



City of
Newcastle



CITY OF NEWCASTLE

Ordinary Council Meeting

Councillors,

In accordance with section 367 of the Local Government Act, 1993 notice is hereby given that an Ordinary Council Meeting will be held on:

DATE: Tuesday 23 June 2020

TIME: 6.00pm

VENUE: Video conferencing platform Zoom

J Bath
Chief Executive Officer

**City Administration Centre
12 Stewart Avenue
NEWCASTLE WEST NSW 2302**

17 June 2020

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The location of all meetings will be determined by the CEO in consultation with the Lord Mayor, having regard to any applicable Public Health Orders regarding COVID-19, and will be either via video conferencing platform or at an appropriate CN facility in accordance with the requirements of the Local Government Act 1993.

ORDINARY COUNCIL MEETING 23 June 2020
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***Business Paper to be distributed on the night in accordance
with the Code of Meeting Practice, cl 20.5***

**FOR DOCUMENTS MARKED 'DISTRIBUTED UNDER SEPARATE COVER' REFER TO
COUNCIL'S WEBSITE AT www.newcastle.nsw.gov.au**

NOTE: ITEMS MAY NOT NECESSARILY BE DEALT WITH IN NUMERICAL ORDER

CONFIRMATION OF PREVIOUS MINUTES

MINUTES - PUBLIC VOICE COMMITTEE 19 MAY 2020

RECOMMENDATION

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

ATTACHMENTS

Attachment A: 200519 Public Voice Committee Minutes

Note: The attached minutes are a record of the decisions made by Council at the meeting and are draft until adopted by Council. They may be viewed at www.newcastle.nsw.gov.au

CITY OF NEWCASTLE

Minutes of the Public Voice Committee Meeting held via Video conferencing platform Zoom on Tuesday 19 May 2020 at 6.04pm.

PRESENT

The Lord Mayor (Councillor N Nelmes), Councillors M Byrne, J Church, D Clausen, C Duncan, J Dunn, 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), B Smith (Director Strategy and Engagement), F Leatham (Director People and Culture), A Jones (Interim Director City Wide Services), E Kolatchew (Manager Legal), H Sexton (Acting Manager Legal), M Bisson (Manager Regulatory, Planning and Assessment), A Knowles (Council Services/Minutes), K Sullivan (Council Services/Meeting 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

Nil.

PUBLIC VOICE SESSIONS

ITEM-1 PV 19/05/20 - DA2019/01284 - 16 NORTHWOOD STREET ADAMSTOWN HEIGHTS - MULTI DWELLING HOUSING -DEMOLITION OF DWELLING, ERECTION OF FOUR TWO STOREY DWELLINGS, AND ONE LOT INTO FOUR LOT TORRENS TITLE SUBDIVISION

Mr Owen Jackson and Mr Jason Young addressed Council and outlined concerns and objections to the development application. Mr Stuart Campbell, Director CKDS Architecture and Mr Chris Speek, Director Valley Planning on behalf of the DA applicant addressed Council in support of the development application.

The meeting concluded at 6.31pm.

MINUTES - ORDINARY COUNCIL MEETING 26 MAY 2020

RECOMMENDATION

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

ATTACHMENTS

Attachment A: 200526 Ordinary Council Meeting Minutes

Note: The attached minutes are a record of the decisions made by Council at the meeting and are draft until adopted by Council. They may be viewed at www.newcastle.nsw.gov.au

CITY OF NEWCASTLE

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

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);

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

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- 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 \$5.5 million 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	\$1,065.04	\$455.00#	\$ 1,520.04	15.00%
Lake Macquarie	\$1,495.00	\$451.00	\$ 1,946.00	2.60%
Maitland	\$1,682.23	\$525.35	\$ 2,207.58	7.25%
Muswellbrook	\$835.90	\$519.00	\$ 1,354.90	2.60%
Newcastle	\$1,586.11	\$374.52	\$ 1,960.63	2.60%
Port Stephens	\$1,104.89	\$543.00	\$ 1,647.89	2.60%
Singleton	\$1,164.06	\$451.00	\$ 1,615.06	2.60%
Upper Hunter	\$862.31	\$655.00#	\$ 1,517.31	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 (\$2.6 million) 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;

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- 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.

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- 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.

REPORTS BY COUNCIL OFFICERS**ITEM-31 CCL 23/06/20 - WRITE-OFF A SUNDRY DEBT**

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / ACTING CHIEF FINANCIAL OFFICER

PURPOSE

To write-off a sundry debt in accordance with Clause 213 of the *Local Government (General) Regulation, 2005*.

RECOMMENDATION

That Council:

- 1 Resolves to write-off a sundry debt account totaling \$52,048.35 in unpaid tipping fees in accordance with Clause 213 of the *Local Government (General) Regulation, 2005*.

KEY ISSUES

- 2 On-going action by City of Newcastle (CN) Debt Management Team and contracted Mercantile Agent has been unable to recoup an outstanding tipping fees debt. This debt related to usage of Summerhill Waste Management Facility and was primarily incurred in February 2016 and March 2016 by the debtor, as identified below in Table 1:

Table 1: Sundry Debts Greater Than \$10,000 to be Written Off

Name	Account No	Amount	Description	Comments
Spero Demolition and Earthworks Pty Ltd	200384	\$52,048.35	Waste Tipping Fees	Debtor in Liquidation. Liquidator advises Nil dividend payable.

- 3 The subject debtor is now in liquidation. The appointed liquidator Shaw Gidley advises that investigations into the affairs of the Company are complete and no commercial benefit will be derived from any further recovery action. Additionally, they advise that there will be no distribution to unsecured creditors. Authority is now requested to have the debt written-off. Sufficient funds are available in the Provision for Doubtful Debts account to enable this action to occur.

- 4 The subject debt totals \$52,048.35. This report recommends the write-off of this amount. In accordance with the provisions of Clause 213 of the *Local Government (General) Regulation, 2005*, this amount may be written-off only by resolution of the Council. Provision has been made in the Provision for Doubtful Debts to allow for the write-off of this account.

FINANCIAL IMPACT

- 5 The amount outstanding of \$52,048.35 has been provided for in the Provision for Doubtful Debts. Writing-off this debt will impact CN's Balance Sheet, with a decrease in the value of CN's sundry debtors as well as a reduction in the Provision for Doubtful Debts.
- 6 Writing-off this outstanding debt will have no impact on CN's operating result.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 7 This report aligns to the Community Strategic Plan under the strategic direction of 'Open and Collaborative Leadership' action:

7.1b "Ensure long-term financial sustainability through short, medium and long-term financial planning".

IMPLEMENTATION PLAN / IMPLICATIONS

- 8 The implementation of the recommendation for this report is consistent with Clause 213 of the *Local Government (General) Regulation, 2005*.

RISK ASSESSMENT AND MITIGATION

- 9 Debt recovery action has been implemented in accordance with the guidelines contained within CN's Debt Management Policy and Procedures.

RELATED PREVIOUS DECISIONS

- 10 Not applicable.

CONSULTATION

- 11 All debts written-off are included with CN's Annual Report.

BACKGROUND

- 12 In February, March and April 2016 the debtor incurred tipping fee debts at CN's Summerhill Waste Management Facility. Despite numerous payment arrangements negotiated with the debtor by Debt Management and Waste Management staff the fees remained largely unpaid.
- 13 CN instigated subsequent legal action against the debtor through its Mercantile Agent in late 2016. To date all recovery action has been unsuccessful.

- 14 Investigation of the debtor's affairs indicates the debtor was placed into Liquidation in February 2017. The appointed liquidator Shaw Gidley has advised no dividend is payable to any unsecured creditor. Authority is requested to have the debt written-off. Sufficient funds are available in the Provision for Doubtful Debts account to enable this action to occur.
- 15 The provisions of Clause 213 of the *Local Government (General) Regulation, 2005* allow the subject debt to be written-off only by resolution of the Council. A debt can only be written-off if the debt cannot be lawfully recovered; or as a result of a Court decision; or it is not cost effective to recover the debt.

OPTIONS

Option 1

- 16 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

- 17 Council resolves not to adopt the recommendation as set out in Paragraph 1 and the sundry debt remains outstanding despite the debt being unable to be recovered. This is not the recommended option.

REFERENCES

ATTACHMENTS

Nil

ITEM-32 CCL 23/06/20 - MAKING OF THE RATES AND CHARGES FOR 2020/21

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / ACTING CHIEF FINANCIAL OFFICER

PURPOSE

To make the Rates and Charges for the period 1 July 2020 to 30 June 2021 in accordance with the provisions of sections 532 – 535 of the *Local Government Act 1993 (Act)* and subject to the adoption of the 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan and Fees and Charges).

RECOMMENDATION

That Council:

- 1 Makes the following rates and charges for the 2020/21 financial year:

RATE	MINIMUM RATE	AD Valorem Amount Cents in \$	BASE AMOUNT		ESTIMATED RATE YIELD P.A. \$'s
			\$	% of Total Rates	
Ordinary Rates					
Residential	Nil	0.215288	795.06	50	104,411,983
Farmland	\$1,072.60	0.280814	Nil	Nil	22,010
Business	\$1,072.60	1.503600	Nil	Nil	43,244,290
Business Sub-Categories					
Major Commercial Shopping Centre - Kotara	\$1,072.60	3.519581	Nil	Nil	1,587,331
Major Commercial Shopping Centre – Jesmond	\$1,072.60	4.385889	Nil	Nil	622,796
Major Commercial Shopping Centre – Waratah	\$1,072.60	4.857426	Nil	Nil	438,140
Major Commercial Shopping Centre – Wallsend	\$1,072.60	5.516265	Nil	Nil	441,301
Major Commercial Shopping Centre – The Junction	\$1,072.60	3.776868	Nil	Nil	234,166
Major Commercial Shopping Centre – Inner City	\$1,072.60	1.045470	Nil	Nil	234,185
Major Commercial Shopping Centre (Inner City-East)	\$1,072.60	1.411442	Nil	Nil	\$88,639
Suburban Shopping Centre	\$1,072.60	3.140010	Nil	Nil	209,125

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Suburban Shopping Centre - Inner City	\$1,072.60	2.107081	Nil	Nil	118,207
Suburban Shopping Centre - Mayfield	\$1,072.60	4.076116	Nil	Nil	193,616
Suburban Shopping Centre - Hamilton	\$1,072.60	1.850203	Nil	Nil	\$60,872
Kotara - Homemaker's Centre	\$1,072.60	1.327612	Nil	Nil	299,387
Kotara - Homemaker's Centre - South Zone	\$1,072.60	1.594259			325,229
Kooragang Industrial Coal Zone	\$1,072.60	1.836597	Nil	Nil	679,813
Kooragang North Industrial Coal Zone	\$1,072.60	2.503210	Nil	Nil	1,518,197
Kooragang Industrial Centre - Walsh Point	\$1,072.60	2.091122	Nil	Nil	1,810,912
Kooragang Industrial Centre	\$1,072.60	1.675358	Nil	Nil	1,075,895
Mayfield West Storage Units	\$536.30	2.735490	Nil	Nil	\$47,456
Mayfield North Heavy Industrial Centre	\$1,072.60	1.036522	Nil	Nil	646,220
Mayfield North Industrial Centre	\$1,072.60	1.639460	Nil	Nil	494,658
Mayfield North Industrial Centre - Future Development	\$1,072.60	1.765050	Nil	Nil	379,292
Carrington Industrial Port and Coal Zone	\$1,072.60	3.244863	Nil	Nil	1,534,820
Carrington Industrial Centre	\$1,072.60	2.329518	Nil	Nil	1,447,890
Carrington Industrial Port Operations Use	\$1,072.60	2.603473	Nil	Nil	277,478
Broadmeadow Industrial Centre	\$1,072.60	3.702121	Nil	Nil	166,595
Hexham Industrial Centre	\$1,072.60	2.422506	Nil	Nil	971,162
Special Rates					
Hunter Mall	Nil	0.162779	Nil	Nil	93,827
Mayfield Business District	Nil	0.091436	Nil	Nil	77,826
Hamilton Business District - Zone A	Nil	0.170003	Nil	Nil	89,994
Hamilton Business District - Zone B	Nil	0.085002	Nil	Nil	34,785
Hamilton Business District - Zone C	Nil	0.042501	Nil	Nil	15,024
Wallsend Business District - Zone A	Nil	0.355136	Nil	Nil	112,284
Wallsend Business District - Zone B	Nil	0.177568	Nil	Nil	15,873
Wallsend Business District - Zone C	Nil	0.266352	Nil	Nil	21,308
New Lambton Business District	Nil	0.094192	Nil	Nil	15,408
City Centre - City East	Nil	0.212113	Nil	Nil	178,916

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City Centre - Darby Street	Nil	0.048856	Nil	Nil	33,675
City Centre - City West (Close Zone)	Nil	0.076814	Nil	Nil	246,999
City Centre - City West (Distant Zone)	Nil	0.038407	Nil	Nil	14,805
City Centre – Tower	Nil	0.212113	Nil	Nil	171,098
City Centre – Mall	Nil	0.212113	Nil	Nil	137,156
City Centre – Civic (Close Zone)	Nil	0.111310	Nil	Nil	98,879
City Centre – Civic (Distant Zone)	Nil	0.055655	Nil	Nil	6,224
TOTAL					164,945,746

- 2 An Ordinary Rate of zero point two one five two eight eight cents (0.215288c) in the dollar with a 50% base charge of seven hundred and ninety five dollars and six cents (\$795.06) named **RESIDENTIAL**, apply to all rateable land in City of Newcastle (CN) Local Government Area (LGA) categorised as Residential.

- 3 An Ordinary Rate of zero point two eight zero eight one four cents (0.280814c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **FARMLAND**, apply to all rateable land in CN LGA categorised as Farmland.

- 4 An Ordinary Rate of one point five zero three six zero zero cents (1.503600c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS**, apply to all rateable land in CN LGA categorised as Business **except** that rateable land determined to be in the Business Sub-Categories - Major Commercial Shopping Centres - Kotara, Major Commercial Shopping Centres – Jesmond, Major Commercial Shopping Centres – Waratah, Major Commercial Shopping Centres - Wallsend, Major Commercial Shopping Centres – The Junction, Major Commercial Centres (Inner City), Suburban Shopping Centres, Suburban Shopping Centres (Inner City), Suburban Shopping Centre – Hamilton, Major Commercial Shopping Centre (Inner City-East), Suburban Shopping Centre - Mayfield, Kotara, Homemaker’s Centre, Kotara, Homemaker’s Centre - South Zone, Kooragang Industrial Coal Zone, Kooragang North Coal Zone, Kooragang Industrial Centre, Kooragang Industrial Centre - Walsh Point, Mayfield North Heavy Industrial Centre, Mayfield North Industrial Centre, Mayfield North Future Industrial Development Centre, Mayfield West Storage Units, Carrington Industrial Coal Zone, Carrington Industrial Centre, Carrington Industrial Port Operations Use, Carrington Industrial Coal and Port Zone, Broadmeadow Industrial Centre and Hexham Industrial Centre.

- 5 An Ordinary Rate of three point five one nine five eight one cents (3.519581c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES - KOTARA**, apply to all rateable land in CN LGA, being utilised as a Major Commercial Shopping Centre. "Major Commercial Shopping Centre" being defined as a centre of commercial activity within the suburb of Kotara located on a site of greater than eight hectares (80,000m²), providing at least six thousand square metres (6,000m²) of floor space and

which incorporates a major anchor tenant trading as a supermarket outlet together with a minimum of forty (40) specialty stores and service outlets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres - Kotara.

- 6 An Ordinary Rate of four point three eight five eight eight nine cents (4.385889c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES - JESMOND**, apply to all rateable land in CN LGA, being utilised as a Major Commercial Shopping Centre. "Major Commercial Shopping Centre" being defined as a centre of commercial activity within the suburb of Jesmond providing at least six thousand square metres (6,000m²) of floor space and which incorporates a major anchor tenant trading as a supermarket outlet together with a minimum of twenty (20) specialty stores and service outlets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres - Jesmond.
- 7 An Ordinary Rate of four point eight five seven four two six cents (4.857426c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES - WARATAH**, apply to all rateable land in CN LGA, being utilised as a Major Commercial Shopping Centre. "Major Commercial Shopping Centre" being defined as a centre of commercial activity within the suburb of Waratah providing at least six thousand square metres (6,000m²) of floor space and which incorporates a major anchor tenant trading as a supermarket outlet together with a minimum of twenty (20) specialty stores and service outlets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres - Waratah.
- 8 An Ordinary Rate of five point five one six two six five cents (5.516265c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES - WALLSEND**, apply to all rateable land in CN LGA, being utilised as a Major Commercial Shopping Centre. "Major Commercial Shopping Centre" being defined as a centre of commercial activity within the suburb of Wallsend providing at least six thousand square metres (6,000m²) of floor space and which incorporates a major anchor tenant trading as a supermarket outlet together with a minimum of twenty (20) specialty stores and service outlets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres - Wallsend.
- 9 An Ordinary Rate of three point seven seven six eight six eight cents (3.776868c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES – THE JUNCTION**, apply to all rateable land in CN LGA, being utilised as a Major Commercial Shopping Centre. "Major Commercial Shopping Centre" being defined as a centre of commercial activity within the suburb of The Junction providing at least six thousand square metres (6,000m²) of floor space and which incorporates a major anchor tenant trading as a supermarket outlet together with a minimum of fifteen (15)

specialty stores and service outlets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres – The Junction.

- 10 An Ordinary Rate of one point zero four five four seven zero cents (1.045470c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES (INNER CITY)**, apply to all rateable land in CN LGA situated at Newcastle West within the centre of activity defined by Parry, National Park, King and Steel Streets. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres (Inner City).
- 11 An Ordinary Rate of one point four one one four four two cents (1.411442c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS - MAJOR COMMERCIAL SHOPPING CENTRES (INNER CITY-EAST)**, apply to all rateable land in CN LGA situated at Newcastle West within the centre of activity defined by Parry, Steel, King and Ravenshaw Streets.. This land is categorised as Sub-Category Business - Major Commercial Shopping Centres (Inner City-East).
- 12 An Ordinary Rate of three point one four zero zero one zero cents (3.140010c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – SUBURBAN SHOPPING CENTRES**, apply to all rateable land in CN LGA, being utilised as a Suburban Shopping Centre. "Suburban Shopping Centre" being defined as a centre of commercial activity situated on a site of greater than 6000m² which operates and has a dominant use as a Supermarket excepting the land categorised as Major Commercial Shopping Centres - Kotara, Major Commercial Shopping Centres – Jesmond, Major Commercial Shopping Centres – Waratah, Major Commercial Shopping Centres - Wallsend, Major Commercial Shopping Centres – The Junction, Major Commercial Centres (Inner City), Major Commercial Centres (Inner City-East), Suburban Shopping Centre – Mayfield or Suburban Shopping Centre - Hamilton. This land is categorised as Sub-category Business - Suburban Shopping Centres.
- 13 An Ordinary Rate of two point one zero seven zero eight one cents (2.107081c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – SUBURBAN SHOPPING CENTRES – INNER CITY**, apply to all rateable land in CN LGA, being utilised as an Inner City Suburban Shopping Centre. "Inner City Suburban Shopping Centre" being defined as a centre of commercial activity within the suburb of Newcastle West situated on a site of greater than four thousand and nine hundred square metres (4,900m²) which operates as a Supermarket excepting the land categorised as Major Commercial Centres (Inner City) or Major Commercial Centres (Inner City-East). This land is categorised as Sub-category Business - Suburban Shopping Centres – Inner City.
- 14 An Ordinary Rate of one point eight five zero two zero three cents (1.850203c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – SUBURBAN SHOPPING CENTRES – HAMILTON**, apply to all rateable land in CN LGA within the

suburb of Hamilton, being utilised as an Hamilton Suburban Shopping Centre. "Hamilton Suburban Shopping Centre" being defined as a centre of commercial activity within the suburb of Hamilton situated on a site of greater than six thousand square metres (6,000m²) which operates as a Supermarket. This land is categorised as Sub-category Business - Suburban Shopping Centres – Hamilton.

- 15 An Ordinary Rate of four point zero seven six one one six cents (4.076116c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – SUBURBAN SHOPPING CENTRE – MAYFIELD** apply to all rateable land in CN LGA within the suburb of at Mayfield, being utilised as a Suburban Shopping Centre. "Suburban Shopping Centre" being defined as a centre of commercial activity situated on a site of greater than 1 Hectare (10,000m²) with a minimum 4,000m² of floorspace which operates as a Supermarket. This land is categorised as sub-category Business – Suburban Shopping Centre - Mayfield.
- 16 An Ordinary Rate of one point three two seven six one two cents (1.327612c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOTARA HOMEMAKER'S CENTRE** apply to all rateable land in CN LGA situated at Kotara, within the centre of activity defined by Lot 501 DP 1174032 and Lots 181 and 182 DP 850168. This land is categorised as sub-category Business – Kotara Homemaker's Centre.
- 17 An Ordinary Rate of one point five nine four two five nine cents (1.594259c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOTARA HOMEMAKER'S CENTRE - SOUTH ZONE** apply to all rateable land in CN LGA situated at Kotara, within the centre of activity defined by Lot 220 DP 1014716. This land is categorised as sub-category Business – Kotara Homemaker's Centre - South Zone.
- 18 An Ordinary Rate of one point eight three six five nine seven cents (1.836597c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOORAGANG INDUSTRIAL COAL ZONE** apply to all rateable land in CN LGA within the centre of activity defined by the suburb of Kooragang being Lot 11 DP 841542, Lot 121 DP 874949, Lot 1 DP 1097327, Lot 5 DP 1097327, Lots 2, 5, 7, 9 DP 775774, Lot 1 DP 775775, Lot 1 DP 869622, Lot 18 DP 1119752. This sub categorisation applies to all land categorised as Business in terms of Section 518 of the Act within the defined area. This land is categorised as sub-category Business – Kooragang Industrial Coal Zone.
- 19 An Ordinary Rate of two point five zero three two one zero cents (2.503210c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOORAGANG NORTH INDUSTRIAL COAL ZONE** apply to all rateable land in CN LGA within the centre of activity defined by the suburb of Kooragang being Lots 2, 3, 6, 16 DP1119752, Lot 61 DP 1184395, Lot 62 DP 1184943, Lot 16 DP 262783, Lots

8 DP 1119752, Lots 29, 30, 31, 32 and 33 DP 1184229, Lots 4, 5, 6, 10, 11, 12 DP 1207051, Lots 3, 7, 8, 9, 13, 14, 15 DP 1207051 and Lot 22 DP 1155723. This sub categorisation applies to all land categorised as Business in terms of Section 518 of the Act within the defined area. This land is categorised as sub-category Business – Kooragang North Industrial Coal Zone.

- 20 An Ordinary Rate of two point zero nine one one two two cents (2.091122c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOORAGANG INDUSTRIAL CENTRE WALSH POINT** apply to all ratable land in CN LGA within the centre of activity defined by the suburb of Kooragang being Lots 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22 DP 234887, Lots 6, 7 DP 262783, Lots 1, 2, 3 DP 557904, Lot 1 DP575674, Lots 2, 6, 7, 8, 9 DP 775772, Lots 11, 12, 13, 14, 17, 18, 19, 20, 22, 23 DP 775773, Lots 2, 4, 5, 7, 8, 9, 10, 14 DP 775775, Lots 29, 31, 32, 33, 35, 37, 38, 39, 40, 41, 42 DP 775776, Lots 44, 45, 46, 47, 48, 49, 50, 51, 53 DP 775777, Lots 60, 61, 62, 63 DP 802700, Lot 3 DP 858206, Lots 2, 4, 5 DP1015754, Lots 201, 202, 203, 204, 205, 206, 208, 210 DP 1017038, Lots 210, 211 DP 1018949, Lots 520, 521 DP 1018950, Lots 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112 DP 1018951, Lots 131, 132 DP 1018952, Lot 362 DP 1104196, Lot 15 DP 1119752, Lot 12, 13 DP 1144748, Lots 1, 2 DP 1184514, Lots 1, 2, 3, 4 DP 1191912, Lots 94, 95 DP 1191913, Lots 41, 42, 43, 44 DP 1193134, Lot 2 DP 1195449, Lots 151, 152, 153 DP 1202468, Lots 91, 92 DP 1202475, Lot 3 DP 234288 and Lots 1-3 DP 1117013. This sub categorisation applies to all land categorised as Business in terms of Section 518 of the Act located within this centre of activity which is not sub categorised as Business – Kooragang Industrial Coal Zone or not sub categorised as Business – Kooragang North Industrial Coal Zone or not sub categorized Business – Kooragang Industrial Centre. This land is categorised as sub-category Business – Kooragang Industrial Centre Walsh Point.
- 21 An Ordinary Rate of one point six seven five three five eight cents (1.675358c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – KOORAGANG INDUSTRIAL CENTRE** apply to all ratable land in CN LGA within the centre of activity defined by the suburb of Kooragang. This sub categorisation applies to all land not used primarily as a service station and categorised as Business in terms of Section 518 of the Act which is not sub categorised as Business – Kooragang Industrial Coal Zone or not sub categorised as Business – Kooragang North Industrial Coal Zone or not sub categorised as Business – Kooragang Industrial Centre Walsh Point. This land is categorised as sub-category Business – Kooragang Industrial Centre.
- 22 An Ordinary Rate of one point zero three six five two two cents (1.036522c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – MAYFIELD NORTH HEAVY INDUSTRIAL CENTRE** apply to all rateable land in CN LGA within the centre of activity defined by all land contained within, Lot 225 DP 1013964, Lot 224 DP 1013964, Lot 2 DP 1204573, Lot 2 DP 1184257 and Lot 1 DP 874109 This

land is categorised as sub-category Business - Mayfield North Heavy Industrial Centre.

- 23 An Ordinary Rate of one point six three nine four six zero cents (1.639460c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – MAYFIELD NORTH INDUSTRIAL CENTRE** apply to all rateable land in CN LGA within the centre of activity defined by Lot 10 DP 625019, Lot 1 DP 403544, Lot 1 DP 528411, Lot 2 DP 207307, Lot 3 DP 259009, Lot 1 DP 880225, Lots 1, 2 DP 1177466, Lots 36, 37, 38, 39, 40 DP 1191723 Lots 5, 6 and 7 DP 1204575 and Lot 11 DP 625019. This land is categorised as sub-category Business - Mayfield North Industrial Centre.
- 24 An Ordinary Rate of one point seven six five zero five zero cents (1.765050c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – MAYFIELD NORTH INDUSTRIAL CENTRE FUTURE DEVELOPMENT** apply to all rateable land in CN LGA within the centre of activity defined by Lots 41, 42, 43, and 44 in DP 1191982 and Lots 51, 52, 53 and 54 DP 1229869. This land is categorised as sub-category Business - Mayfield North Industrial Centre Future Development.
- 25 An Ordinary Rate of two point seven three five four nine zero cents (2.735490c) in the dollar with a minimum rate of five hundred and thirty six dollars and thirty cents (\$536.30) named **BUSINESS – MAYFIELD WEST STORAGE UNITS** apply to all rateable land in CN LGA within the centre of activity defined by all lots contained within Strata Plan 99055. This land is categorised as sub-category Business - Mayfield West Storage Units.
- 26 An Ordinary Rate of three point two four four eight six three cents (3.244863c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – CARRINGTON INDUSTRIAL PORT AND COAL ZONE** apply to all rateable land in CN LGA within the centre of activity defined by all land within Lot 1 DP 1044636 Lots 1, 2 DP 1104199, the land contained within Railway Land Lease reference number 115/75/2261, Lots 3, 4 DP 1104199, Lots 1, 2, 3 DP 1187068, Lot 30 DP 1190075, Lots 8 and 11 DP 1190231, Lots 13, 14, 15, 16 DP 1190232, Lots 110, 111, 113 DP 1191911, Lots 91, 92, 93 DP 1193181, Lots 1, 2, 3 DP 1195231, Lots 219, 220 DP 1195310 . and Lots 1, 2, 3 in DP 1218150. This land is categorised as sub-category Business - Carrington Industrial Coal and Port Zone.
- 27 An Ordinary Rate of two point six zero three four seven three cents (2.603473c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – CARRINGTON INDUSTRIAL PORT OPERATIONS USE** apply to all rateable land in CN LGA within the centre of activity defined by all land within Lot 27 DP 842685 Lot 101 DP 1014244, Lot 1014 DP 1143277, Lot 33 DP 1078910 and Lot 1 DP 834572. This land is categorised as sub-category Business - Carrington Industrial Port Operations Use.

- 28 An Ordinary Rate of two point three two nine five one eight cents (2.329518c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – CARRINGTON INDUSTRIAL CENTRE** apply to all rateable land in CN LGA within the centre of activity defined by all land with an area of greater than than six hundred square metres (600m²) and zoned SP1 – Special Activities under the State Environmental Planning Policy (Three Ports) 2013 and located within the suburb of Carrington and the land known as Lot 1 DP 1097368 excepting that land categorised as Business - Carrington Industrial Coal and Port Zone or the land categorised as Business - Carrington Industrial Port Operations Use. This sub categorisation applies to all land categorised as Business in terms of Section 518 of the Act within the defined area. This land is categorised as sub-category Business – Carrington Industrial Centre.
- 29 An Ordinary Rate of three point seven zero two one two one cents (3.702121c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – BROADMEADOW INDUSTRIAL** apply to all rateable land in CN LGA within the centre of activity defined by all land within Lot 221 DP 1012345. This land is categorised as sub-category Business - Broadmeadow Industrial.
- 30 An Ordinary Rate of two point four two two five zero six cents (2.422506c) in the dollar with a minimum rate of one thousand and seventy two dollars and sixty cents (\$1,072.60) named **BUSINESS – HEXHAM INDUSTRIAL CENTRE** apply to all rateable land in CN LGA within the centre of activity defined by all land wholly or partly contained in a “parcel of land” as defined within the Valuation of Land Act NSW 1916, which is in the majority zoned IN3 Heavy Industrial under the Newcastle Local Environmental Plan 2012 and located within the suburb of Hexham or Tarro excepting Lots 2 and 3 DP 874409 and Lot 1 DP 90824. This sub categorisation applies to all land categorised as Business in terms of Section 518 of the Act within the defined area. This land is categorised as sub-category Business - Hexham Industrial Centre.
- 31 A Special Rate of zero point one six two seven seven nine cents (0.162779c) in the dollar named **HUNTER MALL**, apply to part of the rateable land within CN LGA constituted and known as the “Hunter Mall Town Improvement District” as defined in **Attachment A** for the purpose of defraying the cost of continuing additional horticultural and cleansing services and street furnishings determined to be of special benefit to the said Hunter Mall Town Improvement District.
- 32 A Special Rate of zero point zero nine one four three six cents (0.091436c) in the dollar named **MAYFIELD BUSINESS DISTRICT**, apply to part of the rateable land within CN LGA constituted and known as the “Mayfield Business District” as defined in **Attachment B** for the purpose of defraying the additional cost of promotion, beautification and development of the Mayfield Business District determined to be of special benefit to the said Mayfield Business District.

- 33 A Special Rate of zero point one seven zero zero zero three cents (0.170003c) in the dollar named **HAMILTON BUSINESS DISTRICT - ZONE A**, apply to part of the rateable land within CN LGA constituted and known as the "Hamilton Business District" as defined in **Attachment C** for the purpose of defraying the additional cost of promotion, beautification and development of the Hamilton Business District determined to be of special benefit to the said Hamilton Business District.
- 34 A Special Rate of zero point zero eight five zero zero two cents (0.085002c) in the dollar named **HAMILTON BUSINESS DISTRICT - ZONE B**, apply to part of the rateable land within CN LGA constituted and known as the "Hamilton Business District" as defined in **Attachment D** for the purpose of defraying the additional cost promotion, beautification and development of the Hamilton Business District determined to be of special benefit to the said Hamilton Business District.
- 35 A Special Rate of zero point zero four two five zero one cents (0.042501c) in the dollar named **HAMILTON BUSINESS DISTRICT - ZONE C**, apply to part of the rateable land within CN LGA constituted and known as the "Hamilton Business District" as defined in **Attachment E** for the purpose of defraying the additional cost promotion, beautification and development of the Hamilton Business District determined to be of special benefit to the said Hamilton Business District.
- 36 A Special Rate of zero point three five five one three six cents (0.355136c) in the dollar named **WALLSEND BUSINESS DISTRICT - ZONE A**, apply to part of the rateable land within CN LGA constituted and known as the "Wallsend Business District" as defined in **Attachment F** for the purpose of defraying the additional cost promotion, beautification and development of the Wallsend Business District determined to be of special benefit to the said Wallsend Business District.
- 37 A Special Rate of zero point one seven seven five six eight cents (0.177568c) in the dollar named **WALLSEND BUSINESS DISTRICT - ZONE B**, apply to part of the rateable land within CN LGA constituted and known as the "Wallsend Business District" as defined in **Attachment G** for the purpose of defraying the additional cost promotion, beautification and development of the Wallsend Business District determined to be of special benefit to the said Wallsend Business District.
- 38 A Special Rate of zero point two six six three five two cents (0.266352c) in the dollar named **WALLSEND BUSINESS DISTRICT - ZONE C**, apply to part of the rateable land within CN LGA constituted and known as the "Wallsend Business District" as defined in **Attachment H** for the purpose of defraying the additional cost of promotion, beautification and development of the Wallsend Business District determined to be of special benefit to the said Wallsend Business District.
- 39 A Special Rate of zero point zero nine four one nine two cents (0.094192c) in the dollar named **NEW LAMBTON BUSINESS DISTRICT**, apply to part of the

rateable land within CN LGA constituted and known as the “New Lambton Business District” as defined in **Attachment I** for the purpose of defraying the additional cost of promotion, beautification and development of the New Lambton Business District determined to be of special benefit to the said New Lambton Business District.

- 40 A Special Rate of zero point two one two one one three cents (0.212113c) in the dollar named **CITY CENTRE - CITY EAST**, apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area - City East” as defined in **Attachment J** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area - City East determined to be of special benefit to the said City Centre Benefit Area - City East.
- 41 A Special Rate of zero point zero four eight eight five six cents (0.048856c) in the dollar named **CITY CENTRE - DARBY STREET**, apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area -Darby Street” as defined in **Attachment K** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area - Darby Street determined to be of special benefit to the said City Centre Benefit Area -Darby Street.
- 42 A Special Rate of zero point zero seven six eight one four cents (0.076814c) in the dollar named **CITY CENTRE - CITY WEST (CLOSE ZONE)**, apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area - City West” as defined in **Attachment L** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area - City West (Close Zone) determined to be of special benefit to the said City Centre Benefit Area - City West (Close Zone).
- 43 A Special Rate of zero point zero three eight four zero seven cents (0.038407c) in the dollar named **CITY CENTRE - CITY WEST (DISTANT ZONE)**, apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area -City West” as defined in **Attachment M** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area - City West (Distant Zone) determined to be of special benefit to the said City Centre Benefit Area - City West (Distant Zone).
- 44 A Special Rate of zero point two one two one one three cents (0.212113c) in the dollar named **CITY CENTRE - TOWER** apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area - Tower” as defined in **Attachment N** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area - Tower determined to be of special benefit to the said City Centre Benefit Area - Tower.
- 45 A Special Rate of zero point two one two one one three cents (0.212113c) in the dollar named **CITY CENTRE – MALL**, apply to part of the rateable land within CN LGA constituted and known as the “City Centre Benefit Area - Mall” as defined in **Attachment O** for the purpose of defraying the additional cost of

promotion, beautification and development of the City Centre Benefit Area - Mall determined to be of special benefit to the said City Centre Benefit Area - Mall.

- 46 A Special Rate of zero point one one one three one zero cents (0.111310c) in the dollar named **CITY CENTRE - CIVIC (CLOSE ZONE)**, apply to part of the rateable land within CN LGA constituted and known as the "City Centre Benefit Area – Civic (Close Zone)" as defined in **Attachment P** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area – Civic (Close Zone) determined to be of special benefit to the said City Centre Benefit Area – Civic (Close Zone).
- 47 A Special Rate of zero point zero five five six five five cents (0.055655c) in the dollar named **CITY CENTRE - CIVIC (DISTANT ZONE)**, apply to part of the rateable land within CN LGA constituted and known as the "City Centre Benefit Area –Civic (Distant Zone)" as defined in **Attachment Q** for the purpose of defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area – Civic (Distant Zone) determined to be of special benefit to the said City Centre Benefit Area – Civic (Distant Zone).
- 48 A **STORMWATER MANAGEMENT SERVICE CHARGE** of twenty five dollars (\$25.00) per non-strata title property and twelve dollars and fifty cents (\$12.50) per strata / company title unit for the provision of stormwater management services. This charge applies to all rateable land categorised as Residential not being an exclusion as outlined in Section 496A(2) of the Act as amended.
- 49 A **STORMWATER MANAGEMENT SERVICE CHARGE** of twenty five dollars (\$25.00) per three hundred and fifty square metres (350m²) or part thereof, of land area capped at a maximum of \$1,000 for each non-strata title property. This charge applies to all non-strata title or non-company title rateable land categorised as Business or sub-categorised as one of the Business sub-categories referred to in the table within paragraph 1 of this report not being an exclusion as outlined in Section 496A(2) of the Act as amended or an exclusion outlined in paragraph 48.
- 50 A **STORMWATER MANAGEMENT SERVICE CHARGE** of twenty five dollars (\$25.00) per three hundred and fifty square metres 350m² or part thereof, of land area occupied by the strata scheme, capped at a maximum of \$1,000, divided between each unit based on the unit entitlement of each business lot divided by the total unit entitlement of strata lots within the scheme. This charge applies to all strata title or company title rateable land categorised as Business where the dominant use of the strata development is for business purposes, not being an exclusion as outlined in Section 496A(2) of the Act as amended.
- 51 A **STORMWATER MANAGEMENT SERVICE CHARGE** of twelve dollars and fifty cents (\$12.50) per three hundred and fifty square metres (350m²) or part thereof, of land area capped at a maximum of \$500 for each non-strata property. This charge shall only apply where a property's storm water is not discharged to a storm water pipeline that is reliant on a downstream network

that CN has a proportion of the ownership of, and maintenance responsibility for. This charge applies to non-strata title or non-company title rateable land categorised as Business or sub-categorised as one of the Business sub-categories referred to in the table within paragraph 1 of this report not being an exclusion as outlined in Section 496A(2) of the Act as amended.

- 52 A **DOMESTIC WASTE MANAGEMENT SERVICE CHARGE** of three hundred and seventy four dollars and fifty two cents (\$374.52) for the provision of domestic waste management services for each parcel of rateable land for which the service is available in CN LGA.
- 53 A **BUSINESS WASTE MANAGEMENT SERVICE CHARGE** of two hundred and forty one dollars and forty one cents (\$241.41) for the provision of waste management services (other than domestic waste management services), on each parcel of rateable land categorised as Business or sub-categorised as one of the Business sub-categories referred to in the table within paragraph 1 of this report, for which the service is provided or proposed to be provided in CN LGA.

KEY ISSUES

- 54 This report formalises the specific rates in the dollar amounts to apply to CN's Ordinary and Special Rates. Additionally, specific charge amounts for waste and storm water management purposes are recommended for adoption.
- 55 In response to Council's adoption of the COVID-19 Community and Economic Resilience Package at the Ordinary Council Meeting held on 24 March 2020, CN has provided interest-free rate relief to 606 business and residential ratepayers totaling more than \$1.17 million (as at 11 June 2020).

FINANCIAL IMPACT

- 56 Making of the Rates and Charges is a statutory requirement to enable rates and charges revenue to be raised and levied as detailed in the 2020/21 Our Budget. The estimated amount of levy to be raised is as per the totals shown in the table within paragraph 1 of this report.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 57 This report aligns to the Community Strategic Plan under the strategic direction of 'Open and Collaborative Leadership' action:

7.1b "Ensure long-term financial sustainability through short, medium and long-term financial planning".

IMPLEMENTATION PLAN/IMPLICATIONS

- 58 In accordance with Cl 413F of the Local Government (General) Amendment (COVID-19) Regulation 2020 [NSW] Council must adopt the 2020/21 Operational Plan incorporating CN's Revenue Policy and Rating Structure by

31 July 2020. This Operational Plan must be adopted by Council prior to the making of the Rates and Charges.

- 59 Sections 532 and 535 of the Act, require Council to make the Rates and Charges by resolution for the period 1 July 2020 to 30 June 2021. These Rates and Charges must be made by 1 September 2020.

RISK ASSESSMENT AND MITIGATION

- 60 Failure to make the 2020/21 Rates and Charges will prevent the service of the Rates and Charges Notices. Should these Notices not be served by 1 September 2020 the due date for payment of the Notices will be delayed until 30 November 2020.

RELATED PREVIOUS DECISIONS

- 61 At the Ordinary Council Meeting held on 24 March 2020, Council resolved to place the draft 2020/21 Our Budget (2018-2022 Delivery Program, 2020/21 Operational Plan and Fees and Charges) on public exhibition for at least 28 days. The documents were subsequently placed on public exhibition from 26 March 2020 to 7 May 2020.
- 62 At the Ordinary Council Meeting held on 24 March 2020, Council resolved to adopt the COVID-19 Community and Economic Resilience Package, including an interest-free rate relief package to address financial hardship.
- 63 At the Ordinary Council Meeting held on 26 May 2020, Council resolved to apply the rate peg in 2020/21 and allocate, 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.
- 64 A Councillor Workshop was held on 9 June 2020 to provide Councillors with feedback received during the public exhibition of the draft 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan and Fees and Charges).

CONSULTATION

- 65 It is a requirement of the Act that CN must not make a rate or charge until it has given public notice of the draft 2020/21 Our Budget and has considered any submission made concerning that plan.
- 66 The draft 2020/21 Our Budget was placed on public exhibition from 26 March 2020 to 7 May 2020. This document incorporated details of the proposed rating structure for 2020/21.
- 67 During the public exhibition period, an engagement webpage was set up to receive submissions and enable downloading of the draft Our Budget 2020/21 and draft Fees and Charges 2020/21. A summary video and the engagement

webpage were also publicised using social media (Twitter, Facebook and LinkedIn), through NovoNews, CN Intranet and Website, and with print advertising in the Newcastle Herald and Newcastle Weekly. Due to COVID-19 no hard copies of the documents were available.

- 68 All submissions received regarding the draft 2020/21 Our Budget, including those relating to rates and charges, have been considered and are reported separately in the report to Council recommending adoption of the 2020/21 Our Budget.

BACKGROUND

- 69 Subject to the adoption of the rate structure contained within the 2020/21 Our Budget, CN will satisfy the provisions of Section 532 of the Act by making the Rates and Charges for the period 1 July 2020 to 30 June 2021.

OPTIONS

Option 1

- 70 The recommendations as at Paragraphs 1 - 53. This is the recommended option.

Option 2

- 71 Council not adopt the Rates and Charges as detailed in this report. The making of the Rates and Charges for the 2020/21 financial year is subject to the elected Council's adoption of the 2020/21 Our Budget. Should the recommended 2020/21 Our Budget be adopted by Council, this report will formalise the specific Rates in the dollar amounts to apply to CN's Ordinary and Special rates as referenced within the 2020/21 Our Budget. Should the 2020/21 Our Budget not be adopted by Council, this report should lay on the table until such time as the 2020/21 Our Budget is adopted. Any delay in making the Rates and Charges may also delay the issuing of rate notices which may have a significant negative cash flow impact on CN. This also places CN in a position where it may breach the Act. This is not the recommended option.

REFERENCES

ATTACHMENTS

- Item 32 Attachment A:** Schedule A - Hunter Mall
 - Item 32 Attachment B:** Schedule B - Mayfield Business District
 - Item 32 Attachment C:** Schedule C - Hamilton Business District - Zone A
 - Item 32 Attachment D:** Schedule D - Hamilton Business District - Zone B
 - Item 32 Attachment E:** Schedule E - Hamilton Business District - Zone C
 - Item 32 Attachment F:** Schedule F – Wallsend Business District - Zone A
 - Item 32 Attachment G:** Schedule G – Wallsend Business District - Zone B
 - Item 32 Attachment H:** Schedule H – Wallsend Business District - Zone C
 - Item 32 Attachment I:** Schedule I - New Lambton Business District - Zone A
 - Item 32 Attachment J:** Schedule J – City Centre - City East
 - Item 32 Attachment K:** Schedule K – City Centre - Darby Street
 - Item 32 Attachment L:** Schedule L – City Centre City West (Close Zone)
 - Item 32 Attachment M:** Schedule M – City Centre City West (Distant Zone)
 - Item 32 Attachment N:** Schedule N - City Centre – Tower
 - Item 32 Attachment O:** Schedule O - City Centre – Mall
 - Item 32 Attachment P:** Schedule P - City Centre - Civic (Close Zone)
 - Item 32 Attachment Q:** Schedule Q - City Centre - Civic (Distant Zone)
- Item 32 Attachments A – Q distributed under separate cover**

ITEM-33 CCL 23/06/20 - MAKING OF THE RATE - HUNTER CATCHMENT CONTRIBUTION AND COMMISSION FOR YEAR COMMENCING 1 JULY 2020

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / ACTING CHIEF FINANCIAL OFFICER

PURPOSE

To authorise the collection of the Hunter Catchment Contribution at the rate established by the NSW Government's Hunter Local Land Services for the 2020/21 rating year and to endorse the rate of commission to be applied by City of Newcastle (CN) for the collection of the Contribution on their behalf.

RECOMMENDATION

That Council:

- 1 Notes the NSW Government's Hunter Local Land Services has established the Hunter Catchment Contribution rate for the 2020/21 rating year at 0.00947 of a cent in the dollar on all relevant properties within the Newcastle Local Government Area (LGA), with a land value in excess of \$300.
- 2 Adopts the making, levying and collection of the Hunter Catchment Contribution on behalf of Hunter Local Land Services at the rate detailed in Paragraph 1.
- 3 Adopts the rate of commission payable to CN for the collection of the 2020/21 Catchment Contribution at 5% of the Hunter Catchment Contributions collected, as determined by Hunter Local Land Services.

KEY ISSUES

- 4 CN, on behalf of Hunter Local Land Services, is obliged to levy the Hunter Catchment Contribution on all relevant properties within the Newcastle LGA with a land value in excess of \$300 as per requirements of *The Local Land Services Act 2013* and *the Local Land Services Regulation 2014*. Hunter Local Land Services has set the rate in the dollar that will apply to those rateable assessments liable to be charged the catchment contribution at 0.00947 of a cent in the dollar for the 2020/21 rating year.
- 5 The proposed rate of commission, payable by Hunter Local Land Services to CN for acting on their behalf, in the levying and collection of the 2020/21 Hunter Catchment Contribution is 5% of all monies collected, which is allowable under the legislation and as determined by Hunter Local Land Services.

- 6 In order to comply with legislation, CN must continue to levy the Hunter Catchment Contribution on its annual Rates and Charges Notices. The levy, less the commission payable to CN, is passed on to Hunter Local Land Services. The funds collected by CN on behalf of Hunter Local Land Services are used by this Authority for managing the land, vegetation and water resources within the Hunter Catchment Area. This is done via various rehabilitation and flood mitigation projects.

FINANCIAL IMPACT

- 7 The estimated total levy to be collected from the catchment contribution within the Newcastle LGA is \$2.59 million. Based on the recommendations at Paragraphs 1, 2 and 3, the estimated commission earned by CN and withheld from this levy for the 2020/21 rating year is \$129,500. This is sufficient to cover the administrative costs incurred by CN in collecting and dispersing the levy.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 8 This report aligns to the Community Strategic Plan under the strategic direction of 'Open and Collaborative Leadership 'action:

7.1b "Ensure long-term financial sustainability through short, medium and long-term financial planning".

IMPLEMENTATION PLANNING / IMPLICATIONS

- 9 The provisions of the *Local Land Services Regulation 2014* require CN to collect this levy on behalf of Hunter Local Land Services. Information relating to the Hunter Catchment Contribution is outlined each year on CN's annual Rates and Charges Notices.

RISK ASSESSMENT AND MITIGATION

- 10 By making and levying the 2019/20 Hunter Catchment Contribution by 1 September 2020 will ensure CN complies with the *Local Government Act 1993* and the *Local Land Services Regulation 2014*.

RELATED PREVIOUS DECISIONS

- 11 The Hunter Catchment Contribution has been collected by CN since 1976. This report proposes confirmation of existing practice and follows the adoption of the rate for the previous rating year at the Ordinary Council Meeting held on 23 June 2019.

BACKGROUND

- 12 In accordance with the provisions of the *Local Land Services Regulation 2014* and the *Local Government Act 1993*, CN is required to levy and collect the Hunter Catchment Contribution on behalf of Hunter Local Land Services.

- 13 By Government Gazette dated 5 June 2020, Hunter Local Land Services confirms that the 2020/21 Hunter Catchment Contribution will be 0.00947 of a cent in the dollar. The rate of commission, set by Hunter Local Land Services, payable to CN for the levying and collection of the Hunter Catchment Contribution remains at 5%.

OPTIONS

Option 1

- 14 The recommendations as at Paragraphs 1 to 3. This is the recommended option.

Option 2

- 15 Council resolves not to make and levy the Hunter Catchment Contribution in accordance with the *Local Land Services Regulation 2014*. Failure to make and levy the 2020/21 Hunter Catchment Contribution will place CN in breach of the *Local Government Act 1993*. This is not the recommended option.

REFERENCES

ATTACHMENTS

Nil.

ITEM-34 CCL 23/06/20 - INTEREST ON OVERDUE RATES AND CHARGES FOR 2020/21

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / ACTING CHIEF FINANCIAL OFFICER

PURPOSE

To establish the rate of interest to be charged by City of Newcastle (CN) in respect of overdue rates and charges for the period 1 January 2021 to 30 June 2021 (inclusive).

RECOMMENDATION

That Council:

- 1 Notes that the maximum rate of interest set by the Minister for Local Government in respect of overdue rates and charges is 0% per annum for the period 1 July 2020 to 31 December 2020 (inclusive) and 7.0% for the period 1 January 2021 to 30 June 2021 (inclusive).
- 2 Adopts the rate of 7.0% per annum on interest on overdue rates and charges for the period 1 January 2021 to 30 June 2021 (inclusive).
- 3 Adopts the rate of 2.3% per annum on interest on overdue rates and charges that are deferred against an eligible ratepayer's estate for the period 1 January 2021 to 30 June 2021 (inclusive).

KEY ISSUES

- 4 CN has discretion to set the rate of interest in respect of overdue rates and charges each year. However, it must not exceed the limit specified by the Minister for Local Government (Minister). On 21 May 2020 the Minister advised that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2020 to 31 December 2020 (inclusive) is 0% per annum and for the period 1 January 2021 to 30 June 2021 (inclusive) is 7.0% per annum.
- 5 In order to maintain a sufficient deterrent to the late payment of rates and charges it is proposed the maximum rates of interest allowable by the Minister apply to CN's overdue rates and charges. These rates are 0% per annum for the period 1 July 2020 to 31 December 2020 (inclusive) and 7.0% per annum for the period 1 January 2021 to 30 June 2021 (inclusive). By comparison, the maximum rate for the 2019/20 year was 7.5% per annum with this rate resolved for use by Council at the Ordinary Council Meeting held on 25 June 2019.

- 6 At the Ordinary Council Meeting held on 25 June 2019, Council resolved to provide a discounted interest rate on overdue rates and charges deferred against a ratepayer's estate, commensurate with CN's weighted average rate of return earned on surplus cash invested. The discounted rate for the 2019/20 rating year was 3.09% per annum. For the 2020/21 rating year the discounted rate has been determined at 2.3% per annum, which is CN's weighted average rate of return as calculated at 30 April 2020.
- 7 Interest on overdue rates and charges will be waived up until a maximum of 30 June 2021 for ratepayers who enter payment arrangements under financial hardship as part of CN's COVID-19 Community and Economic Resilience Package.

FINANCIAL IMPACT

- 8 Imposition of interest on overdue rates and charges for the final six months of the 2020/21 rating year will ensure cash flow is maintained and deter the late payment of debts. Estimated income from interest charges for the period 1 January 2021 to 30 June 2021 is \$95,000 based on existing and anticipated take-up of hardship assistance arrangements under the new rates.

COMMUNITY PLAN STRATEGIC ALIGNMENT

- 9 This report aligns to the Community Strategic Plan under the strategic direction of 'Open and collaborative leadership' action:

7.1b "Ensure long-term financial sustainability through short, medium and long-term financial planning".

IMPLEMENTATION PLANNING / IMPLICATIONS

- 10 CN will collect overdue rates and charges in accordance with relevant guidelines and approvals.

RISK ASSESSMENT AND MITIGATION

- 11 The *Local Government Act, 1993* (Act) provides for interest charges to accrue on unpaid rates and charges at the interest rate resolved by Council. Provision is also made within the Act to allow special payment arrangements where ratepayer hardship exists.
- 12 If the rate of interest is set too low there is a risk that it may be considered as a relatively cheap form of finance thereby resulting in an increase in arrears. This situation would disadvantage the majority of ratepayers who pay their rates by the due date. Setting the interest rate at the maximum rate allowable by the Minister mitigates this risk. There are specific relief provisions available to pensioners and any ratepayers experiencing genuine financial hardship.

RELATED PREVIOUS DECISIONS

- 13 At the Ordinary Council Meeting held on 25 June 2019, Council adopted the rate of interest on overdue rates and charges for 2019/20.
- 14 At the Ordinary Council Meeting held on 24 March 2020, Council approved phase 1 of the Community and Economic Resilience Package including interest free payment plans for ratepayers suffering financial hardship.

CONSULTATION

- 15 The Minister annually establishes the maximum interest rate on overdue rates and charges in accordance with section 566 of the Act. All ratepayers are advised of the applicable rate of interest on their annual Rates and Charges and Instalment Notices.
- 16 CN's draft 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan) was placed on public exhibition and included information regarding interest free payment periods and waiving of interest charges for ratepayers suffering financial hardship.

BACKGROUND

Interest Charges

- 17 In respect of eligible pensioners, the current practice provides that interest on overdue rates and charges shall:
 - i) Not be applied where the net rates and charges are paid in full in the current year or suitable arrangements to pay are entered into; and
 - ii) Be waived where arrears of net rates and charges are paid in accordance with an arrangement in subsequent years, except as provided for postponement of rates and charges under section 585 of the Act.
- 18 The practice of waiving interest charges for eligible pensioners who make arrangements to pay their rate obligation remains unchanged.

Writing-off Accrued Interest

- 19 The Act provides that special payment arrangements may be implemented and interest charges be waived where these charges cause hardship to the ratepayer, or where circumstances exist that the late payment of the outstanding rates and charges was caused by reasons beyond the control of the ratepayer. CN's practice is consistent with these requirements.

Defer Rates and Charges Against Estate

- 20 Ratepayers may, subject to annual written applications and assessment, be eligible to defer the payment of rates and charges, allowing them to accrue against their estates.
- 21 At the Ordinary Council Meeting held on 25 June 2019 Council previously resolved that the deferral of rates and charges against the estate should attract a lower rate of interest somewhat commensurate with CN's investment rate.
- 22 The benchmark used and considered appropriate is CN's weighted average rate of return earned on surplus cash invested. This is currently 2.3% per annum as at 30 April 2020.

OPTIONS

Option 1

- 23 The recommendation as at Paragraphs 1 to 3. This is the recommended option.

Option 2

- 24 Council resolves not to adopt the recommendations and adopts alternate interest rates or different practices for the charging of interest on overdue rates and charges owed by eligible pensioners. This is not the recommended option.

REFERENCES

ATTACHMENTS

Nil.

ITEM-35 CCL 23/06/20 - EXHIBITION OF DRAFT LOCAL HOUSING STRATEGY

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / MANAGER REGULATORY, PLANNING AND ASSESSMENT

PURPOSE

To place the draft Local Housing Strategy on public exhibition.

RECOMMENDATION

That Council:

- 1 Places the draft Local Housing Strategy (LHS) (**Attachment A**) on public exhibition for 28 days.

KEY ISSUES

- 2 The purpose of the LHS is to:
 - i) Act on Strategy 19 of the Greater Newcastle Metropolitan Plan (2018) to prepare local strategies to deliver housing.
 - ii) Address action 12.1 of the Local Strategic Planning Statement (LSPS) to finalise the LHS to guide the development of sustainable, affordable and inclusive housing across the Local Government Area (LGA).
 - iii) Provide a strategic framework for the provision of housing across the LGA over the next 20 years.
- 3 The LHS will guide our strategic planning to meet future housing needs over the next 20 years. It builds on the strategic directions of our Community Strategic Plan and brings together land use planning actions in the LSPS. The LHS also gives effect to State Government strategic directions for the Hunter region, outlined in the Hunter Regional Plan 2036 and the Greater Newcastle Metropolitan Plan 2036.
- 4 City of Newcastle (CN) commissioned a housing needs and local character study to provide the evidence base to inform and guide the preparation of the LSPS and LHS. The purpose of the study was to establish a detailed understanding of Newcastle's local housing market including current and projected demographics, housing market supply and demand, and relevant opportunities and constraints.

The study also provided recommendations to achieve more affordable and diverse housing forms complementary to local character and heritage significance. The Newcastle Housing Needs and Local Character Evidence Report is provided at **Attachment B** and was publicly exhibited with the draft LSPS in February and March 2020. Key points of the Evidence Report are discussed below.

- 5 Newcastle's population is projected to increase 23% from 160,900 in 2016 to 202,050 in 2041, creating 18,250 additional households and a need for 19,450 new dwellings in the Newcastle LGA. It is anticipated that this increase in population will predominantly be accommodated as infill development, as few greenfield sites remain. Infill development will occur in the existing residential zones and in Urban Renewal Corridors and Catalyst Areas identified by the Department of Planning Industry and Environment (DPIE) in the Greater Newcastle Metropolitan Plan.
- 6 While these additional dwellings can be accommodated within existing planning controls, the LHS will enable CN to direct the provision of housing to identified areas to address planning issues. Housing issues identified in the LHS include the increasing unaffordability of housing within the Newcastle LGA, an aging population needing appropriate and accessible dwellings, and the need for new housing to reflect the desired character of the area.
- 7 At the time of writing the LHS, the economic impacts of COVID-19 have resulted in increased financial pressures on many Newcastle LGA households. Data on resulting housing stress within the Newcastle LGA is emerging but not yet fully available. The LHS will take the latest information into account when being finalised towards the end of 2020.
- 8 The provision of affordable rental housing is one of six planning priorities in the LHS, and the focus of CN's Affordable Living Working Party, which was established by the Liveable Cities Advisory Committee. There are two actions associated with this priority:
 - i) Prepare an Affordable Housing Contributions Scheme, and
 - ii) Prepare an Affordable Housing Policy.
- 9 Despite the changing environment resulting from COVID-19 these remain the two most effective ways for CN to improve affordability of housing. In order to obtain DPIE endorsement of an Affordable Housing Contributions Scheme, CN must have an adopted LHS.

FINANCIAL IMPACT

- 10 Costs associated with the exhibition process will be met within existing budgets.
- 11 Costs involved with the implementation of the LHS will be considered through the Delivery Plan and budget process.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 12 The LHS is consistent with the strategic directions of the Newcastle 2030 Community Strategic Plan (CSP). Each action within the LHS is aligned with objectives of the CSP and can be seen in the Implementation Plan.
- 13 Broadly, the LHS, is aligned with the following strategic directions:
 - i) Integrated and Accessible Transport
 - ii) Protected Environment
 - iii) Inclusive Community
 - iv) Liveable Built Environment
 - v) Open and Collaborative Leadership

IMPLEMENTATION PLAN/IMPLICATIONS

- 14 In accordance with action 19.1 of the Greater Newcastle Metropolitan Plan, a LHS needs to be prepared by the end of 2020. DPIE will endorse a LHS that has been prepared in accordance with the Greater Newcastle Metropolitan Plan. CN has been liaising with DPIE in the preparation of the LHS and will seek endorsement of the final LHS.
- 15 A draft Implementation Plan (**Attachment C**) has been prepared as a working document to guide the implementation of the LHS. The Implementation Plan is a separate document to the LHS so that it can be reviewed each year and be reported as part of LSPS reporting through the Integrated Planning and Reporting Framework.
- 16 The LHS will be reviewed every four years, in coordination with the review of the CSP and LSPS.

RISK ASSESSMENT AND MITIGATION

- 17 The LHS has been prepared in accordance with DPIE guidelines and directions set by the Greater Newcastle Metropolitan Plan and LSPS. Alliance with the direction of these two documents reduces risk in implementing the LHS.

RELATED PREVIOUS DECISIONS

- 18 At the Ordinary Council Meeting held on 26 May 2020, Council adopted the Newcastle LSPS.

CONSULTATION

- 19 The Affordable Living Working Party has been consulted in the preparation of the LHS. During the public exhibition further consultation will occur with the Liveable Cities Advisory Committee and the Affordable Living Working Party.

- 20 Formal internal and external consultation will occur during the 28 day public exhibition period. Exhibition material will be placed on the CN website and alerts sent through social media channels. The Newcastle Housing Needs and Local Character Evidence Report will be included in the exhibition material.

BACKGROUND

- 21 The Greater Newcastle Metropolitan Plan came into effect in September 2018 and required Councils to prepare local strategies to deliver housing. The LHS and LSPS are complementary documents. The LHS is directed by the relevant actions and priorities set out in the LSPS.
- 22 CN engaged consultants to undertake a detailed investigation into the local housing market, demographics and housing needs, including population and dwellings projections for the next 20 years. The results and recommendations of this investigation are provided in the Newcastle Housing Needs and Local Character Evidence Report. The LHS draws from the findings of this report.

OPTIONS

Option 1

- 23 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

- 24 Council does not adopt the draft LHS. This is not the recommended option.

REFERENCES

ATTACHMENTS

Item 35 Attachment A: Draft Local Housing Strategy

Item 35 Attachment B: Newcastle Housing Needs and Local Character Evidence Report and Appendices

Item 35 Attachment C: Draft Local Housing Strategy Implementation Plan

Item 35 Attachments A - C distributed under separate cover

ITEM-36 CCL 23/06/20 - ADOPTION OF 2020/21 OUR BUDGET (2018-2022 DELIVERY PROGRAM AND 2020/21 OPERATIONAL PLAN) AND FEES AND CHARGES 2020/21

REPORT BY: STRATEGY AND ENGAGEMENT
CONTACT: DIRECTOR STRATEGY AND ENGAGEMENT / MANAGER CORPORATE AND COMMUNITY PLANNING

PURPOSE

To adopt the 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan) and 2020/21 Fees and Charges Register in accordance with the Local Government Act 1993 ("Act").

RECOMMENDATION

That Council:

- 1 Adopts the 2020/21 Our Budget at **Attachment A**, and the 2020/21 Fees and Charges Register at **Attachment B**.

KEY ISSUES

- 2 Under section 404 of the Act, councils must have a Delivery Program detailing the principal activities to be undertaken to achieve the objectives identified in the Community Strategic Plan. Councils are also required to have an annual Operational Plan adopted by the beginning of each financial year which outlines the planned activities for the year as part of the Delivery Program. City of Newcastle's (CN) Delivery Program and Operational Plan are combined into one document titled '2020/21 Our Budget' (**Attachment A**).
- 3 Under section 608 of the Act, councils may charge and recover an approved fee for any services provided. CN's 2020/21 Fees and Charges Register is provided at **Attachment B**.
- 4 As a result of CN's prudent fiscal management in previous years and commitment to long term financial sustainability, the 2020/21 Our Budget will play a significant role supporting our community through the economic and social disruption arising from COVID-19. The need to support the community brings to an end six consecutive years of surplus operating results.
- 5 Economic modelling by REMPLAN shows that the proposed \$116.3m works program is estimated to create up to 700 local jobs and increase total economic output by up to \$275m in the Newcastle local government area, with an increase of \$33.8m to the works program as a stimulus response to the economic impact of COVID-19 forecast to create an additional 203 jobs.

- 6 CN's 2020/21 Our Budget has been revised since March to include \$36.5m for Phase II of the COVID-19 Community and Economic Resilience Package which moves beyond the immediate emergency response to lay out a framework for repair and recovery that enables economic opportunities for the community. In March 2020 Council approved a number of programs to support the community to recover from COVID-19 including financial hardship support, procurement and purchasing support for local businesses, rent relief for CN owned facilities, online training, community and business grants, community well-being, and an increased infrastructure program, at a cost of \$5.5m.
- 7 The operating result budgeted for in the 2020/21 financial year is a deficit of \$22.7m. CN's Long Term Financial Plan forecasts a return to surplus from 2021/22 of approximately \$4m.
- 8 With a focus on supporting the local recovery through an expanded program of community infrastructure projects, the \$116.3m works program includes: \$17m commitment to continue the delivery of key initiatives at the Summerhill Waste Management Centre including expansion of Cell 9 for landfill and construction of an Organics Recycling Facility; a \$14.2m commitment to urban centres and city centre revitalisation; \$4.5m to continue the revitalisation of our coastline; and \$5.6m for parks and recreation themed projects.
- 9 A provision of \$4m has been included for Stockton coastal works including: the design and delivery of an initial sand nourishment campaign from land or other permissible sand sources; Mitchell Street and the Stockton SLSC seawall maintenance; beach access, revegetation and dune maintenance; and a sand transport monitoring program. All maintenance and monitoring measures were approved as part of the Newcastle Coastal Zone Management Plan Stockton 2018. This was certified by the NSW Government in August 2018 to combat short to medium-term coastal erosion in Stockton. CN will consider further financial contributions via the quarterly budget review process, along with options for external funding, once long-term measures are approved by the NSW Government via a Coastal Management Program for Stockton, which will be submitted prior to 30 June 2020.
- 10 On 24 March 2020 the draft 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan) and draft 2020/21 Fees and Charges Register were endorsed by Council and placed on public exhibition from 26 March to 7 May 2020. CN utilised different media formats to inform the community of the public exhibition period including print and online advertising. A video snapshot was created for online and social media distribution and a range of editorial pieces for both internal and external audiences.
- 11 The 2020/21 Our Budget includes a number of new fees and charges which formalise a previously informal arrangement of offering a discounted fee structure to not for profits and charities upon request. The new fee structure will benefit not for profits as their charges are now clearer and more visible.

FINANCIAL IMPACT

- 12 The 2020/21 Our Budget is based on the financial objectives contained within CN’s Long-Term Financial Plan (LTFP) and delivers renewal and maintenance of assets within a sustainable range and maintains strong cash reserves to safeguard CN’s financial legacy.
- 13 The operating result budgeted for in the 2020/21 financial year has been revised from \$3.1m surplus as exhibited in the draft budget to a deficit of \$22.7m; reflecting CN’s \$36.5m investment in response and support initiatives for our community during COVID-19, as well as a \$12m reduction in forecast income. Despite this, CN has financial capacity to maintain the City’s assets at a safe, reliable and sustainable level while still responding to our commitments to the community.

	Adopted Budget 2019/20	Budget 2020/21	Variance
	\$'000	\$'000	\$'000
Total Income	309,245	313,056	3,811
Total Expenditure	297,294	335,778	38,484
Operating Surplus/ (Deficit) for the year	11,951	(22,722)	(34,673)

- 14 The 2020/21 Our Budget includes only slightly increased revenues (1.23%) from the 2019/20 financial year due to the impact of COVID-19. This is offset by the higher operational expenditure required to maintain CN’s service levels to match community expectations, whilst also increasing CN’s service delivery, customer experiences and community engagement.
- 15 The works program, inclusive of operational and capital expenditure, has increased from \$82.5m exhibited in March and April to \$116.3m. It is budgeted that \$70.5m (60%) of the works will be capitalised. A list of community projects to be delivered through the 2020/21 works program is included in each theme in the ‘Our Budget’ document.
- 16 During the year, CN generates cash from operating activities used for the delivery of the works program. It is forecast that \$49.1m will be generated from CN’s operations in 2020/21 to fund the budgeted 2020/21 works program.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 17 The 2020/21 Our Budget delivers key objectives and actions of the Community Strategic Plan Newcastle 2030 against the seven strategic directions.
- 18 This report aligns to the Community Strategic Plan under the strategic direction of ‘Open and collaborative leadership’ action:
 - 7.1.1 ‘Encourage and support long term planning for Newcastle, including implementation, resourcing, monitoring and reporting’.

IMPLEMENTATION PLAN/IMPLICATIONS

- 19 The 2020/21 Our Budget and 2020/21 Fees and Charges Register are required to be adopted by Council by 31 July 2020 following a minimum 28-day public exhibition period.
- 20 The 2020/21 Our Budget includes actions that will require implementation by CN service units as well as partner agencies.

RISK ASSESSMENT AND MITIGATION

- 21 The development of the financial budget is based on a number of assumptions, including assumptions outside of CN's control that may affect the financial results. The risks associated with these assumptions include:
 - a) Grant funding from State and Federal Governments lower than anticipated.
 - b) Investment returns lower than assumed.
 - c) Contributions, such as section 94 contributions, alter from the level predicted.
 - d) Further cost shifting from government agencies without offsetting revenue.
 - e) Inflation increase against costs higher than anticipated.
 - f) Legislative changes that lower income streams or increase expenditure.
 - g) Natural disasters and pandemics.
- 22 Implementation of the 2020/21 Our Budget will be regularly monitored, and necessary adjustments implemented through quarterly budget reviews.

RELATED PREVIOUS DECISIONS

- 23 At the 2020 March Ordinary Council meeting, Council approved phase 1 of the Community and Economic Resilience Package including interest free payment plans for ratepayers suffering financial hardship.
- 24 At the Ordinary Council Meeting held on 25 June 2019, Council adopted the 2018-2022 Delivery Program and 2019/20 Operation Plan and the 2019/20 Fees and Charges Register.
- 25 At the Ordinary Council Meeting held on 26 June 2018, Council adopted the Community Strategic Plan Newcastle 2030.

CONSULTATION

- 26 Councillor Workshops regarding the 2020/21 Our Budget were held on 12 November 2019, 31 January - 1 February 2020 (Strategic Workshop) and 10 March 2020.

- 27 A Councillor Workshop was undertaken on 9 June 2020 to update Councillors on submissions received during the public exhibition period and the revised budget. Fifty-two submissions were received and a detailed feedback report on those submissions is included at **Attachment C**.

BACKGROUND

- 28 Under section 404 of the Act, councils must have a Delivery Program detailing the principal activities it will undertake to achieve the objectives identified in the Community Strategic Plan. Councils are also required to have an annual Operational Plan adopted by the beginning of each financial year which outlines the planned activities for the year as part of the Delivery Program.

OPTIONS

Option 1

- 29 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

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

REFERENCES

ATTACHMENTS

- Item 36 Attachment A:** 2020/21 Our Budget (2018-2022 Delivery Program and 2020/21 Operational Plan)
Item 36 Attachment B: 2020/21 Fees and Charges Register
Item 36 Attachment C: Engagement and Feedback Report

Item 36 Attachments A - C distributed under separate cover

ITEM-37 CCL 23/06/20 - PROPOSED ROAD CLOSURE - 81 FLETCHER STREET, ADAMSTOWN

REPORT BY: INFRASTRUCTURE AND PROPERTY
CONTACT: DIRECTOR INFRASTRUCTURE AND PROPERTY /
MANAGER PROPERTY AND FACILITIES

PURPOSE

To close a section of road reserve at 81 Fletcher Street, Adamstown and sell the land to the adjoining property owners.

RECOMMENDATION

That Council:

- 1 Endorse the closure of the Fletcher Street road reserve adjacent to SP 72489 (**Attachment A**).
- 2 Approve the sale of the 278m² parcel of land (**Attachment B**) to the adjoining owners of 2/81 Fletcher Street, Adamstown for \$75,000 (plus GST). The proposed purchase price is based on an independent valuation of the land following the road closure and has been agreed upon by all parties.
- 3 Grant authority to the Chief Executive Officer or his delegate to execute all relevant documentation to effect the transactions.
- 4 Endorse the sale proceeds be transferred to City of Newcastle's (CN) 'Works Program: Specific Projects' internally restricted reserves.

KEY ISSUES

- 5 The road closure is subject to approval by the Crown and Ministerial consent, following Council's endorsement to close the road.
- 6 Once closed and transferred the road closure applicant has agreed to consolidate the road closure lot within their property, being 81 Fletcher Street, Adamstown. The applicant has agreed to pay all costs associated with the closure.
- 7 Any development of the land sold to the adjoining owner or any future successor in title, would be subject to separate development consent.
- 8 The proposed road closure will be advertised for public comment and any submissions received will be forwarded with the application to NSW Land Registry Services (LRS) for consideration.

FINANCIAL IMPACT

- 9 CN will receive \$75,000 (plus GST) from the closure and sale, with all costs including legal, survey and service relocation borne by the applicant.
- 10 The proceeds received from the sale of the land will be transferred to CN's 'Works Program: Specific Projects' internally restricted reserves.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 11 The proposed road closure aligns with the following Newcastle 2030 Community Strategic Plan directions:

Liveable Built Environment

- 5.4b Plan, provide and manage infrastructure that continues to meet community needs.

IMPLEMENTATION PLAN/IMPLICATIONS

- 12 The road closure process involves public notification of the proposal for 28 days and CN entering into a deed of agreement with the adjoining owner. The applicant is then required to arrange and provide a survey plan, lodge a Development Application and Subdivision Application for endorsement of the road closure plan, thereby creating a separate lot for sale.
- 13 After endorsement and registration of the plan at the LRS, the Crown then publishes the closure in the NSW Government Gazette. After amendments to the title, the land will be sold to the applicant.
- 14 The anticipated timeframe for the road closure process is expected to be 24 months.

RISK ASSESSMENT AND MITIGATION

- 15 There is a risk of the road closure not being approved by the NSW Department of Planning and Environment. The applicant will pay all outgoings associated with the application and therefore CN is not financially exposed.

RELATED PREVIOUS DECISIONS

- 16 Nil.

CONSULTATION

- 17 The road closure will be advertised for public comment, for a period of 28 days, with the adjoining property owners and relevant authorities being notified directly.

- 18 The proposed road closure and subsequent sale to the adjoining landowners was forwarded to the relevant Service Units within CN. No internal objections to the proposal were received.

BACKGROUND

- 19 In July 2019, a planning and surveying consultant acting for the landowners contacted CN with a request to close the section of road reserve adjoining 81 Fletcher Street, with the intention of creating more space for carparking (**Attachment C**).
- 20 An independent valuation was undertaken in November 2019, providing a purchase price of \$75,000 (plus GST).
- 21 In April 2020, the applicants formally advised CN they acknowledged the indicative costs associated with the road closure process, including the purchase price, and wished to proceed with the road closure application.

OPTIONS

Option 1

- 22 The recommendation as at Paragraphs 1 – 4. This is the recommended option.

Option 2

- 23 Council resolves not to consent to the proposed closure and subsequent sale of part of the road reserve adjoining 81 Fletcher Street, Adamstown. This is not the recommended option.

REFERENCES

ATTACHMENTS

- Item 37 Attachment A:** Strata Plan 20560.
Item 37 Attachment B: Aerial site diagram.
Item 37 Attachment C: Survey excerpt of the proposed road closure area adjoining 81 Fletcher Street, Adamstown.

CITY OF NEWCASTLE

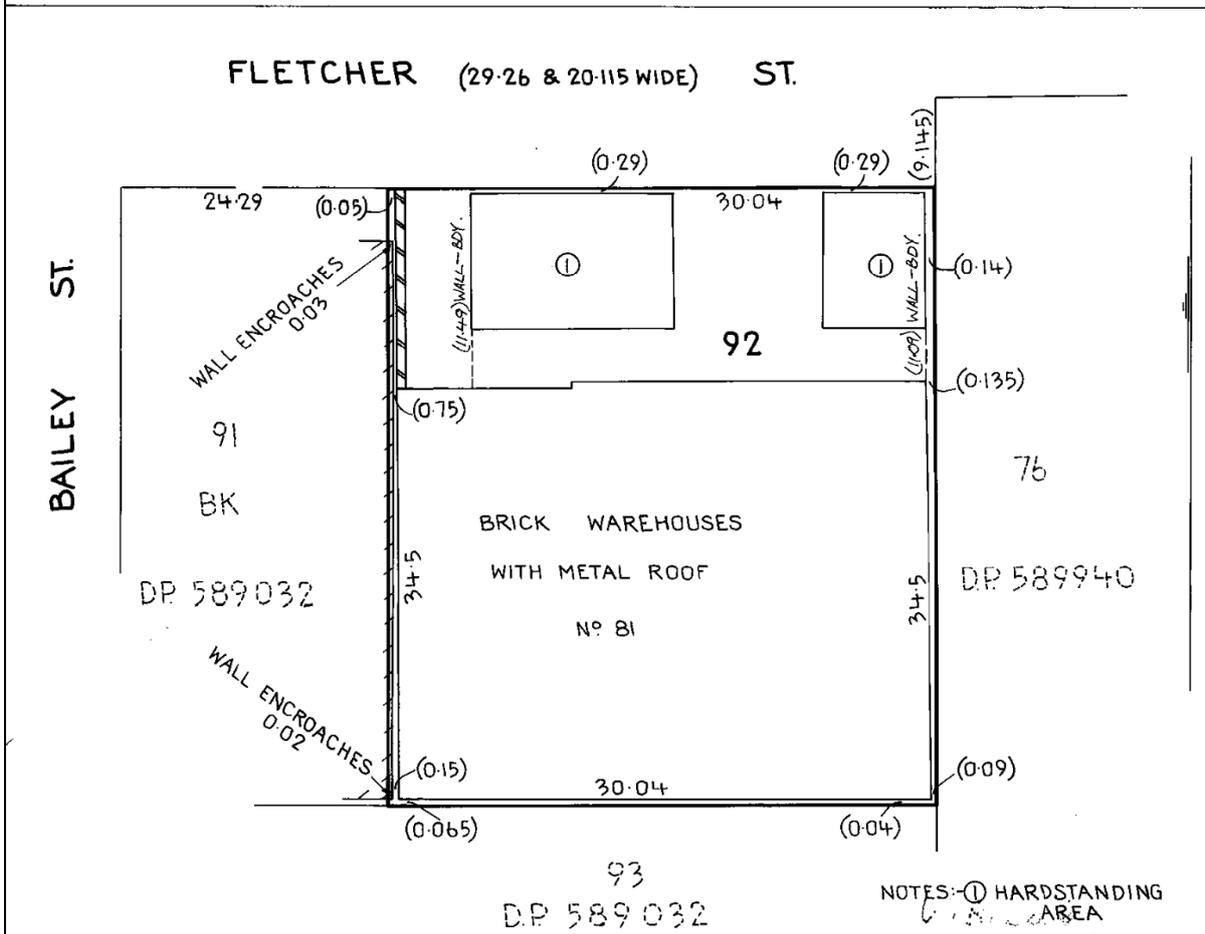
Ordinary Council Meeting 23 June 2020

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Item 37 Attachment A: Strata Plan 20560.

PLAN OF SUBDIVISION OF LOT 92 DP 589032 (E)		STRATA PLAN 20560	
Man/Chire City : NEWCASTLE	Locality : ADAMSTOWN	Registered :  12.8.1983 <i>AT</i>	C.A. : N ^o s 316/83 OF 5.5.1983
Parish : NEWCASTLE	County : NORTHUMBERLAND	Purpose : STRATA PLAN	
Reduction Ratio 1: 300	Lengths are in metres 	Ref. Map : U6350-51 <i>#</i>	
		Last Plan : D. P. 589032	

Name of, and *address for service of notices on, the body corporate **THE PROPRIETORS STRATA PLAN N^o 20560**
 c/- MONTEATH & POWYS PTY. LTD.
 *Address required on original strata plan only. **P.O. BOX 743L, NEWCASTLE 2300. DX 7888**

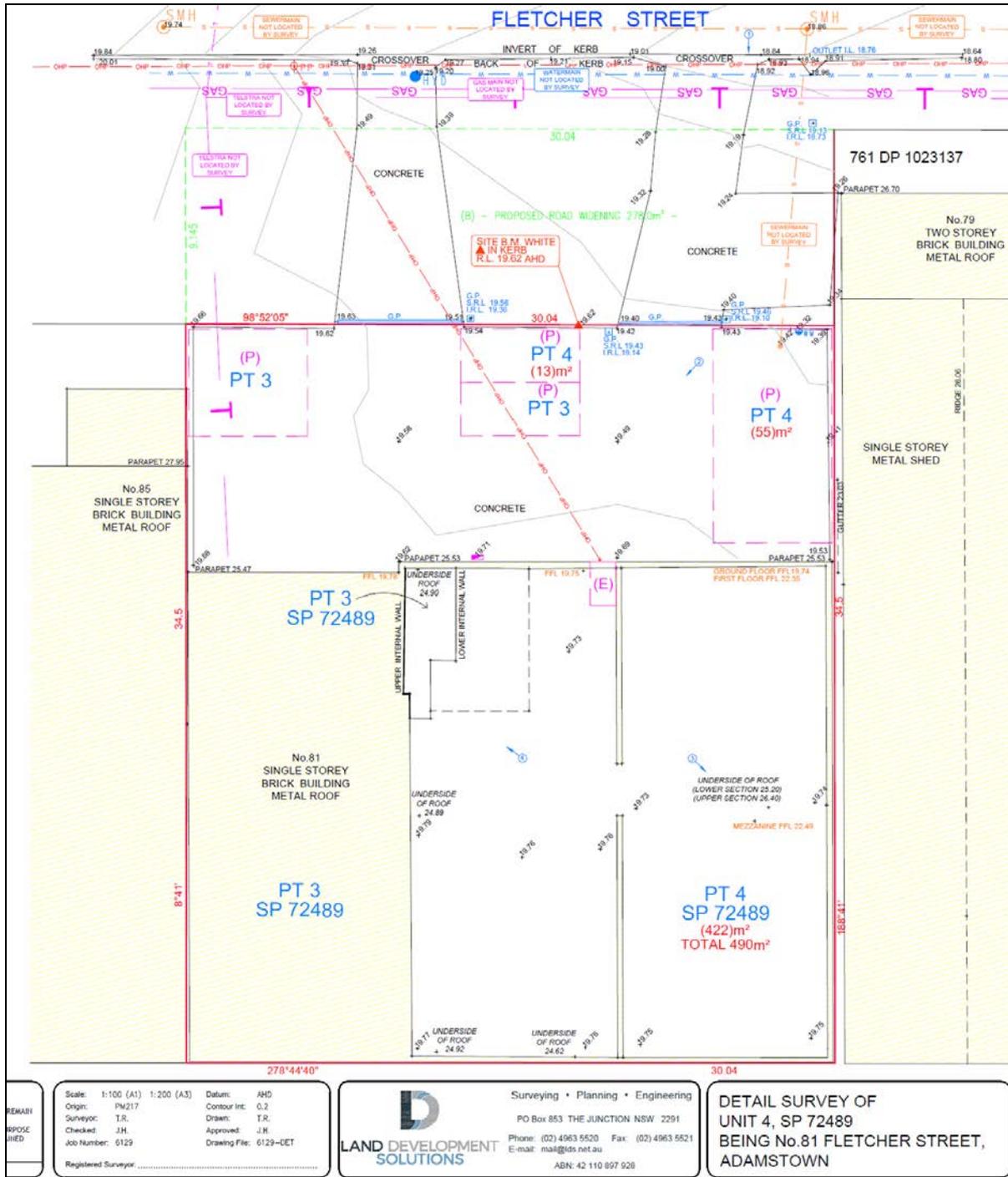


Item 37 Attachment B: Aerial site diagram.



CITY OF NEWCASTLE

Item 37 Attachment C: Survey excerpt of the proposed road closure area adjoining 81 Fletcher Street, Adamstown (indicated by green dashed line).



ITEM-38 CCL 23/06/20 - CLASSIFICATION OF COUNCIL LAND - 280 HUNTER STREET, NEWCASTLE

REPORT BY: INFRASTRUCTURE AND PROPERTY
CONTACT: DIRECTOR INFRASTRUCTURE AND PROPERTY /
MANAGER PROPERTY AND FACILITIES

PURPOSE

To classify 280 Hunter Street, Newcastle (the Property) as Operational Land pursuant to section 31 of the Local Government Act 1993 (Act).

RECOMMENDATION

That Council:

- 1 Resolve to classify 280 Hunter Street, Newcastle (Lot 8 DP 1251435) as Operational Land for the purposes of the Local Government Act 1993.

KEY ISSUES

- 2 In November 2019, Hunter and Central Coast Development Corporation (HCCDC) appointed Colliers International to run an Expression of Interest (EOI) campaign for the purchase and redevelopment of the Property known as Rail Bridge Row (**Attachment A**).
- 3 Following the EOI process, HCCDC agreed to sell the Property to City of Newcastle (CN).
- 4 On 24 March 2020 Council unanimously approved the purchase and resolved to classify the Property as Operational Land.
- 5 CN publicly notified the proposal to classify the Property as Operational Land in accordance with Section 34 of the Act.
- 6 One submission was received from the Hunter Regional Committee of the National Trust.
- 7 If Council does not resolve to classify the Property as Operational Land within three months of acquisition, the Property will be deemed to have been classified under the Local Environmental Plan as Community Land. This is not an appropriate classification for the Property given a cycleway is included in its intended use.

FINANCIAL IMPACT

- 8 There will be no cost to CN as a result of the classification.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 9 The proposal aligns with the following Newcastle 2030 Community Strategic Plan directions:

Liveable Built Environment

- 5.4b Plan, provide and manage infrastructure that continues to meet community needs.

IMPLEMENTATION PLAN/IMPLICATIONS

- 10 The Property will be classified as Operational Land in CN's land register. No Plan of Management will be required for the Property.

RISK ASSESSMENT AND MITIGATION

- 11 There are no foreseeable risks associated with classifying the Property as Operational Land.
- 12 Failure to classify the Property as operational would result in an inappropriate classification of land that will be used in part for operational purposes.

RELATED PREVIOUS DECISIONS

- 13 On 24 March 2020, Council resolved to acquire the Property and to publicly notify the proposal to classify the land as operational in accordance with Section 34 of the Act.

CONSULTATION

- 14 On 11 April 2020, public notification of the resolution to classify the Property as Operational Land was given and 28 days was allowed for public submissions as required under Section 34 of the Act. One submission has been received from the public.
- 15 The submission provides opinion on CN's planning vision and approach with both the Property and the adjacent 233 Wharf Road parcel, currently a public car park. It recommends the Property be used as a pocket park to address Covid-19 social distancing requirements. The submission also notes a previous State Government pledge that the former rail corridor would not be developed, however, successive governments have approved the development of the land as evidenced by the Newcastle Local Environment Plan 2012, with the Property being zoned B4 Mixed Use.
- 16 The submission is noted, however there is no change to the proposal to classify the Property as Operational Land.

BACKGROUND

- 17 The land is zoned B4 Mixed Use of which the objectives of the zone are to integrate suitable business, office, residential, retail and other development in accessible locations to maximise public transport patronage and encourage walking and cycling.
- 18 The Newcastle City Centre Development Control Plan identifies this parcel of land as the Hunter Street Live-Work Units Key Precinct and it is envisaged that it's future use will be suitable for live-work style units fronting onto Hunter Street with ground floor commercial retail or office uses.

OPTIONS

Option 1

- 19 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

- 20 Council resolve not to classify the Property as Operational Land for the purposes of the Act. This is not the recommended option.

REFERENCES

ATTACHMENTS

- Item 38 Attachment A:** Location Map – 280 Hunter Street, Newcastle (Lot 8 DP 1251435)

ITEM-39 CCL 23/06/20 - TENDER FOR NATURAL AREAS REHABILITATION SERVICES - CONTRACT NO. 2020/322T

REPORT BY: CITY WIDE SERVICES
CONTACT: INTERIM DIRECTOR CITY WIDE SERVICES / MANAGER PARKS AND RECREATION

PURPOSE

To accept four individual tenders for the provision of Natural Areas Rehabilitation Services to deliver specialised bushland services and other environmental projects throughout the Local Government Area (LGA).

The City of Newcastle (CN) annual works program typically includes the following relevant services:

- i) Bushland regeneration across various bushland parcels across the LGA;
- ii) Revegetation within riparian zones, coastal dune systems and bushland sites;
- iii) Installation of wind protection fencing;
- iv) Maintenance of Bushfire Asset Protection Zones and fire access trails; and
- v) Maintenance of Water Quality Improvement Devices, revegetation areas and urban forest sites.

This tender report identifies a range of contractors who can deliver specialised bushland services as part of the annual works program within CN's approved Operational Plan (Our Budget).

Due to the estimated total value of the contract exceeding \$1M, the Chief Executive Officer's delegation requires a resolution of Council to accept the tenders.

REASON FOR CONFIDENTIALITY

Item 39 Confidential **Attachment A** has been classified confidential in accordance with the provisions of the Local Government Act 1993 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.

GROUNDS 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 attachment take place in a closed session, with the press and public excluded, for the following reasons:

- A The matter relates to tenders for Natural Areas Rehabilitation Services for Contract No. 2020/322T.
- B It is contrary to the public interest to discuss commercial in confidence / confidential aspects of tender 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. A disclosure of confidential information by Council could result in Council being the subject of litigation for breach of confidence.
- C The closed session involves only as much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security.

RECOMMENDATION

- 1 At **Attachment A**.

KEY ISSUES

TENDER

- 2 This tender is for various Natural Areas Rehabilitation Services including bushland regeneration, revegetation, dune stabilisation, vegetation and garden bed maintenance, fencing, maintenance of water quality improvement devices, and maintenance of asset protection zones.

CONTRACT TERM

- 3 The contract period is 1 year (2020/2021) with 2 x 1-year options for extension.

ADVERTISING OF TENDERS

- 4 The tender was advertised in the Newcastle Herald on 28 March 2020, the Sydney Morning Herald on 31 March 2020 and nationally on Council's Tenderlink website.

TENDERS RECEIVED

- 5 Tenders closed at 2:00pm on 21 April 2020. Nine Tender submissions were received from:
- i) Undercover Landscapes Pty Ltd;
 - ii) Traditional Aussie Gardens;
 - iii) Total Earth Care Pty Ltd (as Trustee for The Irrawong Trust);
 - iv) Toolijooa Pty Ltd;
 - v) Terra Defensor;
 - vi) Kleinfelder;
 - vii) Litoria Ecological Restoration Services;
 - viii) Hunter Land Management Pty Ltd;
 - ix) Dragonfly Environmental Pty Ltd.

EVALUATION PROCESS

- 6 It was a condition of the tender that, to the extent permitted by law, tender submissions would be kept commercial-in-confidence. Therefore, in accordance with section 10A (2) (d) of the Local Government Act 1993, the detailed results of the evaluation are contained in the attached Confidential Tender Evaluation Matrix (see **Attachment A**).
- 7 The tenders were assessed against the following criteria and weightings in accordance with CN's Procurement Policy (2020):
- | | |
|---|-----|
| i) Supplier Diversity | 5% |
| ii) Workplace Health and Safety (WHS) | 25% |
| iii) Experience in Natural Areas Rehabilitation | 30% |
| iv) Tender Price | 40% |
- 8 The tenders were assessed by a Tender Assessment Panel comprising CN officers including the Blackbutt and Natural Areas Manager, Bushland Officer and the Asset Project Officer.

RECOMMENDED TENDER

- 9 The recommended tenderers have been assessed as satisfying the requirements of CN's Tender and Contracts Procedure. Each preferred tenderer demonstrated suitable capacity and experience in the provision of Natural Areas Rehabilitation Services to a high-quality standard in completing similar works. Tenders selected all have a local office in Newcastle and were identified as providing the best value for money with respect to reasonable rates and pricing.
- 10 It is proposed to accept four contractors which will enable the work program to be successfully delivered over each financial year period. Having four contractors enables flexibility in delivering the work program and opportunities to obtain the most competitive costs for work, while also providing certainty in the event that any of the contractors are unavailable.

FINANCIAL IMPACT

- 11 Funding for the works involved in this contract are allocated from approved annual Capital and Operational Natural Areas budgets. There is \$750,000 proposed project funding in the draft 2020/2021 Operational Plan.
- 12 Based on previous financial years, a similar amount has been expended on specialised contract bushland rehabilitation services. Future funding for contractual works for Natural Areas Rehabilitation (in 2021/2022 and 2022/2023 financial years) will be confirmed as part of the regular annual budget process.
- 13 The proposed contracts are a standing offer arrangement which means that costs are only incurred when CN requests the works during the tender period.

IMPLICATIONS

POLICY IMPLICATIONS

- 14 This project will enable the implementation of Council's strategic objective in relation to Newcastle 2030 Community Strategic Plan. Specifically, Strategic Direction 2 - Protected Environment, and
 - Objective 2.2: Our unique natural environment is maintained, enhanced and connected;
 - Strategy 2.2a: Provide and advocate for protection and rehabilitation of natural areas.
- 15 This also aligns with CN's adoption of the United Nations Sustainable Development Goals.

ENVIRONMENTAL IMPLICATIONS

- 16 Tenderers will be required to implement strict environmental controls whilst engaged by CN. This includes control measures for the management of noise, dust, chemicals, air quality, risk and waste management. Tenderers are encouraged to procure environmentally and socially responsible materials and products that are safe and offer value for money over the lifetime of the product.

SOCIAL IMPLICATIONS

- 17 The work to be delivered by this tender will enhance community appreciation, visual amenity and access to natural areas throughout the local government area. Delivering work and projects identified by the community is an important element of CN's environmental landscape.

ECOLOGICAL SUSTAINABILITY

- 18 The recommended tenderers do not have a specific Ecological Sustainable Development policy in place. Despite this, the recommended tenderers have not been prosecuted for environmental offences, nor are they involved in any of the prescribed activities such as uranium mining, wood chipping, nuclear energy or timber harvesting.

IMPLEMENTATION

- 19 The implementation of the recommendation allows CN to undertake Natural Areas Rehabilitation Services as required for the successful delivery and completion of capital and operational projects and other works throughout the LGA. CN does not have the resources (staff, plant, equipment and materials) required to undertake this work internally.

CONSULTATION/COMMUNICATION

- 20 CN has taken a cross functional approach to the tender with staff from Parks and Recreation, Natural Areas and Assets and Projects included in preparing tender documentation and tender evaluation. This process was undertaken in consultation with the CN Contracts Management staff to ensure compliance and probity.

BACKGROUND

- 21 The tender is for the delivery of Natural Areas Rehabilitation Services inclusive of bushland regeneration, revegetation, fencing, Water Quality Improvement Devices maintenance, Bushfire Asset Protection Zone maintenance, erosion control, Landcare operations assistance, urban garden beds maintenance, natural areas landscaping works, waste management and other various environmental rehabilitation works. Previous year's work has been undertaken under a similar contract with two contractors appointed, which expires in June 2020. This tender is to create a new tender arrangement for coming years.
- 22 The tender provides CN with the option of accepting more than one tender. This is considered necessary to ensure that CN can obtain the services of a suitable cost-effective contractor to meet CN's timeframes, to enable flexibility of work and to ensure competitive cost processes are able to be undertaken at any given time.
- 23 The calling of tenders was in accordance with the requirements of section 55 of the *Local Government Act*. The process followed was in accordance with Part 7 of the *Local Government (General) Regulation*. Council is required to accept tenders in accordance with clause 178 of the Regulation (see Options).

OPTIONS

Option 1

- 24 The recommendation as set out in **Confidential Attachment A**. This is the recommended option.

Option 2

- 25 Council defers a decision at this time to allow further consideration of the tenders received. This is not the recommended option.

Option 3

26 Council resolves not to accept any tender and invite fresh tenders. This is not the recommended option.

Option 4

27 Council resolves not to accept any tender and enter into negotiations with any party with a view to entering into a contract. Council must state a reason for this in its resolution. This is not the recommended option.

Option 5

28 Council resolves not to accept any tender and not proceed with the contract. Council must state a reason for this in its resolution. This is not the recommended option.

ATTACHMENTS

Item 39 Attachment A: Confidential recommendation

Item 39 Attachment B: Tender Evaluation Matrix - Summary (CONFIDENTIAL)

Item 39 Attachments A and B - refer Confidential Agenda 23 June 2020

ITEM-40 CCL 23/06/20 - EXECUTIVE MONTHLY PERFORMANCE REPORT

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / ACTING CHIEF FINANCIAL OFFICER

PURPOSE

To report on City of Newcastle's (CN) monthly performance. This includes:

- i) Monthly financial position and year to date (YTD) performance against the 2019/20 Operational Plan as at the end of May 2020.
- ii) 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

That Council:

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

KEY ISSUES

- 2 At the end of May 2020 the consolidated YTD actual operating position is a surplus of \$13.2m which represents a positive variance of \$13.8m against the budgeted YTD deficit of \$0.6m. 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 2019/20 is a deficit of \$8.3m.
- 3 The net funds generated as at the end of May 2020 is a surplus of \$10.1m (after capital revenues, expenditure and loan principal repayments). This is a positive variance to the YTD budgeted position of (\$7.9m). This is primarily due to a timing variance in the delivery of CN's works program with a higher amount of project expenditure (both capital and operational expenditures) expected to be incurred during the final month of the financial year.
- 4 CN's temporary surplus funds are invested consistent with CN's Investment Policy, Investment Strategy, the Act and Regulations. Details of all CN funds invested under s.625 of the Act are provided in the Investment Policy and Strategy Compliance Report (section 4 of **Attachment A**).

FINANCIAL IMPACT

- 5 The variance between YTD budget and YTD actual results at the end of May 2020 is provided in the Executive Monthly Performance Report.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 6 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

- 7 The distribution of the report and the information contained therein is consistent with:
- i) CN's adopted annual financial reporting framework;
 - ii) CN's Investment Policy and Strategy; and
 - iii) Clause 212 of the Regulation and s.625 of the Act.

RISK ASSESSMENT AND MITIGATION

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

RELATED PREVIOUS DECISIONS

- 9 At the Ordinary Council Meeting held on 25 September 2018 Council adopted to receive an Executive Monthly Performance Report for July to May no later than one month after the month being reported as part of the annual financial reporting framework.
- 10 The Investment Policy Compliance Report included in the Executive Monthly Performance Report includes a specific confirmation in regard to compliance with part E of the Investment Policy.

CONSULTATION

- 11 A monthly workshop is conducted with the Councillors to provide detailed information and a forum to ask questions.

BACKGROUND

- 12 The presentation of a monthly Executive Performance Report to Council and a workshop addresses the Council resolution for monthly reporting and exceeds the requirements of the Act.

OPTIONS

Option 1

13 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

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

REFERENCES

ATTACHMENTS

Item 40 Attachment A: Executive Monthly Performance Report – May 2020

Item 40 Attachment A distributed under separate cover

NOTICES OF MOTION

ITEM-12 NOM 23/06/20 - SHINING EXAMPLE OF ENERGY TRANSITION

**COUNCILLORS: D CLAUSEN, M BYRNE, C DUNCAN, J DUNN, N NELMES,
 E WHITE AND P WINNEY-BAARTZ**

PURPOSE

The following Notice of Motion was received on Thursday 11 June 2020 from the abovenamed Councillors.

MOTION

That Council:

- 1 Celebrates the performance of the Summerhill Solar Farm, which since its commissioning in mid-November 2019, has generated more than \$420,000 in revenue, substantially ahead of its annual lifetime Business Case projection of \$250,000 per year.
- 2 Notes that in its first quarter of operation the City of Newcastle's 100% Renewable Power Purchase Agreement (PPA) has saved \$30,000 more than previous business as usual energy costs.
- 3 Notes that these substantial savings are supporting City of Newcastle residents, allowing Council to invest in much needed services and infrastructure.
- 4 Notes that these investments have allowed Council to reduce its operational carbon emissions by 77%, compared to its 2008 baseline.

BACKGROUND

Nil.

**ITEM-13 NOM 23/06/20 - CLARIFICATION ON LOCAL LAND SERVICES
HUNTER CATCHMENT CONTRIBUTION LEVY AND BENEFITS**

**COUNCILLOR: D CLAUSEN, M BYRNE, C DUNCAN, J DUNN, N NELMES,
E WHITE AND P WINNEY-BAARTZ**

PURPOSE

The following Notice of Motion was received on Thursday 11 June 2020 from the abovenamed Councillor.

MOTION

That Council notes:

- 1 City of Newcastle residents pay a Catchment Contribution levy annually to the NSW Government's Local Land Services via their Council rates notice.
- 2 Notes that in 2020, the levy will be approximately \$34.50 per residential property and \$71 per business property, totaling to \$2.59 million across the local government area.
- 3 Notes that in 2018-19, Hunter Local Land Services only levied a total of \$5.036 million from across the entire Lower Hunter, meaning that City of Newcastle residents are funding more than half the total Catchment Contribution.
- 4 Notes that this under S33 of the *Local Land Service Regulation* this charge: "*may only be levied to fund a shortfall in available funding for the catchment activities of Local Land Services.*" [emphasis added].
- 5 Notes that under the *Water Management Act*, the levy funds 25% of the Hunter Valley Flood Mitigation Scheme, primarily designed to address flooding in Maitland.
- 6 Notes that the levy is not paid proportionately by beneficiary councils. For example, in 2020-21 Maitland residents will only pay an average of \$19.07 in the Hunter Catchment Contribution (equal to 55% of the annual cost to Newcastle residents).
- 7 Notes that City of Newcastle residents have this taxation without representation, as they are ineligible to stand for election, or to vote for the Board of Hunter Local Land Services, as the Catchment Contribution is considered to be a "levy" not a "rate". Ratepayers of Local Land Services are eligible to stand for election and may vote for candidates to the Board.

- 8 Writes to the Chair and CEO of Hunter Local Land Services inviting them to provide a briefing to councillors to assist in understanding:
- a. Why, since the levy was introduced in 1950, has there been an annual shortfall in Local Land Services funding of catchment activities? Should this shortfall have been corrected with funding from the NSW Government?
 - b. What proportion of the Hunter Catchment Levy paid by Newcastle residents is spent directly benefitting the Newcastle local government area?
 - c. How can the \$2.59 million in Catchment Levy paid by Newcastle residents help support addressing long-term catchment issues within Newcastle, including the flooding of Wallsend?

BACKGROUND

Nil.

ATTACHMENTS

https://www.lls.nsw.gov.au/_data/assets/pdf_file/0011/830729/hunter-catchment-contributions.pdf

<https://www.legislation.nsw.gov.au/#/view/act/2000/92/chap5/part2/div3/sec262>

<https://www.maitland.nsw.gov.au/file/74266/download?token=IBXi0H4g>

<https://www.lls.nsw.gov.au/i-want-to/pay-my-rates/rates-frequently-asked-questions>

https://www.lls.nsw.gov.au/_data/assets/pdf_file/0012/1200027/Nominee-Package-2020_for-web.pdf

https://www.lls.nsw.gov.au/_data/assets/pdf_file/0011/830729/hunter-catchment-contributions.pdf