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NOTE: ITEMS MAY NOT NECESSARILY BE DEALT WITH IN NUMERICAL ORDER
1 OPENING OF MEETING

1.1 The meeting was opened at 5.36PM.

2 APOLOGIES

2.1 MOTION
Moved by Cr Compton, seconded by Cr Luke

The apology submitted on behalf of Councillor Tierney be received and leave of absence granted.

Carried

3 MESSAGE OF ACKNOWLEDGEMENT

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

4 PRAYER

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

5 PRESENTATIONS TO COUNCIL

5.1 Nil.

6 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTERESTS

6.1 Councillor Luke
Councillor Luke declared a less than significant non-pecuniary interest in Item 5 CCL 24/02/15 - Executive Monthly Performance Report – January, as Council may invest with businesses he is associated with. Councillor Luke said the interest was less than significant as the report to Council was to be received and he was not involved in any decision making processes.

Councillor Dunn
Councillor Dunn declared a conflict of interest in Item 13 CCL 24/2/15 - Subdivision of certain split zones - adoption of amendment to Newcastle Local Environmental Plan 2012. Councillor Dunn said as family members may be affected by the decision he would leave the Chamber when the item was discussed.

7 CONFIRMATION OF PREVIOUS MINUTES

7.1 MINUTES - BRIEFING COMMITTEE 2 DECEMBER 2014
MINUTES - PUBLIC VOICE COMMITTEE 2 DECEMBER 2014
MINUTES - ORDINARY COUNCIL MEETING 9 DECEMBER 2014
MOTION
Moved by Cr Osborne, seconded by Cr Doyle

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

Carried
REPORTS BY COUNCIL OFFICERS

ITEM-1 CCL 24/02/15 - LOCAL GOVERNMENT AMENDMENT (ELECTIONS) ACT 2014

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

PURPOSE

The purpose of the report is to provide Council with a summary of the key changes made by the Local Government Amendment (Elections) Act 2014 (Act).

RECOMMENDATION

1 That Council receive and note the report.

KEY ISSUES

2 The Act came into operative effect on 6 February 2015. The related Local Government (General) Amendment (Elections) Regulation 2015 also commenced on the same date. The purpose of the Act is to amend/insert new provisions into the Local Government Act (LGA) pertaining to the conduct of council elections.

3 The new Act introduces new sections into the LGA. These are summarised below.

4 Insertion of a new section 291A: Currently, whenever a casual vacancy occurs in the office of the mayor or councillors at any time during a council term that is prior to 18 months before the next ordinary election of councillors, councils are obligated to call and hold a by-election to fill the casual vacancy: ss. 291-294 LGA.

5 S. 291A(1) provides that, subject to the elected council resolving to pass a resolution at the first council meeting held following an ordinary election of councillors (ie. the first Council Meeting held after the next local government elections due to be held on 10 September 2016) declaring that any casual vacancy occurring within 18 months of the ordinary council election shall be filled by a countback of votes cast at the last election for that office, any casual vacancy in the office of a councillor occurring within an 18 months period of the ordinary council election will be filled by a countback of votes rather than by the holding of a by-election.

6 S. 291A(2) provides that the countback back mechanism will not be applicable in the circumstances where the councillor that created the casual vacancy was elected in an election that used the optional preferential voting system or was elected in an election without a poll being required to be held.
7 S. 291A(3) provides that where a countback election is required, it must be conducted in accordance with the requirements of the regulations. In addition, s. 291A(4) requires that the countback election must be conducted by:

(i) the same returning officer who conducted the election at which the departing councillor who creates the casual vacancy was originally elected;
(ii) if the foregoing is not possible, the substitute returning officer at the original election;
(iii) if the foregoing is not possible, a returning officer appointed under the Act.

8 The countback election mechanism introduced by the Act will save Council the cost of holding a by-election where the applicable pre-conditions for conducting a countback election are satisfied. This initiative is to be welcomed as a long overdue electoral reform. In accordance with s. 285 of the LGA, the 2016 ordinary council election will use the proportional system of voting. It follows therefore that the use of the countback system should be available to Council, should it so resolve.

9 Insertion of a new section 296AA: This section is similar to, and further extends the application of the existing s. 296(3) of the Act (refer to the attached copy of s.296(3) at Attachment A). Whilst s.296(3) currently provides that an election arrangement may be entered into by a council with the NSWEC if council so resolves at least 18 months prior to the next general council election (ie. Council has a discretion), the new s. 296AA(1) makes it mandatory for Council to pass a resolution at least 18 months prior to the next ordinary council election to either enter into an arrangement with the NSWEC, by contract or otherwise, for the NSWEC to administer elections for the council (as provided for in s. 296) (s. 296AA(1)(a)) or that elections of the council are to be administered by the General Manager (s. 296AA(1)(b)). If s. 296AA(1)(b) is applicable, the relevant resolution must include the following information:

(i) whether the General Manager intends to administer elections personally or to engage an electoral services provider;
(ii) if the former, whether the General Manager has identified any persons to be appointed as the returning officer and substitute returning officer for the next ordinary council election and, if so, their names;
(iii) if the latter, the General Manager has identified an electoral services provider to be engaged to conduct the next general council election, and, if so, the name of the provider; and
(iv) any other information required by the regulations.

10 The General Manager is required to publish a copy of the resolution on the council’s website as soon as practicable after the passing of the resolution. If Council fails to comply with the mandatory requirement to pass the required resolution, the General Manager must publish a notice of that failure on the Council’s website.

11 Compliance with the requirements of s.296(3) and s.296AA, by way of Council passing the requisite resolutions in respect of the conduct of the 2016 ordinary council election is addressed in a separate Council business paper. The Council paper will incorporate the recommended resolutions in compliance with the requirements of s. 296AA.
12 Insertion of new s. 298(3)-(8): Previously, s.298(1) of the LGA provided that the NSWEC was required to keep an electoral roll being the persons who were the residents of the relevant local government area. The new s.298(3) provides that NSWEC shall provide the General Manager with a printed and an electronic copy of the residential roll for the area, and if the area is divided into wards, a separate printed and electronic copy of the roll for each ward in the circumstances where an election is be administered by the General Manager. The remainder of the new subsections of s.298 are administrative in nature and include the prohibition against the disclosure of the residential roll for any other purpose, including a commercial purpose such the sale, or the offering for sale, of the residential roll. A maximum penalty of 1,000 penalty points is imposed in respect of the breaching of s.298(5) or (6). One penalty point currently equates to $110.

13 Insertion of a new ss 299(1A) and (1) and the repeal of former s. 299(1): S. 299(1A) imposes the requirement upon the General Manager to prepare a new roll of non-resident owners of rateable land within the local government area for the next election and to keep it updated as soon as practicable after a roll of non-resident owners of rateable land lapses under the section. The new s. 299(1) provides that not later than the closing date for an election, the General Manager is to finalise the roll of non-resident owners of rateable land for confirmation as the roll of non-resident owners of rateable land within the local government area for the election. There is an amendment to the existing s. 299(2) by way of repeal of certain specified wording. A new s. 299(2A) is inserted which provides that the roll of non-resident owners of rateable land prepared by the General Manager is to include the names of the persons who have applied, at any time, for inclusion of their names in any such roll, and on the closing date are, in the General Manager’s opinion, qualified for inclusion in that roll. Refer to a copy the former s. 299(1) at Attachment B.

14 Insertion of a new s. 300(1A) and s. 300(1) and the repeal of former s. 300(1): The new provisions require the General Manager to prepare a new roll of occupiers and ratepaying lessees of land within the local government area for the next election and to keep it updated as soon as practicable after the roll of occupiers and ratepaying lessees lapses. No later than the closing date for an election, the General Manager is to finalise the roll of occupiers and ratepaying lessees of land in the local government area for the election. Certain specified words are repealed from the former s.300(2). A new s.300(2A) is inserted which provides that the roll of occupiers and ratepaying lessees prepared by the General Manager is to include the names of the persons who have applied, at any time, for inclusion of their names in any such roll and on the closing date are, in the General Manager’s opinion, qualified for inclusion in that roll. Refer to a copy of the former s. 300(1) at Attachment C.
15 **Insertion of a new s. 310B:** In the first instance, the section is intended to only apply to the City of Sydney local government area. Should the section be made by the regulations to be applicable to Newcastle City Council, its relevant provisions require, inter alia:

(i) that a council may, by resolution passed at least 18 months before the next ordinary council election, determine that voting at that election is to be conducted either by means of attendance and postal voting or exclusively by means of postal voting.

(ii) voting at a general council election must be conducted by the same means, that is, either by attendance and postal voting or exclusively by postal voting, as the previous general council election was conducted unless the council has determined by resolution to change the means of conducting the voting.

(iii) voting at a by-election must be conducted by the same means as was conducted at the previous ordinary council election was conducted unless council determines by a resolution made not later than 14 days after the casual vacancy occurred to change the means of conducting the voting at the by-election.

16 The Office of Local Government has unofficially advised that, initially, s. 310B is only intended to apply to the City of Sydney Council. The possible extension of the applicability of s.310B to other councils, such as Newcastle City Council, is predicated on the outcome of the “trial” operation of s.310B with the City of Sydney Council.

**FINANCIAL IMPACT**

17 The new s.291A is expected to save Council considerable financial costs associated with the conduct of by-elections in the circumstances where vacancies in a civic office arise and where Council elects to resolve to use the countback mechanism. It is noted that s. 285 of the LGA specifies that the voting system to be used in a contested election where there are two or more councilors to be elected is the proportional system (refer to clause 351 and Schedule 5 of the Local Government (General) Regulation 2005).

18 The new s.310B of the legislation would also save Council significant costs, if Council chose to conduct an election exclusively by postal voting. (A major cost of any election is the hiring and staffing of polling booths.)

**COMMUNITY STRATEGIC PLAN ALIGNMENT**

19 Nil

**IMPLEMENTATION PLAN/IMPLICATIONS**

20 Relevant Council resolutions will be required to be passed at the appropriate times.
RISK ASSESSMENT AND MITIGATION

21 There is a risk associated with the appointment of either the NSW Electoral Commission (NSWEC) or Australian Election Company (AEC) but both have conducted general council elections for Council. In particular, The NSWEC conducted the 2008 ordinary council election for Council as well as the Lord Mayoral By-election held on 15 November 2014 and the Councillor Ward 3 By-election to be held on Saturday, 21 February 2015. AEC conducted the 2012 ordinary council election for Council. The separate related Council business paper recommends that AEC conduct the 2016 ordinary council election.

RELATED PREVIOUS DECISIONS

22 Not applicable.

CONSULTATION

23 Council staff have reviewed the legislation and discussed certain aspects with the Office of Local Government.

OPTIONS

Option 1

24 The recommendation as at Paragraph 1.

Option 2

25 That Council not receive and note this report. This is not the recommended option.

BACKGROUND

26 The Act amends the relevant provisions of the Local Government Act and requires that Council pass certain resolutions pertaining to the conduct of the 2016 ordinary council election prior to 10 March 2015.

REFERENCES

27 (i) Local Government Act, 1993;
(ii) Local Government Amendment (Elections) Act 2014;
(iii) Local Government (General) Amendment (Elections) Regulation 2015
(i) Office of Local Government Circular to Councils No. 15-01; and
(v) Division of Local Government Circular to Councils No 13-41

ATTACHMENTS

Attachment A: Section 296(3) of the Local Government Act
Attachment B: Former s. 299(1) of the Local Government Act
Attachment C: Former s. 300(1) of the Local Government Act
ATTACHMENT A

Part 6 How are elections conducted?

Division 1 Administration of elections

296 How elections are to be administered

(1) Elections for the purposes of this Chapter are to be administered by the general manager of the council concerned, except as provided by this section.

Note. Section 18 provides that certain provisions of this Act (relating to the conduct of elections) apply to council polls and constitutional referendums, with such modifications as may be necessary, in the same way as they apply to elections.

(2) A council can enter into an arrangement (an election arrangement) with the Electoral Commissioner, by contract or otherwise, for the Electoral Commissioner to administer elections of the council as provided by this section. If such an arrangement is entered into, the Electoral Commissioner is to administer elections of the council in accordance with the arrangement.

(3) An election arrangement for the Electoral Commissioner to administer all elections of a council can be entered into if:

(a) the council resolves at least 18 months before the next ordinary election of councillors that such an arrangement is to be entered into, and

(b) the arrangement is entered into no later than 15 months before the next ordinary election of councillors.
non-residential roll

(1) Not later than the closing date for an election, the general manager is to prepare a roll of non-resident owners of rateable land for confirmation as the roll of non-resident owners of rateable land within the area.

(2) The roll of non-resident owners of rateable land lapses after the election for which it is prepared, and it consists only of the names of those non-resident owners of rateable land who have applied for the inclusion of their names for the purposes of the election for which it is being prepared.
MOTION
Moved by Cr Osborne, seconded by Cr Posniak

That Council receive and note the report.

Carried
ITEM-2 CCL 24/02/15 - NOMINATION OF DIRECTOR FOR HUNTER REGION SLSA HELICOPTER RESCUE SERVICE

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

PURPOSE

To nominate a Councillor as Council's representative for appointment as a director on the Board of Directors of Hunter Region SLSA Helicopter Rescue Service Limited which operates the Westpac Helicopter Rescue Service.

RECOMMENDATION

1 [insert name of one or more Councillor/s] be nominated as Council's representative for appointment as director on the Board of Directors of Hunter Region SLSA Helicopter Rescue Services Limited.

KEY ISSUES

2 The Hunter Region SLSA Helicopter Rescue Services Limited Board (Board) has requested that Council re-nominate its representative as a result of the resignation of Councillor Crakanthorp as a director, effective on 3 December 2014.

3 Council is entitled to be represented by one director on the Board.

4 Council can nominate one or more Councillors for appointment as director on the Board. The nominated Councillor/s must satisfy the criteria at Attachment A. The Board's Nomination & Governance Committee will consider Council's nomination/s and make a recommendation for the appointment of only one nominee to represent Council.

5 The Board meets bi-monthly on the fourth week at base headquarters, Bavin Road, Broadmeadow and occasionally at other Hunter region locations.

6 Directors appointed by the Board in 2015 will be appointed for a term not exceeding four years with an overall tenure of no more than twelve years. Should the director be re-elected to Council at the next Local Government elections in 2016, the director would complete the four year term. Should the Councillor not be re-elected or resign from the Council prior to this date, a new appointment would be required.

7 The Constitution does not allow for the appointment of proxy or alternate directors.
8 Once appointed to the Board, Council's nominated director needs to inform the Board's Secretary in writing of their resignation from the Board when that occurs as well as notifying Council.

FINANCIAL IMPACT

9 There is no direct financial impact to Council.

COMMUNITY STRATEGIC PLAN ALIGNMENT

10 Open and Collaborative Leadership.

IMPLEMENTATION PLAN/IMPLICATIONS

11 Council will advise the Board of its nominated Councillor representative/s and facilitate Councillor attendance at meetings.

RISK ASSESSMENT AND MITIGATION

12 Council's representation on external boards assists Council to achieve its objectives by fostering relationships with stakeholders as well as a means of consultation and cooperation.

RELATED PREVIOUS DECISIONS

13 Council resolved on 26 November 2013 that Councillors Crakanthorp and Luke be nominated as directors. The Board elected Councillor Crakanthorp. Council has previously nominated Cr Crakanthop as Council’s representative on the Board. He has been a director on the Board since October 2009.

CONSULTATION

14 Council staff have consulted with the Company Secretary of the Board.

OPTIONS

Option 1

15 The recommendation as at Paragraph 1.

Option 2

16 Councillors resolve to defer its decision to enable interested Councillors to lodge and address the criteria for appointment with the General Manager.
BACKGROUND

17 The Westpac Rescue Helicopter Service has been operating from Newcastle since 1975 providing emergency life saving services to the Hunter Region and local community.

18 The Board comprises eleven directors representing the following community organisations:
   - Hunter Surf Lifesaving Incorporated  5 directors
   - The City of Newcastle 1 director
   - Hunter Councils Inc 1 director
   - Hunter Business Chamber 1 director
   - CFMEU Northern Mining & NSW Energy District 1 director
   - Staff of Hunter Region SLSA HRS Ltd 1 director
   - New England North West Regional Advisory Committee 1 director

REFERENCES

ATTACHMENTS

Attachment A   Criteria for Appointment of Directors
Attachment A

HUNTER REGION SLSA HELICOPTER RESCUE SERVICE LTD

Criteria for Appointment of Directors

Candidates for appointment of directors of the Company are asked to address the points below:

These points will ensure candidates provide details of relevant experience which will assist the Board's Nominations & Governance Committee assess their suitability for appointment to the Board.

Candidates may also wish to refer to the Australian Institute of Directors (AICD) website http://www.companydirectors.com.au/ for general information about Directors roles and responsibilities.

- Candidate's previous and current directorial experience
- Candidate's qualifications
- Candidate's skills to complement the skill set of the Board
- What special skills would the candidate bring to the Westpac Rescue Helicopter Service Board? Eg Industry / professional / personal
- Does the candidate have any declared / apparent conflicts of interest
- Any other attributes that the candidate believes are relevant and will benefit the Service

MOTION
Moved by Cr Crakanthorp, seconded by Cr Osborne

Councillor Nelmes be nominated as Council's representative for appointment as director on the Board of Directors of Hunter Region SLSA Helicopter Rescue Services Limited.

Carried
ITEM-4 CCL 24/02/15 - QUARTERLY PERFORMANCE REPORT - DECEMBER 2014

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

PURPOSE

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

RECOMMENDATION

1 Council receives the December 2014 Quarterly Budget Review Statements (Attachment A) and adopts the recommended budget variations therein.

KEY ISSUES

2 Operational budget variations totaling a positive $0.7m have been identified within the December Quarterly Budget Review. This improves Council’s operating deficit from $7m to a forecast deficit of $6.3m at 30 June 2015.

3 A number of projects have been deferred to the 2015/16 financial year (refer paragraph 10 below for further details) which has resulted in reduced spending on capital works of $9.9m in the current financial year. As a result, the December Quarterly Budget Review is forecasting a net use of funds (reserves) of $13.3m at 30 June 2015. While this reflects a positive variance of $10.6m to the position forecast at 30 September 2014 it still leaves Council with a funding deficit for the financial year 2014/15 of $13.3m.

4 The net use of funds of $13.3m forecast for 30 June 2015 is comprised of a reduction in restricted cash reserves of $34.2m, partially offset by an increase in unrestricted cash reserves of $21m. The reduction in restricted cash reserves has improved by $9.1m from the $43.2m forecast at 30 September 2014 in-line with the reduction in the capital work program but still requires Council to draw down on reserves to fund its capital works program.
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<tr>
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<tr>
<td>Total Operating Revenue</td>
<td>221,243</td>
<td>197</td>
<td>1,820</td>
<td>2,226</td>
<td>225,486</td>
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<tr>
<td>Total Operating Expenses</td>
<td>226,712</td>
<td>2,040</td>
<td>1,516</td>
<td>1,506</td>
<td>231,775</td>
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<td>Total Operating Revenue Less Operating Expenditure</td>
<td>(5,469)</td>
<td>(1,843)</td>
<td>303</td>
<td>720</td>
<td>(6,289)</td>
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<td>Total Capital Raising Revenue</td>
<td>9,423</td>
<td>270</td>
<td>8,177</td>
<td>4,792</td>
<td>22,662</td>
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<td>Adjustments for Non Cash Item</td>
<td>48,476</td>
<td>0</td>
<td>0</td>
<td>(4,792)</td>
<td>43,684</td>
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<td>Funding available for capital expenditure</td>
<td>52,430</td>
<td>(1,573)</td>
<td>8,480</td>
<td>720</td>
<td>60,057</td>
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<td>Total Capital Spend</td>
<td>54,989</td>
<td>15,807</td>
<td>9,716</td>
<td>(9,857)</td>
<td>70,655</td>
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<td>Net Loans Borrowings/(Repayments)</td>
<td>(2,697)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(2,697)</td>
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<td>Net Use of Funds</td>
<td>(5,256)</td>
<td>(17,380)</td>
<td>(1,236)</td>
<td>10,577</td>
<td>(13,295)</td>
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<td>Net Transfers (from)/to Restricted Assets</td>
<td>(21,319)</td>
<td>(17,380)</td>
<td>(4,645)</td>
<td>9,144</td>
<td>(34,200)</td>
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<td>Net Transfers (from)/to Unrestricted Cash</td>
<td>16,063</td>
<td>0</td>
<td>3,409</td>
<td>1,433</td>
<td>20,905</td>
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<td>Net change in Council’s Reserves</td>
<td>(5,256)</td>
<td>(17,380)</td>
<td>(1,236)</td>
<td>10,577</td>
<td>(13,295)</td>
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</tbody>
</table>

5 Some reclassification (Column A above) was approved in the September Quarterly Budget Review to better align the budget with the accounting methodology applied for Council’s Annual Financial Statements. This will facilitate improved reporting throughout the period and reduce the impact of year-end adjustments, which have been required in prior years’ reporting. Key adjustments were the elimination of the value of internal work completed, reclassification between categories of income and expenses and the consolidation of Council’s 50% ownership interest in Newcastle Airport (which has not previously been included in the adopted budget).
FINANCIAL IMPACT

6 The analysis below will focus exclusively on the financial impact of budget changes identified during the December Quarterly Review (column D). Key elements of the forecast include:

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reclassified 2014/15 Budget $’000</td>
<td>Carry Forward Program $’000</td>
<td>Recommended September 2014 $’000</td>
<td>Recommended December 2014 $’000</td>
<td>Projected year end result $’000</td>
<td>Actual YTD $’000</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates &amp; charges</td>
<td>128,191</td>
<td>0</td>
<td>0</td>
<td>98</td>
<td>128,289</td>
</tr>
<tr>
<td>User charges &amp; fees</td>
<td>60,093</td>
<td>0</td>
<td>565</td>
<td>(208)</td>
<td>60,450</td>
</tr>
<tr>
<td>Interest</td>
<td>7,077</td>
<td>0</td>
<td>1,075</td>
<td>700</td>
<td>8,852</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>9,463</td>
<td>0</td>
<td>184</td>
<td>744</td>
<td>10,391</td>
</tr>
<tr>
<td>Grants &amp; contributions - Operating</td>
<td>16,419</td>
<td>197</td>
<td>(4)</td>
<td>892</td>
<td>17,504</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>221,243</td>
<td>197</td>
<td>1,820</td>
<td>2,226</td>
<td>225,486</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>90,813</td>
<td>0</td>
<td>90</td>
<td>(23)</td>
<td>90,880</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>4,257</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,257</td>
</tr>
<tr>
<td>Materials &amp; contracts</td>
<td>40,256</td>
<td>2,040</td>
<td>2,328</td>
<td>1,009</td>
<td>45,633</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>48,476</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>48,476</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>42,910</td>
<td>0</td>
<td>(901)</td>
<td>520</td>
<td>42,529</td>
</tr>
<tr>
<td>Total Operating expenses</td>
<td>226,712</td>
<td>2,040</td>
<td>1,516</td>
<td>1,506</td>
<td>231,775</td>
</tr>
<tr>
<td>Total Operating Revenue Less Operating Expenditure</td>
<td>(5,469)</td>
<td>(1,843)</td>
<td>303</td>
<td>720</td>
<td>(6,289)</td>
</tr>
</tbody>
</table>

7 Factors improving Operational Financial Position

i **Interest – increase of $0.7m**

Council’s Investment Portfolio continues to return a higher than forecast investment return. Interest Income exceeded budget due to total portfolio holdings being greater than anticipated and a higher actual yield than forecast ($0.7m).

ii **Other operating revenues – increase of $0.7m**

- Recoupment of previously written off Glenelg investment $1m.

iii **Grants & contributions operating – increase of $0.9m**

Income for additional civil works performed under Transport NSW contract.
8 Factors adversely impacting Operational Financial Position

i Materials & contracts – increase of $1m
- Additional environmental project work ($0.2m).
- Ward 3 By-Election ($0.2m).
- Materials expenditure (labour costs for this work are not included in this cost category) relating to additional civil works ($0.2m).

ii Other operating expenses – increase of $0.5m
- Expense budget has been increased to reflect Council decisions such as the extension of the lifeguarding services and the implementation of the resolution to reduce the fees at the Beresfield Pool that were not reflected in the adopted budget.
- Timing of commencement of contracts for operation of the remaining inland pools has also impacted on operating costs.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reclassified 2014/15 Budget $’000</td>
<td>2013/2014 Carry Forward Program $’000</td>
<td>Recommended September 2014 $’000</td>
<td>Recommended December 2014 $’000</td>
<td>Projected year end result $’000</td>
</tr>
<tr>
<td>Capital Revenues</td>
<td>Grants &amp; contributions - Capital</td>
<td>2,252</td>
<td>270</td>
<td>8,177</td>
<td>4,792</td>
</tr>
<tr>
<td></td>
<td>Proceeds from the sale of Assets</td>
<td>7,171</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Capital Raising revenue</td>
<td></td>
<td>9,423</td>
<td>270</td>
<td>8,177</td>
<td>4,792</td>
</tr>
<tr>
<td>Nett Surplus/(deficit) after capital revenue</td>
<td></td>
<td>3,954</td>
<td>(1,573)</td>
<td>8,480</td>
<td>5,512</td>
</tr>
<tr>
<td>Adjustments for Non Cash Items</td>
<td>Add back Depreciation</td>
<td>48,476</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Less land &amp; infrastructure donations</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(4,792)</td>
</tr>
<tr>
<td>Funding available for capital expenditure</td>
<td></td>
<td>52,430</td>
<td>(1,573)</td>
<td>8,480</td>
<td>720</td>
</tr>
<tr>
<td>Capital Expenses</td>
<td>Asset renewals</td>
<td>24,505</td>
<td>3,344</td>
<td>1,406</td>
<td>(1,772)</td>
</tr>
<tr>
<td></td>
<td>New / upgrade</td>
<td>19,239</td>
<td>8,751</td>
<td>3,436</td>
<td>(1,554)</td>
</tr>
<tr>
<td></td>
<td>Special Projects</td>
<td>11,245</td>
<td>3,712</td>
<td>4,874</td>
<td>(6,531)</td>
</tr>
<tr>
<td>Total capital spend</td>
<td></td>
<td>54,989</td>
<td>15,807</td>
<td>9,716</td>
<td>(9,857)</td>
</tr>
<tr>
<td>Net Loans</td>
<td>Borrowings/(Repayments)</td>
<td>(2,697)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Use of Funds</td>
<td>(5,256)</td>
<td>(17,380)</td>
<td>(1,236)</td>
<td>10,577</td>
<td>(13,295)</td>
</tr>
<tr>
<td>Net Transfers (from)/to Restricted Assets</td>
<td>(21,319)</td>
<td>(17,380)</td>
<td>(4,645)</td>
<td>9,144</td>
<td>(34,200)</td>
</tr>
<tr>
<td>Net Transfers (from)/to Unrestricted Cash</td>
<td>16,063</td>
<td>0</td>
<td>3,409</td>
<td>1,433</td>
<td>20,905</td>
</tr>
<tr>
<td>Net change in Council’s Reserves</td>
<td>(5,256)</td>
<td>(17,380)</td>
<td>(1,236)</td>
<td>10,577</td>
<td>(13,295)</td>
</tr>
</tbody>
</table>
Factors affecting the capital program

i  **Grants & contributions – increase of $4.8m**
Council has forecast land under road and infrastructure asset donations of $4.8m that were not known so as to be forecast in the original budget. These donations are recorded as a revenue item for Council but involve no exchanging of cash and so are removed before calculating the funding available for capital.

ii  **Capital Expenses – decrease of $9.9m**
The 2014/15 capital works program has been reviewed in line with Council’s capacity to deliver work over the remainder of the year. Project work totaling $9.9m has been removed from 2014/15 schedule and will be deferred for inclusion in 2015/16 draft Operational Plan. The December Quarterly Budget Review is forecasting a full year capital spend of $70.7m.

After the September Quarterly Budget Review the 2014/15 adopted capital works program of $55m had been increased by works carried forward from 2013/14 ($15.8m) and additional grant funded work ($9.7m) both of which were higher than usual. This brought the total value of the forecast capital works program to a total of $80.5m which is significantly higher than the original budget of $55m. This increased budget has been reviewed and reduced in response to significant rescheduling of the work which has been required to minimise the impact on the community and ensure efficient completion of grant funded work as a priority. Project budget reductions are detailed in the attached report and include the following:

i  **Hunter Street Revitalisation**
Progress on the Hunter Street Revitalisation project has been dependent upon State Government decisions in relation to the rail corridor. $0.9m budgeted for this year will be reallocated to the 2015/16 financial year.

ii  **Coastal Revitalisation**
The program of work deferred to the 2015/16 financial year includes $6.6m of work related to the Bathers Way to King Edward Park section of the Coastal Revitalisation program. This work was deferred while Council undertook work on the Nobbys to Zaara Street, Newcastle section for which funding had been obtained through Resources for Regions program. Council has also applied for funding through Resources for Regions (decision pending) for the section along Shortland Esplanade which may also affect scheduling. The reschedule of coastal works has also been planned to minimise the impact on Anzac Day activities.

**COMMUNITY STRATEGIC PLAN ALIGNMENT**

This December Quarterly Performance Report aligns to the Community Strategic Plan under the strategic direction of ‘Open and collaborative leadership’ action 7.4b ‘ensure the management of Councils budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation’.
IMPLEMENTATION PLAN/IMPLICATIONS

12 The adoption of the recommendations will enable ongoing implementation of Council’s adopted 2013-2017 Delivery Program and 2014/15 Operational Plan.

RISK ASSESSMENT AND MITIGATION

13 Adoption by 24 February 2015 will achieve legislative deadlines for submission of the Quarterly Performance Report for the December Quarter 2014

RELATED PREVIOUS DECISIONS


15 Adoption of the 2013/14 Carry Forward Program on 26 August 2014.

16 Adoption of the September Quarterly Budget Review on 25 November 2014.

CONSULTATION

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

OPTIONS

Option 1

18 The recommendation as at Paragraph 1.

Option 2

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

BACKGROUND

20 The Integrated Planning and Reporting framework requires Councils to prepare:

a Quarterly Budget Review Statement. The Quarterly Budget Review Statement should act as a barometer of Council’s financial health during the Operational Plan year. It is expected that Council’s Quarterly Budget Review will identify and recommend any revised estimates of the income and expenditure for the year and indicate how Council is tracking against its original budget.

REFERENCES

ATTACHMENTS

Attachment A: Quarterly Budget Review Statements – December Distributed under separate cover
ITEM-5 CCL 24/02/15 - EXECUTIVE MONTHLY PERFORMANCE REPORT - JANUARY

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

PURPOSE
To report on Council’s Monthly Performance. This includes:

a) Monthly financial position and performance against the 2014/15 Operational Plan as at the month end of January 2015.

b) Investment of temporary surplus funds under section 625 of the Local Government Act 1993 (Act), submission of report in accordance with the Act and clause 212 of the Local Government (General) Regulation 2005 (Regulation).

RECOMMENDATION
1 The report be received.

KEY ISSUES
2 At the end of January 2015 the consolidated year to date actual operating position is a surplus of $6.8m which represents a positive variance of $2.7m against budget. This variance is due to a mix of income and expenditure variances which are detailed in the Financial Impact Section. The full year revised budget for 2014/15 is an operating deficit of $7m.

3 The January year to date position includes a number of items which are considered to be non-recurrent or are restricted from supporting operating activities. When these items are removed Council’s sustainable operating position at the end of December is a deficit of $3m. These items include:
   
   i Non-Recurrent revenue—$3m
   The recoupment of the Glenelg collateralised debt obligation (CDO) ($1m) and above budget interest income ($2m).

   ii Restricted Income – $6.8m
   Consolidation of the Council’s 50% share of the airport operating result ($1.7m), the 2012 Special Rate Variation ($2.8m), the storm water management service charge ($1.2m), and the Local Roads component of the Financial Assistance Grant ($1.1m).

4 At the end of January 2015, Council’s expenditure on the capital works program is $14m below the revised budget. Analysis indicates that capital spending in-line with budget would have created an additional $2m of operational expenditure.
5 The net funds generated at the end of January 2015 is a surplus of $15m (after Capital Revenues, Expenditure and loan principal repayments). This is a positive variance to budget of $16m and represents a net reduction in restricted assets of $10m offset by an increase in unrestricted cash of $24.6m. Again capital spending in-line with budget forecasts would have reduced the net funds generated to a balanced position which is roughly in-line with expectations.

6 A listing of significant contract variations totaling ($1.7m) is provided within the Executive Monthly Performance Report (Attachment A). $0.7m of variations require additional project funds which have been sought from existing programs. The majority of changes were approved in the September Quarterly Budget Review with recent variations included for review and approval in the December Quarterly Budget Review.

<table>
<thead>
<tr>
<th></th>
<th>Full Year</th>
<th>YTD Revised</th>
<th>YTD Actual</th>
<th>Variance to YTD</th>
<th>Outstanding Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revised</td>
<td>Budget $'000</td>
<td>Actual $'000</td>
<td>Budget $'000</td>
<td>Variance %</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>223,260</td>
<td>132,384</td>
<td>133,442</td>
<td>1,058</td>
<td>1%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>230,269</td>
<td>128,295</td>
<td>126,676</td>
<td>1,619</td>
<td>1%</td>
</tr>
<tr>
<td>Total Operating Revenue Less</td>
<td>(7,009)</td>
<td>4,089</td>
<td>6,766</td>
<td>2,677</td>
<td>65%</td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>17,870</td>
<td>7,300</td>
<td>5,997</td>
<td>(1,303)</td>
<td>-18%</td>
</tr>
<tr>
<td>Add back Depreciation</td>
<td>48,476</td>
<td>28,880</td>
<td>28,880</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Funding available for capital expenditure</td>
<td>59,337</td>
<td>40,269</td>
<td>41,643</td>
<td>1,374</td>
<td>3%</td>
</tr>
<tr>
<td>Total capital spend</td>
<td>80,512</td>
<td>39,679</td>
<td>25,062</td>
<td>14,617</td>
<td>37%</td>
</tr>
<tr>
<td>Loan Principal Repayment</td>
<td>2,697</td>
<td>1,573</td>
<td>1,573</td>
<td>(0)</td>
<td>0%</td>
</tr>
<tr>
<td>Net Funds Generated / (Used)</td>
<td>(23,872)</td>
<td>(983)</td>
<td>15,008</td>
<td>15,991</td>
<td>-1627%</td>
</tr>
<tr>
<td>Net Transfers (from)/to</td>
<td>(43,344)</td>
<td>(26,405)</td>
<td>(9,585)</td>
<td>16,820</td>
<td>-64%</td>
</tr>
<tr>
<td>Net Transfers (from)/to</td>
<td>19,472</td>
<td>25,422</td>
<td>24,593</td>
<td>(829)</td>
<td>-3%</td>
</tr>
<tr>
<td>Unrestricted Cash</td>
<td>(23,872)</td>
<td>(983)</td>
<td>15,008</td>
<td>15,991</td>
<td>-1627%</td>
</tr>
</tbody>
</table>

Note 1 - Budget revised at the September Quarterly Budget Review
Note 2 - Actual and Budget results include an estimate for the Newcastle Airport
7 The budget to actual monthly financial position for the month of January 2015 is provided in the Executive Monthly Performance Report (Attachment A). Key elements are:

<table>
<thead>
<tr>
<th></th>
<th>Full Year Revised Budget, $’000</th>
<th>YTD Revised Budget $’000</th>
<th>YTD Actual Result $’000</th>
<th>Variance to YTD Budget $’000</th>
<th>Variance %</th>
<th>Outstanding Commitments $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates &amp; charges</td>
<td>128,191</td>
<td>76,907</td>
<td>76,907</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges &amp; fees</td>
<td>60,658</td>
<td>36,573</td>
<td>35,680</td>
<td>(893) -2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>8,152</td>
<td>4,943</td>
<td>5,816</td>
<td>873 18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>9,647</td>
<td>5,396</td>
<td>6,643</td>
<td>1,247 23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; contributions - Operating</td>
<td>16,612</td>
<td>8,565</td>
<td>8,396</td>
<td>(169) -2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>223,260</td>
<td>132,384</td>
<td>133,442</td>
<td>1,058 1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>90,903</td>
<td>50,897</td>
<td>50,308</td>
<td>589 1%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>4,257</td>
<td>2,194</td>
<td>2,194</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; contracts</td>
<td>44,624</td>
<td>21,381</td>
<td>21,204</td>
<td>177 1%</td>
<td></td>
<td>5,611</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>48,476</td>
<td>28,880</td>
<td>28,880</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>42,009</td>
<td>24,943</td>
<td>24,090</td>
<td>853 3%</td>
<td></td>
<td>10,464</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>230,269</td>
<td>128,295</td>
<td>126,676</td>
<td>1,619 1%</td>
<td></td>
<td>16,075</td>
</tr>
<tr>
<td><strong>Total Operating Revenue Less Operating Expenditure</strong></td>
<td>(7,009)</td>
<td>4,089</td>
<td>6,766</td>
<td>2,677 65%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1 - Budget revised at the September Quarterly Budget Review
Note 2 - Actual and Budget results include an estimate for the Newcastle Airport

8 Factors favourably impacting Financial Position
   i **Interest – increase of $0.9m**
      Council’s Investment Portfolio continues to return a higher than forecast investment return. Interest earned for the month of January was $0.8m and brought the total Year to Date (YTD) interest earnings to $5.8m.

   ii **Other operating revenues – increase of $1.2m**
      Recoupment of Council’s final CDO ($1m) as detailed in the investment report attached.

9 Factors adversely impacting Financial Position
   i **User Fees & Charges – decrease of $0.9m**
      Commercial tonnages are below forecast at Summerhill Waste Management Centre ($1m). This is offset by a lower state waste levy ($0.9m).
10 At the end of January commitments raised against operating expenses totaled $16m. The commitments represent both the work currently being undertaken and awaiting invoice as well as the work planned for the future. Major commitments include:

i  **State waste levy – $9m**
Commitment raised by Summerhill Waste Management Centre to pay the forecast state waste levies to 30 June 2015. The cost is roughly $2m a month and the commitment will be exhausted in June 2015.

ii  **Operational project work – $2.6m**
Commitments raised by working crews for materials used in operational project work. Expense is generally $1m a month with regular commitments raised.

11 Typically Council’s capital works program accelerates as the year progresses and there will be seasonal factors which will result in both revenue and expense timing variations by month. The month of January was influenced by an additional pay week as a five week month ($2m) whilst fee revenue was also below average due to a Christmas slow down. The deficit recorded in January partly offsets the surpluses of the previous two months and brings the year to date position more inline with expectations.
### Capital Revenues

<table>
<thead>
<tr>
<th></th>
<th>Full Year Revised Budget, $'000</th>
<th>YTD Revised Budget, $'000</th>
<th>YTD Actual Result, $'000</th>
<th>Variance to YTD Budget, $'000</th>
<th>Variance %</th>
<th>Outstanding Commitments, $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants &amp; contributions - Capital</td>
<td>10,699</td>
<td>4,000</td>
<td>3,637</td>
<td>(363)</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Proceeds from the sale of Assets</td>
<td>7,171</td>
<td>3,300</td>
<td>2,360</td>
<td>(940)</td>
<td>-28%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Raising revenue</strong></td>
<td><strong>17,870</strong></td>
<td><strong>7,300</strong></td>
<td><strong>5,997</strong></td>
<td><strong>(1,303)</strong></td>
<td><strong>-18%</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Net Surplus/(deficit) after capital revenue

|                      | 10,861                          | 11,389                    | 12,763                    | 1,374                         | 3%         |                               |

Add back Depreciation

|                      | 48,476                          | 28,880                    | 28,880                    | 0                             | 0%         |                               |

### Funding available for capital expenditure

|                      | 59,337                          | 40,269                    | 41,643                    | 1,374                         | 3%         |                               |

### Capital Expenses

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset renewals</td>
<td>29,255</td>
<td>13,979</td>
<td>10,999</td>
<td>2,980</td>
<td>21%</td>
<td>5,828</td>
</tr>
<tr>
<td>New / upgrade</td>
<td>31,426</td>
<td>15,713</td>
<td>10,127</td>
<td>5,586</td>
<td>36%</td>
<td>4,529</td>
</tr>
<tr>
<td>Special Projects</td>
<td>19,831</td>
<td>9,987</td>
<td>3,936</td>
<td>6,051</td>
<td>61%</td>
<td>4,617</td>
</tr>
<tr>
<td><strong>Total capital spend</strong></td>
<td><strong>80,512</strong></td>
<td><strong>39,679</strong></td>
<td><strong>25,062</strong></td>
<td><strong>14,617</strong></td>
<td><strong>37%</strong></td>
<td><strong>14,974</strong></td>
</tr>
</tbody>
</table>

Loan Principal Repayment ₂

|                      | 2,697                          | 1,573                     | 1,573                     | (0)                           | 0%         | 0                             |

### Net Funds Generated / (Used)

|                      | (23,872)                       | (983)                     | 15,008                    | 15,991                         | -1627%     | 0                             |

Net Transfers (from)/to

|                      | (43,344)                       | (26,405)                  | (9,585)                   | 16,820                         | -64%       |                               |

Net Transfers (from)/to

|                      | 19,472                         | 25,422                    | 24,593                    | (829)                         | -3%        |                               |

### Net change in Council’s Reserves

|                      | (23,872)                       | (983)                     | 15,008                    | 15,991                         | -1627%     | 0                             |

Note 1 - Budget revised at the September Quarterly Budget Review

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

12 At the end of January there is a negative variance to budget of $1m in the proceeds from the sale of assets. This is a timing variance as Council’s asset sale program moves through the negotiation and settlement stages. It is expected that the full year forecast will be met for 2014/15.

13 Council’s total capital spend is $14.6m is below the year to date budget of $39.7m. In aggregate Council’s budget assumes that the capital work program of $80m generates $10m of additional operational expenditure. This ratio indicates that a YTD capital spend $10m below budget would have a flow on effect of $2m to Materials & Contracts.
14 At the end of January commitments raised against capital work totaled $15m. The commitments represent both the work currently being undertaken and awaiting invoice as well as the work planned for the future. Major commitments include:

i **Coastal Revitalisation – $2.5m**
Commitment raised to pay the contractors (Daracon) constructing the Nobby's to Newcastle section of Bathers Way ($2.7m). This commitment will be realised by April 2015.

ii **Major Asset Preservation Program – $4m**
Commitments include $2.2m for the contractors rebuilding the City Hall Clock Tower. This commitment covers the entire contract and will be partially expensed each month until December 2015.

Various commitments have been raised as Council undertakes road resurfacing ($1m), city wide drainage ($0.7m) and the rehabilitation of headwalls ($0.3m).

iii **Fleet Replacement – $1.8m**
Commitments raised by Council’s Fleet cover vehicles ordered and expected to be received up to April 2015.

iv **Other works**
Other major works currently underway include Islington Park ($0.4m), Dixon Park ($0.4m), Blackbutt ($0.2m), and the Customer Contact Centre ($0.2m).

15 The 2014/15 adopted capital works program of $55m has been increased by works continued from 2013/14 ($15.8m), and additional grant funded work ($9.7m) to a total of $80.5m. Council’s infrastructure team has the capacity to deliver a level of capital works similar to the adopted budget ($55m) and the current capital works program ($80.5m) is not expected to be achieved within the current financial year. As in any capital works program an element of work will still be underway at the end of the financial year and will be carried into 2015/16, this would normally balance out the work brought into the year. However the work brought into 2014/15 ($15.8m) was higher than usual and Council’s capital work program will be reviewed in-line with Council’s capacity to deliver work over the remainder of the year. Budget reductions will be included in the December Quarterly Budget Review ($9.9m) for review and approval where it is identified that projects will not start in 2014/15 and these projects will be considered for inclusion in the 2015/16 adopted budget. The following major projects are of particular note:

i **Hunter Street Revitalisation**
Progress on the Hunter Street Revitalisation project has been dependent upon State Government decisions in relation to the rail corridor. $0.9m budgeted for this year will be reallocated to the 2015/16 financial year.
ii Coastal Revitalisation

The Coastal Revitalisation program of work has been reviewed after successfully obtaining grant funding through the Resources for Regions grant program. $7m of project work planned and budgeted for this financial year will be deferred until the 2015/16 financial year as Council focuses on completing grant supported work such as Shortland Esplanade. The work that has been delayed is principally Bathers Way through King Edward Park, for which a concept refinement was required to integrate better with the work proposed for connections to South Newcastle Beach, which were the subject of the latest Resources For Regions grant application, and funds set aside for renewing the Merewether Ocean Baths Pavilion which is currently the subject of an EOI.

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

COMMUNITY STRATEGIC PLAN ALIGNMENT

17 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

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

a) Council’s resolution to receive monthly financial position and performance result on a monthly basis,

b) Council’s Investment Policy and Strategy, and

c) the Regulation and clause s625 of the Act.

RISK ASSESSMENT AND MITIGATION

19 No additional risk mitigation has been identified this month.

RELATED PREVIOUS DECISIONS

20 Council resolved to receive a report containing Council's financial performance on a monthly basis.
CONSULTATION

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

OPTIONS

Option 1

22 The recommendation as at Paragraph 1.

Option 2

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

BACKGROUND

24 Previous resolutions of Council and the Internal Audit Committee identified the need for careful monitoring of Council’s financial strategy and operational budget result. The presentation of a monthly Executive Performance Report to Council and a workshop addresses this need and exceeds the requirements of the Act.

25 The Executive Monthly Performance Report now incorporates a Customer Service section. This will be refined as Council develops a more detailed and comprehensive customer service solution with integrated tracking of customer requests through to completion.

26 In response to the internal audit on project management an additional report has been added to the Executive Monthly Performance Report (Attachment A) report outlining significant contract variations.

REFERENCES

ATTACHMENTS

Distributed under separate cover
MOTION
Moved by Cr Osborne, seconded by Cr Crakanthorp

Council receives the December 2014 Quarterly Budget Review Statements (Attachment A) and adopts the recommended budget variations therein. Carried
ITEM-6  CCL 24/02/15 - NEWCASTLE YOUTH COUNCIL ANNUAL REPORT 2013/2014 AND YOUTH WEEK 2015 GRANT PROCESS

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

PURPOSE

To provide Council with the Newcastle Youth Council (NYC) Annual Report and seek endorsement for NYC to recommend distribution of grants funds for Youth Week 2015.

RECOMMENDATION

1 Council note the 2013/2014 NYC Annual Report (Attachment A).
2 Council to permit NYC to recommend payments of up to $1,000 to successful applicants of Youth Week 2015 events in accordance with Council’s adopted annual budget (see paragraph 12).
3 The General Manager (or delegate) determine distribution of the grants upon recommendation of the Youth Council (Attachment B).

KEY ISSUES

4 As per The City of Newcastle Strategic Advisory Committee Constitution 2011, NYC is required to provide an Annual Report to Council that communicates key initiatives and outcomes for each financial year and expenditure of annual budget.

5 NYC developed a Strategic Plan 2013-2014 (Attachment C) that aligns with the objectives of Council’s Newcastle 2030 Community Strategic Plan. NYC delivered three of four initiatives. They are currently working on the final initiative. NYC will review their Strategic Plan in 2015.

6 There is a need to increase membership to improve participation in research, facilitation and implementation of youth initiatives. NYC would like to focus on recruiting new members in 2015, through increased presence at local youth events, including Newcastle and Lake Macquarie Careers Expo in March 2015 and Youth Week in April 2015. Newcastle Voice would like to work with NYC to engage more young people.
Conduct of meetings

7 Meeting attendance since NYC transitioned from The Loft to Strategic Planning Services is outlined in Table One below.

Table One: Attendance at NYC Meetings

<table>
<thead>
<tr>
<th>Date of meeting</th>
<th>Number of Councillors attending</th>
<th>Number of NYC members attending</th>
<th>Number of stakeholder members attending</th>
<th>Number of TCoN staff attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 September 2013</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>31 October 2013</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>28 November 2013</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>12 December 2013</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>27 February 2014</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>5 June 2014</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>28 August 2014</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>6 November 2014</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Overview of activities

8 An overview of NYC activities is provided under Resolutions relating to Constitution (Table 2) and also in the NYC Annual Report 2013/2014 (Appendix A)

Resolutions relating to Constitution
The Youth Council has completed a self-assessment against its Constitution as below:

**Table Two: Self Assessment against Constitution**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Related issues</th>
<th>Resolutions/outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>To support Council in a manner that is consistent with Council values and decisions of Council</td>
<td>Newcastle 2030 Community Strategic Plan (CSP) (Revised 2013)</td>
<td>NYC operates under the strategic directions outlined within the Newcastle 2030 CSP (Revised 2013).</td>
</tr>
<tr>
<td>To engage young people in Local Government</td>
<td>NYC Strategic Plan 2013/2014</td>
<td>NYC Strategic Plan aligns with the Newcastle 2030 CSP (Revised 2013) and provides structure for the delivery of youth initiatives <em>(Attachment C)</em>.</td>
</tr>
<tr>
<td></td>
<td>Newcastle At Night: Young People and the Night Time Economy</td>
<td>NYC undertook research, which they used to develop a discussion paper that supported Council’s Night Time Economy Discussion Paper (2013). A key finding of NYC’s research highlighted the general lack of safety felt by young people in Newcastle’s central business district (CBD).</td>
</tr>
<tr>
<td>To raise awareness of youth issues</td>
<td>Newcastle At Night: Young People and the Night Time Economy</td>
<td>Distribution of NYC discussion paper to local organisations and educational institutions.</td>
</tr>
<tr>
<td></td>
<td>Night OWLS</td>
<td>A pilot project, Night OWLS (Original Welcoming Lighting Solutions) was an outcome from NYC’s discussion paper, Newcastle at Night: Young People and Night Time Economy.</td>
</tr>
<tr>
<td></td>
<td>NYC Facebook Page</td>
<td>Improving awareness of youth issues, while also increasing youth awareness of Council projects and programs that effect local youth.</td>
</tr>
</tbody>
</table>
| To guide the implementation of the Newcastle 2030 Community Strategic Plan | Caring and Inclusive Community | Projects and initiatives that focus on youth engagement.
NYC members participated in the Urban Growth City Centre Workshop. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To assist Council to prepare applications for grants, and federal and State government funding related to these terms of reference</td>
<td>Youth Week 2014</td>
<td>NYC members were involved in allocation of grant funds and associated responsibilities, event facilitation and community engagement.</td>
</tr>
</tbody>
</table>

**Table Two: Self Assessment against Constitution**
Comment from the Chairperson

10 “The past year has been one of new adventures. Newcastle Youth Council (NYC) has faced challenges that have inspired positive change and provided opportunities to learn. NYC have spent the past twelve months in a transition period after the closure of The Loft, which has meant this youth advisory panel has needed to reinvent ourselves. NYC allows Newcastle’s young people to be heard, and offers a fresh perspective” – Mercedes Bullock

FINANCIAL IMPACT

11 The 2013/2014 NYC budget of $4,825 was expended in full. An additional Youth Week 2014 budget of $3000, matched by State funding of $3000 was also expended in full. See the NYC Annual Report 2013/2014 (Attachment A) for further detail.

12 $6,000 allocated for National Youth Week (NYW) 2015 grants consists of $3,000 in Council operating funds and $3,000 in NSW State Government Funding from the NSW Office of Communities (Youth). Administration of the grant process will use existing Council Staff. The Youth Week 2015 grant application is attached (Attachment B). Grants of up to $1000 will be allocated to applications that meet the funding criteria as set out in the grant application. No minimum funding amount is specified.

COMMUNITY STRATEGIC PLAN ALIGNMENT

13 NYC projects aligned with Newcastle 2030 Community Strategic Plan key Strategic Directions:

- Vibrant and Activated Public Places
- Caring and Inclusive Community
- Open and Collaborative Leadership

IMPLEMENTATION PLAN/IMPLICATIONS

14 There are no implications in Council receiving the Youth Council Annual Report. Part 2 and 3 of the resolution ensures consistency with Section 377 of the Local Government Act 1993 in the awarding of financial assistance.

RISK ASSESSMENT AND MITIGATION

15 Risk Assessments are undertaken for all events that NYC participates in.
RELATED PREVIOUS DECISIONS

16 CCL 25/02/14 – Adoption of Youth Week 2014 Grant Process - Council permit Newcastle Youth Council to recommend payments of up to $1,000 to successful applicants of Youth Week 2014 events in accordance with Council’s adopted annual budget. The General Manager (or delegate) determine distribution of the grants upon recommendation of the Youth Council.

17 CCL 04/12/12 - Council establish the Youth Council and nominates Councillors Robinson, Doyle and Posniak as Councillor Representatives.

18 CCL 26/11/13 - Transition of Loft Services - Council continues to support the Youth Council, as a strategic advisory committee of Council.

CONSULTATION

19 The NYC Annual Report was considered by NYC at its meeting on 6 November 2014 and the Committee’s comments are incorporated into this report. NYC contributed to finalizing their Annual Report.

OPTIONS

Option 1

20 The recommendation as at Paragraphs 1, 2 and 3.

BACKGROUND

21 NYC is a Strategic Advisory Committee of The City of Newcastle. NYC was originally established at The Loft Youth Venue in 2000. Their role has evolved over the past 14 years, in which time NYC have supported and participated in a range of Council initiatives and worked in partnership with external community based organisations.

22 NYC provides an opportunity for young people to participate in a committee which recognises the importance of input from young people into community issues.

23 The Terms of reference for NYC are:

• To give life to Council’s commitment to the young persons of the City of Newcastle.

• To provide strategic advice and guidance to Council on, and assist in the development of, youth strategies for the City of Newcastle.

• To guide the implementation of youth strategies for the City of Newcastle.

• To engage young people in Local Government.

• To monitor and review progress of Councils environmental strategies.
• To raise local awareness of youth issues.

• To investigate, consider and assist Council to prepare applications for grants, sponsorships and federal and state government funding related to these terms of reference.

24 One of the primary activities of NYC is to facilitate annual National Youth Week celebrations in the Newcastle Local Government Area.

25 NYC developed a Strategic Plan in late 2013, which outlines key initiatives for the next 12 months. NYC is currently working on initiative three, and has completed all other initiatives (Attachment C).

26 NYC membership 2013/2014 is attached to this report (Attachment D).

REFERENCES

ATTACHMENTS

Attachment A: NYC Annual Report 2013-14
Attachment B: National Youth Week - Newcastle Grant Application 2015
Attachment C: Youth Council Strategic Plan 2013-14
Attachment D: NYC Membership 2013/2014

To be distributed under separate cover

MOTION
Moved by Cr Doyle, seconded by Cr Posniak

1 Council note the 2013/2014 NYC Annual Report (Attachment A).

2 Council to permit NYC to recommend payments of up to $1,000 to successful applicants of Youth Week 2015 events in accordance with Council’s adopted annual budget (see paragraph 12).

3 The General Manager (or delegate) determine distribution of the grants upon recommendation of the Youth Council (Attachment B).

Carried
ITEM-7          CCL 24/02/15 - LEASE OF BERESFIELD GOLF COURSE

REPORT BY:        CORPORATE SERVICES
CONTACT:        DIRECTOR CORPORATE SERVICES / MANAGER
COMMERCIAL PROPERTY

PURPOSE

A Council resolution is sought to grant a new lease for Beresfield Golf Course (BGC) to Avana Pty Ltd (Avana) and to note the lease to Golf North Pty Ltd is not proceeding.

RECOMMENDATION

1. (a) Council note that Golf North Pty Limited has withdrawn from lease negotiations and are not proceeding with a lease for BGC.

   (b) Council approves the grant of a new lease of the Beresfield Golf Course (Lot 1 DP112196) (Attachment A - Diagram of Lease Area being community land) to Avana Pty Ltd (Avana) for a term of five years from 1 April 2015 at $12,000 pa net plus GST with the tenant liable for all expenses of running the golf course.

KEY ISSUES

2. After calling for Expressions of Interest (EOI) and a selective tender process, Council resolved on 22 July 2014 to grant Golf North a three year lease for BGC and adjoining land which was a requirement of a previous resolution of 9 April 2013.

3. A Heads of Agreement containing key points from the draft lease was signed by both parties in August 2014.

4. After a protracted negotiation process Golf North withdrew from the process and that lease will not be proceeding.

5. A lease with Avana, the under bidder, for five years for the golf course only (excluding the adjoining operational land) has now been agreed on similar terms and publicly exhibited with only one submission from the public received, which was in support of the lease, from the joint membership committee.

FINANCIAL IMPACT

6. Historically, the course operates with annual operating deficits. The operating deficit for the 2013/14 financial year was $119,000. The deficit varies annually according to weather conditions and other factors. It has exceeded $214,000 per annum in recent years. The current year budgeted deficit is $106,000 which was determined prior to implementation of a lease.
7 The unexecuted lease with Golf North was negotiated with an annual lease payment of $12,000 plus GST, with the tenant to take on all outgoings and operating expenses of running the golf course. The same annual rent has been negotiated with Avana for a five year term. The tenant will pay its own direct operating costs including maintenance and repair of land and buildings but as Council will continue to own the land some capital and environmental costs may also be incurred in the future. This will result in the annual operating deficit being reduced to approximately $38,000 which equates to the annual depreciation charge for the property, for the term of the lease. The property will remain part of the asset backlog.

COMMUNITY STRATEGIC PLAN ALIGNMENT

8 The recommendation and options within this report are consistent with the objectives of Newcastle 2030 Community Strategic Plan: “Vibrant and Activated Public Places – a public place that provides for diverse activity and strengthens our social connections”.

IMPLEMENTATION PLAN/IMPLICATIONS

9 The current contract for the BGC professional golf services is due to expire 1 April 2015. The contract contains a ‘Termination by Convenience’ clause where Council may, for its convenience and without the need to give reason, terminate the Agreement at any time by giving written notice to the service provider.

10 Facilities and Recreation staff currently working at BGC have been kept informed of the situation and are continuing to provide green keeping and course maintenance services throughout the process.

11 Commercial Property has considered other options to lease and/or outsource the maintenance and management of the course and have subsequently awarded the lease to the under bidder, Avana with the similar conditions as the lease originally offered to Golf North.

12 The terms of the proposed five year lease with Avana were put on Public Notice from 13 December 2014 to 23 January 2015. Only one response was received which was from the Combined Community Users of Beresfield Golf Course group and was a letter of support for the Avana Lease.

RISK ASSESSMENT AND MITIGATION

13 Until an alternative lease is in place the risks relating to the BGC site are continuing to be managed by Council staff and the current contractor in accordance with risk management procedures.
RELATED PREVIOUS DECISIONS

14 On 22 July 2014, Council resolved:

1 Council grants Golf North Pty Ltd (Golf North) a lease of the Beresfield Golf Course (BGC) and adjoining operational land for the purpose of a public golf course and associated recreational and commercial activities on the following terms and conditions:

   a) Term - three years.

   b) Rent - $12,000 (exclusive of GST) per annum. Rent is payable monthly in advance.

2 Council authorises the execution of the lease and associated documentation by delegation to the General Manager.

3 This confidential report relating to the matters specified in s10A(2)(d) of the Act be treated as confidential and remain confidential until Council determines otherwise.

15 On 27 August 2013 Council resolved:

    That Council calls an EOI to lease or outsource ground maintenance and the Golf Professional Management Service at BGC.

16 On 9 April 2013, Council resolved:

    That Council forms a Working Group overseen by a Project Control Group as follows:

   i. Objective: to investigate and formulate options for the future of Beresfield Golf Course (BGC) which are consistent with the following principles:

      a) That BGC remains as a public golfing facility
      b) That BGC is financially sustainable
      c) That BGC adjoining land is considered in the mix
      d) That partnership options are considered and
      e) Stakeholder input on the options is sought.

   ii. Analyse all options from (1) and provide the Asset Advisory Committee with the analysis and a recommendation

   iii. Workshop options and recommended option with Councillors

   iv. Recommend a preferred option for Council approval.
CONSULTATION

17 Key stakeholders such as the golf clubs, current service provider and Council staff on site have been progressively informed of the process, including the withdrawal of Golf North. Feedback indicates Golf North was not well received by the golfing community.

18 In accordance with Sections 46 and 47 of the Local Government Act 1993 Council conducted a public notification of the lease to Avana from 13 December 2014 to 23 January 2015. Only one submission was received which was from the Combined Community Users of Beresfield Golf Course group and was a letter of support for the Avana Lease.

OPTIONS

Option 1

19 The recommendation as at Paragraphs 1(a) - (b).

Option 2

20 Council resolves not to note that the lease to Golf North is not proceeding and not to approve a lease to Avana Pty Ltd. This is not the recommended option.

BACKGROUND

21 BGC is currently owned and operated by Council through a service contract for professional golf services and an internal service agreement with Council's Facilities and Recreation Team for course maintenance and green keeping.

22 BGC, Lot 1 DP 112196 is classified community land and zoned RE1 Public Recreation. The adjoining land, Lot 14 DP 1078896 and Lot 1 DP 157987 is classified operational land and zoned RE1 Public Recreation. Whilst both lots were included in the original request for tender the current proposed lease to Avana is of the community land only.

23 The Plan of Management 2007-2012 for the BGC governs the leasing and licensing constraints for the community land on which BGC is located and specifies a maximum lease period of 30 years.

24 The adjoining land, Lot 14 (10ha) and Lot 1 (0.16ha) contain a number of development constraints including being subject to flooding, capped contaminated soils and high voltage overhead power lines including easement.

25 EOI were called for the lease of the BGC and adjoining operational land offering the opportunity to develop, expand or adjust the layout of the golf course by a future operator. EOI were advertised through a property agent, Colliers International, with submissions closing on 13 December 2013. Six submissions were received.
Four companies were short-listed and given eight weeks to submit a tender, only two submissions were received.

- Golf North Pty Ltd
- Avana Pty Ltd.

REFERENCES

Attachment A: Diagram showing Lease Area being community land
**MOTION**  
Moved by Cr Luke, seconded by Cr Dunn

1. (a) Council note that Golf North Pty Limited has withdrawn from lease negotiations and are not proceeding with a lease for Beresfield Golf Course.

   (b) Council approves the grant of a new lease of the Beresfield Golf Course (Lot 1 DP112196) ([Attachment A - Diagram of Lease Area being community land](#)) to Avana Pty Ltd (Avana) for a term of five years from 1 April 2015 at $12,000 pa net plus GST with the tenant liable for all expenses of running the golf course.

   (c) The lease provide that the Beresfield Golf Course continue as a public golf course.

   **Carried**
ITEM-8  CCL 240215 - SPONSORSHIP AND GRANT POLICY REVIEW

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

PURPOSE

To report to Council revised and updated policies to guide the administration and distribution of four Council sponsorship and grant programs and recommend the policies be released for community comment.

RECOMMENDATION

1  Council releases the revised policies for public comment for a period of 28 days. The policies are: Events Sponsorship Policy; Economic Development Sponsorship Policy; Community Assistance Grant Policy; and Place Making Grant Policy.

2  Following the public comment period, comments be summarised and reported to Council with the final policies for adoption.

KEY ISSUES

3  Strategic Planning Services currently administer a range of sponsorship and grant programs. The programs are guided by policies adopted by Council between 2011 and 2013. Following an internal review in 2014 a revised template for the policies was prepared to provide clarity in the purpose and criteria between each program and a level of consistency in the administrative procedures across the programs. The policies have all been updated and revised into the new template.

4  The four proposed policies are: Events Sponsorship; Economic Development; Community Assistance Grant; Place Making Grant. Attachment A highlights the key features of each draft policy including the purpose and assessment criteria. The draft revised policies are in Attachment B, C, D and E.
FINANCIAL IMPACT

5 There is no financial impact from advertising and adopting the revised policies. The policies clearly identify (Part B, clause 5) that the elected Council will determine annually the budget available for each program.

6 The policy procedures ensure Council’s responsibilities under the Local Government Act regarding business transactions and financial assistance are met.

7 The policies now recognise and define ‘value in kind’ as goods and services provided by Council including the waiver or discounting of fees and charges for Council facilities. Council will be able to offer cash and/or value in kind within the sponsorship and grant programs.

8 In the past Council has allocated substantial funds across these programs. In line with budget reductions across Council in 2013-14, no funding was allocated to the community assistance program and the funding reduced for events, economic development and place making. In the budget process for 2015-16, Council will determine the appropriate allocation of funding across the sponsorship and grant areas.

Allocated Funding 2009-10 to 2013-14

<table>
<thead>
<tr>
<th>Year</th>
<th>Budgeted vs Actual Expenditure</th>
<th>Community Assistance</th>
<th>Events</th>
<th>Economic</th>
<th>Place Making</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>Budgeted</td>
<td>$586,468</td>
<td>$48,315</td>
<td></td>
<td></td>
<td>$634,783</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>$512,129</td>
<td>$54,834</td>
<td></td>
<td></td>
<td>$566,963</td>
</tr>
<tr>
<td>2010-11</td>
<td>Budgeted</td>
<td>$417,267</td>
<td></td>
<td>$5,000</td>
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<td></td>
<td>Actual</td>
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<td>$90,991</td>
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<td>$554,695</td>
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<td>2012-13</td>
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<td>$17,140</td>
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<td>2013-14</td>
<td>Budgeted</td>
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<td>Actual</td>
<td>$149,680</td>
<td>$78,397</td>
<td>$39,462</td>
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<td>$267,539</td>
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</tbody>
</table>

COMMUNITY STRATEGIC PLAN ALIGNMENT

9 Sponsorship and grants from Council assist many sectors of the community and help Newcastle to be a caring and inclusive community and create vibrant and activated public places in a smart and innovative city. The policy procedures ensure an open and transparent process.
IMPLEMENTATION PLAN/IMPLICATIONS

10 The report recommends the draft revised policies are released for community comment. The revised template has brought the four programs into alignment in terms of administration procedures. This allows greater focus then on the purpose, eligibility criteria and assessment criteria of each program.

RISK ASSESSMENT AND MITIGATION

11 A strong and consistent policy framework will assist Council in minimising the risks associated with distributing funding in the community.

RELATED PREVIOUS DECISIONS

12 The existing Place Making Policy was adopted by Council in April 2012 (see Ordinary Council Meeting Standard). The Community Development Program Policy was adopted 5 June 2012 (see CCL 05/06/12 – Adoption of Draft Community Assistance Program Policy). The Economic Development Sponsorship Program Policy was also adopted 5 June 2012 (see CCL 05/06/12 – Adoption of Draft Community Assistance Program Policy). The existing Events Sponsorship Policy was adopted on 27 August 2013 (see CCL 27/08/13 Adoption of Event Sponsorship).

CONSULTATION

13 The report recommends the draft policies are released for community comment. In seeking comment, recent recipients of Council sponsorship and grants will be asked to provide comment as well as the broader community through print advertising and Council’s website.

14 Comments provided during past consultation (for example the 2012 community assistance program review) on the policies have also been incorporated in the revised draft documents.

OPTIONS

Option 1

15 The recommendation as at Paragraphs 1 and 2.

Option 2

16 That Council not update the policy framework around the various grant programs. This is not the recommended option.
BACKGROUND

17 Refinement of the framework for the former community assistance program has been underway since 2011. A key element of the change was the separation of the program into three streams: events; economic development; and community assistance. This has provided greater clarity of purpose and clearer application and assessment requirements for applicants and Council. The revisions outlined in this report are a further refinement.

18 The ‘Make Your Place’ Place Making grants have been in operation since 2010. This program operates well from a community and Council perspective. The existing policy provisions have been transferred to the new template.

19 Council also operates the Recreation Facilities grant scheme through the Facilities and Recreation business unit. A policy to guide the distribution of annual Youth Week grants will be developed during 2015.

ATTACHMENTS

Attachment A: Table highlighting the key features of each policy
Attachment B: Events Sponsorship Policy
Attachment C: Economic Development Sponsorship Policy
Attachment D: Community Assistance Grant Policy
Attachment E: Place Making Grant Policy

Attachments A, B, C, D and E distributed under separate cover.
MOTION
Moved by Cr Posniak, seconded by Cr Osborne

4. Council delete the sentence "Applications that fail to meet all Eligibility Criteria or fail to respond to the Assessment Criteria may be removed from consideration." From section 9.1 in the Draft Economic Development Sponsorship Policy and Community Assistance Grant Policy and from section 11.1 in the Place Making Grant Policy.

5. Council releases the revised policies for public comment for a period of 28 days. The policies are: Events Sponsorship Policy; Economic Development Sponsorship Policy; Community Assistance Grant Policy; and Place Making Grant Policy.

6. Following the public comment period, comments be summarised and reported to Council with the final policies for adoption.

Carried
ITEM-9 CCL 24/02/15 - BERESFIELD COMMUNITY CHILDREN’S EDUCATION CENTRE ONGOING MANAGEMENT

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

PURPOSE

This report considers the tenure of the Beresfield Community Children’s Education Centre (BCCEC) which is owned and operated by Council and recommends that Council retains ownership of the BCCEC.

RECOMMENDATION

1 Rescind Council’s decision of 9 October 2012 to gift the Beresfield Community Children’s Education Centre (BCCEC).

2 Council retain full ownership and operation of the BCCEC.

KEY ISSUES

3 Following the review of non-statutory services in 2011-12 Council resolved to convene a working party to investigate leasing and gifting options for Council owned child care premises. Council’s involvement includes leasing facilities to two ‘commercial’ and eight community based centres (one is a land only lease), as well as owning and operating the BCCEC. Various resolutions of Council between October 2012 and March 2014 have resulted in the following arrangements:

<table>
<thead>
<tr>
<th>Centre</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community based centres – Adamstown, Elermore Vale, Glendore, Hamilton, Jesmond, Maryland and Merindah</td>
<td>Leases – fees as determined in Council report 25 March 2014</td>
</tr>
<tr>
<td>Community based centre – KU Merewether</td>
<td>Land lease only as per Council report 9 October 2012</td>
</tr>
<tr>
<td>Commercial Centres – Samaritans in Darby Street and Mission Australia at Stockton</td>
<td>Leases – as per Council report 9 October 2012</td>
</tr>
<tr>
<td>Beresfield Community Children’s Education Centre BCCEC</td>
<td>Council officers to work with the committee of the Beresfield Child Care Centre to build capacity within the governance structure – Council report 9 October 2012</td>
</tr>
</tbody>
</table>
4 The BCCEC is the only centre owned and operated by Council. With respect to BCCEC, the resolution from 9 October 2012 was to work with the committee to build capacity within the governance structure. This resolution is based on a resolution from 7 August 2012 (that was later rescinded), that Council would then gift the Centre in 2017.

5 In March 2014, Council resolved to enter into lease agreements with the other seven community based child care centres, rescinding a 2012 Council resolution to gift buildings at Hamilton and Wallsend (Merindah). The rationale for retaining the seven community based centres included: recognition of their monetary value at $5.65M (replacement value) as Council assets as well the service provided by ensuring the provision of child care places in Newcastle.

6 The asset value at June 2013 was $1.6M (replacement value).

7 Gifting the asset would negatively on Council’s financial result by that quantum. To provide consistency with Council’s policy position on other community based child care centres and to ensure our capacity to provide child care places in Newcastle, it is recommended that Council rescind the resolution of 9 October 2012 for the Beresfield Centre.

8 Council management of the Centre is currently complemented by a section 355 Committee. A review of section 355 committees is underway at Council and a future report may provide a recommendation on the future structure for a parent committee.

FINANCIAL IMPACT

9 Gifting of the Centre in accordance with the Council resolution of 9 October 2012, would see Council incurring significant costs, in the order of $500,000-$700,000, primarily in redundancy payments, as the divestment will trigger the redundancy provisions in Council’s Enterprise Agreement for 12.94 EFT. In addition, the gifting would appear as a loss of $1.6M on Council’s financial statements. Should staff choose redeployment, Council would face significant challenges in finding suitable positions.

COMMUNITY STRATEGIC PLAN ALIGNMENT

10 Caring and inclusive community – ensure the community has access to needed services and facilities.

IMPLEMENTATION PLAN/IMPLICATIONS

11 Rescinding the 9 October 2012 decision regarding the future of the Centre removes uncertainty for staff, families using the Centre and the Beresfield community. As Council currently operates the Centre, there will be no increase to Council in costs, risk or responsibility.
12 The resolution was passed at a time when disposal of Council assets to reduce our infrastructure backlog was the primary short term financial strategy. Recognition of the building as a valuable asset and the contribution of the service to the quality of life for families at Beresfield remain important factors.

13 Certainty of the tenure of the service is also required to underpin maintenance and forward planning for the building and grounds as well as the educational programs developed and implemented by staff.

RISK ASSESSMENT AND MITIGATION

14 The recommendation of this report reduces risk to Council by reducing uncertainty around the Centre’s future. Council has appropriate governance structures in place to ensure the Centre continues to operate consistent with legislative requirements. Council committing to continuing to provide the service provides the strongest possible backing to ensure availability of child care places in Beresfield.

RELATED PREVIOUS DECISIONS

15 On 17 April 2012, Council resolved as part of the recommendation on the Non Statutory Service Audit, in relation to Beresfield Child Care Centre (excerpt from Council resolution)

…………form a working party, in conjunction with each centre committee delegate and directors, to investigate the options for leasing or gifting (not private sales) options for community based not for profit child care centres.’

16 On 7 August 2012, Council resolved in relation to Beresfield (excerpt from Council resolution)

k. Council officers work with the committee of Beresfield Child Care centre to develop a business plan and build capacity within the governance structure to enable gifting of the centre in 2017.

17 On 21 August 2012 a NOM to rescind the Council resolution from 8 August 2012 was put. Council resolved to lay the matter on the table until the new Council is convened.

18 On 9 October 2012, Council resolved to rescind its decision of 7 August 2012 (for child care centres) and resolved as follows for Beresfield (excerpt from Council resolution):

2c Council officers work with the committee of Beresfield Child Care Centre to develop a business plan and build capacity within the governance structure.
CONSULTATION

19 Significant consultation with child care operators has occurred through the service review in 2011 and 2012 and the Councillor lead working party. Council staff have maintained a dialogue with centre operators regarding the various decisions to March 2014.

20 Beresfield Centre staff and the parent committee were advised of this report in committee and staff meetings in late 2014 and early 2015.

OPTIONS

Option 1

21 The recommendation as at Paragraphs 1 and 2.

Option 2

22 Council investigate other models of service provision at Beresfield such as another service take over management of the centre. This is not the recommended option.

BACKGROUND

23 The Beresfield Centre opened in 1978. Since that time various reviews have been undertaken with the latest occurring in 2011 resulting in the decision in 2012 to gift the Centre. In March 2014, Council reversed a previous decision to gift a number of centres and resolved to retain and lease the facilities on a cost recovery basis, moving to a percentage of turnover over time, whichever is the greater.

24 The rationale for this decision included:

- Retaining valuable built assets that belong to the Newcastle community; and
- Ensuring the provision of child care places.

25 BCCEC is a 59 place centre and is one of the 480 child care places provided in Newcastle from a Council owned premise.

ATTACHMENTS

Nil
MOTION
Moved by Cr Dunn, seconded by Cr Osborne

1. Rescind Council’s decision of 9 October 2012 to gift the Beresfield Community Children’s Education Centre.

2. Council retain full ownership and operation of the Beresfield Community Children’s Education Centre.

Carried
ITEM-10  CCL 24/02/15 - TEMPORARY SUSPENSION OF ALCOHOL FREE ZONE, BEAUMONT, CLEARY, JAMES AND LINDSAY STREETS, HAMILTON

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

PURPOSE

On 26 August 2014 Council approved to temporarily suspend the Alcohol Free Zones (AFZs) in Beaumont Street, Cleary Street, James Street and Lindsay Street, Hamilton from 6am to 7pm on Sunday 23 February 2015, for the purpose of the Hamilton Food and Music Festival 2015. The Hamilton Chamber of Commerce have rescheduled and re-named the Festival to Beaumont Street Carnivale be held on Sunday 1 March 2015.

RECOMMENDATION

1 Council approves the temporary suspension of the Alcohol Free Zones for Beaumont Street, Cleary Street, James Street and Lindsay Street, Hamilton on Sunday 1 March 2015 from 6am to 10pm for the purpose of the Beaumont Street Carnivale.

KEY ISSUES

2 A new Council policy adopted on 27 November 2012, re-established AFZs in locations across the City and required Council approval be sought for the lifting of AFZs when an approved festival or function is held.

3 Any lifting of an AFZ must be under the direction of the relevant Police LAC. In this instance the proposal for the Beaumont Street Carnivale, has the support of NSW Police - Newcastle LAC and Council officers subject to the event organiser meeting the conditions placed on the event.

4 Section 645 of the Local Government Act 1993 (Act) provides for Council, by resolution, to allow the temporary suspension of AFZs. The Act and Ministerial Guidelines on Alcohol Free Zones (February 2009) provide a specific procedure which must be followed in relation to suspending AFZs, and this includes a requirement to seek Council’s endorsement. Following the adoption of these suspensions Council must publish a notice in a local newspaper informing of the suspension that will be in place in Beaumont Street, Cleary Street, James Street and Lindsay Street Hamilton on Sunday 1 March 2015 from 6.00am to 10.00pm for the purpose of the Beaumont Street Carnivale.
5 Street signs must be covered immediately on commencement of the timeframe and the covers removed immediately following the suspended time. This is the responsibility of the organiser of the event but will be overseen by Council staff. Liaison with local police both before and after the Council resolution is an essential requirement. This consultation with the police has been undertaken by Council officers and will continue to be undertaken in the lead up to the event.

6 The NSW Police - Newcastle LAC is satisfied with the management strategies that have been put in place by the event organiser and supports the suspension of the AFZs on this occasion.

FINANCIAL IMPACT

7 The costs associated with advertising of the suspension of AFZ’s are at full cost recovery to the event organiser.

COMMUNITY STRATEGIC PLAN ALIGNMENT

8 Lifting of the AFZ for an approved event aligns with the strategic direction Vibrant and Activated Public Places and more specifically the objective of Safe and Activated Places that are used by people day and night.

IMPLEMENTATION PLAN/IMPLICATIONS

9 Implementing the suspension of the AFZ is the responsibility of the event organiser. Council will provide notification of the AFZ suspension in the Newcastle Herald (“Public Notices”) and oversee covering and uncovering of AFZ signs before and after the event. Subject to Council supporting the recommendation the temporary lifting will be advertised on 28 February 2015.

RISK ASSESSMENT AND MITIGATION

10 Council officers and NSW Police - Newcastle LAC work closely with event organisers to ensure harm minimisation and risk mitigation strategies are in place to manage the serving and consumption of alcohol at events. The Event Authorisation issued by Council to the event organiser for the use of the related road / park reserves sets out relevant conditions and consents for the event.

RELATED PREVIOUS DECISIONS

11 Council has previously agreed to suspend the AFZ for the purpose of Beaumont Street events and festivals held on regular occasions.

CONSULTATION

12 No negative feedback has been received as a result of temporary lifting the AFZs for similar events held in the Hamilton Precinct.
OPTIONS

Option 1

13 The recommendation as at Paragraph 1.

Option 2

14 Council resolves not to support the suspension of the AFZs on this occasion. The advantage of this option is that the AFZs and the restrictions associated would remain in place. The disadvantage of this option is that the event would not be able to proceed in its proposed format. This is not the recommended Option.

BACKGROUND

15 Hamilton Chamber of Commerce has successfully managed festivals and other community events for their suburb over a number of years where Council has approved the temporary suspension of the AFZ.

ATTACHMENTS

Nil

MOTION

Moved by Cr Osborne, seconded by Cr Luke

Council approves the temporary suspension of the Alcohol Free Zones for Beaumont Street, Cleary Street, James Street and Lindsay Street, Hamilton on Sunday 1 March 2015 from 6am to 10pm for the purpose of the Beaumont Street Carnivale.

Carried
ITEM-11 CCL 24/02/15 - SALE OF 21 BRADFORD CLOSE KOTARA - LOT 182 DP 850168

REPORT BY: CORPORATE SERVICES
CONTACT: DIRECTOR CORPORATE SERVICES / MANAGER COMMERCIAL PROPERTY

PURPOSE

To seek Council's endorsement for sale of the subject land to BB Retail Capital Pty Ltd following reclassification.

RECOMMENDATION

1 a) Council endorses the sale of 21 Bradford Close Kotara to BB Retail Capital Pty Ltd (BBRC) for consideration of $100,000 plus GST. The sale is subject to special conditions including reclassification of the land and the registration and transfer of required easements and covenants. The contract will further stipulate that any future development applications in relation to the land will be assessed on merit and the sale of the property by Newcastle City Council (NCC) does not, and should not, be inferred to fetter NCC's planning regulatory role in anyway.

b) Authority is granted to the General Manager or his delegate to execute all relevant documentation to effect the transaction.

c) The net proceeds of the sale are to be credited to the Land and Property Reserve.

KEY ISSUES

2 This 4779 m² long narrow parcel of land is zoned B2 Local Centre and currently classified as community land. The land is dominated by a number of easements for sewer and drainage, pipelines and right of access. A concrete drainage channel runs through the centre of the site with a public concrete path on the northern side and a vehicle/pedestrian bridge at the western end of the site. The land sits between two major commercial shopping facilities in Kotara. The cycleway runs parallel to the storm water channel and the property is unusable for any further recreational or other community use. The current cycleway and public access will be retained and protected under the terms of sale. The effect of the sale will be to retain all the facilities created by Council with none of the maintenance liabilities and a significant contribution to the Land and Property Reserve which can be used to reduce the maintenance backlog elsewhere.
3 After initially approaching Council to acquire the subject property in 2007, an offer of $45,000 was recently received from BBRC and, following negotiations with Commercial Property (CP) Officers, was subsequently increased to $100,000. The offer has been accepted subject to Newcastle City Council approval, reclassification of the land from community to operational land and a number of special conditions. Additional to the purchase price, BBRC agrees to meet all costs and undertake the necessary actions to facilitate the sale, including reclassification and transfer of existing easements. BBRC would be also required to create a new easement for the existing cycleway, retain current public access and bear all future maintenance responsibilities.

4 In line with governmental guidelines in relation to direct dealings (Direct Negotiation - Guidelines for Managing Risks ICAC 2006), the subject land parcel was valued for BBRC by a registered valuer at $45,000. The valuation references recent sales of generally comparable land and has been reviewed by internal property specialists. The increased offer of $100,000 is considered to represent fair value for the property, retains existing public infrastructure and access and assigns the cost of future maintenance to a private owner.

5 The subject land at 21 Bradford Close Kotara, Lot 182 DP 850168 is shown in Attachment A. The sale is proposed to be subject to special conditions including:

- Reclassification of the land. The purchaser would be responsible for making all relevant applications, enquiries and meeting all costs of the reclassification process;
- Maintenance and retention in perpetuity of the cycleway and creation of associated public access easements;
- Transfer of all existing drainage/sewer easements and associated maintenance responsibilities;
- Responsibility for all other costs associated with the sale including legal and surveying costs; and
- Any future Development Applications submitted with respect to the land will be assessed on merit and the sale will not prejudice any such future decisions in this regard.

6 Due to its location and allocation to public infrastructure use, the subject site has limited value to any purchaser other than an adjoining land owner. BBRC owns the existing land to the north and east of the drainage channel and previously purchased the eastern portion of the drainage channel from a private owner. A call for expressions of interest is not warranted due to the restricted market and significant site constraints. The proposed sale price is also well in excess of a recent market valuation of the property.
7 Council’s Facilities & Recreation Area supports disposal of the land to a private owner on the basis that conditions of sale will ensure the retention of public access to the existing facilities and services with responsibility for future maintenance passing to the purchaser. The residual land available on this site after accounting for the existing pathways and drains is unsuitable for any additional recreational or other community use and is therefore surplus to Council’s current requirements.

FINANCIAL IMPACT

8 Sale of the land will result in sale proceeds of $100,000. The Valuer General’s statutory land value is $24,300. Council will not incur any external costs for this property transaction as the costs of reclassification, survey and all future maintenance responsibilities in relation to the land are proposed to be met by the purchaser. All other Council costs in managing the sale are to be met within existing approved salaries budgets.

9 Sale of the land will transfer responsibility for all future maintenance of the cycleway to the purchaser. Responsibilities to other parties in relation to storm water and sewer infrastructure, easements and covenants will transfer to the purchaser on sale of the land. Acquisition of the site by BBRC will provide ongoing income to Council through the levying of rates.

10 Net proceeds of sale will be credited to the Land & Property Reserve.

COMMUNITY STRATEGIC PLAN ALIGNMENT

11 The decision to dispose of the land aligns with Council’s identified Community Strategic Plan objectives: Open and Collaborative Leadership - Considered decision-making based on collaborative, transparent and accountable leadership.

12 The recommendation is consistent with the Budget Principles endorsed by Council for the 2014/15 Operational Plan, 4 Year Delivery Program and Ten Year Financial Plan.

IMPLEMENTATION PLAN/IMPLICATIONS

13 The sale process will be managed by Commercial Property. Completion of the sale is subject to reclassification of the land which is estimated to take around 18 months. In-house legal staff will manage contract matters on behalf of Council.
RISK ASSESSMENT AND MITIGATION

14 There is a risk that the subject site will not be approved for reclassification and the sale will not proceed. In accordance with agreed conditions of sale, Council does not have an obligation to sell unless the site is reclassified. As the reclassification costs are to be worn by the purchaser, the only costs that will be incurred by Council will be Council Officers’ salaries involved in negotiating the sale and contract.

RELATED PREVIOUS DECISIONS

15 There are no previous related decisions regarding this matter.

CONSULTATION

16 CP has consulted with internal stakeholders including Strategic Planning, Infrastructure Management and Facilities and Recreation in regard to the potential sale of the site.

OPTIONS

Option 1

17 The recommendation as at Paragraph 1 a) - c).

Option 2

18 Council resolves not to authorise the proposed sale of land. This option is not consistent with the 2013-2017 Delivery Program, specifically, the selling of non-core assets and adherence to a program of asset sales to reduce the infrastructure backlog. This is not the recommended option.

BACKGROUND

19 Council acquired the land at 21 Bradford Close Kotara (Lot 182 DP 850168) for $1 in June 1995 for the purposes of a cycleway.

20 In 2007 BBRC made direct written enquiries with Council regarding purchasing the land at 21 Bradford Close. Internal consultation occurred at this time with Officers from Sport and Recreation, Strategic Planning and Asset Management regarding whether this land could be sold subject to a reclassification process. The proposal was generally supported subject to retention and future maintenance of the public cycleway and the proponent meeting all costs associated with the sale and land reclassification process. BBRC withdrew from negotiations at this point most likely due to the Global Financial Crisis.
21 In 2012 Council again received enquiries from BBRC regarding Council’s interest in selling the site to them as the adjacent landholders. BBRC sought and provided a current market valuation from an external valuer valuing the allotment at $45,000. After internal consultation with Officers from Facilities and Recreation, CP Officers commenced negotiations with BBRC regarding the site and reached in principle agreement (subject to Council approval) on sale of the site for $100,000 as outlined in this report.

REFERENCES

ATTACHMENTS

Attachment A: Aerial view of the 21 Bradford Close Kotara
Attachment A - 21 Bradford Close, Kotara - Lot 182 DP 850168
MOTION
Moved by Cr Compton, seconded by Cr Posniak

1a) Council endorses the sale of 21 Bradford Close Kotara to BB Retail Capital Pty Ltd (BBRC) for consideration of $100,000 plus GST. The sale is subject to special conditions including reclassification of the land and the registration and transfer of required easements and covenants. The contract will further stipulate that any future development applications in relation to the land will be assessed on merit and the sale of the property by Newcastle City Council (NCC) does not, and should not, be inferred to fetter NCC’s planning regulatory role in anyway.

b) Authority is granted to the General Manager or his delegate to execute all relevant documentation to effect the transaction.

c) The net proceeds of the sale are to be credited to the Land and Property Reserve.

Carried
ITEM-12  CCL 24/2/15 - LAND AT ROBERT, JOHN AND JAMES STREETS WALLSEND - ADOPTION OF AMENDMENT TO NEWCASTLE LOCAL ENVIRONMENTAL PLAN 2012

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

PURPOSE

The purpose of this report is to inform Council of the outcomes of community consultation carried out for planning proposal PP_2013_NEWCA_006_00 and seek endorsement to an amendment to Newcastle Local Environmental Plan (LEP) 2012 that aims to rezone land at George, James, John and Robert Streets Wallsend (Daracon site and various adjoining properties) from part R2 Low Density Residential and IN2 Light Industrial to part R3 Medium Density Residential and E2 Environmental Conservation as outlined in Attachment A.

RECOMMENDATION

1  Council resolves to:

   a) Endorse the planning proposal PP_2013_NEWCA_006_00, within Attachment A of this report, to amend Newcastle Local Environmental Plan 2012 in order to:
      i) Rezone the subject site from part R2 Low Density Residential and IN2 Light Industrial to part R3 Medium Density Residential and E2 Environmental Conservation*
      ii) Amend the Height of Building map to show a maximum building height of 10m and 14m over part of the subject land zoned R3 Medium Density Residential*
      iii) Amend the Floor Space Ratio map to reflect a maximum floor space of 0.9:1 over some parts of the subject land and 1.5 over other parts*
      iv) Amend the Minimum Lot Size Map over part of the subject land zoned R3 Medium Density Residential to show a minimum lot size of 450m² and 250m²*.

*All the proposed mapping amendments are shown in Appendix A of the planning proposal provided at Attachment A.

   b) Forward planning proposal PP_2013_NEWCA_006_00 to the Department of Planning and Environment requesting that a draft Local Environmental Plan be prepared and made pursuant to Section 59 of the Environmental Planning and Assessment Act 1979.
KEY ISSUES

2 The Department of Planning and Environment (DPE) issued a gateway determination on 13 May 2013 supporting the planning proposal proceeding to public exhibition. The gateway determination required a public exhibition period of 28 days and required consultation with the Hunter Water Corporation and the NSW Rural Fire Service. It also required a site investigation report be prepared and made available during the public exhibition.

3 No objections were raised from either Hunter Water Corporation or the NSW Rural Fire Service (RFS). The NSW Rural Fire Service advised that the area to the north of the proposed site is currently a grass land that is not mapped as being bush fire prone. Consideration should be given to the ongoing management of this vegetation and that provision of adequate asset protection zones (APZ) is incorporated into any future development plan.

4 Upon receipt of the site contamination investigation report and comments from the State agencies, the planning proposal was exhibited for a period of 28 days from 17 November to 15 December 2014 as required by DPE’s gateway determination.

5 Council received two submissions during the exhibition period raising objection to the Planning Proposal. One submission raised issues relating to parking, drainage and flooding, while the other submission sought clarification from Council that the commercial venture on Lot 100 DP 830522, 46-48 George Street can continue to operate for an indefinite period of time if the zoning changes from light industrial to medium density residential. A summary and response to the issues raised within the submissions are included in Attachment B to this report.

Contaminated Land

6 Some of the land proposed to be rezoned for residential use was identified as being potentially contaminated. Further investigation of contamination was carried out for the subject site in accordance with the requirements of SEPP 55. The study concluded that the land may be remediated to enable the permissible land uses within the proposed zoning.

Flooding

7 Part of the land is affected by Hunter River flooding and Ironbark Creek flooding and is part covered by a floodway area which encroaches onto the site (varies 12 to 65m) and includes some sheds. The Newcastle DCP does not permit any building or filling in the floodway area and thus Council officers have recommended that the area of floodway be zoned E2 Environmental Conservation rather than R3 Medium Density Residential.
8 The site is floodprone with a peak 1% AEP flood level of 3.8m AHD (Hunter River). The site would need to be filled above this level. This could create an ‘island’ affect which can then be flooded in larger flash flood events (local catchment PMF approx. 4.85m AHD). The risk of this is that site evacuation could be prevented. This will need to be managed in any future development applications for the site. It is likely that flood refuge will be required above the PMF level in any new buildings to address site evacuation.

9 Rezoning the land from Industrial to Residential will potentially increase the number of people exposed to local flash flood risk but any new development will have more stringent flood management controls than existing development in the area.

10 The majority of the site has been identified as a flood storage area for larger flood events which would limit site filling to 20% by area to satisfy the DCP. The applicant’s engineers, BMT WBM, have modelled the proposed site filling of the whole site for the 1% AEP flood event and report that the impacts are relatively minor. More detailed assessment will occur at the development application stage.

Minimum Lot Sizes

11 The applicant requested Council consider a reduced minimum lot size for the land to allow for small lot housing as an alternative means of providing a medium residential density. The existing minimum lot size for land zoned residential in this area of Wallsend is 450m². The planning proposal is to reduce the minimum lot size for some lots to 250m² to enable integrated housing and subdivision. Please refer to the minimum lot size map in Appendix A of the Planning Proposal (Attachment A).

Traffic

12 A traffic impact assessment was prepared as part of the planning proposal. The assessment reviewed the proposal against the RMS Guide to Traffic Generating Developments and concluded that the anticipated traffic movements generated by medium density residential development will have acceptable impacts at key intersections. The report noted that overall traffic flows predicted for the proposed residential development were lower than the current flows generated by Daracon activities and would result in the removal of heavy vehicles along George, Robert and John Streets.

FINANCIAL IMPACT

13 The costs involved in carrying out the recommendation are covered by Council’s LEP Amendment (Stage C) Fee, which was paid by the applicant.
COMMUNITY STRATEGIC PLAN ALIGNMENT

14 The preparation and processing of the attached planning proposal aligns to the strategic direction ‘Open and Collaborative Leadership’ identified within the Newcastle 2030 Community Strategic Plan.

15 Compliance with the LEP amendment process, in particular section 57 Community Consultation of the EP&A Act 1979, will assist in achieving the strategic objective: “Consider decision-making based on collaborative, transparent and accountable leadership” and the identified strategy 7.2b, which states: “Provide opportunities for genuine and representative community engagement in local decision making”.

IMPLEMENTATION PLAN/IMPLICATIONS

16 The preparation of the attached planning proposal was undertaken in accordance with Council’s LEP Amendment Policy (2012). This policy identifies Council’s processes and responsibilities in applying the requirements of Part 3 of the EP&A Act 1979 for amending a Local Environmental Plan.

RISK ASSESSMENT AND MITIGATION

17 The process of amending a Local Environmental Plan is prescribed by Part 3 of the EP&A Act 1979. Adherence to the legislative framework reduces the risk to both applicant and Council by ensuring that planning proposals are considered with regard to relevant strategic planning documents and are determined in an appropriate timeframe.

RELATED PREVIOUS DECISIONS

18 Council at its meeting of 12 March 2013, resolved to endorse the planning proposal and forward it to DPE for gateway determination. This resolution was implemented as outlined in Attachment A to this report.

CONSULTATION

19 The planning proposal was exhibited for a period of 28 days from 17 November to 15 December 2014 as required by the DPE gateway determination.

20 As required under s56(2)(d) of the EP&A Act 1979, the planning proposal was referred to the Hunter Water Corporation and the NSW Rural Fire Service for comment. Neither agency raised any objection to the planning proposal.

21 Council received two written submissions objecting to the planning proposal based on various grounds. A summary of key points raised in the submissions and planning response to these concerns is included in Attachment B.
OPTIONS

Option 1

22 The recommendation as at Paragraph 1.

Option 2

23 Council resolves not to proceed with planning proposal PP_2013_NEWCA_006_00 in Attachment A and thereby NOT amend Newcastle LEP 2012. This option would not enable the rezoning of land to occur to address a current land use conflict and provide additional residential accommodation in an area considered suitable for this use.

24 Furthermore, as this planning proposal has previously received gateway determination, Council will need to request that the Minister for Planning and Environment to allow Council to discontinue the proposed amendment. This is not the recommended option.

BACKGROUND

25 The landowner has advised Council that it no longer requires this site for its operations in Newcastle. Continued use for industrial development is not considered appropriate given existing surrounding land uses. Rather than consider a planning proposal for the site on its own, the future use of the site and its immediate surrounds were considered as a whole. The part of the site that is not within a floodway is considered suitable for residential development given its proximity to the Wallsend town centre. The part of the site affected by a floodway is proposed for an environmental zone to limit the type of development that can occur in this high risk environment.

ATTACHMENTS

Attachment A: Planning Proposal – Rezoning of Land at George, Robert, John & James Streets Wallsend

Attachment B: Summary of submissions and Council response

Attachments distributed under separate cover.
MOTION
Moved by Cr Osborne, seconded by Cr Posniak

1 Council resolves to:

   a) Endorse the planning proposal PP_2014_NEWCA_008_00, within Attachment A of this report, to amend Newcastle Local Environmental Plan 2012, pursuant to Section 55 of the Environmental Planning and Assessment Act 1979, in order to:
      i) Enable subdivision of lots within certain ‘split zones’.
      ii) Apply the minimum lot size maps to community title subdivision across all zones which the maps apply.

   b) Forward planning proposal PP_2014_NEWCA_008_00 to the Department of Planning and Environment requesting that a draft Local Environmental Plan be prepared and made pursuant to Section 59(1) of the Environmental Planning and Assessment Act 1979.

For the Motion: Lord Mayor, Cr Nelmes and Councillors Compton, Crakanthorp, Doyle, Dunn, Luke, Osborne, Posniak Robinson, Rufo and Waterhouse

Against the Motion: Nil.

Carried
PURPOSE

The purpose of this report is to inform Council of the outcomes of the community consultation for planning proposal PP_2014_NEWCA_008_00 and seek endorsement to amend Newcastle Local Environmental Plan (LEP) 2012 to allow the planning proposal to be made.

The amendments are proposing to insert a new clause in the LEP to allow the subdivision of lots that are within more than one zone and already below the minimum lot size and to include the E2 and E3 zones in the clause relating to minimum lot sizes for community title subdivision as outlined in the planning proposal at Attachment A.

RECOMMENDATION

1 Council resolves to:

a) Endorse the planning proposal PP_2014_NEWCA_008_00, within Attachment A of this report, to amend Newcastle Local Environmental Plan 2012, pursuant to Section 55 of the Environmental Planning and Assessment Act 1979, in order to:
   i) Enable subdivision of lots within certain ‘split zones’.
   ii) Apply the minimum lot size maps to community title subdivision across all zones which the maps apply.

b) Forward planning proposal PP_2014_NEWCA_008_00 to the Department of Planning and Environment requesting that a draft Local Environmental Plan be prepared and made pursuant to Section 59(1) of the Environmental Planning and Assessment Act 1979.

KEY ISSUES

2 The Department of Planning and Environment (DPE) issued a gateway determination on 3 September 2014 in support of the planning proposal proceeding to community consultation. The gateway determination required a public exhibition period of 14 days and did not require any consultation with public authorities under s56(2)(d) of the Environmental Planning and Assessment Act 1979 (EP&A Act).
3 The planning proposal was exhibited for a period of 14 days from 7 October 2014 to 21 October 2014 as required by the Department of Planning and Environment’s gateway determination.

4 Council received two submissions during the exhibition period raising objections to the Planning Proposal. Both submissions raised similar concerns regarding the potential impact to environmental zoned land if subdivision was permitted. A summary and response to the issues raised within the submissions are included in Attachment B to this report.

5 Part 4 of the Newcastle LEP contains clauses that set out the minimum subdivision lot size. The minimum lot sizes are shown on the LEP maps. Lot sizes vary from 400m$^2$ – 450m$^2$ in residential zones to 40 hectares in environmental zones. This means, for example, a lot that is zoned environmental would need to be at least 80 hectares in area before it could be subdivided, as this would allow the creation of two lots of 40 hectares each.

6 The minimum subdivision lot size clauses in the LEP are problematic for lots that are within more than one zone. This is particularly the case for lots that are partly within an environmental zone (where the minimum lot size is 40 hectares) and partly within a residential zone (where the minimum lot size is 400m$^2$ or 450m$^2$).

7 Most lots in Newcastle are already less than 40 hectares, so in effect most lots within environmental zones cannot be subdivided. This is also the case for lots that are partly zoned environmental and partly zoned residential (or business or industrial).

8 The planning proposal at Attachment A details the clause proposed to be inserted into the Newcastle LEP 2012 that would allow lots with 'split zonings' to be subdivided with development consent. It is modelled on a clause that has been used by other councils to address this issue in the standard LEP.

**Community Title Subdivision**

9 The planning proposal also includes an amendment to clause 4.1AA that makes provision for community title subdivisions. This clause currently applies to all zones but the E2 Environmental Conservation and E3 Environmental Management zones. It is proposed to amend the clause so that it also applies to the E2 and E3 zones to ensure that the minimum lot size map is applied to these zones in any proposed community title subdivision.

10 The planning proposal was prepared in accordance with the Department of Planning and Environment’s guidelines and Council’s Local Environmental Plan – Request for Amendment Policy.

**FINANCIAL IMPACT**

11 The costs involved in carrying out the recommendation are covered by staff costs given this was a Council initiated planning proposal.
COMMUNITY STRATEGIC PLAN ALIGNMENT

12 The preparation and processing of the attached planning proposal aligns to the strategic direction ‘Open and Collaborative Leadership’ identified within the Newcastle 2030 Community Strategic Plan.

13 Compliance with the LEP amendment process, in particular section 57 Community Consultation of the EP&A Act 1979, will assist in achieving the strategic objective: “Consider decision-making based on collaborative transparent and accountable leadership” and the identified strategy 7.2b, which states: “Provide opportunities for genuine and representative community engagement in local decision making”.

IMPLEMENTATION PLAN/IMPLICATIONS

14 The preparation of the attached planning proposal was undertaken in accordance with Council’s LEP Amendment Policy (2012). This policy identifies Council’s processes and responsibilities in applying the requirements of Part 3 of the EP&A Act 1979 for amending an LEP.

RISK ASSESSMENT AND MITIGATION

15 The process of amending an LEP is prescribed by Part 3 of the EP&A Act 1979. Adherence to the legislative framework reduces the risk to both applicant and Council by ensuring that planning proposals are considered with regard to relevant strategic planning documents and are determined in an appropriate timeframe.

RELATED PREVIOUS DECISIONS

16 Pursuant to Section 55 of the EP&A Act 1979, Council at its meeting of 22 July 2014, resolved to endorse the planning proposal and forward it to DPE for gateway determination. This resolution was implemented as outlined in Attachment A to this report.

CONSULTATION

17 The planning proposal was exhibited for a period of 14 days from 7 October 2014 to 21 October 2014 as required by the Department of Planning and Environment’s gateway determination. Council received two written submissions objecting to the planning proposal. The issues raised in the submissions and the planning response are included in Attachment B.

18 The gateway determination did not require any consultation with public authorities under section 56(2)(d) of the EP&A Act 1979.
OPTIONS

Option 1

19 The recommendation as at Paragraph 1.

Option 2

20 Council resolves not to proceed with planning proposal PP_2014_NEWCA_008_00 in Attachment A and thereby NOT amend Newcastle LEP 2012. This option would not allow consideration of development applications to subdivide lots within certain ‘split zones’ and would not apply the minimum lot size maps to community title subdivision across all zones.

21 As this planning proposal has previously received gateway determination, Council will need to request that the Minister for Planning and Environment allow Council to discontinue the proposed amendment. This is not the recommended option.

BACKGROUND

22 Council’s standard instrument LEP was gazetted in June 2012. The LEP has standard clauses that relate to the subdivision of land. Council staff have identified an issue with the application of these clauses to lots that have two or more zonings (split zonings). More detail regarding this issue and the proposed resolution are provided in the planning proposal (Attachment A).

23 In more recently gazetted standard LEPs it was noted that some councils have adopted a similar clause to the proposed amendment to deal with the subdivision of land with split zonings.

24 Council staff also identified that the current LEP instrument does not apply the minimum lot size maps to community title subdivision across all zones to which the maps apply. This could potentially lead to ad hoc fragmentation of environmentally sensitive lands.

25 As a result of the above, a planning proposal has been prepared to seek to amend the Newcastle LEP 2012 to address these matters.

26 The planning proposal (Attachment A) explains the need and justification for the proposed amendment to Newcastle LEP 2012 in further detail.

ATTACHMENTS

Attachment A: Planning Proposal – Minimum Subdivision Lot sizes for split zones and community title schemes

Attachment B: Summary of submissions and Council response

Attachments are distributed under separate cover
MOTION
Moved by Cr Osborne, seconded by Cr Posniak

1 Council resolves to:

   a) Endorse the planning proposal PP_2014_NEWCA_008_00, within Attachment A of this report, to amend Newcastle Local Environmental Plan 2012, pursuant to Section 55 of the Environmental Planning and Assessment Act 1979, in order to:
      i) Enable subdivision of lots within certain ‘split zones’.
      ii) Apply the minimum lot size maps to community title subdivision across all zones which the maps apply.

   b) Forward planning proposal PP_2014_NEWCA_008_00 to the Department of Planning and Environment requesting that a draft Local Environmental Plan be prepared and made pursuant to Section 59(1) of the Environmental Planning and Assessment Act 1979.

For the Motion: Lord Mayor, Cr Nelmes and Councillors Compton, Crakanthorp, Doyle, Dunn, Luke, Osborne, Posniak Robinson, Rufo and Waterhouse

Against the Motion: Nil. Carried
NOTICES OF MOTION

ITEM-1 NOM 24/02/15 - RESCISSION MOTION ITEM 4 - LMM 09/12/14 - SHOW HOLIDAY

COUNCILLORS: B LUKE, A RUFO AND S WATERHOUSE

PURPOSE

The following Rescission Motion was received on 9 December 2014 from the abovementioned Councillors.

MOTION

We the undersigned Councillors wish to rescind the motion passed at the Ordinary Council meeting of 9 December 2014 regarding a public holiday for the Newcastle Show.

ATTACHMENTS

Attachment A: Signed rescission motion 9 December 2014
Attachment B: LMM 09/12/14 - Show Holiday resolution
We the undersigned councillors wish to rescind the motion passed at the ordinary council meeting of 9th December 2014 regarding a public holiday for the Newcastle show.

Sharon Waterhouse

Andrew Ryan

Brad Liske
SUBJECT: LMM 09/12/14 - SHOW HOLIDAY

RESOLVED: (The Lord Mayor)

A That Newcastle City Council apply to the New South Wales Minister for Industrial Relations for the declaration of a full day Show Day for the Friday of the 2015 Newcastle Show; and

B This decision becomes the policy of Council and the General Manager is to automatically implement this decision on receipt of future applications.

C Council receives submissions from the community regarding Newcastle Show Holiday up to 31 December 2014.
REPORT ON NOTICE OF MOTION - NOM 24/02/15 - RESCISSION MOTION ITEM 4 - LMM 09/12/14 - SHOW HOLIDAY

REPORT BY: CORPORATE SERVICES

CONTACT: DIRECTOR CORPORATE SERVICES

DIRECTOR COMMENT

This report is to provide Councillors with information on subsequent actions following consideration of the Lord Mayoral Minutes on 9 December 2014.

1 At the Ordinary Meeting on the 9 December 2014 Lord Mayoral Minute LMM 09/12/14 – Show Holiday was put to the meeting, and resolved to apply to the Minister for Industrial Relations for the declaration of a full day Show Day for Friday 6 March. Further it was resolved to make this decision Council Policy with the General Manager to automatically implement this decision on receipt of further applications.

2 At the above meeting Councillor Luke gave notice of his intention to submit a rescission motion.
3 Following a request for information on Council's position from the Department of Industrial Relations, the Lord Mayor wrote to the Minister for Industrial Relations on 9 January 2015 (Attachment A).

4 On the 4 February the Minister responded to the Lord Mayor’s letter, taking into consideration the information provided by Council and submissions that the Minister had received from local businesses and declined the request for the Show Day to be declared a local public holiday for the local government area (Attachment B).

5 The Minister recognised the importance of the Show Day as an important social and cultural event to the region and invited an application from Council for the declaration of the Show Day as a local event day under section 8 of the Public Holidays Act 2010. Under Section 8 the Minister may only order a local event day at the request of Council of a local government area.

6 An application must be made each year to the NSW Department of Industrial Relations. The proclamation occurs following a Council resolution and application to the Minister for Industrial Relations and subsequent Government Gazettal.

7 Should Council wish to apply to the Minister for a local event day it would be necessary for Council to rescind the motion passed on the 9 December 2014. This would mean Council’s previous resolution of the 26 November 2013 would again be applicable. This authorises Council to apply to the Minister for the proclamation of a local event day.

8 An application to the Minister must be received with sufficient time to enable a local event day to be published on the NSW Legislation website, which is at least seven days before the local event day. The Minister’s office has confirmed that an application received on 25 February 2015 will provide sufficient time for the proclamation and publishing of a local event day should that be the decision of Council.

9 In the absence of Council applying for a local events day, the Minister is not able to declare a local events day.
10 If Council supports Show Day by making application to the Minister for Industrial Relations under the *Public Holidays Act 2010*, Council will liaise with Association representatives to coordinate traffic, parking and other services on Show Day to minimise any impact on the community.

11 The proclamation of Show Day as a local event day is consistent with the past three years. The NSW Office of Industrial Relations and the Fair Work Info Line both provide accurate and timely advice and information on public holidays and award and agreement related entitlements.

12 Up to an including 2011 Council has traditionally supported Show Day and made an application on behalf of the Association to the Minister for Industrial Relations supporting a public holiday.

13 In 2012, 2013 and 2014 the request for Show Day to be proclaimed a public holiday was not supported and by Council resolution, an application for a local event day was made and proclaimed by the Minister.

**ATTACHMENTS**

**Attachment A:** Letter to the Treasurer and Minister for Industrial Relations, The Honorable Andrew Constance, MP – 9 January 2015

**Attachment B:** Letter from the Hon Andrew Constance MP Treasurer and Minister for Industrial Relations – 4 February 2015
9 January 2015

The Honourable Andrew Constance, MP
Treasurer and Minister for Industrial Relations
GPO Box 5341
SYDNEY NSW 2001
Email: office@treasurer.nsw.gov.au;

Dear Minister

Re: Show Day – Newcastle Local Government Area

At the Ordinary Council meeting held on 9 December 2014, Council resolved:

"SUBJECT: LMM 09/12/14 - SHOW HOLIDAY
MOTION
Moved by Lord Mayor, Cr Nelmes
A That Newcastle City Council apply to the New South Wales Minister for Industrial Relations for the declaration of a full day Show Day for the Friday of the 2015 Newcastle Show; and
B This decision becomes the policy of Council and the General Manager is to automatically implement this decision on receipt of future applications.
C Council receives submissions from the community regarding Newcastle Show Holiday up to 31 December 2014.

For the Motion: The Lord Mayor, Councillors Crakanthorp, Dunn, Doyle,
Osborne and Positiak.
Against the Motion: Councillors Compton, Luke, Robinson, Rufo and
Waterhouse.
Carried
Councillor Luke gave notice of a rescission motion."

At the same meeting, a minority group of Councillors gave notice of their intent to rescind the above decision. In accordance with Council’s Meeting Code of Practice and s. 372(2) Local Government Act under this circumstance the organisation is unable to implement the majority decision until such time as a rescission motion has been heard. Given that the Show Holiday, would be scheduled for Friday 6 March 2015 and that Council will not meet until mid February to consider the rescission motion as a result of the Christmas period; I believe it is appropriate that you are aware of the current status of Council's deliberations. I recognise that Council merely makes recommendation to you in your role as Minister for Industrial Relations and ultimately whether a Show Day is granted is a matter for your determination.

Personally I encourage you to declare the 6th March 2015 as a Local Show Holiday for the Newcastle Local Government area.

Kind Regards

Councillor Nuatali Nelmes
LORD MAYOR OF NEWCASTLE

Attach
Councillor Nuatari Nelmes
Lord Mayor of Newcastle
Level 2, City Hall
PO Box 489
NEWCASTLE NSW 2300

Dear Lord Mayor

I refer to your letter of 9 January 2015 regarding the declaration of Friday, 6 March 2015 as a local public holiday on the occasion of the Newcastle Show Day.

The Newcastle Show Day is a unique event in that the day is also celebrated by the Lake Macquarie City Council as a day of special significance.

Over the last three years applications relating to the Newcastle Show Day have been considered on the basis that there is consistency in the approach taken by the Council and Lake Macquarie City Council in the celebration of the event. This approach has avoided the unnecessary confusion that arises for businesses and local residents which reside in both local government areas.

The Council’s resolution of 9 December 2014 has caused concern amongst the local business community. I have received over 40 emails and letters from a variety of local businesses within the local government area expressing a lack of support for the Council’s application.

It is not apparent from the information provided by you that the Council has considered the costs and benefits to local businesses of taking a differential approach to the celebration of the Show Day. Given that the Council’s resolution is currently the subject of a rescission motion, it would seem that the celebration of the Show Day is still a matter for final determination by the Council.

In the circumstances, I am not satisfied that the full social and economic impact of having a differential approach to the Show Day has been considered by the Council in the making of its decision to apply for the declaration of a public holiday.

Accordingly, after taking into account the information provided by the Council, I have decided to decline the Council’s request for the Show Day to be declared a local public holiday for its local government area.
Given that the Show Day is an important social and cultural event for the region, I would be pleased to consider an application from the Council for the declaration of the Show Day as a local event day under section 8 of the Public Holidays Act 2010.

Yours sincerely

THE HON ANDREW CONSTANCE MP

4/2/15
MOTION
Moved by Cr Nelmes, seconded by Cr Osborne

1. That council notes the Minister for Industrial Relations Andrew Constance's determination not to have a Public Show Holiday in 2015 and invitation for Newcastle City Council to apply for a Local events Day as per his letter dated 4 February 2015.

2. That in light of the Minister's determination Newcastle City Council apply for a Local Events Day for the 2015 Newcastle Show.

3. The Council re-endorses the policy to apply for a Newcastle Show Public Holiday in future years in accordance with its resolution of 9 December 2014.

4. Council notes the result of a community consultation program regarding the Public Show Holiday, undertaken by Council up till 31 December 2014, Council was in receipt of 384 submissions supporting a Newcastle Public Show Holiday and 55 submissions not supporting a Newcastle Public Show Holiday.

PROCEDURAL MOTION
Moved by Cr Luke, seconded by Cr Rufo

Motion be dealt with in seriatim.

Procedural motion defeated
Motion carried
CONFIDENTIAL REPORTS

ITEM-1 CON 24/02/15 - APPOINTMENT OF AN ADMINISTRATOR FOR 2016 COUNCIL ELECTIONS

REASON FOR CONFIDENTIALITY

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

Section 10A(2)(d) of the Act provides that Council can close a meeting to consider commercial information of a confidential nature that would if disclosed prejudice the commercial position of the person who supplied it.

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

(a) include as much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security; and

(b) occur if the Council is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

GROUNDS FOR CLOSING PART OF THE MEETING

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

MOTION TO PROCEED

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

A The matter relates to Council deciding between competing two competing electoral service providers based on their respective commercial in confidence cost estimates for the conduct of the 2016 general council elections.

B The closed session involves only as much of the discussion as is necessary to preserve the relevant confidentiality.
MOTION
Moved by Cr Nelmes, seconded by Cr Posniak

1. The Council to receive the report.

2. Pursuant to sections 296(2) and (3) and 296AA of the Local Government Act 1993 (NSW) that an election arrangement be entered into by contract for the NSW Electoral Commissioner to administer the 2016 general council election for Council.

3. The General Manager, or his delegate, be authorised to execute all documentation required to effect the engagement of the NSW Electoral Commissioner to administer the 2016 ordinary council election for Council.

4. Council endorses a total budget of $765,000 (excluding GST and including additional Council costs such as advertising) be allocated to the conduct of the 2016 ordinary council election as part of the 2016/17 Budget Plan, noting that this may require reduction in other operational budgets.

5. This confidential report relating to the matters specified in s. 10A of the Act be treated as confidential and remain confidential.

6. Council notes that the approval of the entering into of an election arrangement and contract with the NSWEC to conduct Council’s 2016 ordinary council election qualifies for an exemption under s. 55(3)(p) of the Act from the need to invite tenders.

Carried