Performance Report is forecasting full year asset sale proceeds of \$12.1m. This is \$4.9m more than included in the 2014/15 adopted budget due to timing differences as Council's asset sale program moves through the negotiation and settlement stages.

iii Capital Expenses – decrease of \$6.6m

The 2014/15 capital works program has been reviewed in line with Council's capacity to deliver work over the remainder of the year. Project work totaling \$6.6m has been removed from 2014/15 schedule and will be deferred for rescheduling as capacity arises.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 9 This March Quarterly Performance Report aligns to the Community Strategic Plan under the strategic direction of '*Open and collaborative leadership*' action 7.4b '*ensure the management of Councils budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation*'.

IMPLEMENTATION PLAN/IMPLICATIONS

- 10 The adoption of the recommendations will enable ongoing implementation of Council's adopted 2013-17 Delivery Program and 2014/15 Operational Plan.

RISK ASSESSMENT AND MITIGATION

- 11 Adoption by 26 May 2015 will achieve legislative deadlines for submission of the Quarterly Performance Report for the March Quarter 2015

RELATED PREVIOUS DECISIONS

- 12 Adoption of the 2013-17 Delivery Program and 2014/15 Operational Plan on 24 June 2014.
- 13 Adoption of the 2013/14 Carry Forward Program on 26 August 2014.
- 14 Adoption of the September Quarterly Budget Review on 25 November 2014.
- 15 Adoption of the December Quarterly Budget Review on 24 February 2015.

CONSULTATION

- 16 A workshop was conducted with Council to provide detailed information to Councillors for review and a forum for Councillors to ask questions.

OPTIONS

Option 1

- 17 The recommendation as at Paragraph 1.

Option 2

- 18 Council resolves to vary the recommendations in the adoption of the report. This is not the recommended option.

BACKGROUND

- 19 The Integrated Planning and Reporting framework requires Councils to prepare:
- a Quarterly Budget Review Statement. The Quarterly Budget Review Statement should act as a barometer of Council's financial health during the Operational Plan year. It is expected that Council's Quarterly Budget Review will identify and recommend any revised estimates of the income and expenditure for the year and indicate how Council is tracking against its original budget.

REFERENCES

ATTACHMENTS

Attachment A: Quarterly Budget Review Statements – March
Distributed under separate cover

MOTION

Moved by Cr Compton, seconded by Cr Clausen

Council receives the March 2015 Quarterly Budget Review Statements (**Attachment A**) and adopts the recommended budget variations therein.

Carried

ITEM-37 CCL 26/05/15 - EXECUTIVE MONTHLY PERFORMANCE REPORT - APRIL 2015

REPORT BY: CORPORATE SERVICES
CONTACT: DIRECTOR CORPORATE SERVICES / MANAGER FINANCE

PURPOSE

To report on Council's Monthly Performance. This includes:

- a) Monthly financial position and performance against the 2014/15 Operational Plan as at the month end of April 2015.
- b) Investment of temporary surplus funds under section 625 of the Local Government Act 1993 (Act), submission of report in accordance with the Act and clause 212 of the Local Government (General) Regulation 2005 (Regulation).

RECOMMENDATION

- 1 The report be received.

KEY ISSUES

- 2 At the end of April 2015 the consolidated year to date (YTD) actual **operating position** is a **surplus of \$2.8m** which represents a positive variance of \$8.9m against the budgeted deficit of \$5.6m. This budget variance is due to a combination of income and expenditure variances which are detailed in **Attachment A**. The full year revised budget for 2014/15 (prior to March quarterly review) is an operating deficit of \$6.3m. A significant factor contributing to this variance is the current level of under spending *on asset maintenance and asset renewal*. *Our analysis indicates that if this work was increased above the 2014/15 budget to the level identified as sustainable it would result in additional YTD operational costs of approximately \$9m which would have reduced the reported actual operational position to a deficit of \$6.2m.*
- 3 The April YTD position includes a number of revenue items which are considered to be non-recurrent or are unable to be applied to supporting operating activities. When these items are removed Council's **sustainable** underlying **operating position** at the end of April is a **deficit of \$8.8m**. These items include:

i **Non-Recurrent revenue – \$1m**

The recoupment of the Glenelg collateralised debt obligation (CDO) (\$1m).

ii **Restricted Income – \$10.6m**

Consolidation of Council's 50% share of the airport operating result (\$3.2m), the 2012 Special Rate Variation (\$4m), the storm water management service charge (\$1.8) and the Local Roads component of the Financial Assistance Grant (\$1.6m).

- 4 At the end of April 2015, Council's expenditure on the capital works program is \$18.1m below the revised YTD budget. Analysis indicates that this also has a flow on effect, reducing operational expenditure by approximately \$2.5m (ie capital spending in-line with budget would have created an additional \$2.5m of operational expenditure).
- 5 The **net funds generated** at the end of April 2015 is a **surplus** of **\$27.4m** (after capital revenues, expenditure and loan principal repayments). This is a positive variance to budget of \$31.3m. The net funds generated is represented by a net reduction in restricted cash reserves of \$18.3m (positive variance of \$10.2m) offset by an increase in unrestricted cash reserves of \$45.7m (positive variance of \$21.1m). Again had **capital spending been in-line** with **budget forecasts** the additional expenditure would have reduced the net funds generated to a **balanced position** which is roughly in-line with budget expectations.
- 6 A listing of significant contract variations totaling \$2.8m is provided within the Executive Monthly Performance Report (**Attachment A**). \$0.8m of contract variations required additional project budgets which have been reallocated from within existing approved program budgets. The remaining \$2m of contract variations were within the contingencies allowed within the original project budgets. All contract variations and budget changes have been appropriately approved and reported in the September and December Quarterly Budget Reviews.
- 7 A listing of fees & charges waived or reduced in excess of \$1,000 is provided within the Executive Monthly Performance Report (**Attachment A**) in accordance with a memo from the General Manager's office 24 February 2015. No fees were waived in the month of April.
- 8 The Newcastle and greater Hunter areas experienced a severe weather event in the month of April. Staff together with additional contractors, have been working extended hours to return the city to its former state, provide support to residents and attempt to get the maximum amount of work done within the 21 day emergency funding response period. While a number of Council crews are now returning to the capital works program and scheduled maintenance it is expected that it will be months before the majority of work is complete. Costs associated with the event will therefore have an impact on Council's 2014/15 financial result, the completion of the 2014/15 capital works program and may result in some reprioritisation in the 2015/16 financial year.

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26 MAY 2015 AT 5.38PM

	Full Year Revised Budget ₁	YTD Revised Budget	YTD Actual Result	Variance to YTD Budget	Variance %	Outstanding Commitments \$'000
	\$'000	\$'000	\$'000	\$'000	%	\$'000
Total Operating Revenue	225,486	184,246	184,264	18	0%	
Total Operating Expenses	(231,775)	(190,333)	(181,462)	8,871	-5%	(10,300)
Total Operating Revenue Less Operating Expenditure	(6,289)	(6,087)	2,802	8,889	-146%	0
Total Capital Raising revenue	22,662	18,725	22,226	3,501	19%	
Add Back Non Cash Items	43,684	36,103	36,939	(836)	()	
Funding available for capital expenditure	60,057	48,741	61,967	13,226	27%	
Total capital spend	(70,655)	(50,377)	(32,274)	18,103	-36%	(10,859)
Loan Principal Repayment	(2,697)	(2,248)	(2,248)		0%	0
Net Funds Generated / (Used)	(13,295)	(3,884)	27,446	31,329	-807%	
Net Transfers (from)/to Restricted						
Cash Reserves	(34,200)	(28,500)	(18,259)	10,241	-36%	
Net Transfers (from)/to Unrestricted						
Cash	20,905	24,616	45,704	21,088	86%	
Net change in Council's Reserves	(13,295)	(3,884)	27,446	31,329	-807%	

Note 1 - Budget revised at the December Quarterly Budget Review

Note 2 - Actual and Budget results include an estimate for the Newcastle Airport

FINANCIAL IMPACT

- 9 The budget to actual YTD financial position at the end of April 2015 is provided in the Executive Monthly Performance Report (**Attachment A**). Key elements are:

MINUTES OF THE ORDINARY MEETING OF THE CITY OF NEWCASTLE
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	<i>Full Year Revised Budget₁ \$'000</i>	<i>YTD Revised Budget \$'000</i>	<i>YTD Actual Result \$'000</i>	<i>Variance to YTD Budget \$'000</i>	<i>Variance %</i>	<i>Outstanding Commitments \$'000</i>
Operating Revenue						
Rates & charges	128,289	106,394	106,394		0%	
User charges & fees	60,450	49,771	48,573	(1,198)	-2%	
Interest	8,852	7,376	8,149	773	10%	
Other operating revenues	10,391	8,598	9,009	411	5%	
Grants & contributions - Operating	17,504	12,107	12,139	32	0%	
Total Operating Revenue	225,486	184,246	184,264	18	0%	
Operating Expenses						
Employee costs	(90,880)	(74,136)	(68,842)	5,294	-7%	
Borrowing costs	(4,257)	(3,590)	(3,590)		0%	
Materials & contracts	(45,633)	(37,570)	(35,006)	2,564	-7%	(5,385)
Depreciation & amortisation	(48,476)	(40,096)	(40,932)	(836)	2%	
Other operating expenses	(42,529)	(34,941)	(33,092)	1,849	-5%	(4,915)
Total Operating Expenses	(231,775)	(190,333)	(181,462)	8,871	-5%	(10,300)
Total Operating Revenue						
Less Operating Expenditure	(6,289)	(6,087)	2,802	8,889	-146%	

Note 1 - Budget revised at the December Quarterly Budget Review

Note 2 - Actual and Budget results include an estimate for the Newcastle Airport

10 Factors Favourably Impacting Financial Position

i **Interest – increase of \$0.8m**

Council's Investment Portfolio continues to return a higher than forecast investment return. Interest earned for the month of April was \$0.7m and brought the total YTD interest earnings to \$8.1m.

ii **Other operating revenues – increase of \$0.4m**

The Joint Library Scheme income is balanced by \$0.3m of additional expenditure.

iii **Employee costs – decrease of \$5.3m**

The positive variance has two main drivers:

- a) Corporately held employee provisions not yet drawn against.
- b) Employee cost savings in relation to unfilled positions.

Analysis indicates that spending to budget on Council's capital works programs would have created an additional \$2.5m of employee costs and reduced the variance to budget to a positive \$2.8m.

iv **Materials & Contracts – decrease of \$2.6m**

YTD expenditure at the Waste Management Centre is \$1.3m below budget, however this is largely related to timing issues and actual expenditure is expected to align with the budget by the year end. The variance is made up of \$0.7m relating to Waste and Sustainability Improvement Programs and \$0.6m relating to general landfill operations.

Unspent budget of \$0.5m held for procuring and programming shows across Council's Cultural Facilities, which is largely a timing issue and is expected to be caught up full year.

The expenditure on external legal services is \$0.3m below budget. Again this is largely a timing issue, however if there are no significant legal matters arising during the remainder of the year it is likely that this favourable variance will remain at year end.

v **Other operating expenses – decrease of \$1.5m**

The state waste levy is approximately \$1m below budget due to lower than forecast commercial waste tonnages at Summerhill Waste Management Centre (SWMC).

Budget held for insuring Council operations particularly indemnity insurance. The nature of expenses tends to be reactionary and budget is held against an urgent issue rising.

11 **Factors adversely impacting Financial Position**

i **User Fees & Charges – decrease of \$1.2m**

As noted above Commercial waste tonnages are below forecast which has reduced revenue by approximately \$1.1m.

ii **depreciation and amortisation – increase of \$0.8m**

Amortisation costs associated with the site rehabilitation provision at the SWMC.

12 At the end of April commitments raised against operating expenses totaled \$10.3m. The commitments represent both the work currently being undertaken and awaiting invoice as well as the work planned for the future. Major commitments include:

i **State waste levy – \$5m**

Commitment raised by SWMC to pay the forecast state waste levies to 30 June 2015. The cost is roughly \$2m a month and the commitment will be exhausted in June 2015.

ii **Operational project work – \$3.2m**

Commitments raised by working crews for materials used in operational project work. Expense is generally \$1m a month with regular commitments raised.

iii **Building maintenance – \$0.6m**

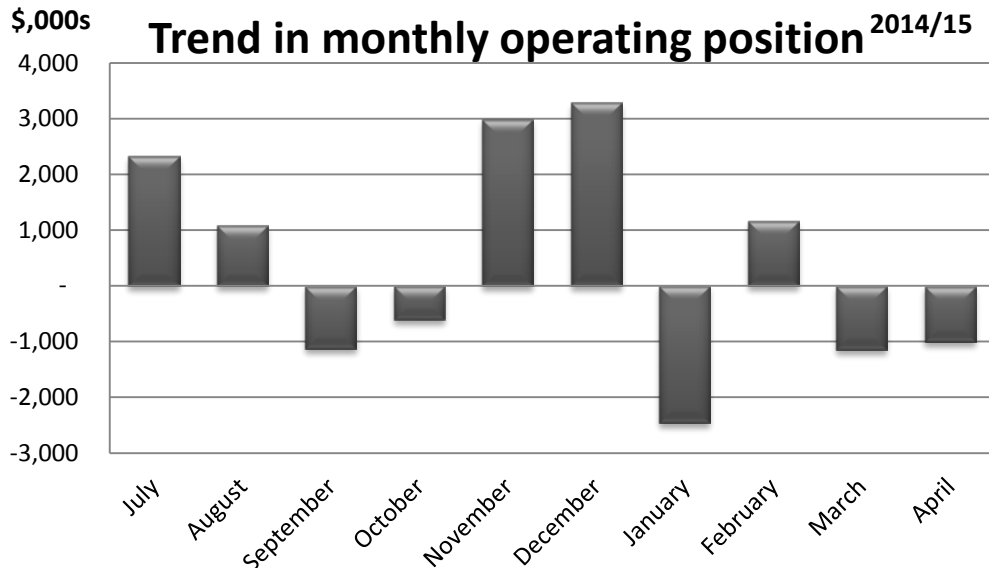
Commitments raised by working crews for materials used in maintaining Council's built infrastructure. Expense is generally \$0.6m a month with regular commitments raised.

iv **Events and Cultural Programming – \$0.7m**

Commitments raised for expenditure across Council's cultural facilities, libraries and tourism areas.

v **Park maintenance – \$0.4m**

Commitments raised by working crews for materials used in maintaining Council's parks and gardens. Expense is generally \$0.4m a month with regular commitments raised.



- 13 Typically Council's capital works program accelerates as the year progresses and there will be seasonal factors which will result in both revenue and expense timing variations by month. The month of April reported an operational deficit of \$1m which was broadly in line with expectations.

MINUTES OF THE ORDINARY MEETING OF THE CITY OF NEWCASTLE
26 MAY 2015 AT 5.38PM

	Full Year Revised Budget ₁ \$'000	YTD Revised Budget \$'000	YTD Actual Result \$'000	Variance to YTD Budget \$'000	Variance %	Outstanding Commitments \$'000
Capital Revenues						
Grants & contributions - Capital	15,491	11,554	10,086	(1,468)	-13%	
Proceeds from the sale of Assets	7,171	7,171	12,140	4,969	69%	
Total Capital Raising revenue	22,662	18,725	22,226	3,501	19%	
Net Surplus/(deficit) after capital revenue						
	16,373	12,638	25,028	12,390	98%	
Adjustments for Non Cash Items						
Add back Depreciation	48,476	40,096	40,932	(836)	-2%	
Less land & infrastructure donations	(4,792)	(3,993)	(3,993)	()	0%	
Funding available for capital expenditure	60,057	48,741	61,967	13,226	27%	
Capital Expenses						
Asset renewals	(27,483)	(19,915)	(13,288)	6,627	-33%	(4,767)
New / upgrade	(29,872)	(19,825)	(12,970)	6,855	-35%	(3,822)
Special Projects	(13,300)	(10,637)	(6,016)	4,621	-43%	(2,270)
Total capital spend	(70,655)	(50,377)	(32,274)	18,103	-36%	(10,859)
Loan Principal Repayment	(2,697)	(2,248)	(2,248)		0%	0
Net Funds Generated / (Used)	(13,295)	(3,884)	27,446	31,329	-807%	
Net Transfers (from)/to Restricted						
Cash Reserves	(34,200)	(28,500)	(18,259)	10,241	-36%	
Net Transfers (from)/to Unrestricted						
Cash	20,905	24,616	45,704	21,088	86%	
Net change in Council's Reserves	(13,295)	(3,884)	27,446	31,329	-807%	

Note 1 - Budget revised at the December Quarterly Budget Review

Note 2 - Actual and Budget results include an estimate for the Newcastle Airport

- 14 At the end of April there is a positive variance to budget of \$5m in the proceeds from the sale of assets. This is a timing variance in Council's 10 year asset sale program and will be adjusted in the full year forecast prepared as part of the March Quarterly Budget Review.
- 15 Council's total capital spend is \$18.1m below the YTD budget of \$50.4m. In aggregate Council's budget assumes that the capital work program of \$70.7m generates \$9m of additional operational expenditure. This ratio indicates that an YTD capital spend \$18.1m below budget would have a flow on effect of \$2.5m to operational expenses.
- 16 The YTD actual capital spend is behind the YTD budget by \$18.1m and although this will be caught up to an extent over the remaining two months of the financial year there may be a large amount of work in progress at 30 June 2015. The capital position will be analysed and an updated forecast reported through the March Quarterly Budget Review.

17 At the end of April commitments raised against capital work totaled \$10.9m. The commitments represent both the work currently being undertaken and awaiting invoice as well as the work planned for the future. Major commitments include:

i **Coastal Revitalisation – \$3.1m**

Commitment raised to pay the contractors (Daracon) constructing the Nobbys to Newcastle section of Bathers Way (\$2.5m). This commitment will be realised by June 2015.

ii **Major Asset Preservation Program – \$5m**

Commitments include \$2m for the contractors rebuilding the City Hall Clock Tower. This commitment covers the entire contract and will be partially expensed each month until December 2015.

Various commitments have been raised as Council undertakes road resurfacing (\$0.7m), city wide drainage (\$0.3m) and the rehabilitation of Ironbark creek (\$0.4m).

iii **Fleet Replacement – \$1.7m**

Commitments raised cover fleet vehicles ordered and expected to be received up to June 2015.

iv **Other works**

Other major works currently underway include Islington Park (\$0.5m), Blackbutt (\$0.4m), and Glebe Road (\$0.3m).

18 Council's temporary surplus funds are invested consistent with Council's Investment Policy, Investment Strategy and the Act and Regulations. Detail of all Council funds invested under s625 of the Act is provided in the Investment Policy and Strategy Compliance Report (section 4 of **Attachment A**).

COMMUNITY STRATEGIC PLAN ALIGNMENT

19 This report aligns to the Community Strategic Plan under the strategic direction of 'Open and collaborative leadership' action 7.4b '*ensure the management of Council's budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation.*'

IMPLEMENTATION PLAN/IMPLICATIONS

20 The recommendation for the report to be received is consistent with:

- a) Council's resolution to receive monthly financial position and performance result on a monthly basis,
- b) Council's Investment Policy and Strategy, and

- c) the Regulation and clause s625 of the Act.

RISK ASSESSMENT AND MITIGATION

- 21 No additional risk mitigation has been identified this month.

RELATED PREVIOUS DECISIONS

- 22 Council resolved to receive a report containing Council's financial performance on a monthly basis.

CONSULTATION

- 23 A monthly workshop is conducted with the Councillors to provide detailed information and a forum to ask questions. In circumstances where a workshop cannot be scheduled the information is distributed under separate cover.

OPTIONS

Option 1

- 24 The recommendation as at Paragraph 1.

Option 2

- 25 Council resolves to vary the recommendations in the adoption of the report. This is not the recommended option.

BACKGROUND

- 26 Previous resolutions of Council and the Internal Audit Committee identified the need for careful monitoring of Council's financial strategy and operational budget result. The presentation of a monthly Executive Performance Report to Council and a workshop addresses this need and exceeds the requirements of the Act.
- 27 The Executive Monthly Performance Report now incorporates a Customer Service section. This will be refined as Council develops a more detailed and comprehensive customer service solution with integrated tracking of customer requests through to completion.
- 28 In response to the internal audit on project management an additional table has been added to the Executive Monthly Performance Report (**Attachment A**) outlining significant contract variations.
- 29 In response to a memo from the office of the General Manager an additional table has been added to the Executive Monthly Performance Report (**Attachment A**) outlining fees & charges which have been waived or reduced.

REFERENCES

ATTACHMENTS

Attachment A: Executive Monthly Performance Report for April 2015
Distributed under separate cover

MOTION

Moved by Cr Compton, seconded by Cr Posniak

The report be received.

Carried

**ITEM-38 CCL 26/05/15 - WASTE MANAGEMENT FEES AND CHARGES
2015/16**

REPORT BY: INFRASTRUCTURE - WASTE MANAGEMENT
**CONTACT: DIRECTOR INFRASTRUCTURE / MANAGER WASTE
MANAGEMENT**

PURPOSE

The purpose of this report is to adopt proposed changes to the Summerhill Waste Management Centre (Summerhill) Fees and Charges for 2015/16. The proposal establishes:

- Waste Management Collections, Disposals and associated services Fees and Charges for the 2015/2016 financial year;
- pricing incentives to encourage participation in the separation of materials for recycling;
- sale prices for recovered materials;
- establish criteria for the waiver or negotiation of fees and charges for Waste Management services and disposal; and
- a delegation to the General Manager to determine appropriate waivers or negotiation of fees according to certain criteria.

RECOMMENDATION

- 1 Council adopts the draft 2015/16 fees and charges for Summerhill Waste Management Centre at **Attachment A**.

KEY ISSUES

- 2 The draft 2015/16 fees and charges were placed on public exhibition from Saturday 29 March 2014 until Wednesday 30 April 2014 as per report CCL 25/03/2014. Notice of the exhibition was placed in the Newcastle Herald and the exhibition material was available at Council's Customer Enquiry Centre, Council Libraries and on Council's web page.
- 3 No submissions were received by Council from the public exhibition. There was one typing error noticed by staff which related to the GST component of the tasks associated with collections. The error stated that the fees were inclusive of GST when in fact there is no GST applicable on that part of the service. This error has no bearing on the fees charged.
- 4 External influences and legislative changes continue to have a direct financial impact on waste management activities. These drivers continue to significantly increase the cost of waste management. The landfill Waste Levy alone is expected to rise from the current \$120.90 per tonne to just under \$135.00 per tonne from July 2015.

- 5 The adoption of a wider range of products and recycling incentives in last year's fees and charges has proved popular and has encouraged source separation of recyclable materials. This range of options has continued in the 2015/16 fees and charges.
- 6 Council sometimes considers it appropriate to waive, reduce or negotiate these fees in cases of hardship or to support charitable organisations or to attract commercial waste. This is permissible under section 610E of the *Local Government Act 1993* (NSW) (the Act):
- (1) *A council may waive payment of, or reduce, a fee (whether expressed as an actual or a maximum amount) in a particular case if the council is satisfied that the case falls within a category of hardship or any other category in respect of which the council has determined payment should be so waived or reduced.*
- (2) *However, a council must not determine a category of cases under this section until it has given public notice of the proposed category in the same way as it is required to give public notice of the amount of a proposed fee under section 610F (2) or (3).*
- 7 The proposal includes the ability to waive or reduce fees in categories for (i) bulk waste (ii) hardship and (iii) not for profit charitable organisations. The proposal includes a delegation to the General Manager to determine appropriate waiver, reductions or negotiation in fees after a set of criteria have been applied for each category.
- 8 It is appropriate that Council is able to consider waiving or reducing fees and charges in circumstances where Council is satisfied that the payment of the fee would cause a person genuine financial hardship, having regard to the principles of social justice, equity and fairness.
- 9 For the commercial waste and collections category, the objective for the proposal is to provide a range of turnover or volume based prices that will maintain or grow market share and achieve financial objectives.
- 10 Council through its community assistance plan can provide support for charitable organisations, who typically undertake resource recovery and recycling activity yet still need to dispose their residual waste to landfill.

FINANCIAL IMPACT

- 11 It is expected that the changes in the structure and methodology behind the incentives for recycling will improve the overall financial performance of the Summerhill Waste Management Centre by way of sales revenue, reduction in levy payments and the increase in available void space.
- 12 The total amount of any fees waived or reduced because of hardship is anticipated to be small and have minimal impact on overall revenues.

- 13 For the commercial waste category, the proposal will provide a range of turnover or volume based prices that will maintain or grow market share and achieve financial objectives.
- 14 The Community Assistance Plan (CAP) will provide funding (up to \$100K) for eligible not for profit charities. The category is required to set a minimum price for waste to internally recharge the CAP based minimum disposal costs. This will drive the CAP funding further than the currently adopted fees and charges.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 15 The recommendation aligns with following Community Strategic Plan directions:
 - “2.1a - Improve waste minimisation and recycling practices in homes, work places, development sites and public places”*
 - “4.1a - Provide support to community organisations to improve their ability to plan and deliver appropriate and accessible services to the community”*
 - “7.4b – Ensure long term financial sustainability through short, medium and long term financial planning”.*

IMPLEMENTATION PLAN/IMPLICATIONS

- 16 The fees and charges are required to be adopted by Council by 30 June 2015 following a 28 day public exhibition period. A delay in endorsement of this report will impact on the publication and promotion of the Waste Management fees and charges prior to the deadline.
- 17 Council will write to all commercial customers notifying the amended fees, a notice will be displayed at Summerhill detailing the fees and implementation date and the adopted fees will be incorporated into the residents ‘waste calendar’ along with other educational items regarding recycling and waste management.
- 18 The recommendation, if adopted, will enable Council to enter into competitive negotiations to secure market share for commercial waste. It will also allow Council to pursue other commercial opportunities in order to achieve Operational Plan financial objectives.
- 19 Eligibility for Hardship and Not for Profit Charitable Categories will be determined through an application and assessment process.

RISK ASSESSMENT AND MITIGATION

- 20 Adopting the Waste Management fees and charges a month before implementation will reduce the risk of adverse reaction at the weighbridge and improve customer relationship management.

RELATED PREVIOUS DECISIONS

- 21 On 20 December 2011 Council received a report on Summerhill Waste Management Centre Fees and Charges.
- 22 On 15 May 2012 Council adopted Council's Schedule of Fees and Charges for 2012/13.
- 23 On 21 August 2012 Council adopted changes to Summerhill fees and charges to allow General Manager, or delegate, to vary the price paid per tonne of waste received at Summerhill Waste Management Centre.
- 24 On 27 May 2014 Council adopted the 2014/15 Summerhill fees and delegations.
- 25 On 27 May 2014 Council adopted that the waste collection fees be advertised as an addendum to correct an error in the public exhibition of the collection fees and charges.
- 26 On 24 June 2014 Council adopted the waste collection fees within the overall fees and charges.

CONSULTATION

- 27 Both commercial and residential users of Summerhill have expressed the need for sufficiently advanced notification and publication of waste fees prior to the implementation date.
- 28 Consultation has been and continues to be, undertaken with Summerhill Waste Management Centre's major clients. A number of models were proposed and feedback from clients was consistent; they request stable pricing which encourages exceeding a level of tonnes per month. This is considered the most easily understood and predictable approach to structuring turnover or volume based pricing for waste inputs and material sales.
- 29 Commercial waste producers and purchasers of recovered materials require the ability to approach each waste or product stream with pricing that reflects the type of material and quantity required. Pricing also needs to consider items such as vehicle types, timescales for delivery, quantity per day, site resources required, void space consumed, density of materials, site operational requirements, material composition, environmental risks and additional plant or equipment. Each of these aspects will have an impact on the cost of disposal and therefore the price charged.

OPTIONS

Option 1

30 The recommendations as at Paragraph 1. This is the preferred option.

Option 2

31 Council alters or changes the recommendations outlined in 1 above. This is not the preferred option because it results in Council being unable to provide adequate notice, education or the ability to waive or reduce fees in cases of hardship or bulk waste. The changing of the fees and charges will also impact the budget assumptions and deliverables within the 2015/16 Operational Plan.

BACKGROUND

32 The ongoing effect of the NSW government's annually increasing levy imposed under Section 88 of the Protection of the Environment Operations Act 1997 will contribute to market volatility for waste disposal in NSW. Capacity is required to negotiate reductions in fees for commercial bulk waste in order to achieve Council's long term financial objectives.

33 The Act requires Council to have in place approved price categories and processes to manage and support the waiver or reduction of fees on the grounds of hardship and other categories.

REFERENCES

ATTACHMENTS

Attachment A: Draft Amended fees and charges for Summerhill 2015/16.

MINUTES OF THE ORDINARY MEETING OF THE CITY OF NEWCASTLE
26 MAY 2015 AT 5.38PM

Attachment A

WASTE MANAGEMENT						2014-2015	2015-2016
REF.	FEE OR CHARGE	RECEIPT CODE	DESCRIPTION	PRICING POLICY	GST	FEE OR CHARGE GST Inclusive	FEE OR CHARGE GST Inclusive
Landfill and Resource Recovery							
I 23	Waste Disposal and Recycling						
			LGA 1993, S608 S404 (5)				
	Type Of Waste						
	100% Garden Waste - excluding stumps (no food)	T29	per tonne	M	10%	110.00	118.00
			minimum charge	M	10%	17.00	20.00
	General Solid Waste - Mixed	T29	per tonne	M	10%	230.00	255.00
			minimum charge	M	10%	30.00	35.00
	Soil - Virgin Excavated Natural Material (VENM) (Strict conditions apply)	T29	per tonne	M	10%	162.00	170.00
			minimum charge	M	10%	25.00	28.00
	Clean Bricks, Tiles, Concrete	T29	per tonne	M	10%	143.00	140.00
			minimum charge	M	10%	22.00	20.00
	General Solid Waste - Special or Difficult	T29	per tonne	M	10%	350.00	360.00
			minimum charge	M	10%	53.00	55.00
	Mixed Road Base Wastes (Sand, Gravel, Stones, Concrete, minimal Asphalt)	T29	per tonne	M	10%	143.00	140.00
			minimum charge	M	10%	22.00	20.00
	Clean Asphalt (no coal tar)	T29	per tonne	M	10%	82.50	85.00
			minimum charge	M	10%	13.00	15.00
	Clean Concrete (No rebar - non structural, minimal reo. Max 500mm)	T29	per tonne	M	10%	44.00	50.00
			minimum charge	M	10%	7.00	10.00
	Clean Concrete - Structural (With rebar or significant reo. Max 500mm)	T29	per tonne	M	10%	52.00	60.00
			minimum charge	M	10%	8.00	10.00
	Wood - Clean, untreated	T29	per tonne	M	10%	165.00	180.00
			minimum charge	M	10%	25.00	30.00
	Recyclables - Separated (Domestic Dry Clean Card, Paper, Bottles, Cans)	T29	per tonne	M	10%	38.50	40.00
			minimum charge	M	10%	6.00	6.50
	Recyclables - Mixed (Domestic Dry Clean Card, Paper, Bottles, Cans)	T29	per tonne	M	10%	93.50	100.00
			minimum charge	M	10%	15.00	18.00
	Scrap Metal (Whitegoods - exc fridges, car parts, bikes, steel, Aluminium)			M	N/A	Free	Free

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Electrical Waste (TV's, Computers, Printers/Scanners, Fans Phones, VCR's, DVD Players, Radios/Stereos, Power Tools Kitchen Appliances, Vacuum Cleaners, Heaters etc.)	Households only Commercial Customers	M	N/A	Free	Free 190.00
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REF.	FEE OR CHARGE	RECEIPT CODE	DESCRIPTION	PRICING POLICY	GST	FEE OR CHARGE GST Inclusive	FEE OR CHARGE GST Inclusive
	The following charges will be in addition to tonnage charge if included in mixed load						
	<u>Tyres:</u>						
	Small - Off Rim	T29	each	M	10%	7.00	8.00
	Small - On Rim	T29	each	M	10%	16.00	17.00
	Medium - Off Rim	T29	each	M	10%	12.00	13.00
	Medium - On Rim	T29	each	M	10%	21.50	24.00
	Large - Off Rim	T29	each	M	10%	22.00	25.00
	Large - On Rim	T29	each	M	10%	27.00	30.00
	<u>Mattresses:</u>						
	Single/Double	T30	each	F	GST Free	27.50	30.00
	Queen/King	T30	each	F	GST Free	33.00	35.00
	Batteries - Lead Acid (dry cell batteries - Free)	T30	each	F	GST Free	5.00	5.00
	Gas Bottles	T30	each	F	GST Free	20.00	20.00
	<u>Fridges</u>						
	Gassed	T30	each	F	GST Free	27.50	30.00
	Degassed	T30	each	F	GST Free	10.00	11.00
I 24	Product List - Materials for Sale (All grades & sizes are nominal)						
	Crushed Recycled Road Base 0-25mm	T29	per tonne	M	10%	27.25	28.00
			minimum charge	M	10%	14.00	15.00
	Crushed Sandstone 0-25mm	T29	per tonne	M	10%	27.25	28.00
			minimum charge	M	10%	14.00	15.00
	Crushed Recycled Aggregate 7-15mm	T29	per tonne	M	10%	30.00	31.00
			minimum charge	M	10%	15.00	16.00
	Crushed Recycled Aggregate 15-25mm	T29	per tonne	M	10%	30.00	31.00
			minimum charge	M	10%	15.00	16.00
	Crushed Recycled Aggregate 25-50mm	T29	per tonne	M	10%	30.00	31.00
			minimum charge	M	10%	15.00	16.00
	Crushed Recycled Aggregate 50-100mm	T29	per tonne	M	10%	25.00	26.00
			minimum charge	M	10%	13.00	14.00
	Crushed Recycling Fines/Sand 0-7mm	T29	per tonne	M	10%	35.00	36.00
			minimum charge	M	10%	18.00	19.00
	Sandstone Rocks - Various Sizes	T29	per tonne	M	10%	22.50	25.00
			minimum charge	M	10%	12.00	13.00
	Turf Underlay/Recovered Fines	T29	per tonne	M	10%	35.00	35.00
			minimum charge	M	10%	18.00	18.00

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Ungraded General Fill - VENM	T29	per tonne minimum charge	M	10%	5.00	9.00
			M	10%	10.00	15.00

REF.	FEE OR CHARGE	RECEIPT CODE	DESCRIPTION	PRICING POLICY	GST	FEE OR CHARGE GST Inclusive	FEE OR CHARGE GST Inclusive
	Other Items						
	<u>Hire of Frank Rigby Room</u>		LGA 1993, S608				
	- Full Day	T29	per day	M	10%	365.00	365.00
	- Half Day		per half day	M	10%	165.00	165.00
	- Casual (short term internal hire attracts nil fee)		per hour	M	10%	55.00	55.00
	Customer account reprints and enquiries (Account Customers)	T29	first enquiry	M	N/A	Free	Free
			additional enquiries	M	10%	3.50	3.50
	Customer reprints and enquiries (Other Customers)	T29	all enquiries	M	10%	5.00	5.00
	Notes						
1	Payments made by Credit Card will attract a 0.75% (GST incl) surcharge						
2	Some or all of the items listed may not be available or acceptable due to operating requirements or product availability						
3	Site Management reserves the right to refuse to receive and/or load vehicles at any time and/or for any reason						
	<u>WASTE AND COMMERCIAL COLLECTIONS</u>						
I 25	Garbage Fees						
			LGA 1993, S608				
	Wheeled Container Service - 140 litre residual waste - KERBSIDE						
	140 litre } Mon-Fri - 1 to 4 weekly services	T30	per service	F	GST Free	9.30	9.80
			per annum	F	GST Free	481.80	509.60
	140 litre } Mon-Fri - 5 to 8 weekly services	T30	per service	F	GST Free	NEW	9.51
	New service		per annum	F	GST Free	NEW	494.31
	140 litre } Mon-Fri - 9 and over	T30	per service	F	GST Free	NEW	9.31
	New service		per annum	F	GST Free	NEW	484.12
	140 litre } Saturday & Sunday	T30	per service	F	GST Free	NEW	10.91
	New service		per annum	F	GST Free	NEW	567.27
	Wheeled Container Service - 240 litre residual waste - KERBSIDE						
	240 litre } Mon-Fri - 1 to 4 weekly services	T30	per service	F	GST Free	10.55	12.05
			per annum	F	GST Free	547.45	626.36
	240 litre } Mon-Fri - 5 to 8 weekly services	T30	per service	F	GST Free	10.15	11.68
			per annum	F	GST Free	528.30	607.57
	240 litre } Mon-Fri - 9 and over	T30	per service	F	GST Free	9.95	11.44
			per annum	F	GST Free	518.60	595.05
	240 litre } Saturday & Sunday	T30	per service	F	GST Free	13.75	14.79
			per annum	F	GST Free	714.60	769.01
	Wheeled Container Service - 660 litre residual waste - KERBSIDE						
	660 litre service } Mon-Fri	T30	per service	F	GST Free	31.90	35.20
			per annum	F	GST Free	1,658.80	1,830.18

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	660 litre service } Saturday & Sunday	T30	per service per annum	F F	GST Free GST Free	NEW NEW	41.74 2,170.23
Wheeled Container Service - 1100 litre residual waste - KERBSIDE							
	1100 litre service } Mon-Fri	T30	per service per annum	F F	GST Free GST Free	53.25 2,768.50	55.90 2,906.80
	1100 litre service } Saturday & Sunday	T30	per service per annum	F F	GST Free GST Free	NEW NEW	65.96 3,429.92
REF.	FEE OR CHARGE	RECEIPT CODE	DESCRIPTION	PRICING POLICY	GST	FEE OR CHARGE GST Inclusive	FEE OR CHARGE GST Inclusive
Wheeled Container Service - 240 litre residual waste - KERBSIDE - UPGRADE							
	Service cost for increased domestic waste bin to 240L (Upgrade from standard 140 litre bin)	T30	per service	F	GST Free	225.00	250.00
Wheeled Container Service - 240 litre greenwaste - KERBSIDE additional service							
	Excess greenwaste bin (240 litre additional green waste bin, standard service day only)	T30	per service	F	GST Free	267.70	100.00
Miscellaneous							
	Cancellation fee to cover administration costs	T30	per cancellation	F	GST Free	46.30	65.00
User Pays Recycling Service - additional services							
	240 litre Recycling bin, standard service day	T30	per annum	F	GST Free	146.95	100.00
	360 litre Recycling bin, standard service day	T30	per annum	F	GST Free	NEW	120.00
	Upgrade Standard 240 litre Recycling bin to 360 litre Recycling bin (DWMSC properties only) - admin costs	T30	one off fee	F	GST Free	25.00	25.00
	Cancellation fee to cover admin costs (no refund for removal of service due to contamination)	T30	per cancellation	F	GST Free	46.30	65.00
Bulkwaste Services Kerbside (Additional to Rated Services)							
	Pickup & disposal (up to 2 cubic metres of eligible material, collected as per the regular schedule)	T30	up to 2 cubic metres	F	GST Free	158.00	168.18
		T30	per additional cubic metre	F	GST Free	85.00	89.09
Special Event Bin Hire - RESIDUAL WASTE							
	Delivery and removal of Bins (240 litre bins) - bins delivered to central / single location	T30	Per load up to 12 bins	F	GST Free	79.00	220.00
	Delivery and removal of Bins (660 litre & 1100 litre bins) - bins delivered to central/single location	T30	Per load up to 2 bins	F	GST Free	NEW	250.00
	Service Charges of Event bins - 240 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	19.45	19.88
	Service Charges of Event bins - 660 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	58.08
	Service Charges of Event bins - 1100 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	92.24
Special Event Bin Hire - RECYCLING							
	Delivery and removal of Bins (240 litre bins) - bins delivered to central / single location	T30	Per Load up to 12 bins	F	GST Free	79.00	220.00
	Delivery and removal of Bins (360 litre bins) - bins delivered to central / single location	T30	Per Load up to 8 bins	F	GST Free	NEW	250.00
	Delivery and removal of Bins (660 litre & 1100 litre	T30	Per Load up to 2	F	GST Free	NEW	250.00

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bins) - bins delivered to central/single location		bins				
Service Charges of Event bins - 240 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	15.00
Service Charges of Event bins - 360 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	23.00
Service Charges of Event bins - 660 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	42.00
Service Charges of Event bins - 1100 litre bin - bins emptied from kerbside location	T30	per service	F	GST Free	NEW	68.00
Wheeled Container Service – misc. Sizes & Types Different sizes, types and delivery methods other than those listed in this schedule			F	GST Free		POA

The General Manager, or delegate, may, at their discretion, negotiate an appropriate rate for waste collected, deposited or material sales that fall within the following categories:

Category One – Commercial waste clients

Service and/or Waste Type	Criteria
Waste Collections	Any customer who requires additional services over and above the basic domestic waste collection services having regard to: <ul style="list-style-type: none"> the number of additional services required the scope and frequency of additional services required the suitability of the premises, access and/or waste types presented the best interests of Council
Waste inputs	Account holders who present waste valued in excess of \$150,000 and having regard to: <ul style="list-style-type: none"> volumes presented and waste composition any other relevant commercial or operational considerations the best interests of Council
Material outputs	Account holders who purchase materials valued in excess of \$10,000 and having regard to: <ul style="list-style-type: none"> volumes purchased any other relevant commercial or operational considerations the best interests of Council

Category two – financial hardship

If a written application is made for the reduction or waiver of a fee, the General Manager, or delegate, may reduce or waive that fee if the General Manager, or delegate, is satisfied that:

- the payment of the fee would cause the person genuine financial hardship;
- the waste was generated within the Newcastle local government area; and
- having regard to the principles of social justice, equity and fairness the fee should be reduced or waived.

NOTE: Council will only consider reducing or waiving fees in this category in extreme circumstances.

Category three – Not for Profit Charitable Organisations

If a written application or an internal recommendation is made for the reduction or waiver of a fee, the General Manager, or delegate, may reduce or waive that fee if the General Manager, or delegate, is satisfied that:

- the organisation making the application is a Not for Profit Charitable Organisation that is registered or has an office or operational facility within the Newcastle local government area;
- the organisation received an authorisation from New South Wales Environmental Protection Agency to waive the application of the Landfill Levy;
- the waste was generated within the Newcastle local government area;
- the reduction or waiving of the fee is within Council's allocated budget; and
- having regard to the principles of social justice, equity and fairness the fee should be reduced or waived.

MOTION

Moved by Cr Doyle, seconded by Cr Luke

Council adopts the draft 2015/16 fees and charges for Summerhill Waste Management Centre at **Attachment A**.

Carried

ITEM-39 **CCL 26/05/15 - REPEAL OF DEVELOPMENT CONTRIBUTIONS
PLAN NO. 1 2005 AND DEVELOPMENT CONTRIBUTIONS PLAN
NO. 4 2006 - TRANSPORT FACILITIES IN BLUE GUM HILLS**

REPORT BY: **PLANNING AND REGULATORY**
CONTACT: **DIRECTOR PLANNING AND REGULATORY / MANAGER
STRATEGIC PLANNING SERVICES**

PURPOSE

The purpose of this report is to obtain a Council resolution to repeal Development Contributions Plan No.1 and Development Contributions Plan No.4 - Transport Facilities in Blue Gum Hills pursuant to clause 32 and 33 of the *Environmental Planning and Assessment Regulation 2000*.

RECOMMENDATION

- 1 Council resolve to repeal 'Development Contributions Plan No. 1 2005' and 'Development Contributions Plan No. 4 2006 - Transport Facilities in Blue Gum Hills' pursuant to clauses 32 and 33 of the *Environmental Planning and Assessment Regulation 2000*.

KEY ISSUES

- 2 Development Contributions Plan 1, 2005 (Plan 1) and Development Contributions Plan No. 4, 2006 (Plan 4) levy development contributions in Blue Gum Hills. Plan 1 previously applied to the entire Newcastle Local Government Area; Council partly repealed the superseded sections of Plan 1 in 2009 following the adoption of the Newcastle Section 94A Development Contributions Plan.
- 3 Council adopted the Western Corridor Section 94 Contributions Plan in 2013. The Plan applies to the broader Western Corridor area, including the areas covered by Plans 1 and 4 and levies development contributions for traffic and transport and social infrastructure.
- 4 A number of development consents have been issued levying a development contribution under Plan 1 and Plan 4, which are yet to be paid (approximately 737 lots) as the proposed development and/or subdivision is yet to commence. The repeal of a contribution plan does not affect the previous operation of the plan; contributions levied under Plans 1 and 4 continue to apply in accordance with the relevant consent conditions.
- 5 The majority of infrastructure proposed under Plan 1 within Blue Gum Hills has been completed. A district level multipurpose community centre and district level open space facility are yet to be provided. These facilities are also included within the Western Corridor Contribution Plan. The funds currently

held by Council for Plan 1 and any future funds collected under the Plan (for Blue Gum Hills) will be used towards the district level multipurpose centre and district level open space facility.

- 6 The traffic and transport upgrades proposed within Plan 4, will not be able to be funded from development contributions alone and will require additional sources of funding. A review of the schedule of works will be undertaken to determine priorities consistent with available and projected funds.
- 7 Following the repeal of Plans 1 and 4, the Western Corridor Plan will continue to apply to all future residential development within the catchment area. The Western Corridor Plan will be reviewed in the 2015/2016 financial year to review the scope and cost of works and update the land valuations, if required.

FINANCIAL IMPACT

- 8 The repeal of Development Contribution Plans 1 and 4 will not have a negative impact on Council as development contributions levied under these Plans will continue to apply in accordance with the relevant consent conditions.
- 9 All new developments will be subject to the Western Corridor Section 94 Plan.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 10 The preparation and processing of Council's development contribution plans aligns to all seven strategic directions by providing community benefits through the delivery of community infrastructure to new and existing communities. Council's development contribution plans will deliver upgrades to community and recreation facilities; provide new cycleway links, traffic and transport upgrades and aid in the revitalisation of the city centre.

IMPLEMENTATION PLAN/IMPLICATIONS

- 11 The repeal of Development Contribution Plans 1 and 4 will be in accordance with clauses 32 and 33 of the *Environmental Planning and Assessment Regulation 2000*. The Regulation identifies the process and responsibilities for repealing a contribution plan.

RISK ASSESSMENT AND MITIGATION

- 12 Development Contribution Plans 1 and 4 will be repealed in accordance with relevant legislation and Department of Planning and Environment Practice Notes. Adherence to the legislative framework reduces the risk to Council.

RELATED PREVIOUS DECISIONS

- 13 Council resolved on 16 June 2009 to repeal certain provisions of Development Contributions Plan No. 1, 2005.

CONSULTATION

- 14 Consultation has occurred with relevant internal stakeholders. A notification of Council's intention to repeal the Plans will be provided pursuant to clauses 32 and 33 of the *Environmental Planning and Assessment Regulation 2000*.

OPTIONS

Option 1

- 15 The recommendation as at Paragraph 1.

Option 2

- 16 Council resolves not to proceed with the repeal of the plan. This will not allow Council to repeal the superseded contribution plans. This is not the recommended option.

BACKGROUND

- 17 Development Contributions Plan No.1, 2005 became effective on 9 January 2006 and collects contributions for community facilities, open space and recreation, traffic management and car parking. Development Contributions Plan 1, 2005 applied to the entire local government area when it was adopted. On 16 June 2009, Council resolved to repeal Plan 1 except for the provisions applying to Blue Gum Hills. The S94A Plan replaced Plan 1 in the areas where it was repealed.
- 18 Development Contributions Plan No. 4, 2006 became effective on 14 August 2006. It repealed and replaced the former Section 94 Contributions Plan No. 4, 1997. Development Contributions Plan No. 4, 2006 collects contributions in the Blue Gum Hills corridor for a variety of transport infrastructure including traffic signals, footways, shared bicycle paths and lanes, and road improvements
- 19 The Western Corridor Contributions Plan 2013 came into force in January 2014, and applies to development in the western corridor that has not been the subject of a section 94 contribution imposed under Plan 1 or Plan 4. It collects contributions for traffic and transport and social infrastructure.

ATTACHMENTS

Nil

MOTION

Moved by Cr Doyle, seconded by Cr Posniak

Council resolve to repeal 'Development Contributions Plan No. 1 2005' and 'Development Contributions Plan No. 4 2006 - Transport Facilities in Blue Gum Hills' pursuant to clauses 32 and 33 of the *Environmental Planning and Assessment Regulation 2000*.

For the Motion:

Lord Mayor Cr Nelmes, Councillors Clausen, Doyle, Dunn, Luke, Posniak, Robinson and Rufo.

Against the Motion:

Nil.

Carried

**ITEM-40 CCL 26/05/15 - EXHIBITION OF DRAFT SECTION 94A
DEVELOPMENT CONTRIBUTIONS PLAN 2009**

**REPORT BY: PLANNING AND REGULATORY
CONTACT: DIRECTOR PLANNING AND REGULATORY / MANAGER
STRATEGIC PLANNING SERVICES**

PURPOSE

The purpose of this report is to obtain a Council resolution to place the Draft Section 94A Development Contributions Plan 2009 (Draft Section 94A Plan) (**Attachment A**) on public exhibition pursuant to clause 28 of the *Environmental Planning and Assessment Regulation 2000*.

RECOMMENDATION

- 1 Council resolve to place the Draft Section 94A Development Contributions Plan 2009 on public exhibition for 28 days.

KEY ISSUES

- 2 An amendment has been made to the Draft Section 94A Plan to revise the schedule of works, include saving and transitional arrangements, update the list of Council exemptions and undertake a general review of the plan (including mapping) to ensure it meets current legislative requirements.
- 3 The schedule of works has been revised to remove completed projects and update the schedule to ensure it reflects the priorities nominated in Council's delivery plan. The format of the schedule of works has also been updated.
- 4 Section 1 clause 18 "Savings and Transitional" Arrangements have been added to provide clarification on when changes to the plan come into force. The new clause states:

'A development or complying development application, which has been submitted prior to the adoption of this plan, but not determined, shall be determined in accordance with the provisions of the plan which applied at the date of lodgment of the application.'

A development or complying development application, which is submitted after the commencement of this Plan, will be assessed in accordance with the provisions of this Plan.'

- 5 The exemption relating to the fit out and refurbishment of an existing development has been amended to provide further clarity regarding shop fit outs in existing premises, particularly shopping centres. Section 25J of the *Environmental Planning and Assessment Regulation 2000* excludes the cost of fit out and refurbishment of an existing development (when calculating the cost of development), where there is no enlargement or intensification of the current land use.
- 6 The general review of the plan made minor changes to the wording and format of the plan; amendments to the plan have been noted in red.

FINANCIAL IMPACT

- 7 The majority of the projects included in the Draft Section 94A Plan are expected to be fully funded by development contributions and therefore the projects are unlikely to commence until sufficient development contributions have been collected to fund the projects. Inclusion of a project in the Schedule is not a commitment by Council to the project. It is a list of potential projects only. Projects must be listed if Section 94A funds are to be used to construct them.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 8 The preparation and processing of the attached Draft Section 94A Plan aligns to all seven strategic directions by providing community benefits through the delivery of community infrastructure to new and existing communities. The Draft Section 94A Plan is anticipated to deliver upgrades to community and recreation facilities, provide new cycleway links, traffic and transport upgrades and aid in the revitalisation of the city centre.

IMPLEMENTATION PLAN/IMPLICATIONS

- 9 The exhibition and implementation of the Draft Section 94A Plan will be in accordance with the *Environmental Planning Assessment Act 1979* and accompanying Regulation. The Act and Regulation identify the process and responsibilities for preparing, exhibiting and adopting a development contribution plan.

RISK ASSESSMENT AND MITIGATION

- 10 The Draft Section 94A Plan has been prepared in accordance with relevant legislation and Department of Planning and Environment Practice Notes. Adherence to the legislative framework reduces the risk to Council by ensuring Section 94A funds are levied, collected, spent and accounted for in the correct manner.

RELATED PREVIOUS DECISIONS

- 11 The current version of the Section 94A Plan was adopted by Council on 10 December 2013.

CONSULTATION

12 Consultation has occurred with relevant internal stakeholders. External consultation will be undertaken during the public consultation process.

OPTIONS

Option 1

13 The recommendation as at Paragraph 1.

Option 2

14 Council resolves not to proceed with the exhibition of the draft Section 94A plan. This option is not recommended as it does not allow amendments to be made to the plan. This is not the recommended option.

BACKGROUND

15 Council adopted the Newcastle Section 94A Plan in 2006. At the time the Plan applied to the entire Local Government area excluding the city centre and Blue Gum Hills which were levied under Development Contributions Plan 1, 2005. Following gazettal of the Newcastle City Centre Local Environmental Plan in 2008 the Department of Planning amended Council's Section 94A Plan to include Part B which imposes a levy on the cost of all new development within the City Centre Local Environmental Plan area. Part B of the plan collects funds for a variety of projects outlined in the City Centre Civic Improvement Plan.

16 The Section 94A Plan is kept under regular review.

ATTACHMENTS

Attachment A: Draft Section 94A Development Contributions Plan 2009

Attachment A is distributed under separate cover.

MOTION

Moved by Cr Luke, seconded by Cr Clausen

Council resolve to place the Draft Section 94A Development Contributions Plan 2009 on public exhibition for 28 days.

For the Motion:

Lord Mayor Cr Nelmes, Councillors Clausen, Doyle, Dunn, Luke, Posniak, Robinson and Rufo.

Against the Motion:

Nil.

Carried

ITEM-41 CCL 260515 - OVERVIEW - STORM OF 20-22 APRIL 2015

**REPORT BY: PLANNING AND REGULATORY
CONTACT: DIRECTOR PLANNING AND REGULATORY / MANAGER
REGULATORY SERVICES**

PURPOSE

This report will provide Council with an overview of the storm event of 20-22 April 2015 and provide some detail regarding the following subject headings:

- The impact on Newcastle Local Government Area (LGA)
- The response to the storm by Council
- The current status of requests for assistance to Council
- Specifics of what Council can and cannot claim under the relief funding arrangements.

RECOMMENDATION

- 1 It is recommended that Council note this report.

KEY ISSUES

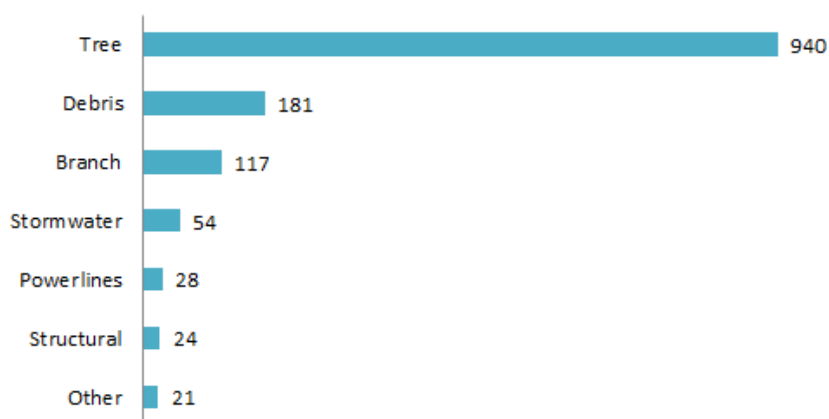
The impact on the Newcastle LGA

- 2 As of Midday 8 May 2015 the City of Newcastle has received 1,379 requests for assistance from residents and businesses within the LGA. Requests continue to be received.
- 3 It should be noted that a single request for assistance could be for multiple damage types (footpath, tree, road) and / multiple locations within a street / reserve.

Types of request

- 4 The below graph identifies the total numbers of requests received by type of incident.

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Power outages

5 The below table details the power outages by suburb within the LGA and numbers of houses or business premises within each suburb that were affected. This information was provided by Energy Australia and represents the position as at 10.15am on Tuesday 21 April.

Suburb	Residents / Businesses Affected	Suburb	Residents / Businesses Affected
Adamstown	946	Bar Beach	159
Adamstown Heights	145	Broadmeadow	205
Beresfield	488	Carrington	99
Cooks Hill	91	Elernmore Vale	960
Fletcher	140	Georgetown	233
Hamilton South	29	Hexham	141
Hamilton	1181	Jesmond	60
Islington	843	Kotara	499
Kooragang Island	32	Lenaghan	1
Lambton	572	Mayfield	2364
Maryland	1333	Mayfield East	49
Merewether	3268	Minmi	282
Merewether Heights	365	Newcastle	1223
New Lambton	2706	Newcastle East	31
New Lambton Heights	878	Newcastle West	26
Rankin Park	913	Stockton	1922
The Hill	449	The Junction	29
Tighes Hill	147	Wallsend	988
Wickham / Maryville	519	Waratah	1132
Waratah West	279		

Impact by suburb

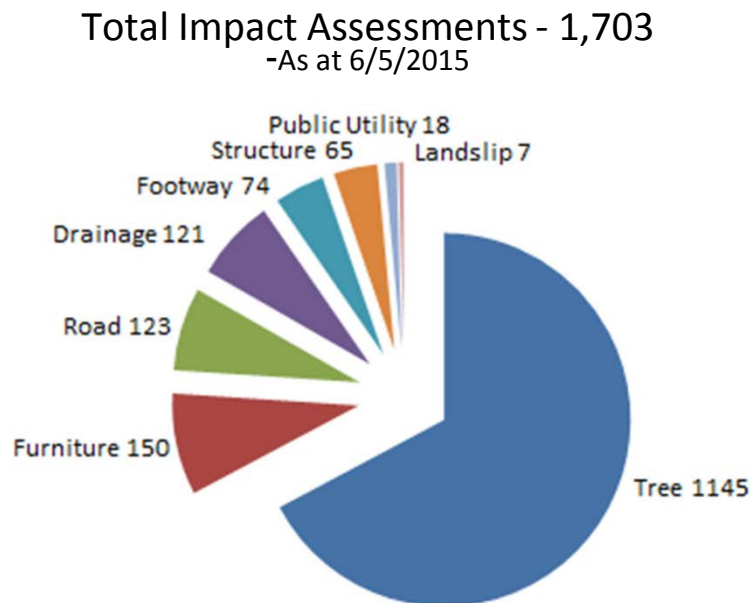
- 6 The graph at Attachment C details the number of incidents that have been reported to Council by suburb across the LGA. A breakdown of the type of incident by suburb is not currently available.

Flooding

- 7 Although flood warnings were in place there was only one instance of residential flooding that occurred within the Newcastle LGA. This was at Howell Street in Kotara. Two residential properties experienced overfloor flooding in Howell Street. Flooding occurred in other areas that traditionally flood in storm events such as in Carrington.

Damage to Council buildings and infrastructure

- 8 Many Council buildings and infrastructure sustained damage during the storm, the below chart details the damage that has been identified to date.



- 9 For Councils information the following is a sample of Council's buildings that were damaged during the storm:

- Shepherd Hill Cottage lost significant section of roof. Radio base displaced.
- Waratah Oval Grandstand - lost sections of roof sheeting.
- Mitchell Park Grandstand - lost section of roof sheeting.
- Newcastle Ocean Baths - has lost some roof sheeting.
- Dixon Park kiosk near surf club - lost roof.
- Lynn Oval Grandstand - lost section of roof.
- Carinya Court - large tree fell on roof / side wall, resident evacuated in unit 6

- Beresfield Child Care - multiple mature gum trees lying in yard and on roof. Shade structures knocked down.
- City Hall lift shaft roof - some roof sheets dislodged.
- New Light poles Merewether near surf club - one sheared off and the others flexing / fatiguing in wind, street closed.
- Museum lost slats Merewether Street and sails Honeysuckle Drive.
- Various roof leaks.

State Emergency Service (SES) requests for assistance

- 10 The below statistics relate to requests for assistance made of the SES within the Newcastle LGA between 20 April and 30 April 2015.
- 11 The total number of calls received was 1,844. 22 of these requests were in relation to rescue or assistance to a person, 3 requests were incidents assisting police and the remaining 1,819 were only described as being in relation to the storm.
- 12 The SES is unable to provide specific detail regarding the geographical spread of the incidents they attended. However below are details regarding several noteworthy incidents:
 - Shoring up of a dwelling house as the roof had been blown off
 - Person believed to be trapped in a house that had suffered major structural damage as a result of a tree fall
 - A search for an elderly patient who was missing from a nursing home. The patient was found safe and well.
- 13 It is possible that some requests have been made of both Council and the SES. Unfortunately it is not possible, at this time, to accurately determine what that number may be.
- 14 In the later stages of the Emergency response the SES began referring some of their requests back to Council directly for action. The majority of these requests had been captured in the system already.

Council's response to the storm

Council's first response

- 15 From 8pm 20 April 2015 Council's call out coordinator began receiving requests and was inundated with requests a short time after. The volume increased and a second call out coordinator was required.

- 16 Weather conditions, dangers presented by falling and fallen objects, power outages, lack of lighting and a lack of access to where assistance was required were the difficulties experienced in the initial stages of the storm. At the close of business on 21 April 2015 Council had processed 233 requests. To manage the influx of requests a central point of response was established in Council at the Depot where the requests were collated and allocated to crews.

Processes introduced to manage clean up

- 17 The following actions are ongoing to enable Council and the Community to clean up the city, to properly document Council's response to the storm and to ensure that the financial cost of the storm can be accurately calculated:
- Free tipping at Summerhill Waste Management Centre until 19 May 2015
 - Resident booking service for collection by Council of storm related green and bulk waste from the curbside.
 - Council trees / greenwaste was collected.
 - Survey teams are patrolling the City recording damage to infrastructure and other City assets
 - Assessment of City green spaces by the Council identifying tree and other damage to reserves and other Council land
 - Assessment of all food businesses that suffered a power outage, to provide advice and guidance regarding spoiled food
 - Daily assessment of sports grounds / ovals, combined with any necessary remedial action, to enable these facilities to be open to the public as soon as possible
 - Dedicated resources to develop a financial reporting mechanism and administer the ongoing expenses as well as assisting with the identification of incidents that are eligible for disaster relief payments from the State Government
 - Dedicated information management and business analytical resources that produce high quality business products to assist Council with the day to day management of the clean up by assessing, interpreting and adding value to information collected across the various business units of Council
 - Coordination of Council's response to the storm by a management group led by the General Manager
 - Provision of regular updates and details of services and special arrangements to the community via Council's website, social media, radio and print media
 - Ongoing liaison with both emergency services and Hunter Councils to provide required information to State Government agencies as well as identifying shared concerns and developing practical solutions across the Hunter Region.

Green waste

18 The storm has generated large quantities of green waste. It is estimated that 10,000 trees have fallen or been damaged to the extent they require removal throughout the LGA. It is expected that it will take 3 months to complete the clean-up of green waste although it is expected it will take many months for the removal of all stumps. The green waste was stockpiled at the below locations:

- Summerhill Waste Management Centre
- Honeysuckle West
- Tarro.

19 The Honeysuckle and Tarro sites will be cleared by 15 May 2015. It is expected that all of the green waste will have been disposed of or processed 1 month after receiving the last of the storm waste at Summerhill.

The current status

20 In order to attend to the most serious and urgent incidents first Council introduced a triaging model to enable the requests received to be categorised and prioritised.

21 Each incident was categorised as one of the below priorities:

- Urgent
- High priority
- Medium priority
- Low priority.

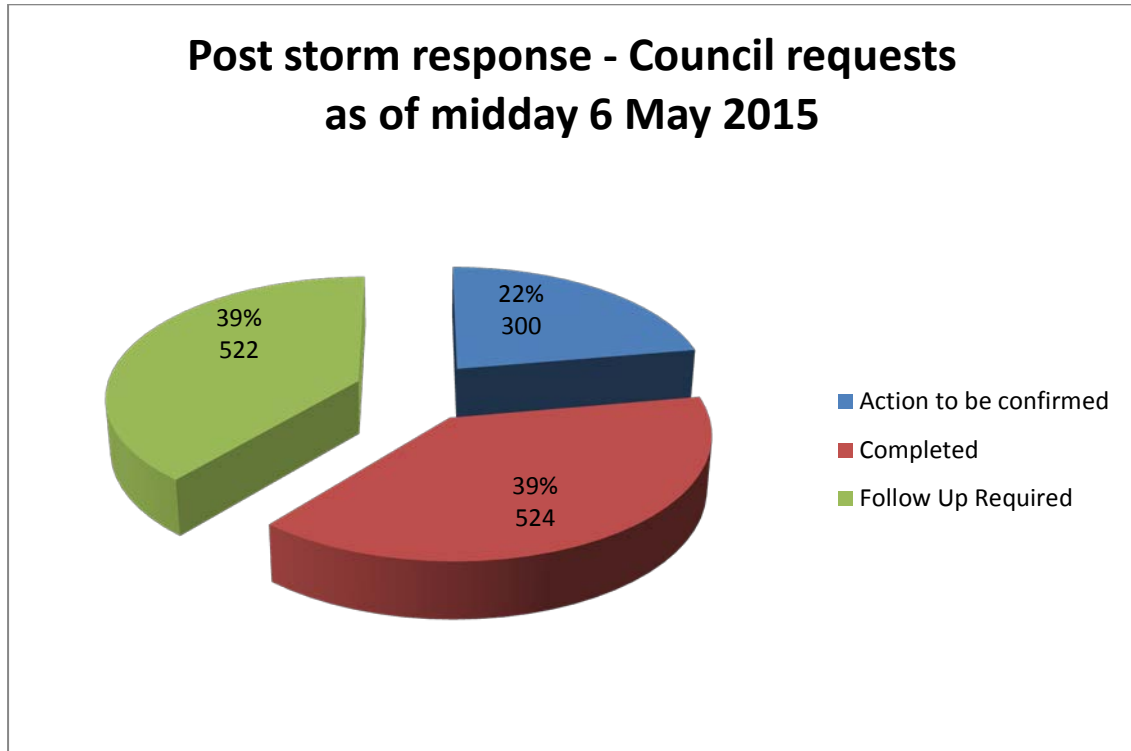
22 From the 1368 requests received 18 were categorised as urgent, a further 64 were categorised as high priority.

23 Urgent requests related to incidents that could still escalate where there were serious safety considerations or risk of further significant damage to property or infrastructure. Incidents were categorised as high priority where roads or driveways were blocked, by trees or other debris, other safety considerations were present or the incident could escalate which may result in damage to property of infrastructure.

24 All urgent requests have now been finalised. High priority requests are still being actioned.

25 Incidents were categorised as medium priority if they did not pose an imminent risk by way of their location or condition. Low priority request required follow up but were considered safe eg. stumps.

26 The below diagram shows the current status of requests for assistance made to Council.



- 27 As of midday on 8 May Council had finalised 554 of the reported issue's, 594 had been assigned for follow up and 230 still require action or verification.
- 28 Since this time many of the requests have been transferred into the traditional Council systems for action ie. TAMS, ECM, BEAMS.

FINANCIAL IMPACT

Disaster relief funding

- 29 Natural disaster relief funding is available from the State Government in certain circumstances. Arrangements are in place across Council to capture the necessary information in order that Council identifies all activities that meet the necessary criteria for a claim to be made.
- 30 The NSW Public Work Guidelines provide information and guidance to Councils as to when financial assistance is available from the State Government following a natural disaster.
- 31 These guidelines are attached at Annexure A, however the below statement, detailed at page 3 of the guidelines, provides guidance in respect of when financial assistance is available:

MINUTES OF THE ORDINARY MEETING OF THE CITY OF NEWCASTLE
26 MAY 2015 AT 5.38PM

'For asset repair and replacement work to essential public assets, financial assistance is only available to cover additional resources Council had to use to perform the work (eg. overtime hours, extra shifts, backfilling positions, agency staff, contract services etc). Council cannot claim for work performed by its usual Council's salary and wages staff within normal operating hours nor any internal plant hire charges.'

- 32 NSW Public Works have also provided the below table as general guidance to Councils, to assist in identifying incidents or damage that may qualify for financial assistance.

Issue	Comment
Bus shelters	Claimable if damaged by floods only – other damage should have been insured
Repair, restoration of levee banks	Claimable
Nightsoil collection – additional costs	Not eligible, septic systems are private property, not an essential public asset. No different to rubbish collection.
Damage by erosion, landslip, wave action to man-made retaining walls - within park, on beach front , estuary, along river walkway etc.	Not essential asset – not claimable
Damage to erosion control devices in waterways e.g. baffle to slow water movement in stream	Natural erosion (irrespective of fact erosion to non-natural improvement) – not claimable
Coastal protection works damaged – works protecting houses, roadway from being damaged by wave / storm activity	Natural erosion (irrespective of fact erosion to non-natural improvement) – not claimable. If supporting roadway or footpath in road reserve – specific assessment required
Erosion around stormwater outlet	Yes but only if asset in danger of failure and only the immediate area around asset is eligible
Damage to drainage systems under roads, through parks, reserves etc. (as opposed to natural watercourses, water and sewage systems which are not covered)	Under roads – RMS Within Parks, drainage reserves etc. – Only eligible if part of, and connected to, a city wide stormwater system. If providing drainage solely from oval etc. not eligible. Drainage easement under/through private property – yes if it is a council asset on a registered easement

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Footpaths	Only footpaths along roadway within road reserve not within or through parks, lake or foreshore walkways etc. RMS responsibility stops at kerbs and gutters.
Tree replacement in road reserve, front of essential asset buildings	Yes, \$5 per tree Cost of ground preparation covered separately Nothing for trees in parks, reserves etc.
Shareways	Where not part of road reserve – not essential asset – not claimable
Cemeteries	Not essential asset – not claimable

Measuring actual cost

- 33 Although a financial reporting mechanism has been introduced and the Finance Team continue to administer the ongoing expenses as well as assisting with the identification of incidents that are eligible for disaster relief payments from the State Government, the actual costs associated with the storm are not yet known.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 34 N/A

IMPLEMENTATION PLAN/IMPLICATIONS

- 35 N/A

RISK ASSESSMENT AND MITIGATION

Reputational risk

- 36 It is expected to take several months for the cleanup to be finalised. In order that community expectations are met Council has engaged a number of contractors to assist. This has enabled some Council staff to return to normal duties, ensuring that Council's building works program continues to be progressed.
- 37 The Communications Team continue to issue regular media statements, updates on social media and updates to Council's website to ensure that the community is aware of temporary waste arrangements.
- 38 Civil Works and Waste Services staff are also handing out printed information sheets to residents without internet access or residents who are unsure of the services that are available to them.

- 39 Regulatory Services staff have temporarily suspended environmental infringement notices to enable, developers and owner builders to properly clean up their building sites following the storm.

Loss of revenue

- 40 Council will incur increased operational cost as not all of the costs associated with the storm cleanup will be met by State Government relief payments.
- 41 There will also be additional hidden costs in reductions in revenue across Council business such as, cultural venues and parking.
- 42 Despite the waiver of the Waste Levy for storm waste, Summerhill is incurring operational costs which are not recoverable due to the free tipping offer.

RELATED PREVIOUS DECISIONS

- 43 N/A

CONSULTATION

- 44 N/A

OPTIONS

Option 1

- 45 N/A

BACKGROUND

Overview of the storm

- 46 A severe weather warning was issued by the Bureau of Meteorology (BoM) on Monday 20 April 2015 for Newcastle and the Hunter Region. This warning stayed in place until Wednesday 22 April 2015. The warning was in respect of damaging winds, heavy rainfall, and dangerous surf conditions.
- 47 Newcastle was declared a disaster zone by the Premier, Wednesday 22 April 2015.
- 48 The conditions were being caused by an intense low pressure system, often referred to as an East Coast Low, combined with a strengthening high pressure ridge over the southern Tasman Sea.

Destructive winds

- 49 Destructive and damaging winds, the strongest of which were gusts of 135km/h recorded at Nobbys Head on Tuesday 21 April.

- 50 The storm began to weaken on Wednesday 22 April although damaging winds averaging 60–70km/hr with gusts up to 100km/hr occurred along the coastal fringe.

Rainfall

- 51 Very heavy rainfall occurred on Tuesday 21 April with the BoM recording that for 186mm of rain fell over that 24 hour period.
- 52 Heavy rainfall continued into Wednesday, although other Local Government Area's in the Hunter Region had rainfall in excess of 300mm over a 24 hour period.

Dangerous Surf

- 53 During the storm there was very heavy surf along the Newcastle coastline. This has caused localised damage and coastal erosion.

Flooding

- 54 Although flood warnings were issued for the Newcastle area throughout the duration of the storm, very little damage was cause. Only one instance of flooding occurred within the Newcastle LGA. This was at Howell Street in Kotara. Two properties experienced overfloor flooding in Howell Street.

REFERENCES

ATTACHMENTS

Attachments A, B and C - Distributed under separate cover

MOTION

Moved by Cr Clausen, seconded by Cr Rufo

Council note the report.

Carried

**ITEM-42 CCL 26/05/15 - PARKING STUDY NEWCASTLE CITY CENTRE
AND SURROUND COMMERCIAL SUBURBS**

**REPORT BY: PLANNING AND REGULATORY
CONTACT: DIRECTOR PLANNING AND REGULATORY / MANAGER
REGULATORY SERVICES**

PURPOSE

Council's current parking strategy was adopted in 1995, reviewed in 1997 and again in 2000. A further operational and land use planning study was also conducted in 2006.

Council in conjunction with Newcastle NOW and the Hamilton Business Chamber have commissioned this study to examine the parking environment in and around the Newcastle City Centre and to provide Council with the framework and mechanisms to address both the current and future needs of the City.

RECOMMENDATION

- 1 Council receives the Parking Study Newcastle City Centre and Surrounding Suburbs report prepared by Luxmoore Parking and Safety (a division of the ARRB Group).
- 2 Council endorses the following Strategic Objectives for parking in the Newcastle City Centre and surrounding commercial centres:
 - Short Term Vision (by 2017) - More efficient use and provision of the appropriate supply of available parking.
 - Medium Term Vision (2018 and beyond) - Provision of cost effective parking in order that it be used as a travel demand management tool.
 - Long Term Vision (2022) - Achieve an overall change in the culture of travel toward the use of public transport, walking and cycling.
- 3 Council endorses the management of on-street parking using travel demand management principles.
- 4 Council adopts the Framework as shown in **Attachment A** for the operational management of on street parking for the Newcastle Local Government Area.
- 5 Council notes the Strategic Management Action Plan shown in **Attachment B**.

KEY ISSUES

Parking Demand Exceeds Practical Supply in the most popular locations

- 6 Demand for parking in many areas of the city centre and surrounds is at or higher than the generally accepted practical capacity limit of 85%. This is the limit of supply where it becomes difficult to readily find a parking space, leading to prolonged searching and circulation.
- 7 Parking demand peaks can and do occur at different times of the day, and on multiple occasions in some locations. As with traffic capacity there is a need to manage operations to reduce negative impacts. Within precincts such as the city centre (88%), Darby Street (96%), The Junction (96%), Hamilton (95%), the impact also manifests itself as spill over parking into nearby areas.

Long Stay Spill over Parking in Fringe Zones

- 8 It has become standard practice for many people requiring long stay parking, predominantly mostly commuters who work in the city centre, to seek and find a fee all day parking space in the fringe zones surrounding the key activity centre. Council has sought to manage this issue, which occurs mainly in the residential suburbs of The Hill, Cooks Hill and Hamilton, by introducing Resident Parking Schemes (RPS) to provide an equitable sharing of on street parking for residents. This is particularly important where there is limited or no off street parking available.
- 9 The issue is a growing one, being fuelled by the growth of the city centre and a level of undersupply of parking to new developments.

Way Finding

- 10 Way finding, the term used to describe the process of providing information so that people can find their way from origin to their destination, is not well considered in the Newcastle City Centre. Easy to access information about parking is not readily available, and there is very little if anything that gives you real time conditions. This applies to finding information about parking fees before a journey as well as parking supply. There is no single source, map or reference that shows all of the available parking in any precinct.

Consistency in Parking Controls

- 11 There is a reasonable amount of evidence, some anecdotal, that people visiting the Newcastle City Centre and surrounds for business or private activity, find the range of pricing and time restrictions confusing, and hard to follow. The display of parking fees, time restrictions and signage is complex, confusing and sometimes inconsistent and not in accordance with Australian Standards (Luxmoore 2014).
- 12 There is a good case for rationalizing the pricing and time restrictions to make parking "easier" for patrons.

Private Cars Still Dominate Our Travel Patterns

- 13 Newcastle and its surrounds have evolved as a car dominated centre over decades. Travel behavior is entrenched, with various sources quoting a share of only 5% of non-car based travel across the Lower Hunter Region. This is the area of origin of many trips to the city centre. The draft Newcastle Transport Strategy has reported that contrary to the targets of government planners, who seek to achieve a peak mode share for public transport of 20% by 2016 (NEXT YEAR), car use is actually increasing. Put another way, the Luxmoore 2014 surveys have confirmed that still over 50% of travel to the city centre is by car.

Providing no additional Parking Supply is not advised - a balance is required

- 14 The last decade has seen a paradigm shift in how parking problems are perceived and solved. Rather than providing an unfettered, ever increasing supply of parking, current thinking encourages more efficient use of existing transport infrastructure, of which parking is an integral part of the equation.
- 15 Too little supply can be just as harmful as too much, especially given more than half the people who visit the city centre drive, and the number appears to be increasing.
- 16 The Luxmoore report quotes the draft Newcastle Transport Strategy in summarizing Council's objectives for parking in the city centre.
- 17 "Throughout the series of parking studies undertaken since 1995 the most consistent objective has been to maintain the accessibility of the city centre for use by shoppers and business visitors. The fee structures and time limits were designed to keep kerbside parking available for short term parkers, and to provide for longer term parkers in off street car parks at the periphery of the commercial centre." (TCoN, December 2014).

Strategic Overview

Sustainable Parking

- 18 There is increasing recognition that sustainable cities require a parking system that supports its transport system. In particular, parking supply, utilisation, location and price are primary factors which influence travel mode choice, and therefore Council should consider the following principals which will underpin future strategies relating to travel and parking behaviour across the City.
- Focus on people access not vehicle access
 - Provide efficient and effective alternatives to car access
 - Parking policy and strategy must support sustainable transport
 - The appropriate amount of parking for a centre will be well below the actual demand for parking

- The provision of parking requires a demand management, not a demand satisfaction approach.

Parking Policy

Parking Management Framework

- 19 Appropriately managing car parking is essential for encouraging and supporting access to residential, commercial, recreational and industrial facilities as well as promoting connections with public transport, however parking can also:
- Generate car travel demand causing congestion and reducing local amenity
 - Increase competition for valuable space both on and off-road.
 - Have a significant impact on the environment.
 - Result in a direct financial cost to the community.
- 20 The management of parking is therefore critical to achieving high levels of amenity, good accessibility and long term sustainability.
- 21 The introduction of a robust parking management framework will allow Council to effectively manage the parking demands of today, whilst also establishing a more sustainable long term view for the management of parking. This will be achieved through the implementation of a effective and equitable management framework that provides a set of clear thresholds to assist Council to gauge when it is appropriate to implement, or adjust local parking restrictions and conditions.
- 22 In general, a parking area which is operating efficiently is defined as operating at 50% - 85% occupancy. Above and below this range indicates that the parking spaces are not being managed effectively. Using these thresholds, a parking management framework has been developed which promotes a consistent and objective review of street parking areas. The chart shown in **ATTACHMENT A** provides a flexible approach to parking management, enabling parking controls to adapt to the dynamic nature at the various locations.

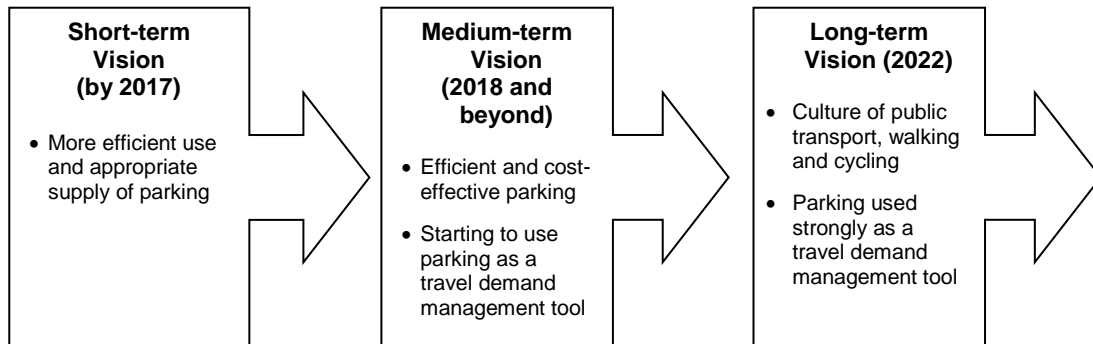
Travel Demand Management

- 23 Travel Demand Management (TDM) is the application of strategies and policies to reduce travel demand toward (specifically that of single-occupancy private vehicles), or to redistribute the demand to other modes of transport.

- 24 In transport, as in any network, managing demand can be a cost-effective alternative to increasing capacity. A demand management approach to transport is a more sustainable management approach that has the potential to deliver better environmental outcomes, improved public health, stronger communities, and more prosperous cities.
- 25 In the last ten years there has been an increasing trend in major Australian cities and overseas towards more efficient use of existing transport infrastructure as an alternative to expanding roads and parking facilities, incorporated in a technique known as TDM. TDM emphasizes the movement of people and goods, rather than motor vehicles, and gives priority to more efficient travel and communication modes (such as walking, cycling, car sharing, public transport and telecommuting), particularly under congested conditions. Environmental concerns and rising fuel costs are other factors prompting a reduction in the reliance on private motor vehicles.
- 26 Under the demand management approach, as distinct from the unsustainable demand satisfaction (predict and provide) approach, parking facilities should be used more efficiently. It requires that motorists have a choice between paid parking nearby (user-pay), and free parking a reasonable distance away. Parking planning should therefore consider shared and reciprocal parking, parking pricing and regulations, parking user information, and pedestrian improvements.

Strategic Timeline

- 27 The challenge for Council is to find a balance between adequate parking supply to ensure the vitality of the commercial centres, and the environmental, social and economic necessity of encouraging a more efficient use of transportation infrastructure as well as travel demand management techniques.
- 28 Parking management policies under this approach are expected to be effective in reducing the trend in motor vehicle use and ownership, and help to share the cost of parking infrastructure equitably. One goal is to achieve the State Government's mode share target of 20% for public transport. It will provide all users (including the elderly, people with a disability, employees, shoppers, students, traders, residents and visitors) with safe and appropriate access to parking in the city, whilst enabling adequate road access for pedestrians, cyclists, emergency vehicles, buses, street maintenance and delivery vehicles.
- 29 Council's strategic vision for car parking is best set out according to the following broad timetable. This accords with the policy commitments provided in the Newcastle Transport Strategy.



30 If parking demand, especially by commuters in the city centre and its environs is not reduced, short-term parkers will be further discouraged from visiting and will continue to seek out alternative locations with better access options.

31 A series of more detailed policy statements will be developed to cover each of the parking types provided for within a CBD context and to guide management decisions within the TDM framework. These policy statements will include:

- Long Stay Parking
- Short Stay Parking
- General Parking
- Motorcycle Parking
- Accessible Parking
- Permit Schemes
- Off-Street Parking
- Smart Parking (Technology)

User Pays Parking

32 The American Planning Association has published a set of guidelines which is considered Parking Management Best Practice when it comes to a user pays system. These guidelines are applicable to user pays parking in Newcastle, and include:

- Charge drivers directly rather than indirectly.
- Offer convenient locations and options for payment, including as a minimum, acceptance of coin and credit card. Other payment options include notes and mobile phone.
- Use small time units so drivers can avoid paying for more time than they need, eg. For short-term parking charge in five minute blocks, for long-term charge by the hour rather than the day.
- Charge higher fees at the most convenient spaces (on-street) to encourage high "churn".

- Use incremental price structures to favour short-term users.
- Daily rates should be set at >6 x hourly rate, and monthly rates at >20 x daily rate.
- Minimise discounts for long-term parking.
- Ensure that fee structures are flexible and can be amended in order to manage changes in demand during the year. It is inefficient to review fees only once a year in accordance with Council's budget timetables.
- Set parking fees with some reference to popular public transport fares, eg. All day parking should be higher than a two-zone return train fare.
- Encourage businesses to price parking and offer discounts or refunds to their bona fide clients. This can be accommodated with new technologies.
- Provide discount parking in short-term areas to multi-passenger vehicles (car sharing).
- Ensure a high level of compliance by means of regular and unpredictable enforcement.
- Implement flexible parking pricing at different times of the day and the week.
- Minimise the exceptions to pay parking, eg. all loading vehicles, couriers and other parkers using public or designated on-street parking spaces should be required to display a ticket.

33 These principles are intended to guide the development of Council's fees and charges for car parking for future budget cycles and proposed changes arising from the adoption of the recommendations contained in this report.

Smart Car Parking Management

34 Council has recently endorsed the actions associated with the pilot project to develop Newcastle as a creative Smart City.

35 The Smart City project has three primary elements:

- Urban infrastructure capable of collecting and processing multi-sensor data to improve the measurement of asset status and life-cycle, and to understand population behaviour
- A city which focuses on people utilising digital technologies to enhance performance and wellbeing, to engage more effectively and accurately with its citizens, and to encourage efficiency and creativity

- A commercial and cultural innovation ‘ecology’ that supports, attracts, and enables industries, businesses, and entrepreneurs working in ‘smart’ sectors to drive development of smart city services, creative applications, and interactive urban environments.

- 36 Managing on street parking using the available technology is quickly becoming normal practice in many cities around the world. The use of mobile phones to pay for parking, mobile licence plate recognition, digital parking permits and parking bay sensors will all contribute towards a more efficient and effective parking operation. As will improved on street wayfinding direction signage to provide better guidance, quicker location of vacant bays and improved compliance with regulations.
- 37 In addition to the current payment options offered to the driver, it is proposed that Council introduce payment by mobile phone as another alternative along with cash and credit card. Introducing payment by mobile phone will also allow for the rationalisation of Council’s current stock of parking meters and those not required can be redeployed into the expanded areas.

Newcastle Transport Strategy

- 38 Council on 9 December 2014 endorsed its draft Newcastle Transport Study for the City. Parking is a key component of the overall transport system and the way it is managed can have a significant influence in mode choice, affect congestion, energy consumption, emissions, urban design outcomes and development costs. The current issues and challenges that were identified as part of the Transport Study include:
- Lack of clear framework for parking decisions
 - Resistance to parking management measures
 - Managing parking without compromising viability of centres
 - Lack of flexibility in development controls.
- 39 The transport strategy sets out the following policy commitments
- Council will manage parking to improve the safety, accessibility, amenity and vitality of centres across the local government area, and to encourage increased use of sustainable transport modes.
 - Implementation of parking management measures will be evidence-based and have regard to industry best practice.
 - In any extension to areas of paid parking, Council will consider the implementation of a local reinvestment model to allocate a proportion of the parking income to pedestrian, traffic (including cycle) and public domain improvements to the area in which income is generated.

Operational Overview

Parking Goals

On Street Parking

- 40 Targets are an important management tool that can be used as a trigger for change, where stated objectives are not being met. Luxmoore have applied the practical capacity limit of 85% occupancy of available parking as an upper limit on efficient operations. Additionally, drawing on work in other Local Government Areas (LGAs), a lower limit of 50% occupancy is also proposed as a trigger. These limits become practical targets within which to manage the operations of on street parking supply.

Long Stay Parking

- 41 Council's approach to long stay parking has changed over time. Whilst the objective for long stay parking at the periphery of the city centre seems clear, Council currently has no clear approach or target to address this issue.
- 42 In the first instance managing on street supply in fringe zones within the 50% to 85% occupancy thresholds would seem appropriate. Ensuring sufficient on street supply is reserved for residential needs, where necessary through extending residential parking schemes. This also requires the necessary extension of pay parking into fringe zones as recommended by Luxmoore.
- 43 Luxmoore, have reviewed and promoted (with acknowledgement) a parking management framework drawn from work conducted for the LGA of Willoughby. This framework is a useful representation of the principles behind dynamic management of parking occupancy to improve overall efficiencies and service to customers (parkers) of the city centre.

Changes to Parking within the LGA

- 44 It is considered that there will be a number of changes to the current way parking is managed by Council. It is proposed that:
- The operating hours of the parking meters are varied, in high occupancy areas in order to better manage the parking demand in particular areas with after hours venues or those that are subject to high occupancy levels i.e. City East, The Foreshore, Honeysuckle Precinct, Civic, Darby Street, Hamilton and The Junction. Other areas would be brought on-line as demand requires. A flat rate should be applied to parking fees outside of normal business hours.
 - By simplifying time and fee regulations, increased levels of compliance will be achieved and less customer dissatisfaction will result.

- 15 minutes free parking should be provided in most short term paid parking areas to improve accessibility and provide an economic benefit to the commercial centres.
 - Unexpired parking tickets should be valid across the city. This will allow a driver the flexibility to move to another short or long term parking space without further payment.
 - A revised fee structure is introduced. It is therefore important to define the objectives for pay parking in order to determine how the fees might be structured, these definitions are:
 - For traffic management – peak period fees should be high enough to encourage a shift in travel modes or a shift in usage times.
 - For parking management – fees during peak demand periods and at the most convenient locations should be high enough to generate a maximum 85% occupancy rate. If prices are too low parking becomes saturated causing motorists to circle in search of a parking space. The target is to ensure that at times of peak demand, 15% of spaces (one in seven) are available.
- 45 Luxmoore identified that there is not a shortage in the supply of parking to meet the current demand. Identified problems in the Newcastle City Centre, Hamilton, The Junction and Darby Street are predominantly related to the way in which the kerb side parking is managed. The available parking needs to be used more effectively. The displayed parking fees, time restrictions and signage is complex, confusing and on many occasions found to be inconsistent or in need of review.
- 46 Changes to the regulatory signage and / or proposed fees arising from adoption of the recommendations of this report will be the subject of separate report(s) to Council.

FINANCIAL IMPACT

- 47 Parking management provides a legitimate source of non-rate revenue back to Council. The on-street parking business (on street parking meters and on street parking enforcement) contributed in excess of \$8.5M in revenue during 2013/2014.
- 48 Parking meter capital will be funded through an internal Council loan. This method of funding has been used in the past with the loans serviced from the increase revenue. Each loan is repaid over a 3 year term. This will be subject to separate budget consideration at that time.

Local Reinvestment for Infrastructure Improvements

- 49 The introduction of a local reinvestment model allows for the distribution of a proportion of future parking nett revenues to support infrastructure improvement programs within the areas / precincts from which the revenue was derived.
- 50 Further analysis is required to determine the optimum model. Should Council endorse the introduction of a local re-investment scheme, the operational details will be the subject of a separate report with the level of the contribution determined annually by Council as part of its Budget and Management Plan process.

COMMUNITY STRATEGIC PLAN ALIGNMENT

51 Connected City

- Effective and integrated public transport.
- Linked networks of cycle and pedestrian paths.
- A transport network that encourages energy and resource efficiency.

52 Vibrant and Activated Public Places

- Create welcoming and accessible public spaces that create opportunities for people to meet and connect with each other.
- Support the renewal of the city centre and the strengthening of other commercial and urban centres.
- Create streetscapes and public places that are clean and attractive, where people feel safe.

53 Livable and Distinctive Built Environment

- Encourage business to locate and prosper in urban villages.

54 Smart and Innovative City

- Support and develop the distinctiveness of businesses, services, and visitor experiences within each of Newcastle's suburban commercial centres.
- Develop cultural activity clusters to assist in reviving the city centre.

55 Open and Collaborative Leadership

- Provide opportunities for genuine and representative community engagement in local decision-making.
- Promote and celebrate the achievements of Council and the local community.
- Provide timely and effective advocacy and leadership on key community issues.

IMPLEMENTATION PLAN/IMPLICATIONS

- 56 The challenge for Council is to find a balance between adequate parking supply to ensure the vitality of the commercial centres as well as the environmental, social and economic necessity towards a more efficient use of transportation infrastructure and travel demand management techniques. Parking management policies are expected to be effective in reducing the trend in motor vehicle use and assist in sharing the cost of parking infrastructure equitably.
- 57 A parking implementation action plan will be developed. The Action Plan will identify actions and priorities based on the operational recommendations of the consultant's report.
- 58 The action plan will provide an implementation plan for each area / precinct.
- 59 Strategic actions are detailed in **ATTACHMENT B**.

RISK ASSESSMENT AND MITIGATION

- 60 It has been acknowledged that the proposed extension to paid on-street parking may be contentious and will require well prepared communication plans to secure the necessary degree of support from those in the affected areas. Local re-investment programs are a proven way of increasing business and community support for an extension of paid on-street parking.

RELATED PREVIOUS DECISIONS

- 61 For a comprehensive list please refer to **ATTACHMENT C** - Previous Related Council Resolutions - Parking.

CONSULTATION

- 62 In order to understand the issues in Newcastle, Luxmoore met with many stakeholders representing businesses, hotels, shopping centres, providers of parking and transport services, and the University of Newcastle. Additionally, Newcastle NOW provided comments from several of their business members. The stakeholders are listed in the table below.

Stakeholder organisation	Stakeholder representative
The City of Newcastle	<ul style="list-style-type: none">• Executive Management Team• General Manager• Senior Strategist• Senior Parking Officer• Operations Coordinator Parking Management Services
Newcastle Now	<ul style="list-style-type: none">• Chief Executive• Committee of 7 persons

MINUTES OF THE ORDINARY MEETING OF THE CITY OF NEWCASTLE
26 MAY 2015 AT 5.38PM

The Junction	<ul style="list-style-type: none">• 7 business owners
Hamilton Business Centre	<ul style="list-style-type: none">• 1 business owner
Vimoc Technologies	<ul style="list-style-type: none">• Chief Executive Officer
Hunter Parking	<ul style="list-style-type: none">• Owner / Director
Newcastle Bus and Ferries	<ul style="list-style-type: none">• General Manager• Timetable / Operations Manager
Transport for NSW	<ul style="list-style-type: none">• Light Rail – Principal Transport Planner
University of Newcastle – NeWspace Development	<ul style="list-style-type: none">• Project Manager• Manager Capital Works• Architect
Intercept surveys	<ul style="list-style-type: none">• +350 persons including parkers, students, visitors, employees, commuters, cyclists and public transport users

OPTIONS

Option 1

63 The recommendation as at Paragraph 1 – Council adopts the parking framework and strategic actions as its overarching parking policy for the City as a whole.

Option 2

64 Council not adopt the recommendation of this report. This will have an adverse impact on the viability of the Newcastle City Centre and surrounding commercial centres. As the popularity of these areas increase, access to these businesses will become more critical. It is suggested that Council consider the need to have a mechanism in place to address the needs of the commercial centres and the city as a whole. This is not the recommended option.

BACKGROUND

65 Council has for many years relied on the Nelson English Loxton and Andrews (NELA) Parking Strategy as the basis for operating parking in the Newcastle City Centre. The original document was produced in 1995 and is long overdue for review.

66 Over time the parking landscape has steered away from the parking principles adopted through the NELA Parking Strategy. This has resulted in commercial business centres having poor kerbside signage which is often inconsistent, confusing and is not meeting customer's expectations.

- 67 A Councillor workshop was conducted in April 2013 which provided Councillors with an overview of parking and provided the basis for understanding why the City Centre operated a paid parking system. The workshop also highlighted the financial impact of paid parking on its Budget projections. This workshop led to the commissioning of the draft Parking Study.

REFERENCES

Car Parking Policy for Newcastle, Part 1, Nelson English, Loxton and Andrews Pty Ltd. June 2000
Draft Newcastle Transport Strategy – Working Paper – Parking, Newcastle City Council, December 2014
Newcastle City Centre Parking Strategy - GTA Consultants, September 2008
Newcastle City Centre Renewal Report, Hunter Development Corporation, March 2009
Newcastle City Centre Renewal Transport Management and Accessibility Plan – Prepared by AECOM for the NSW State Government, 2010
Newcastle Development Control Plan 2013 No. 7.03, Traffic Parking and Access
Newcastle Urban Renewal Strategy 2012 – NSW Department of Planning & Infrastructure
Newcastle Urban Renewal Study – Economic Assessment (Appendix 2) - Hill PDA, 2012.
Parking Strategy for Newcastle – A Business Plan, Nelson English, Loxton & Andrews Pty. Ltd. in association with Tony Cooper & Associates Pty Ltd. May 1995
Parking Study for Newcastle City Centre – GTA Consultants, June 2006, Finalised in Sept 2008.
Parking Study, Newcastle City Centre and Surrounding Suburbs Part 2 – Parking Survey Results, 8/8/2014
The High Cost of Free Parking. Donald Shoup. American Planning Association 2004
Pay by Phone as and Alternate Payment Method for On-Street Parking Meters, The City of Newcastle, 2014

ATTACHMENTS

Attachments A, B and C - Distributed under separate cover

MOTION

Moved by Cr Clausen, seconded by Cr Posniak

- 1 Council receives the Parking Study Newcastle City Centre and Surrounding Suburbs report prepared by Luxmoore Parking and Safety.
- 2 Council endorses the following Strategic Objectives for parking in the Newcastle City Centre and surrounding commercial centres:
 - Short Term Vision (by 2017): Provision of cost effective parking in order that it be used as a travel demand management tool
 - Medium Term Vision (2018 and beyond): Provision of cost effective parking in order that it be used as a travel demand management tool.
 - Long Term Vision (2022): Achieve an overall change in the culture of travel towards the use of public transport, walking and cycling.
- 3 Council endorses the management of parking using travel demand management principles, including the importance of community consultation and engagement.
- 4 Council adopts the Framework as shown in Attachment A for the operational management of on street parking in the Newcastle LGA.
- 5 Council undertakes consultation with impacted residents and business owners as part of the development of specific parking policy statements and establishment of trial precincts.
- 6 Council notes the Strategic Management Action Plan shown in Attachment B.

Carried

10 NOTICES OF MOTION

The General Manager advised that a Notice of Motion from Councillor Clausen had been excluded from the agenda in accordance with Clause 240 of the Local Government (General) Regulation 2005 and Clause 19.5 of Council's Code of Meeting Practice. The General Manager's opinion that this Notice of Motion was unlawful was supported by the legal advice included in confidential Item 12 of the confidential agenda.

11 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTERESTS

Councillor Compton

Councillor Compton identified a significant non-pecuniary interest in Confidential Item 11 - Newcastle Museum Erecting Shop Roof Upgrade Works - Contract No. 2015/240T in that his brother was an employee of the tenderer Kingston Building (Australia) Pty Ltd. He indicated he would leave the Chamber for the determination of this item.

12 CONFIDENTIAL REPORTS

MOTION

Moved by Cr Rufo, seconded by Cr Compton

Council proceed into confidential session for the following items for the reasons outlined in the business papers and the two late items of business:

- Item 11- Newcastle Museum Erecting Shop Roof Upgrade Works - Contract No. 2015/240T
- Item 12 - Legal Advice in Respect of Open and Transparent Governance - Open Diaries

Carried

Council moved into Confidential Session at 6.39pm, Councillor Dunn left the meeting prior to the commencement of Item 11 and returned at the commencement of Item 12.

Councillor Compton retired from the Chamber prior to the commencement of the discussion on Item 11 - Newcastle Museum Erecting Shop Roof Upgrade Works - Contract No. 2015/240T and returned immediately prior to the commencement of Item 12.

Council reconvened into open Council at 6.47pm and the General Manager announced the details of the resolutions approved by Council in confidential session.

**ITEM-11 CON 26/05/15 - NEWCASTLE MUSEUM ERECTING SHOP ROOF
UPGRADE WORKS - CONTRACT NO. 2015/240T**

**REPORT BY: INFRASTRUCTURE
CONTACT: DIRECTOR OF INFRASTRUCTURE / PROJECTS AND
 CONTRACTS MANAGER**

PURPOSE

Tenders were invited for the construction of upgrade works to roof of the former Erecting Shop at Newcastle Museum. The scope of works includes replacement of existing box gutters and roof sheeting and the installation of new automated smoke relief louvres and roof access platforms.

As the value of the works exceeds \$150,000, the *Local Government (General) Regulation 2005* requires Council's acceptance of the tender.

REASON FOR CONFIDENTIALITY

This report has been classified confidential in accordance with the provisions of the *Local Government Act 1993 (Act)* as follows:

- Section 10A(2)(d) of the Act provides that Council can close a meeting to consider commercial information of a confidential nature that would if disclosed prejudice the commercial position of the person who supplied it.
- Section 10B(1)(a) and (b) of the Act provides that the discussion of the item in a closed meeting must only:
 - (a) include as much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security; and
 - (b) occur if the Council is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

GROUND FOR CLOSING PART OF THE MEETING

In respect to section 10D(2) of the Act, the grounds on which part of a meeting is to be closed for the discussion of the particular item must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. Accordingly, an appropriate resolution to proceed is required first.

MOTION TO PROCEED

The discussion of the confidential report take place in a closed session, with the press and public excluded, for the following reasons:

- A The matter relates to tenders for Newcastle Museum Erecting Shop Roof Upgrade Works for Contract No. 2015/240T
 - B It is contrary to the public interest to discuss tenders in an open meeting because the information provided to Council by tenderers is provided on the basis that it will be treated by Council as commercial-in-confidence. A practice of disclosing sensitive commercial information to the public, including competitors, could result in the withholding of such information by tenderers. This would lead to a reduction in the supply of information relevant to Council's decision.
 - C The closed session involves only as much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security.
-

MOTION

- 1 Council accept the tender of Kingston Building (Australia) Pty Ltd in the amount of \$855,917.28 (excluding GST) for Newcastle Museum Erecting Shop Roof Upgrade Works for Contract No. 2015/240T.
- 2 This confidential report relating to the matters specified in s10A(2)(d) of the *Local Government Act 1993* be treated as confidential and remain confidential until Council determines otherwise.

Carried

**ITEM-12 CON 26/05/15 - LEGAL ADVICE IN RESPECT OF OPEN AND
TRANSPARENT GOVERNANCE - OPEN DIARIES**

REASON FOR CONFIDENTIALITY

This report has been classified confidential in accordance with the provisions of the Local Government Act 1993 (Act) as follows:

Section 10A(2)(g) advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege

Section 10B(1)(a) and (b) the discussion of the item in a closed meeting must:

- (a) only as much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security; and
- (b) occur if the Council is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

GROUND FOR CLOSING PART OF THE MEETING

In respect to section 10D(2) of the Act the grounds on which part of a meeting is to be closed for the discussion of the particular item must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. Accordingly an appropriate resolution to proceed is required first.

MOTION TO PROCEED

The discussion of the confidential report take place in a closed session, with the press and public excluded, for the following reasons:

A The matter relates to confidential legal advice prepared for Council which otherwise would be privileged from production in legal proceedings on the ground of legal professional privilege.

B The closed session involves only so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security.

The General Manager reported that during the closed session Council considered legal advice that concluded the omitted paragraph four and additional parts of Notice of Motion Item 15 - Open and Transparent Governance: Open Diaries, as presented and adopted on 28 April 2015 were ultra vires. As the resolution was passed as a whole rather than in seriatim, the full resolution will be considered to have no effect and will not be implemented.

13 CONFIRMATION OF PREVIOUS MINUTES

MINUTES - ORDINARY COUNCIL MEETING 28 APRIL 2015

The General Manager reiterated that consideration of the minutes was limited to their accuracy.

MOTION

Moved by Cr Luke, seconded by Cr Compton

The draft minutes as circulated be taken as read and confirmed.

Carried

Councillor Nelmes recorded her vote against the resolution.

The meeting concluded at 7.00pm.

Council Chambers

2nd floor, City Hall, Newcastle 2300

Phone: 4974 2000

Email: mail@ncc.nsw.gov.au

