

## CITY OF NEWCASTLE

### Minutes of the Ordinary Council Meeting held via video conferencing platform Zoom on Tuesday 26 May 2020 at 6.05pm.

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#### PRESENT

The Lord Mayor (Councillor N Nelmes), Councillors M Byrne (*arrived 6.20pm*), J Church, D Clausen, C Duncan, J Dunn (*arrived 6.20pm*), K Elliott, B Luke, J Mackenzie, A Robinson, A Rufo, E White and P Winney-Baartz.

#### IN ATTENDANCE

J Bath (Chief Executive Officer), D Clarke (Director Governance), K Liddell (Director Infrastructure and Property), F Leatham (Director People and Culture), B Smith (Director Strategy and Engagement), E Kolatchew (Manager Legal), H Sexton (Acting Manager Legal), S Moore (Acting Chief Financial Officer), M Bisson (Manager Regulatory, Planning and Assessment), J Rigby (Manager Assets and Projects), L Duffy (Manager City Wide Services), G Mahood (Manager Property and Facilities), K Sullivan (Council Services/Minutes), A Knowles (Council Services/Meeting Support), G Axelsson (Information Technology Support) and S Ray (Information Technology Support).

#### MESSAGE OF ACKNOWLEDGEMENT

The Lord Mayor read the message of acknowledgement to the Awabakal and Worimi peoples.

#### PRAYER

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.

#### APOLOGIES

Nil.

#### DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTERESTS

##### **Councillor Clausen**

Councillor Clausen declared a significant pecuniary interest in Lord Mayoral Minute Item 11 - City of Newcastle Submission - Draft determination on prices for Hunter Water Corporation (HWC) from 1 July 2020, stating that Hunter Water was his employer and he would leave the meeting for discussion on the item.

##### **Councillor Robinson**

Councillor Robinson declared a less than significant non-pecuniary interest in Lord Mayoral Minute Item 11 - City of Newcastle Submission - Draft determination on prices for Hunter Water Corporation (HWC) from 1 July 2020, stating that he owned property in Hexham and the minute mentioned the Hexham sewerage connection which he had discussed with the Chief Executive Officer.

## **CONFIRMATION OF PREVIOUS MINUTES**

**MINUTES - PUBLIC VOICE COMMITTEE 21 APRIL 2020**  
**MINUTES - ORDINARY COUNCIL MEETING 28 APRIL 2020**

### **MOTION**

Moved by Cr Mackenzie, seconded by Cr Winney-Baartz

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

**Carried  
unanimously**

## **LORD MAYORAL MINUTE**

**ITEM-9                      LMM 26/05/20 - CONDOLENCE MOTION - DENIS NICHOLS**

### **MOTION**

Moved by Lord Mayor, Cr Nelmes

That City of Newcastle:

- 1        Notes with sadness the passing of former City of Newcastle Alderman and Councillor, Deputy Lord Mayor and union leader, Denis Nichols;
- 2        Recognises his enormous contribution to the betterment of the lives of working people, and all Novocastrians, through his roles as an Official for the Australian Manufacturing Workers' Union (1981-2001); President, Newcastle Trades Hall Council (1983-1997), City of Newcastle Councillor (1986-1995) and Deputy Lord Mayor of the City of Newcastle (1987-1989). Mr Nichols was also a Director of the Labour Co-operative Group from 2002 and a Director of the Hunter TAFE Foundation from 2000 until his passing and a member of the BHP Steelworks Transition Steering Team;
- 3        Notes that Mr Nichols was also a Newcastle Rugby League legend, playing 110 first grade matches for North Newcastle and Central Charlestown, winning a First Grade Premiership with the Bluebags in 1967, and making his Newcastle Representative debut in 1968; and
- 4        Sends our condolences to Mr Nichols' family, his loving wife Iris, his friends, comrades and former teammates.

**Carried  
unanimously**

**ITEM-10**

**LMM 26/05/20 - CLIMATE EMERGENCY AUSTRALIA  
COUNCIL**

**MOTION**

Moved by Lord Mayor, Cr Nelmes

That City of Newcastle:

- 1 Notes that community engagement has commenced on the development of our 2025 Climate Action Plan, with the aim of building on the achievements of the existing 2020 Carbon Water Management Action Plan (CWMAP, originally adopted in 2008), which have ensured that CN has:
  - Reduced the City's carbon footprint by 77.4 per cent on 2008 levels, equal to a reduction of 17,500 tonnes of carbon dioxide for the year to date, the equivalent of taking 4,000 cars off the road
  - Secured 100 per cent of electricity from renewable sources including our own 5MW solar farm at Summerhill
  - Reduced total electricity usage by 14.5 per cent
  - Upgraded 31 per cent of streetlights to LEDs (with more to come)
  - Reduced potable water usage by 8.6 per cent
  - Reduced liquid fuel use by 7.0 per cent
- 2 Notes that City of Newcastle is considered a national and international local government leader when it comes to strong action to address climate change;
- 3 Recognises that City of Newcastle has previously declared a Global Climate Change Emergency and formally committed to the principles and targets of the Paris Climate Agreement;
- 4 Notes the expert testimony of the Bureau of Meteorology's Head of Climate Monitoring, Dr Karl Braganza, on 25 May 2020 to the Royal Commission into National Natural Disaster Arrangements that climate change has already seen the lengthening of the fire season in eastern Australia by an additional four months since 1950;
- 5 Notes City of Newcastle's continued commitment to a just transition and economic diversification of our region, including following the recent release of the Grattan Institutes 'Start with Steel' report, which further supports efforts for a just transition in the Hunter, outlining the viability of a high-tech, globally competitive, renewable energy powered 'green steel' jobs in our region (Attachment A)
- 6 Receives the briefing paper from Climate Emergency Australia (Attachment B), noting that following a workshop held on 15 February 2020 held at the National Climate Emergency Summit, where more than 70 local councils, represented by more than 150 attendees from Local Government, endorsed the formation of 'Climate Change Australia', as 'a national network of governments and sector partners, to provide the climate leadership Australia needs'; and

- 7 Endorses the formation of Climate Emergency Australia, and commits to the principles of a Climate Emergency Australia Council (CEA Council), by committing CN to:
- Continued advocacy for climate action within a just transition framework
  - Share knowledge of what works and what doesn't with other member councils
  - Take part in joint advocacy campaigns
  - Use jointly developed messaging in public and internal communications
  - Identify opportunities and resources for collaborative approaches to the climate emergency
  - Work together and provide input to CEA projects
  - Identify issues, barriers and opportunities in project implementation, and refer these to CEA Strategic Advisory Group

**Carried**

**ITEM-11 LMM 26/05/20 - CITY OF NEWCASTLE SUBMISSION - DRAFT DETERMINATION ON PRICES FOR HUNTER WATER CORPORATION (HWC) FROM 1 JULY 2020**

Councillor Clausen was removed to the waiting room facility via video conferencing platform Zoom for discussion on this item at 6.36pm.

**MOTION**

Moved by Lord Mayor, Cr Nelmes

That City of Newcastle:

- 1 Congratulates Mr Darren Cleary on his appointment as Managing Director, Hunter Water Corporation on 29 April 2020;
- 2 Notes that the Independent Pricing and Regulatory Tribunal (IPART) recently called for submissions on the Draft determination on prices for Hunter Water Corporation (HWC) from 1 July 2020, and that City of Newcastle provided a submission (Attachment A) to IPART on 8 April 2020;
- 3 Welcomes HWC's proposed discretionary expenditure on recycled water and stormwater naturalisation;
- 4 Requests the inclusion of funding in HWC's 2020-2024 capital program for:
  - a) the widening of the Hunter Water stormwater channel through Wallsend to support the City's investments in new bridges to alleviate risk to property and life from flooding
  - b) the connection of sewer services to the township of Hexham

- 5 Notes that the channel widening at Wallsend and connection of sewer services at Hexham projects could provide a significant opportunity to create local jobs, providing an immediate and significant stimulus for the local economy, and that a copy of CN's submission has been forwarded to the Minister for Water, Property and Housing, the Hon. Melinda Pavey MP, for her consideration.
- 6 Commits \$17.2 million to complete bridge upgrades throughout the entire Wallsend town centre, as well as \$3.5 million for property acquisition as required for our ongoing flood mitigation work. However, notes that this investment alone will only result in minor improvements and continued flooding for the town centre and not the anticipated reduction in flood damages and risk, if the HWC channel is not widened to 21 metres through Wallsend Town Centre.

**Carried**

Councillor Clausen was returned to the meeting in video conferencing platform Zoom at the conclusion of the item at 6.40pm.

## REPORTS BY COUNCIL OFFICERS

### ITEM-22                    CCL 26/05/20 - TABLING OF PECUNIARY INTEREST RETURNS - 1 FEBRUARY TO 30 APRIL 2020

#### MOTION

Moved by Cr Winney-Baartz, seconded by Cr Rufo

That Council:

- 1 Note the tabling of the pecuniary interest returns (for the period 1 February to 30 April 2020) by the CEO.

**Carried  
unanimously**

### ITEM-23                    CCL 26/05/20 - ADOPTION OF LOCAL STRATEGIC PLANNING STATEMENT

#### MOTION

Moved by Cr Mackenzie, seconded by Cr Clausen

That Council:

- 1 Adopts the Local Strategic Planning Statement (LSPS) at **Attachment A** subject to:

That the Section "*The purpose of the LSPS is to*" (p7) be amended to include an additional point: '*To plan for and begin the transition to becoming a carbon-neutral city by 2050*'.

**Carried  
unanimously**

**ITEM-24 CCL 26/05/20 - EXHIBITION OF DRAFT HERITAGE STRATEGY**

**MOTION**

Moved by Cr Winney-Baartz, seconded by Cr Duncan

That Council:

- 1 Places the draft Heritage Strategy 2020-2030 (**Attachment A**) on public exhibition for 28 days.

**Carried  
unanimously**

**ITEM-25 CCL 26/05/20 - ADOPTION OF AMENDMENT TO NEWCASTLE  
LEP 2012 - CREATE NEW HERITAGE ITEM FOR PARKWAY  
AVENUE, NEWCASTLE**

**MOTION**

Moved by Cr Duncan, seconded by Cr Byrne

That Council:

- 1 Endorses the Planning Proposal (**Attachment A**) to amend the Newcastle Local Environmental Plan 2012 (NLEP 2012) to create a new heritage item for Parkway Avenue Newcastle.
- 2 Forwards the Planning Proposal to the Department of Planning, Industry and Environment (DPIE) requesting that a draft NLEP 2012 be prepared and made pursuant to Section 3.36(1) of the *Environmental, Planning and Assessment Act* (EP&A Act).

**For the Motion:**

Lord Mayor, Cr Nelmes and Councillors Byrne, Church, Clausen, Duncan, Dunn, Elliott, Luke, Mackenzie, Rufo, Robinson, White and Winney-Baartz.

**Against the Motion:**

Nil.

**Carried**

**ITEM-26 CCL 26/05/20 - ADOPTION OF THE UPDATED EAST END  
STAGE ONE STREETScape PLAN**

**MOTION**

Moved by Cr Winney-Baartz, seconded by Cr Duncan

That Council:

- 1 Adopt the proposed traffic changes to the Hunter Street Newcastle East End Stage One Streetscape Plan as shown at **Attachment A**.

**Carried  
unanimously**

**ITEM-27                    CCL 26/05/20 - CROWN RESERVES MANAGEMENT -  
DEVOLVED LAND**

**MOTION**

Moved by Cr Duncan, seconded by Cr Luke

That Council:

- 1 Endorse an application to Crown Lands - NSW Department of Planning, Industry and Environment (DPIE) for three Crown reserves currently managed by City of Newcastle (CN), as identified in **Attachment A**, to change from 'Devolved to Council' status to 'Crown Land Manager' status in accordance with the Crown Land Management Act 2016.

**Carried  
unanimously**

**ITEM-28                    CCL 26/05/20 - MARCH QUARTERLY BUDGET REVIEW  
STATEMENT**

**MOTION**

Moved by Cr Clausen, seconded by Cr Byrne

That Council:

- 1 Receives the March Quarterly Budget Review Statement (**Attachment A**) and adopts the revised budget as detailed therein.

**For the Motion:**                    Lord Mayor, Cr Nelmes and Councillors Byrne, Clausen, Duncan, Dunn, Luke, Mackenzie, White and Winney-Baartz.

**Against the Motion:**            Councillors Church, Elliott, Robinson and Rufo.

**Carried**

**ITEM-29                    CCL 26/05/20 - EXECUTIVE MONTHLY PERFORMANCE  
REPORT**

**MOTION**

Moved by Cr Clausen, seconded by Cr Dunn

That Council:

- 1 Receives the Executive Monthly Performance Report for April 2020.

**For the Motion:**                    Lord Mayor, Cr Nelmes and Councillors Byrne, Clausen, Duncan, Dunn, Luke, Mackenzie, White and Winney-Baartz.

**Against the Motion:**            Councillors Church, Elliott, Robinson and Rufo.

**Carried**

## NOTICES OF MOTION

### ITEM-10

### NOM 26/05/20 - CITY OF NEWCASTLE RATING POLICY

#### MOTION

Moved by Cr Clausen, seconded by Cr Duncan

That City of Newcastle:

- 1 Notes that CN was deemed to be 'Financially Fit for the Future' due to the prudent financial decision making over the last two terms of Council;
- 2 Notes that the Independent Pricing and Regulatory Tribunal (IPART) has determined that the 2020-21 Rate Peg for all NSW Councils is 2.6 per cent;
- 3 Notes that the Rate Peg is a retrospective true-up mechanism, designed to allow Councils to recover the actual impacts of inflation on local government services, as measured by the Local Government Cost Index (LGCI), a local government version of the Consumer Price Index (CPI). Rate pegging has been in place in NSW since 1977;
- 4 Notes that, in real terms, the application of the rate peg offsets the actual impacts of inflation, and means no-net change in Council's financial position (i.e. Council's purchasing power is unaltered);
- 5 Notes that for the average Newcastle household, the impact of the Rate Peg in 2020/21 is a \$34.42 increase in nominal terms in rates across the year (\$0.66 cents per week);

	<b>Average residential rate 2019-20</b> [average land value of \$325,218]	<b>Average residential rate 2020-21</b> [average land value of \$368,569]	<b>Difference</b> [average land value has increased by \$43,351]
<b>Annual notice</b>	\$1,551.69	\$1,586.11	\$34.42
<b>Quarterly instalments</b>	\$387.92	\$396.53	\$8.61

- 6 Notes that as a result of land re-valuations by the NSW Valuer General, 41,281 residential properties and 2,601 business properties will pay less in real terms in council rates in 2020/21;
- 7 Notes that, in addition, due to growth in the number of business ratepayers, the average Newcastle businesses' rates will fall by \$277 in 2020/21;



- 8 Notes that rate revenue funds important local infrastructure and services. Given impacts of the COVID-19 pandemic on council's financial position, including through significant decreases in other revenue (including from parking fees, airport revenue, rental income, City Hall and Civic Theatre fees and charges), rates remain critical to City of Newcastle's ability to maintain jobs, and prevent local austerity that would come with substantial, negative economic impacts for the city and region. Notes that other councils are in a similar position, and are excluded from Commonwealth JobKeeper assistance (**Attachment A**);
- 9 Notes, with concern, that there are a large number of Newcastle residents and businesses that have been adversely impacted by the COVID-19 pandemic. Notes that Council is already providing tailored financial assistance to these ratepayers, through the first \$5.5million phase of its Community and Economic Resilience Package;
- 10 Notes that while some residents have been significantly adversely impacted, this is not a universal experience. The ABS Household Survey on 1 May 2020 found that for those aged 18-64, 65.5 per cent of household's financial position improved or stayed the same [i.e. 34.5% were worse off]; and for those aged 65 years and over, 79.7% of household's financial positions improved or stayed the same [i.e. 20.3% were worse off] (**Attachment B**);
- 11 Notes that this highlights the increasing need for tailored financial hardship assistance, rather than broad-brush and poorly targeted measures that are costly to deliver, but provide very limited assistance to any household experiencing financial difficulty as a result of the COVID 19 pandemic;
- 12 Notes that across the region, **all** other Councils have indicated that they are collecting the Peg Rate amount in 2020-21:

Council	Draft average residential rates 2020-21	Draft proposed domestic waste service charges 2020-21	Total	% increase
Dungog <sup>i</sup>	\$1,065.04	\$455.00#	<b>\$ 1,520.04</b>	15.00%
Lake Macquarie	\$1,495.00	\$451.00	<b>\$ 1,946.00</b>	2.60%
Maitland	\$1,682.23	\$525.35	<b>\$ 2,207.58</b>	7.25%
Muswellbrook	\$835.90	\$519.00	<b>\$ 1,354.90</b>	2.60%
<b>Newcastle</b>	<b>\$1,586.11</b>	<b>\$374.52</b>	<b>\$ 1,960.63</b>	2.60%
Port Stephens	\$1,104.89	\$543.00	<b>\$ 1,647.89</b>	2.60%
Singleton	\$1,164.06	\$451.00	<b>\$ 1,615.06</b>	2.60%
Upper Hunter	\$862.31	\$655.00#	<b>\$ 1,517.31</b>	2.60%

Note: At the time of collation, Cessnock City Council had not yet exhibited their Draft Operational Plans for 2020/21

# Dungog and Upper Hunter are in the Regional S88 Waste Levy Area, and pay \$82.70/tonne to the State Government in landfill tax. The other Councils, including Newcastle, are in the Metropolitan Levy Area and pay \$143.60/tonne in landfill tax.

- 13 Notes SMH reporting, that of NSW's 128 Councils, 126 have elected to apply the full rate peg (98% of councils). Notes that the remaining two Councils, MidCoast and Hilltops, were both formed after a forced merger in 2016. MidCoast Council currently has a Special Rates Variation in place, and the Hilltops Council Mayor, Cr Brian Ingram, has indicated his support for the rate peg;
- 14 Notes calls from Local Government NSW, the Committee for Sydney, the Sydney Business Chamber and the Western Sydney Business Chamber, for reform to the rating system in NSW. City of Newcastle has previously supported IPART's 2016 recommendations on reform to the NSW Rating System to promote efficiency, equity, simplicity, sustainability and competitive neutrality; and
- 15 As a policy position, Council commits to:
  - a. Apply the rate peg in 2020/21, consistent with previous years, to ensure that Council can protect local services and jobs
  - b. Continues with its phased Community and Economic Resilience Package approach, with a strong targeted focus on households that have been adversely financially impacted as result of the COVID-19 pandemic
  - c. Allocates, at a minimum, the income from the residential Rate Peg in 2020-21 (\$2.6m) to hardship measures, targeted at individual ratepayers experiencing financial hardship, including due to the COVID-19 pandemic.

**For the Motion:**

Lord Mayor, Cr Nelmes and Councillors Byrne, Clausen, Duncan, Dunn, Mackenzie, Rufo, White and Winney-Baartz.

**Against the Motion:**

Councillors Church, Elliott, Luke and Robinson.

**Carried**

**ITEM-11                      NOM 26/05/20 - SKILLED WORK REGIONAL VISA (491) AND CHANGES IMPACTING THE CITY OF NEWCASTLE**

**MOTION**

Moved by Cr Clausen, seconded by Cr Duncan

That Council:

- 1 Receives the letter from Newcastle resident, former Gosford Mayor and former DPC Regional Director, Tony Sansom OAM, regarding the Skilled Work Regional Visa (491) and changes impacting the City of Newcastle (**Attachment A**);
- 2 Notes that the Skilled Work Regional Visa (491) is a Commonwealth immigration visa available to non-citizens who live, work and study in a designated regional area, have an occupation on a relevant skilled occupation list, and are sponsored by a state or territory government;

- 3 Notes that under the [Commonwealth Government's definition](#), residents of Newcastle and Lake Macquarie are eligible for the 491 Visa, as Newcastle is defined as a "designated regional area" alongside the cities of Perth, Adelaide, the Gold Coast, Canberra, Wollongong, Geelong and Hobart;
- 4 Notes with alarm that, despite the Commonwealth definition, residents of the City of Newcastle may not have their application be supported by the NSW Government, as for the purpose of this Visa, NSW considers Newcastle to be "metropolitan". Residents of Lake Macquarie are however eligible. This means that, for example, a resident of Adamstown would be ineligible for a 491 Visa, but a resident of Adamstown Heights would be eligible;
- 5 Notes that the NSW Government does not have a consistent definition for whether the Newcastle LGA is 'regional' or 'metropolitan', instead making unique determinations on the particular grant scheme or policy. For example, sports grants, seniors travel cards, and arts funding;
- 6 Notes that this lack of consistency has a detrimental impact on the economy of the Hunter, including residents who work or interact with businesses in the Newcastle local government area;
- 7 Notes that this provides significant uncertainty for visa holders and applicants, especially those currently working in Australia during the COVID crisis;
- 8 Notes that the NSW Government's policy changes disproportionately impact Novocastrians, including international graduates of the University of Newcastle seeking to remain in Newcastle following the completion of their studies, or prospective students seeking to study at Nihon University in Newcastle;
- 9 Writes to the Premier, Deputy Premier and Minister for Regional NSW, Minister for Jobs, Investment, Tourism and Western Sydney, and Leader and Deputy Leader of the Opposition, and State Members for Wallsend, Newcastle and Charlestown, requesting policy amendments to ensure Newcastle and Wollongong are considered regional for the purposes of the 491 Visa, as per the Commonwealth definition; and
- 10 Shares a copy of this motion with the University of Newcastle, Hunter Business Chamber, Hunter Joint Organisation and Committee for Hunter, seeking joint advocacy for a solution.

**For the Motion:**

Lord Mayor, Cr Nelmes and Councillors Byrne, Clausen, Duncan, Dunn, Elliott, Luke, Mackenzie, Rufo, Robinson, White and Winney-Baartz.

**Against the Motion:**

Councillor Church.

**Carried**

## **CONFIDENTIAL REPORTS**

### **PROCEDURAL MOTION**

Moved by Cr Mackenzie, seconded by Cr Clausen

Council move into confidential session for the reasons outlined in the business papers.

**Carried**

Council moved into confidential session at 7.47pm.

### **PROCEDURAL MOTION**

Moved by Cr Rufo, seconded by Cr Winney-Baartz

Council move out of confidential session.

**Carried**

Council moved out of confidential at 8.01pm and the Chief Executive Officer reported the outcomes of confidential session.

## **ITEM-7                      CON 26/05/20 - SALE OF FREDERICK ASH, BENNETT AND WOOD AND CLARENDON BUILDINGS**

### **MOTION**

Moved by Cr Dunn, seconded by Cr Clausen

That Council:

- 1     Resolve to sell 347 Hunter Street (Clarendon Hotel) and 357 Hunter Street (Frederick Ash Building) Newcastle, for the amount of \$7.485 million (excl. GST) to The Stevens Group (Purchaser A).
- 2     Resolve to sell 365 Hunter Street (Bennett and Wood Building) Newcastle, for the amount of \$2.015 million (excl. GST) to Blue Door Developments (Purchaser B).
- 3     Approve the recommendation of the Asset Advisory Committee (AAC) that the proceeds from the sale be allocated to City of Newcastle's (CN) 'Works Program: Specific Projects' (former Land and Property Reserve) for the specific purpose of restoration of the Newcastle Ocean Baths.
- 4     Note that the Frederick Ash Building is listed on the State Heritage Register, and as such Purchaser A will be responsible for maintaining the building in line with the current Conservation Management Plan and will be restricted to conservation principles in any development of the building.

- 5 Further note that The Clarendon Hotel and the Bennett and Wood Building are both identified as contributory buildings within the Newcastle City Centre Heritage Conservation Area and as such any development application would be required to meet the heritage conservation objectives set out in Clause 5.10 of the Newcastle Local Environmental Plan 2012.
- 6 Grant authority to the Chief Executive Officer (CEO) or their delegate to execute all relevant documentation between Council and the Purchasers.
- 7 This confidential report relating to the matters specified in s10A(2)(d) of the Act be treated as confidential and remain confidential until the CEO determines otherwise.

**For the Motion:**

Lord Mayor, Cr Nelmes and Councillors Byrne, Church, Clausen, Duncan, Dunn, Elliott, Luke, Mackenzie, Robinson, Rufo, White and Winney-Baartz.

**Against the Motion:**

Nil.

**Carried  
unanimously**

**The meeting concluded at 8.04pm.**