



30 May 2019

To All Councillors

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993, that the next Ordinary Meeting of Council will be held in the Council Chambers, on Wednesday, 5 June 2019 at 6.30 pm, for the purposes of transacting the undermentioned business.

AGENDA:

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- (1) **OPENING PRAYER**
- (2) **ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS**
- (3) **RECEIPT OF APOLOGIES**
- (4) **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
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Principles for Local Government

Exercise of functions generally

The following general principles apply to the exercise of functions by Councils:

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

Council's Values

- Integrity
- Accountability
- Respect
- Excellence
- Teamwork

Our Community's Vision

Cessnock will be a cohesive and welcoming community living in an attractive and sustainable rural environment with a diversity of business and employment opportunities supported by accessible infrastructure and services which effectively meet community need.

Cessnock – thriving, attractive and welcoming.

Our Community's Desired Outcomes

- A connected, safe and creative community.
- A sustainable and prosperous economy.
- A sustainable and healthy environment.
- Accessible infrastructure, facilities and services.
- Civic Leadership and effective governance.



Council Model Code of Conduct

Council adopted its current Code of Conduct on 17 April 2019. This Code provides details of statutory requirements and gives guidance in respect of the way in which pecuniary and conflict of interest issues must be disclosed.

Generally, the Code outlines the following issues:

1. Councillors are under an obligation at law to disclose any interest they may have in any matter before the Council and to refrain from being involved in any consideration or to vote on any such matter
2. Councillors must disclose any interest in any matter noted in the business paper prior to or at the opening of the meeting
3. The nature of the interest shall be included in the notification
4. Councillors shall immediately and during the meeting disclose any interest in respect of any matter arising during the meeting which is not referred to in the business paper
5. All declarations of interest shall be recorded by the General Manager
6. All disclosures of interest shall as far as is practicable be given in writing
7. Any member having a pecuniary or non-pecuniary significant conflict of interest shall leave the meeting and remain absent while the subject of the interest is being considered by Council
8. The meeting shall not discuss any matter in which a Councillor has a pecuniary or non-pecuniary significant conflict of interest while the Councillor is present at the meeting



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**MINUTES OF ORDINARY COUNCIL MEETING OF THE CESSNOCK CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON WEDNESDAY, 15 MAY 2019, COMMENCING AT
6.30 PM**

PRESENT: His Worship the Mayor, Councillor R Pynsent (in the Chair) and Councillors Doherty, Dunn, Stapleford, Fitzgibbon, Gray, Dagg, Burke, Sander and Lyons.

IN ATTENDANCE: General Manager
Director Planning and Environment
Director Corporate and Community Services
Director Works and Infrastructure
Development Services Manager
Strategic Planning Manager
Finance and Administration Manager
Acting Economic Development Manager
Management Accountant
Media & Communication Officer
Corporate Governance Officer

APOLOGIES:

MOTION

Moved: Councillor Sander
Seconded: Councillor Gray

896

RESOLVED that the apologies tendered on behalf of Councillors Fagg, Olsen and Suvaal, for unavoidable absence, be accepted and leave of absence granted.

FOR

AGAINST

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent

Total (10)

Total (0)

CARRIED UNANIMOUSLY

MINUTES:

MOTION

Moved: Councillor Stapleford

Seconded: Councillor Doherty

897

RESOLVED that the Minutes of the Ordinary Meeting of Council held on 1 May 2019, as circulated, be taken as read and confirmed as a correct record.

FOR

AGAINST

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent

Total (10)

Total (0)

CARRIED UNANIMOUSLY

DISCLOSURES OF INTEREST

DISCLOSURES OF INTEREST NO. DI9/2019

SUBJECT: DISCLOSURES OF INTEREST

That Councillors now disclose any interests and reasons for declaring such interest in the matters under consideration by Council at this meeting.

PE47/2019 Class 1 Appeal In The NSW Land and Environment Court Against Council's Deemed Refusal of Section 4.55(2) Application proposing to modify development consent no. 2011/863 which granted approval for a 62 lot subdivision - Ruby Street, Bellbird – Councillor Stapleford declared a Non Pecuniary Interest – Less Than Significant conflict for the reason that he is a friend of a person working for the developer which he only found out recently. Councillor Stapleford advised that he will remain in the Chamber and participate in discussion and voting as the conflict has not influenced him in carrying out his public duty.

PETITIONS

NIL

ADDRESS BY INVITED SPEAKERS

NIL

CONSIDERATION AND ADOPTION OF ALL REPORTS BY ENGLOBE OR INDIVIDUALLY WITH NOMINATED EXCEPTIONS

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
899

RESOLVED

That having read and considered the reports in the agenda related to items

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PE48/2019	Minutes of the Strategic Property & Community Facilities Committee of the 17 April 2019.....	38
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Council adopt the recommendations as printed for those items.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

NOTICE OF INTENTION TO DEAL WITH MATTERS IN CONFIDENTIAL SESSION

NOTICE OF INTENTION NO. NI6/2019

**SUBJECT: NOTICE OF INTENTION TO DEAL WITH MATTERS IN
CONFIDENTIAL SESSION.**

**PE46/2019 - CLASS 1 APPEAL IN THE NSW LAND AND
ENVIRONMENT COURT AGAINST COUNCIL'S DEEMED REFUSAL
OF SECTION 4.55(2) APPLICATION PROPOSING TO MODIFY
DEVELOPMENT CONSENT NO. 2017/718 WHICH GRANTED
APPROVAL FOR A 24 LOT RESIDENTIAL SUBDIVISION**

65 BAILEYS LANE, ABERMAIN

**PE47/2019 - CLASS 1 APPEAL IN THE NSW LAND AND
ENVIRONMENT COURT AGAINST COUNCIL'S DEEMED REFUSAL
OF SECTION 4.55(2) APPLICATION PROPOSING TO MODIFY
DEVELOPMENT CONSENT NO. 2011/863 WHICH GRANTED
APPROVAL FOR A 62 LOT SUBDIVISION**

RUBY STREET, BELLBIRD

MOTION

900

RESOLVED

Moved: Councillor Dagg

Seconded: Councillor Burke

1. That Council consider in Confidential Session the following matters in accordance with Section 10A(2) (g) of the Local Government Act 1993:

Report No. PE46/2019 — Class 1 Appeal in the NSW Land and Environment Court Against Council's Deemed Refusal of Section 4.55(2) Application Proposing To Modify Development Consent No. 2017/718 Which Granted Approval for a 24 Lot Residential Subdivision - 65 Baileys Lane, Abermain as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

Report No. PE47/2019 — Class 1 Appeal in the NSW Land and Environment Court Against Council's Deemed Refusal of Section 4.55(2) Application Proposing To Modify Development Consent No. 2011/863 Which Granted Approval for a 62 Lot Subdivision - Ruby Street Bellbird as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

2. That Council request the Mayor in accordance with Clause 14.21 of Councils Code of Meeting Practice to report on these matters to the meeting in Open Session following completion of the Confidential Session.

FOR**AGAINST**

Councillor Doherty

Councillor Dunn

Councillor Stapleford

Councillor Fitzgibbon

Councillor Gray

Councillor Dagg

Councillor Burke

Councillor Sander

Councillor Lyons

Councillor Pynsent

Total (10)**Total (0)*****CARRIED UNANIMOUSLY***

MAYORAL MINUTES

MAYORAL MINUTES NO. MM8/2019

SUBJECT: EMERGENCY SERVICES LEVY INCREASE 2019-20

MOTION Moved: Councillor Pynsent

901

RESOLVED

1. That Council notes:
 - a. that last December, the NSW Government enacted laws to provide better workers compensation coverage for firefighters who are diagnosed with one of twelve specific work-related cancers
 - b. that in many areas of NSW, fire services are made up of elected and staff members of local government, and that local governments strongly support this expanded workers compensation scheme
 - c. that as a result of these changes, the State Government has decided to implement the new scheme by charging local governments an increased Emergency Services Levy, without consultation
 - d. that the expected increase in costs to local governments will be \$19m in the first year alone, and that there is little or no time to enshrine this charge in Council's 2019-20 budget
 - e. that Local Government NSW has long advocated for the Emergency Services Levy to be significantly modified to ensure it is transparent, equitable and accountable.
2. That Council supports Local Government NSW's calls for:
 - a. the NSW Government to cover the initial additional \$19m increase to local governments for the first year and
 - b. the NSW Government to work with NSW local governments to redesign the funding mechanism for the scheme to ensure fairness into the future.
3. That the General Manager liaise with Local Government NSW on:
 - a. the impact on council budgets and
 - b. Council advocacy actions undertaken.
4. That Council:
 - a. write to the Premier and Interim Opposition Leader, Minister for Customer Services, Minister for Emergency Services, Minister for Local Government and Shadow Minister for Local Government, and State Member for Cessnock to:
 - i. call upon the NSW Government to fund the 12 months of this extra cost rather than requiring councils to find the funds at short notice when budgets have already been allocated
 - ii. explain how this sudden increase will impact council services / the local community.
 - iii. highlight that councils were not warned of the increased cost until May 2019, despite the new laws being passed in November 2018
 - iv. explain that the poor planning and implementation of the increase is inconsistent with the Government's commitment to work in partnership with the sector
 - v. ask the Government to work with local governments to redesign the implementation of the scheme to ensure it is fairer for councils and communities into the future.

- b. provide a copy of the above letter to Local Government NSW.

FOR	AGAINST
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Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	

Total (10)

Total (0)

CARRIED UNANIMOUSLY

MOTIONS OF URGENCY

MOTIONS OF URGENCY NO. MOU8/2019

SUBJECT: MOTIONS OF URGENCY

NIL

GENERAL MANAGER'S UNIT

GENERAL MANAGER'S UNIT NO. GMU8/2019

SUBJECT: GREAT NORTH WALK

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
902

RESOLVED

1. That Council continue to promote the publically accessible parts of the Pokolbin Spur of the Great North Walk to visitors and residents of the Cessnock local government area through the Hunter Valley Visitor Information Centre and existing materials;
2. That the General Manager write to NSW Crown Lands requesting:
 - i. that a review of current agreements be undertaken with all agencies and land owners as a priority;
 - ii. the Pokolbin Spur of the Great North Walk trail infrastructure be audited and renewed as appropriate by the NSW Government;
 - iii. formalised promotional materials be developed by the NSW Government to support Council and stakeholder promotions of the trail.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

PLANNING AND ENVIRONMENT

PLANNING AND ENVIRONMENT NO. PE48/2019

SUBJECT: MINUTES OF THE STRATEGIC PROPERTY & COMMUNITY FACILITIES COMMITTEE OF THE 17 APRIL 2019

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
903
RESOLVED

1. That the Minutes of the Strategic Property & Community Facilities Committee of the 17 April 2019 be adopted as a resolution of the Ordinary Council.
2. That Council commence the process to reclassify the land north of Swamp Creek within Lot 260 DP1160174 from Community to Operational land and that this area be rezoned to R2 Residential during this process.
3. That a further report on the reclassification of Lot 260 DP1160174 be presented to the Committee providing an update on the process once the reclassification is underway.
4. That the General Manager investigate the heritage status of the building at 206 Vincent Street, Cessnock (formerly Samaritans Building).
5. That the reclassification and rezoning of the Kurri Kurri netball courts, known as Lot 5 and Lot 7 DP1140055, Maitland Street Kurri Kurri, be continued and run concurrently with the search for a suitable alternative netball site.
6. That the General Manager consult with the current users of the Kurri Kurri netball courts outlining the search for an alternate site while the reclassification and rezoning is being undertaken.
7. That Council transfer Lots 1-21, Section 29 DP758474 (known as 35 Water Street, Greta) to the Property Investment Fund
8. That Council commence the process to reclassify Lots 1-21, Section 29 DP758474 (known as 35 Water Street, Greta) from Community to Operational land.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY

CORPORATE AND COMMUNITY NO. CC32/2019

SUBJECT: QUARTERLY BUDGET REVIEW STATEMENTS - MARCH 2019

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
904

RESOLVED

1. That Council note that the March 2019 Quarterly Budget Review Statements were endorsed for presentation to Council by the Audit and Risk Committee on 7 May 2019.
2. That Council approve the variations to the income, expenditure and capital budgets as detailed in the March 2019 Quarterly Budget Review Statements.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC33/2019

SUBJECT: MAYORAL & COUNCILLOR FEES 2019-20

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
905

RESOLVED

1. That Council set the annual Mayoral Fee for 2019-20 at \$44,250 in accordance with the provisions of Section 249 of the Local Government Act 1993.
2. That Council set the annual Councillor Fee for 2019-20 at \$20,280 in accordance with the provisions of Section 248 of the Local Government Act 1993.
3. That Council set an allowance for 2019-20 of \$800 to be paid to the Deputy Mayor, with the Mayoral fee adjusted accordingly.

FOR

AGAINST

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent

Total (10)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC34/2019

**SUBJECT: MINUTES OF THE CULTURAL FACILITIES COMMITTEE MEETING
OF CESSNOCK CITY COUNCIL HELD 17 APRIL 2019**

MOTION **Moved:** Councillor Dagg **Seconded:** Councillor Sander
906

RESOLVED

1. That the minutes of the meeting of the Cultural Facilities Committee held on 17 April 2019 be adopted as a resolution of the Ordinary Council.
2. That an expression of interest process be facilitated in consultation with the Marthaville Arts and Cultural Centre Management Committee seeking proposals from community and cultural groups for use of the studio area and the selection criteria align to Council's adopted strategic community plans.
3. That Council notify Samaritans of Council's intention not to issue a new lease for use of areas at Cessnock Performing Arts Centre following the completion of the next 12 month lease extension.
4. That Council investigate further the creation of a cultural hub at Cessnock Performing Arts Centre.
5. That the Cultural Facilities Committee be updated quarterly on the progress of the Cultural Hub at Cessnock Performing Arts Centre including discussions with the Cessnock Regional Art Gallery Committee.

FOR

AGAINST

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent

Total (10)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC35/2019

SUBJECT: CODE OF MEETING PRACTICE - PROPOSED MINOR CHANGES

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
907
RESOLVED

That Council adopt the proposed minor changes to Council's adopted Code of Meeting Practice being:

- **Clause 4.2 – Remove the words '*the week before*' and replace them with '*immediately before*';**
- **Clause 4.9 – Remove the words '*no more than 5 days before*' and replace them with '*by 12:00 noon on Tuesday the week of*';**
- **Clause 4.11 - Remove the words '*request for*' and replace them with '*be granted*';**
- **Clauses 10.31 and 10.32 – Replace all instances noting the word '*question*' with the word '*motion*'.**

FOR

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent

Total (10)

AGAINST

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC36/2019

SUBJECT: PECUNIARY INTEREST RETURNS

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
908
RESOLVED

That Council note the tabling of the pecuniary interest returns (for the period 1 February 2019 to 30 April 2019) by the General Manager in accordance with Council's Code of Conduct.

FOR	AGAINST
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Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	

	Total (0)
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CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC37/2019

SUBJECT: INVESTMENT REPORT - APRIL 2019

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
909
RESOLVED

That Council receive the report and note the information.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC38/2019

SUBJECT: RESOLUTIONS TRACKING REPORT

MOTION **Moved:** Councillor Sander **Seconded:** Councillor Burke
910
RESOLVED

That Council receive the report and note the information.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE

WORKS AND INFRASTRUCTURE NO. WI28/2019

SUBJECT: BRIDGES RENEWAL PROGRAM - ROUND FOUR - OFFER OF FUNDING

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Sander
911

RESOLVED

1. That Council note the Australian Government's Bridges Renewal Program (Round Four) 'Offer of Funding' for the replacement of Anvil Creek Bridge, Greta.
2. That Council commits to allocate in the 2019/20 Operational Plan Budget \$690,800 of matching funding in order to accept the 'Offer of Funding'.
3. That the General Manager, on behalf of Council, accept and agree with the administrative and funding requirements outlined in the 'Offer of Funding'.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE NO. WI29/2019

**SUBJECT: MINUTES OF THE LOCAL TRAFFIC COMMITTEE
HELD 15 APRIL 2019**

MOTION **Moved:** Councillor Dagg **Seconded:** Councillor Gray
912
RESOLVED

1. That the Minutes of the Local Traffic Committee of 15 April 2019 be adopted as a resolution of the Ordinary Council being:
 - a. **TC15/2019** - That Council install a zebra crossing, kerb extensions, signage and line marking on North Avenue, Cessnock in accordance with the enclosures North Avenue Cessnock _ Signage & Line Marking Diagram and North Avenue Cessnock _ Traffic Facilities Works.
 - b. **TC16/2019** – That Council install signage and line marking on the shared path adjacent to Victoria Street, between Maitland Road and Yango Street, Cessnock in accordance with the enclosure Victoria Street Cessnock _ Signage & Line Marking Diagram.
 - c. **TC17/2019** – That Council install signage and line marking at the intersection of Ivan, Sergeant, Edith and Stephen Streets, Cessnock in accordance with enclosure Ivan Street Cessnock _ Signage & Line Marking Diagram.
 - d. **TC18/2019** – That the developer install GIVE WAY signage, traffic islands, and line marking on Errol Crescent and Broome Street, Heddon Greta in accordance with the enclosure Errol Crescent Heddon Greta _ Signage & Line Marking Diagram.
 - e. **TC19/2019** – That the proposed intersection on McDonalds Road, Pokolbin provided as enclosure McDonalds Road Pokolbin _ Line Marking Diagram _ Fisher Consulting Engineers, be referred to Local Development Committee (Traffic) for further discussion.
2. That Item Number **TC20/2019 – Heddon Street, Kurri Kurri - Regulatory Parking** be referred back for further examination in consultation with the Planning and Environment Department and Works and Infrastructure Department

FOR	AGAINST
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Councillor Doherty	
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Councillor Dunn	
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Councillor Stapleford	
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Councillor Fitzgibbon	
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Councillor Gray	
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Councillor Dagg	
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Councillor Burke	
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Councillor Sander	
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Councillor Lyons	
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Councillor Pynsent	
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Total (10)	
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	Total (0)
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CARRIED UNANIMOUSLY

BUSINESS OF WHICH WRITTEN NOTICE HAS BEEN GIVEN

BUSINESS WITH NOTICE NO. BN10/2019

SUBJECT: MILLFIELD LOCAL AREA TRAFFIC MANAGEMENT PLAN

MOTION Moved: Councillor Stapleford **Seconded:** Councillor Lyons
913
RESOLVED

1. That a Local Area Traffic Management scheme be investigated for the area bounded by Sixth Avenue, Tenth Avenue, Eleventh Avenue and Wollombi Rd Millfield and including Walmsley Street Millfield, including the closure of Eleventh Avenue Millfield on the northern side of Eighth Avenue Millfield, that will calm and restrict the movement of vehicles at the Eleventh Avenue and the Millfield Road intersection.
2. That prior to a report being considered by council in December 2019 on this matter, a briefing to council is provided on the Local Area Traffic Management Scheme, including the cost associated with the implementation of the Local Area Traffic Management scheme.
3. That the funding for the investigation and preparation of the Local Area Traffic Management scheme that is the subject of the report to be considered by the council, be considered for inclusion in the draft 2019/2020 Operational Plan.

FOR	AGAINST
Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

ANSWERS TO QUESTIONS FOR NEXT MEETING

ANSWERS TO QUESTIONS FOR NEXT MEETING NO. AQ47/2019

SUBJECT: ELECTRIC CARS

The answer was noted.

ANSWERS TO QUESTIONS FOR NEXT MEETING NO. AQ48/2019

SUBJECT: BATTERY RECYCLING PLANT - MITCHELL AVENUE, KURRI KURRI

The answer was noted.

ANSWERS TO QUESTIONS FOR NEXT MEETING NO. AQ49/2019

SUBJECT: V8 SUPERCARS

The answer was noted.

QUESTIONS FOR NEXT MEETING

Councillor Anne Sander

OPERATIONAL PLAN UPDATE

Councillor Sander asked for an update on the project completions on the Operational Plan end of June 2019.

Councillor Anne Sander

HART ROAD UPDATE

Councillor Sander asked for an update on extended works being conducted on Hart Road.

Councillor Darrin Gray

RECLASSIFICATION OF HART ROAD/GINGERS LANE/ORANGE STREET

Councillor Gray asked for an update on the reclassification of Hart Road/Gingers Lane and Orange Street.

Councillor Anthony Burke

PLAN OPTIONS FOR SPLASH PAD CESSNOCK POOL

Councillor Burke asked when will Council be briefed on the plan options for the splash pad at Cessnock Pool.

COUNCILLOR REPORTS

Councillor Gray

Councillor Gray gave an update on the Kurri Kurri Smelter site.

6.48PM

Confidential reports (closed session)

MOTION **Moved:** Councillor Burke **Seconded:** Councillor Sander
914

RESOLVED

That the meeting move into closed session in order to consider confidential items.

FOR	AGAINST
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Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

6.53PM

Open Session

The meeting moved back into open session and the General Manager reported on the outcomes.

PLANNING AND ENVIRONMENT NO. PE46/2019

SUBJECT: CLASS 1 APPEAL IN THE NSW LAND AND ENVIRONMENT COURT AGAINST COUNCIL'S DEEMED REFUSAL OF SECTION 4.55(2) APPLICATION PROPOSING TO MODIFY DEVELOPMENT CONSENT NO. 2017/718 WHICH GRANTED APPROVAL FOR A 24 LOT RESIDENTIAL SUBDIVISION

65 BAILEYS LANE, ABERMAIN

This matter is considered to be confidential under Section 10A(2) (g) of the Local Government Act, as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

MOTION

915

Moved: Councillor Dagg

Seconded: Councillor Fitzgibbon

RESOLVED

1. That Council notes the advice received in the confidential report for NSW Land and Environment Court Appeal No. 2018/309387 and confirms the delegation given to the General Manager on 12 December 2018 to resolve these proceedings.
2. That Council notes the proposal to undertake works associated with the Frame Drive/Baileys Lane intersection, together with a reduced portion of the road works associated with Baileys Lane by the developer, Baileys Lane Pty Ltd. The Council delegates to the General Manager the authority to negotiate and enter into an agreement with the developer for the works associated with the Frame Drive/Baileys Lane intersection and the road works associated with Baileys Lane under the terms of a Voluntary Planning Agreement.
3. That the General Manager prioritise the urgent review of the Cessnock City Council Residential Section 7.11 Contributions Plan.

FOR

AGAINST

Councillor Doherty
Councillor Dunn
Councillor Stapleford
Councillor Fitzgibbon
Councillor Gray
Councillor Dagg
Councillor Burke
Councillor Sander
Councillor Lyons
Councillor Pynsent
Total (10)

Total (0)

CARRIED UNANIMOUSLY

PLANNING AND ENVIRONMENT NO. PE47/2019

SUBJECT: CLASS 1 APPEAL IN THE NSW LAND AND ENVIRONMENT COURT AGAINST COUNCIL'S DEEMED REFUSAL OF SECTION 4.55(2) APPLICATION PROPOSING TO MODIFY DEVELOPMENT CONSENT NO. 2011/863 WHICH GRANTED APPROVAL FOR A 62 LOT SUBDIVISION

RUBY STREET, BELLBIRD

This matter is considered to be confidential under Section 10A(2) (g) of the Local Government Act, as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

Councillor Stapleford declared a Non Pecuniary Interest – Less Than Significant conflict for the reason that he is a friend of a person working for the developer which he only found out recently. Councillor Stapleford remained in the Chamber and participated in discussion and voting.

MOTION **Moved:** Councillor Dagg **Seconded:** Councillor Fitzgibbon
916
RESOLVED

1. That Council notes the advice received in the confidential report for NSW Land and Environment Court Appeal No. 2018/319751 and confirms the delegation given to the General Manager on 12 December 2018 to resolve these proceedings.
2. That Council notes the proposal to contribute funds to pay for part of the cost of the reconstruction of the Abbotsford Street bridge by the developer, Johnson Property Group Pty Limited. The Council delegates to the General Manager the power to enter into an agreement with the developer for the reconstruction of the Abbotsford Street Bridge and to widen Abbotsford Street under a works in kind agreement following resolution of the proceedings.
3. The Council further determines that given the developer is acting on Development Consent No. 2011/836 and has the responsibility to widen the bridge under the consent, extenuating circumstances and the unavailability of competitive tenders mean that a satisfactory result would not be achieved by inviting tenders under s55 of the *Local Government Act 1993*.
4. That the General Manager prioritise the urgent review of the Cessnock City Council Bellbird North Section 7.11 Contributions Plan.

FOR	AGAINST
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Councillor Doherty	
Councillor Dunn	
Councillor Stapleford	
Councillor Fitzgibbon	
Councillor Gray	
Councillor Dagg	
Councillor Burke	
Councillor Sander	
Councillor Lyons	
Councillor Pynsent	
Total (10)	

	Total (0)
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CARRIED UNANIMOUSLY

The Meeting Was Declared Closed at 6.57pm

CONFIRMED AND SIGNED at the meeting held on 5 June 2019

.....**CHAIRPERSON**

.....**GENERAL MANAGER**

Disclosures Of Interest

Report No. DI10/2019

Corporate and Community Services



SUBJECT: *DISCLOSURES OF INTEREST*

RESPONSIBLE OFFICER: *Finance and Administration Manager - Andrew Glauser*

RECOMMENDATION

That Councillors now disclose any interests and reasons for declaring such interest in the matters under consideration by Council at this meeting.

SUMMARY

The provisions of Chapter 14 of the Local Government Act, 1993 regulate the way in which Councillors and nominated staff of council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

ENCLOSURES

There are no enclosures for this report.

Motions of Urgency

Report No. MOU9/2019

Corporate and Community Services



SUBJECT: *MOTIONS OF URGENCY*

RESPONSIBLE OFFICER: *Finance and Administration Manager - Andrew Glauser*

RECOMMENDATION

That Councillors now indicate if there are any matters of urgency which they believe should be conducted at this meeting of Council.

SUMMARY

Under Clause 10.5 of Council's Code of Meeting Practice, business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. This can only happen if a motion is passed to have the business transacted at the meeting, the Mayor rules that the business is of great urgency and the business notified in the agenda for the meeting has been disposed of.

Only the mover of such a motion can speak to the motion before it is put.

ENCLOSURES

There are no enclosures for this report.

General Manager's Unit
Report No. GMU9/2019
General Manager's Unit



SUBJECT: *CESSNOCK CITY COUNCIL UNION PICNIC DAY*

RESPONSIBLE OFFICER: *Human Resource Manager - Darrylen Allan*

SUMMARY

This report provides Council with information on the approved date for the annual Cessnock City Council Union Picnic Day.

RECOMMENDATION

That the report be received and noted.

BACKGROUND

The Cessnock City Council Picnic Association has written to the General Manager requesting that approval be given for the Annual Cessnock City Council Union Picnic Day to be held on Friday, 22 November 2019.

Council services, facilities and offices, including libraries, do not operate on the Union Picnic Day. Council employees are available for emergency situations.

REPORT

The *Local Government (State) Award 2017* (the Award) at clause 20B Union Picnic Day provides

- (i) *Union Picnic Day shall for the purposes of this Award be regarded as a holiday for employees who are financial members of the union(s). The Union Picnic Day shall be on such day as is agreed between the employer and the union(s).*
- (ii) *The union(s) shall advise the employer of financial members as at the time of the Union Picnic Day. Such advice must be given at least two weeks prior to the Union Picnic Day.*
- (iii) *Employees who are not financial members of the union(s) and who are required to work on Union Picnic Day shall be paid ordinary pay for their normal working day.*
- (iv) *Employees who are not financial members of the union(s) and who are not required to work on Union Picnic Day, may apply to the employer to take annual leave, long service leave, time off in lieu of overtime, leave without pay, such other leave as may be approved by the employer, or may be required by the employer to make up time.*

The General Manager has approved Friday, 22 November 2019 as the Union Picnic Day in accordance with the Award, with the event being a family carnival held at Baddeley Park, Cessnock.

General Manager's Unit

Report No. GMU9/2019

General Manager's Unit



Council services, facilities and offices, including libraries, do not operate on Picnic Day. Council employees are available for emergency situations.

Council will notify members of the Community of the closure by way of notices in local print media, on Council's website and all Council's social media outlets. In addition notices are to be posted in the Administration Building, Cessnock Library and Kurri Kurri Library.

STRATEGIC LINKS

a. Delivery Program

This report links to the community's desired outcome outlined of *Civic Leadership and Effective Governance*.

b. Other Plans

N/A

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

Provision has been made in the Delivery Program and Operational Plan.

c. Legislative Implications

Local Government (State) Award 2017

d. Risk Implications

N/A

e. Other Implications

N/A

CONCLUSION

Council is advised of the date and details of the 2019 Union Picnic Day.

ENCLOSURES

There are no enclosures for this report.

General Manager's Unit
Report No. GMU10/2019
General Manager's Unit



SUBJECT: *MINUTES OF THE TOWN COORDINATORS REVIEW COMMITTEE MEETING HELD ON 8 MAY 2019*

RESPONSIBLE OFFICER: *Acting Economic Development Manager - Rhiannon Stevens*

RECOMMENDATION

1. That the Minutes of the Minutes of the Town Coordinators Review Committee meeting held on 8 May 2019 be adopted as a resolution of the Ordinary Council.
2. That the Draft Economic Development & Sponsorships Program Guidelines and Application process which includes the changes identified by the Committee be endorsed.
3. That the next funding round be advertised in accordance with the Draft Economic Development & Sponsorships Program Guidelines and application process for allocations in the 2019-20 Financial Year.

MINUTES OF TOWN COORDINATORS REVIEW COMMITTEE MEETING OF THE CESSNOCK CITY COUNCIL HELD IN GENERAL MANAGERS MEETING ROOM ON WEDNESDAY, 8 MAY 2019, COMMENCING AT 3.30 PM

PRESENT: The Mayor, Councillor Pynsent
Councillor Doherty
Councillor Fitzgibbon
Councillor Stapleford

IN ATTENDANCE: Councillor Gray (Alternate Delegate)
Mr Stephen Glen – General Manager
Ms Rhiannon Stevens – Acting Economic Development Manager
Linda Lewis – Acting Executive Assistant to General Manager

INVITEES: Nil

APOLOGIES

Nil

CONFIRMATION OF MINUTES

MINUTES:

MOTION

Moved: Councillor Doherty
Seconded: Councillor Fitzgibbon

RECOMMENDED that the Minutes of the Town Coordinators Review Committee held on 12 September 2018, as circulated, be taken as read and confirmed as a correct record.

CARRIED UNANIMOUSLY

LISTED MATTERS

LISTED MATTERS - COMMITTEE NO. CLM1/2019

SUBJECT: TOWN CO-ORDINATORS DRAFT APPLICATION PROCESS

MOTION

Moved: Councillor Stapleford **Seconded:** Councillor Fitzgibbon

RECOMMENDATION

1. That the Committee recommend that Council, endorse the Draft Economic Development & Sponsorships Program Guidelines and Application process including the changes identified by the Committee.
2. That the Committee recommend to Council the next funding round be advertised in accordance with the Draft Economic Developments & Sponsorships Program Guidelines and application process for allocations in the 2019-20 Financial Year.

RESOLVED

1. That a meeting of the Town Coordinator's Review Committee be convened to review and recommend endorsement of funding applications to Council for 2019-20 Financial Year.

CARRIED UNANIMOUSLY

General Manager's Unit
Report No. GMU10/2019
General Manager's Unit



LISTED MATTERS - COMMITTEE NO. CLM2/2019

SUBJECT: ECONOMIC DEVELOPMENT STRATEGY

MOTION ***Moved:*** Councillor Stapleford ***Seconded:*** Councillor Fitzgibbon

RESOLVED

The Committee received and noted the verbal report.

CARRIED UNANIMOUSLY

CORRESPONDENCE

Nil

GENERAL BUSINESS

Nil

The Meeting Was Declared Closed at 4.03pm

ENCLOSURES

There are no enclosures for this report.

General Manager's Unit
Report No. GMU10/2019
General Manager's Unit



SUBJECT: *BID TO HOST GOLF NSW OPEN REGIONAL QUALIFIERS 2019-21*

RESPONSIBLE OFFICER: *Acting Economic Development Manager - Rhiannon Stevens*

SUMMARY

Tourism and the visitor economy are critical industries to the Cessnock Local Government Area (LGA) in terms of jobs and economic vitality. A key opportunity exists to support diversification into non-core tourism products, including sports tourism. Council has received an invitation from Golf NSW to partner and bid for hosting rights for a regional qualifying tournament for the NSW Open.

RECOMMENDATION

1. That Council execute the partnership agreement to co-host NSW Open Golf Championship Regional Qualifier events in 2019, 2020 and 2021.
2. That Council provide a partnership fee of \$5,000 (GST exclusive) per annum for the 2019 to 2021 events to Golf NSW, with funding from the Tourism Related Project funding allocation.
3. That Council allocate \$6,000 (GST exclusive) in the 2019/20 Operational Plan from the Tourism Related Project funding towards course signage to co-brand Council and towards marketing and promotional materials targeting the golfing segment of visitors.

BACKGROUND

The NSW Men's Open was first played in 1931 and has a very proud heritage with Kel Nagle, Peter Thomson, Greg Norman, Peter Lonard, Craig Parry and Jack Newton all having won the tournament before going on to achieve world recognition.

Golf NSW in partnership with the Australian PGA introduced the NSW regional qualifying events in 2015. Each Regional Qualifier event guarantees the winning golfer automatic entry into the prestigious NSW Open. There is a similar opportunity for the best player over the age of 50 in the NSW Senior Open.

Council has received an invitation from Golf NSW to partner and bid for hosting rights for a regional qualifying tournament for the NSW Open.

REPORT/PROPOSAL

Golf NSW will select between four to six partner locations across NSW in 2019 to co-host Regional Qualifying events for the NSW Open between 2019 and 2021.

General Manager's Unit

Report No. GMU10/2019

General Manager's Unit



Council has a clear opportunity to become a partner to co-host annual Qualifier Events in 2019, 2020 and 2021; and capitalise on the opportunity to cement our city's reputation as a great golf capital. The hosting opportunity provides a mix of social and economic impacts and showcases our great golf courses to many of NSW's amateur golfers.

Objectives of hosting Gold NSW Regional Qualifiers:

The overall objectives are to provide a direct pathway for talented amateur golfers and drive tourism to the partner region. Golf NSW cite these events increase visitation numbers to the partner region in the lead up to and during the regional qualifier.

Benefits of hosting Gold NSW Regional Qualifiers:

a) *Benefits to the visitor economy:*

In order to meet the NSW government's goal of doubling overnight visitor expenditure, Hunter Valley Wine Country needs to embrace emerging product diversity and use this to reinforce and strengthen the existing brand message as a premier food and wine destination. International standard, championship golf courses are a huge asset to our visitor economy if harnessed effectively.

If successful, Cessnock will be able to showcase our golf courses to many of NSW's amateur golfers and invigorate our reputation as a prime location to visit and participate in golf.

The golf market offers a key segment for the Hunter Valley to target visitation. The event and three year commitment will incrementally increase the profile of Hunter Valley into prime golfing market segments. The Australian Golf Industry Council provides a profile of Australian golf participants which supports viability and alignment with our current visitor profile:

- Played across all levels of society
- All demographic: all ages, non-gender/ ethnicity specific

Target Markets:

- The Regional Qualifiers are designed to attract golfers from across NSW who are wishing to win a spot in the NSW Open and the NSW Senior Open respectively.
- Target market is elite amateur golfers from across Australia. Cost to participate (that is the ENTRY FEE) is set by each Club and retained by each Club. Venue selection is made by Golf NSW in consultation with Council and the local golf Clubs.

b) *Benefits to residents:*

Hosting a Regional Qualifier will generate increased local interest in participating in golf. It can also cast some of our emerging local golfing champions into the spotlight.

c) *Economic impact analysis:*

In order to capture the value of tourism, economic analysis can provide an excellent basis on which to make strategic decisions about growing tourism activities in the region. The estimated economic multipliers of the events are expected to offset the direct investment in terms of contribution to the visitor economy and exposure of the region to new markets.

General Manager's Unit

Report No. GMU10/2019

General Manager's Unit



REMPPLAN Economy is used by Councils, governments and economic development agencies for submissions, reports and assessment of developments and initiatives which require an "Economic Assessment".

Economic impact assessment undertaken on estimated visitation for the proposed 2019 Regional Qualifying event has shown that a Cessnock event has the potential to generate an approximate \$135,780 visitor expenditure, increase Cessnock LGA's total output by \$198,000, create 1 long term job and \$89,000 value added to the local economy. All figures and data used to conduct the economic impact assessment are based on official data sourced from the Australia Bureau of Statistics (ABS) and tourism estimates based on ABS 2016 / 2017 Tourism Satellite Account.

Furthermore, Golf NSW has indicated that prospective players usually visit the host venue in preparation for the qualifying event to practice their game and establish familiarity with the course. This has the potential to further increase visitation multipliers to the local area.

Economic Impact Analysis can be conducted each year based on actual numbers, with an event report requested by the event manager.

d) Partner benefits as a host Council:

The host Council shall receive from Golf NSW:

- Name and logo associated with event title on all references and collateral;
- Mayoral and civic presentation including right to deliver a speech at the winner's presentation;
- Present winner with trophy;
- Brand recognition in all event advertising, event collateral and PR;
- Permission to supply course signage at own cost for display at key exposure points.
- Mayor included as a key spokesperson on official media
- Option for marquee to promote tourism and local region at the event
- Option to provide visitor resourcing items and targeted promotional materials to attendees

e) Reputational Benefits:

There is currently fear of stagnation within industry stakeholders in the visitor economy. For Council to provide the seed funding to formalise a relationship with Golf NSW for the next 3 years will be perceived as leading the region forward and driving positive and collaborative change for tourism stakeholders.

The event details:

a) Format and entry:

- Regional Qualifier is played between 18- 36 holes over 1 or 2 days
- Stroke Event
- Only Amateur players eligible to enter
- Scheduled at a time of year which suits the host Club/Partner between September and October

General Manager's Unit

Report No. GMU10/2019

General Manager's Unit



Expectation is the entry numbers will be around 150 - 220 (plus caddies/friends/guests), particularly given the quality of the courses in the Hunter Valley region.

b) *Dates for the events:*

Dates for each Regional Qualifier are determined in consultation between Golf NSW, Council and the host venue to achieve maximum visitation numbers. This is anticipated to be between September and November each year.

c) *Golf NSW roles and responsibilities:*

- Golf NSW is responsible for marketing the Regional Qualifiers across Australia via social media, newsletters and brochures delivered to all Clubs in NSW and the ACT.
- Golf NSW Marketing & Communications Manager, and Media and Digital Manager are responsible for driving publicity.
- Golf NSW Staff officiate at each Regional Qualifier.
- Golf NSW will endeavour to extend the hosting opportunity by expression of interest to all eligible Golf Clubs within the Partner's local government area.
- Golf NSW will endeavour where possible to rotate the venues annually to allow equitable opportunity to be the host of this event.

d) *Partner Fee:*

The partner fee for the NSW Open Golf Championship Regional Qualifier is \$5,000 (plus GST) per year, from 2019/20, 2020/21 and 2021/22.

It is recommended that this be sourced from Council's Tourism Related Project funding.

e) *Other Costs:*

Other financial commitments include a suggested one off \$6,000 plus GST in 2019/20 from the Tourism Related Project funding towards purchasing items that can be reused over the three years of events:

- Course signage to co-brand Council for use at the events
- Funding towards marketing and materials to support targeting the golfing segment of visitors
- Related promotional materials for use in the optional Council marquee to promote tourism and local region at the event

Partnership Agreement :(draft)

Refer Enclosure 1 for the draft Partnership Agreement.

Council Officers have negotiated partnership agreement allowances for Council to terminate the partnership agreement in the circumstance the elected council chooses to not proceed subsequent to the 2020 local government election.

General Manager's Unit
Report No. GMU10/2019
General Manager's Unit



OPTIONS

Option 1:

1. That Council execute the partnership agreement to co-host NSW Open Golf Championship Regional Qualifier events in 2019, 2020 and 2021.
2. That Council provide a partnership fee of \$5,000 (GST exclusive) per annum from the 2019 to 2021 financial years to Golf NSW from the Tourism Related Project funding.
3. That Council allocate \$6,000 (GST exclusive) from Tourism Related Project funding to 2019/20 Operational Plan towards course signage to co-brand Council and towards marketing and promotional materials targeting the golfing segment of visitors.

This is the preferred option.

Option 2:

That Council does not execute the partnership agreement or proceed in the process to become to co-host NSW Open Golf Championship Regional Qualifier events in 2019, 2020 and 2021.

CONSULTATION

Internal:

General Manager
Governance and Council Support Coordinator
Economic Development Officer

External:

Golf NSW Head of Government & Corporate Relations (former)
Golf NSW General Manager - Golf

STRATEGIC LINKS

a. Delivery Program

This report is in line with the community's desired outcomes of: "*Civic Leadership and Effective Governance*" and "*a Sustainable and Prosperous Economy*", and in particular, Objective 2.3 Increasing tourism opportunities & visitation.

b. Other Plans

Cessnock Economic Development Strategy
Destination Management Plan
NSW Statewide Destination Management Plan

IMPLICATIONS

a. Policy and Procedural Implications

Nil

General Manager's Unit

Report No. GMU10/2019

General Manager's Unit



b. Financial Implications

If Council was successful in its bid to host the Regional Qualifiers the partner fee of \$5,000 (GST exclusive) per annum is proposed to be sourced from the Tourism Related Project funding in 2019/20, 2020/21 and 2021/22.

Should Council wish to promote tourism at the event as per the provisions of the partnership agreement, this may would require additional Council staff resources to prepare marketing materials and be present at the events. This would include Economic Development staff, including the Hunter Valley Visitor Information Centre staff.

It has also been requested a one off \$6,000 (GST exclusive) be sourced from the Tourism Related Projects Fund in 2019/20 in order to source appropriate sponsorship and marketing resources including signage, to represent Council's interest in the events.

c. Legislative Implications

The proposal enters Council into a three year partnership agreement, however there are provisions to protect all parties, and exit clauses which outline how the agreement can easily be terminated by either party.

d. Risk Implications

A risk exists if the Council determined they did not wish to continue with the partnership agreement post-election (2020), an exit clause is provided in the partnership agreement to mitigate this risk.

Council's partner funding commitment is conditional on the events going ahead, and will not be at risk should the event be cancelled, the partner fee will be reimbursed.

e. Environmental Implications

Nil

f. Other Implications

There is additional benefit of Council becoming a host as currently, there are no council operated golf courses in the city. This becomes an opportunity to leverage from increased opportunities of Golf for the local residents, visitor economy, and business community without the added cost or encumbrance of maintaining the physical assets in the lead up or post event.

There is also the investment in producing timely and relevant promotional and marketing resources to support increased visitation related with the golfing market, which will have an ongoing utility beyond the 3 year agreement with Golf NSW.

CONCLUSION

The opportunity to partner with Golf NSW to host Regional Qualifiers provides a mix of social, economic and multiplier impacts associated with the visitor economy. Sports tourism compliments the core product offerings and provides an opportunity to enhance the reputation

General Manager's Unit

Report No. GMU10/2019

General Manager's Unit



of Cessnock and the Hunter Valley as a great golfing destination. If successful, Cessnock will be able to showcase our great golf courses to many of NSW's amateur golfers and invigorate our reputation as a prime location to visit and participate in golf.

ENCLOSURES

- [1](#) ⇨ Enclosure 1 Draft Agreement 2019-21 NSW Open Golf Championship - Regional Qualifier

Planning and Environment

Report No. PE49/2019

Planning and Environment



SUBJECT: *EXHIBITION OUTCOMES - KURRI KURRI DISTRICT STRATEGY CONSEQUENTIAL AMENDMENTS PLANNING PROPOSAL*

RESPONSIBLE OFFICER: *Strategic Planning Manager - Martin Johnson*

APPLICATION NUMBER:	18/2017/5
PROPOSAL:	Kurri Kurri District Strategy Consequential Amendments
PROPERTY DESCRIPTION:	The Planning Proposal applies City wide
PROPONENT:	Cessnock City Council

SUMMARY

The purpose of this Report is to advise Council of the outcome of the public exhibition of the Kurri Kurri District Strategy Consequential Amendments Planning Proposal (the Planning Proposal) and seek Council's endorsement to make the proposed amendments to the *Cessnock Local Environmental Plan 2011* (LEP 2011).

Council has been delegated authority to exercise the functions of the Minister for Planning and Environment to make the proposed amendment to the LEP 2011.

RECOMMENDATION

1. That Council endorse the Kurri Kurri District Strategy Consequential Amendments Planning Proposal as an amendment to the *Cessnock Local Environmental Plan 2011*.
2. That Council notify submission makers of its decision.

BACKGROUND

The Kurri Kurri District Strategy (KKDS) and Kurri Kurri Commercial Centre Masterplan were adopted by Council on 21 March 2018. The documents ensure the Kurri Kurri Centre is well-positioned to benefit from major regional infrastructure, urban growth and infill development that is presently occurring in the wider District. Council is actively progressing the directions and actions outlined in the KKDS and Masterplan, including the following, which have formed the basis for the Planning Proposal, provided at **Enclosure 1**.

KKDS Directions	KKDS Actions
Create a compact settlement	Encourage increased density in accessible and unconstrained areas of the District.
Minimise 'out of centre' commercial development	Review the IN2 Light Industrial Zone Land Use Table with a view of encouraging a wider range of industrial related land uses.
Grow the Kurri Kurri Industrial Precinct	

Planning and Environment

Report No. PE49/2019

Planning and Environment



Encourage housing diversity, density and affordability	Investigate planning provisions that encourage greater diversity of residential accommodation in the District.
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Council resolved to prepare the Planning Proposal on 4 April 2018 and a Gateway determination was issued by the Department of Planning and Environment (DPE) in respect of the Proposal on 9 July 2018.

On 20 February 2019, the Proposal was amended by Council to include a minimum lot size for new dual occupancy development in the Cessnock R2 Low Density Residential Zone. An amended Gateway determination was issued by DPE for the alteration on 5 April 2019. The Planning Proposal was subsequently exhibited between 17 April and 6 May 2019, resulting in 25 submissions.

Chronology

Date	Brief Description
21 Mar 2018	Kurri Kurri District Strategy adopted by Council
4 Apr 2018	Council resolved to prepare the Kurri Kurri District Strategy Consequential Amendments Planning Proposal
9 Jul 2018	Gateway determination issued by the Department of Planning and Environment in relation to the Kurri Kurri District Strategy Consequential Amendments Planning Proposal
Aug/Sep 2018	Consultation with the NSW Office of Environment and Heritage and NSW Rural Fire Service in accordance with the Gateway determination.
20 Feb 2019	Council resolved to amend the Planning Proposal to include a 600m ² minimum lot size for Dual Occupancy Development.
5 Apr 2019	Amended Gateway determination issued by the Department of Planning and Environment in respect of the Planning Proposal.
17 Apr 2019 to 6 May 2019	The Planning Proposal is exhibited in accordance with the Gateway determination.

REPORT/PROPOSAL

The objective of the Planning Proposal (**Enclosure 1**) is to amend the *Cessnock Local Environmental Plan 2011* (the 'LEP 2011') to achieve the following outcomes:

1. Amend the Cessnock IN2 Light Industrial Zone Land Use Table

The Planning Proposal encourages greater use of the Cessnock IN2 Light Industrial Zone by permitting a wider range of compatible land uses in the Zone, including *landscaping material supplies, plant nurseries and vehicle sales and hire premises*, while removing incompatible land uses, *pubs and hotel and motel accommodation*.

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Redefining the range of permissible land uses in the IN2 Light Industrial Zone will provide greater flexibility for development and encourage utilisation of the LGA's light industrial land. The amendment will also ensure the ongoing viability of the LGA's commercial centres, which are highly sensitive to competing areas of commercial development.

2. Delete sub-clause 4.1(4A)(a), 'T1' lot size provisions, of the LEP 2011

The Planning Proposal encourages increased residential density and dwelling diversity in accessible areas around local centres by deleting an onerous LEP 2011 provision relating to the Torrens subdivision of residential zoned land designated 'T1' in the LEP 2011 maps. The 'T1' provision inhibits infill development and is inconsistent with other development standards in the LEP, notably clause 4.1C, relating to the subdivision of dual occupancy development. Deleting the T1 lot size provisions will permit new opportunities for infill development in the Cessnock R2 Low Density Residential and R3 Medium Density Residential zones.

However, in making this amendment, care must be taken to ensure that the Proposal does not compound an existing issue, whereby dual occupancy development in low density residential areas have the potential to cluster and take the form of medium density housing. Such an outcome would be contrary to the objectives of the R2 Low Density Residential Zone. To reduce the likelihood of this occurring, the Planning Proposal also seeks to introduce a minimum lot size for dual occupancy development in the Cessnock R2 Low Density Residential Zone, refer to item 3, below.

To bring about appropriate and sequential numbering of sub-clauses in the LEP 2011, it is also proposed to renumber sub-clause 4.1(4B) to 4.1(5). This amendment is administrative in nature and will not impact the intent of the clause.

3. Introduce Minimum Lot Size for Dual Occupancies in the R2 Low Density Residential Zone

The Planning Proposal will introduce a minimum lot size of 600m² (excluding the area of any access handle) for dual occupancy development in the R2 Low Density Residential Zone. The new development standard will reflect model clause 4.1B of the Standard Instrument Local Environmental Plan (SILEP), generally as below:

4.1D Minimum lot size for dual occupancy development

- (1) The objective of this clause is to achieve planned residential density in certain zones.
- (2) Development consent may be granted to development on a lot in a zone shown in Column 2 of the Table to this clause for a purpose shown in Column 1 of the Table opposite that zone, if the area of the lot is equal to or greater than the area specified for that purpose and shown in Column 3 of the Table:

Column 1	Column 2	Column 3
Dual occupancy	R2 Low Density Residential Zone	600m ² (excluding the area of any access handle)

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The overall impact of the amendment is minor and does not change the intent of the Planning Proposal to encourage increased residential density, affordability and diversity in accessible areas around the City's existing urban centres.

The inclusion of a minimum lot size of 600m² for dual occupancy development will reduce opportunities for dual occupancies to cluster and take the form of medium density housing in the R2 Low Density Residential Zone. Clusters of dual occupancy development have the appearance of medium density housing and this is inconsistent with the objective of the R2 Low Density Residential Zone to 'provide for the housing needs of the community within a low density residential environment'.

The introduction of a 600m² minimum lot size for dual occupancy development in the R2 Low Density Residential Zone will have a minor impact on the total number of allotments in the R2 Low Density Residential Zone on which a dual occupancy may be sited. There are presently 13,078 allotments in the Cessnock LGA zoned R2 Low Density Residential. Of these, 8,740 (66.8%) are greater than 400m², being the minimum size lot size for dual occupancy development under Part 3B of the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008*. Implementing a minimum lot size of 600m² for dual occupancy development in the Cessnock LEP 2011, would have the effect of reducing the potential number of allotments on which a dual occupancy could be sited (in the R2 Zone) to 6,381, a reduction of 18% overall.

Notwithstanding the proposed amendment, the Planning Proposal still provides considerable infill development opportunities in the R2 Low Density Residential and R3 Medium Density Residential Zones.

To prevent variations to the minimum lot size for dual occupancy development in the R2 Low Density Residential Zone, it is also proposed to reference the new clause in clause 4.6(8) of the LEP 2011. Clause 4.6(8) sets out specific clauses of the LEP 2011 that cannot be varied.

4. Mapping anomalies

The Planning Proposal will rectify several minor mapping anomalies to ensure the application of consistent land use zoning within the Kurri Kurri District.

Substantial consideration has been given to the matters raised by the community and public agencies during the exhibition phase. An overview of the exhibition phase is provided in the Consultation section of this Report. A detailed response to submissions is provided in **Enclosure 2** to this Report.

The Proposal is consistent with the Kurri Kurri District Strategy and the intent of the Strategy to encourage dual occupancy development and multi dwelling housing nearer the commercial centres of Kurri Kurri and Weston.

The Kurri Kurri District Strategy was developed by Cessnock City Council in collaboration with the local community and stakeholder groups. The Strategy was exhibited between June and August of 2017 and incorporates the community's aspirations for the future of the District, including a collective vision, directions and actions for land use planning and development in the District to 2036.

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OPTIONS

Council has the following options:

1. That Council endorse the Kurri Kurri District Strategy Consequential Amendments Planning Proposal as an amendment to the *Cessnock Local Environmental Plan 2011*. This is the recommended option.
2. Amend the Planning Proposal.
This option is not recommended as it may delay the Planning Proposal, require an amended Gateway and result in unforeseen impacts.
3. Not proceed with the Planning Proposal for the following reasons:

(To be provided by Council).

This option is not recommended as it will not achieve the directions and actions of the Kurri Kurri District Strategy.

CONSULTATION

Councillors were briefed on the proposed minimum lot size for dual occupancy development on 13 February 2019.

The Planning Proposal was exhibited between 17 April and 6 May 2019, resulting in 25 submissions. The submissions predominantly relate to the proposed introduction of a minimum lot size for dual occupancy development. The issues raised in the submissions are addressed in **Enclosure 2** to this Report.

The majority of the submissions appear to have been written by prospective property investors that have a direct interest in vacant land at Heddon Greta. A minority of submissions were received from builders and industry groups affiliated with the residential property industry.

The principal concerns raised in the submissions relate to:

- impact on housing affordability and diversity in the local area;
- economic impact on builders, tradesman and prospective investors;
- lack of savings/transitional provisions;
- lack of evidence for the Planning Proposal; and
- perceived inconsistency with State legislation and adjoining Council policy.

Seven submissions were written by prospective property investors that have a direct interest in land at Gullane Close, Heddon Greta. A further five submissions were written by prospective investors that have entered into a contract to purchase an unregistered allotment at Heddon Greta that will likely exceed 600m² in area. In which case, certain dual occupancies will still be permitted.

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In accordance with the Gateway determination, consultation has also occurred with the NSW Office of Environment and Heritage (OEH) and NSW Rural Fire Service (RFS), as detailed below.

NSW Office of Environment and Heritage

OEH provided a response regarding the Planning Proposal on 3 September 2018. The response did not raise any issues regarding flood prone land (as required by the Gateway determination), but identified a need for Council to develop a specific Heritage Strategy for Kurri Kurri. In addition, the OEH response emphasised the importance of protecting and promoting heritage values and tourism related opportunities for visitors and residents.

The matters raised by OEH are more relevant to the Kurri Kurri District Strategy and are capable of being addressed when the Strategy is reviewed in due course.

NSW Rural Fire Service

RFS raised no objections to the Planning Proposal subject to a requirement that any future development of the land complies with Planning for Bush Fire Protection 2006 (or its equivalent).

The matter raised by RFS is typically addressed at the development application stage, i.e. development applications that relate to bushfire prone land are required to comply with Planning for Bushfire Protection.

STRATEGIC LINKS

a. Delivery Program

A Sustainable and Healthy Environment: Objective 3.1 Protecting and Enhancing the Natural Environment and the Rural Character of the Area.

b. Other Plans

Kurri Kurri District Strategy

Relevant to this Planning Proposal are the following specific directions and actions of the Kurri Kurri District Strategy.

KKDS Directions	KKDS Actions
Create a compact settlement	Encourage increased density in accessible and unconstrained areas of the District.
Minimise 'out of centre' commercial development	Review the IN2 Light Industrial Zone Land Use Table with a view of encouraging a wider range of industrial related land uses.
Grow the Kurri Kurri Industrial Precinct	
Encourage housing diversity, density and affordability	Investigate planning provisions that encourage greater diversity of residential accommodation in the District.

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The Planning Proposal is consistent with the directions and actions of the Kurri Kurri District Strategy.

Hunter Regional Plan 2036

The Hunter Regional Plan provides the overarching framework to guide the NSW Government's land use planning priorities and decisions to 2036. The Planning Proposal is consistent with the following relevant directions of the Hunter Regional Plan.

Direction 21: Create a compact settlement

The Planning Proposal encourages compact commercial centres by reducing the potential for 'out of centre' commercial development, such as *pubs* and *hotel and motel accommodation*.

The Proposal also encourages greater residential density around centres by deleting onerous LEP provisions relating to the subdivision of residential zoned land designated 'T1' in the LEP maps. The existing 'T1' provision inhibits infill development and is inconsistent with other development standards in the LEP and DCP.

Direction 22: Promote housing diversity

If the proposed amendments are considered collectively, the Planning Proposal is consistent with Direction 21 and 22 of the Hunter Regional Plan 2036.

The Planning Proposal will encourage increased residential density, affordability and diversity nearer the LGA's existing centres. This is achieved with the deletion of sub-clause 4.1(4A)(a) from the LEP 2011. Sub-clause 4.1(4A)(a) relates to the subdivision of residential zoned land designated 'T1' in the LEP 2011 maps. The clause prevents the Torrens subdivision of a considerable number of residential allotments near commercial centres in the LGA.

Higher density living is considered appropriate nearer the commercial centres, where there is greater access to public transport, community services and recreation facilities. Areas in the immediate vicinity of commercial centres are considerably more accessible and are better equipped to accommodate higher density residential outcomes.

Direction 24: Protect the economic functions of employment land

The Planning Proposal encourages greater use of the Cessnock LGA's IN2 Light Industrial Zone by permitting a greater range of compatible land uses, including *landscaping material supplies*, *plant nurseries* and *vehicle sales and hire premises*, while removing incompatible land uses, *pubs* and *hotel and motel accommodation*.

Greater Newcastle Metropolitan Plan 2036

The Metropolitan Plan provides the strategies and actions to deliver on the vision, create great places across Greater Newcastle and align infrastructure and services in catalyst areas. The Planning Proposal is consistent with the following relevant strategies of the Plan.

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Strategy 16 - Prioritise the delivery of infill housing opportunities within existing urban areas

The Proposal also encourages greater residential density near commercial centres by deleting onerous LEP provisions relating to the subdivision of residential zoned land designated 'T1' in the LEP maps. The existing 'T1' provision inhibits infill development and is inconsistent with other development standards in the LEP and DCP.

IMPLICATIONS

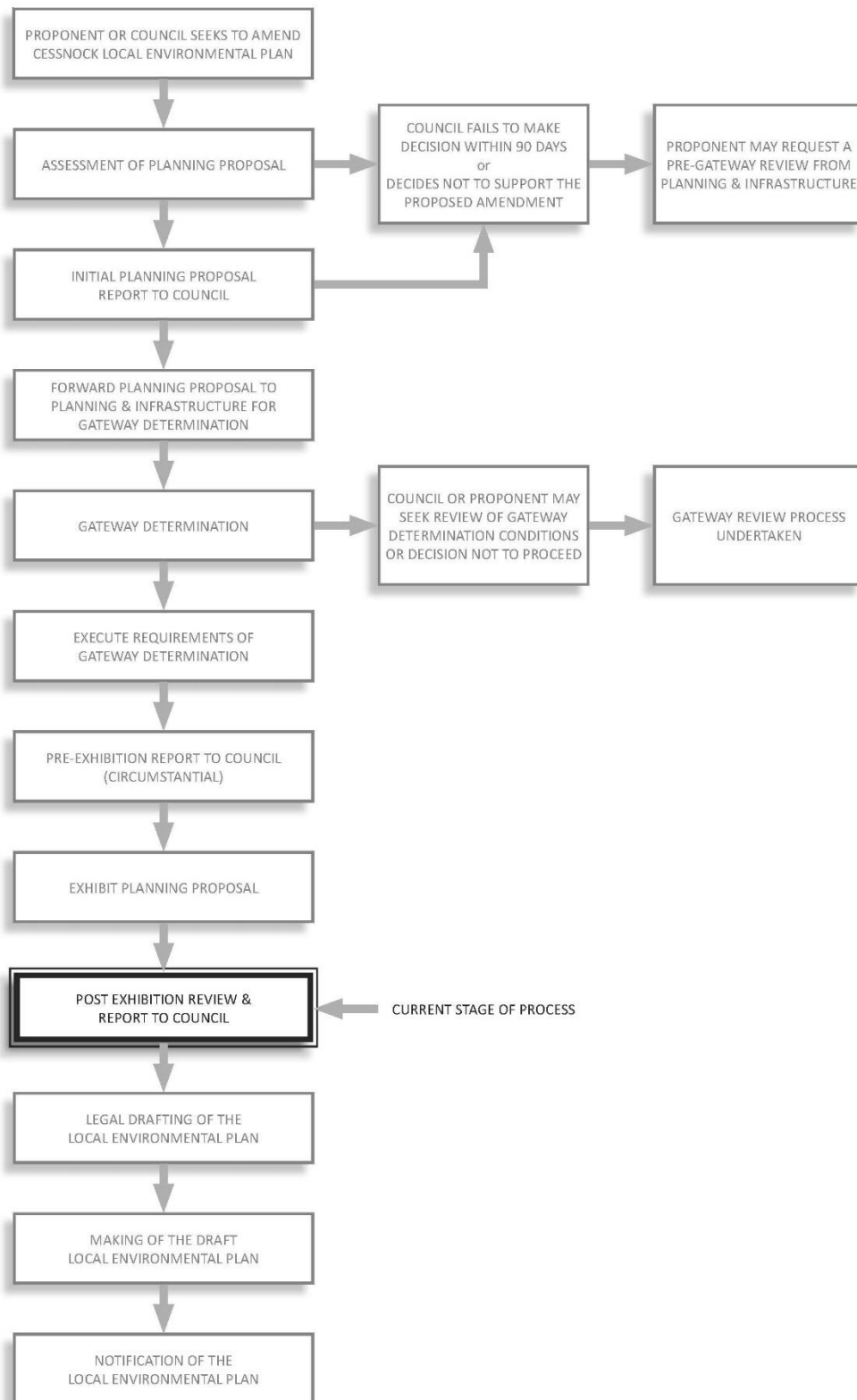
a. Policy and Procedural Implications

The current status of the Planning Proposal is identified in the process map below.

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PLAN MAKING PROCESS - LOCAL ENVIRONMENTAL PLAN



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b. Financial Implications

The cost of this project is funded from Council's Strategic Land Use Planning budget.

c. Legislative Implications

This Report has regard to the provisions of the *Environmental Planning & Assessment Act 1979* and its Regulations and the *Standard Instrument (Local Environmental Plans) Order 2006* (as amended).

d. Risk Implications

Collectively, the amendments encourage increased residential density, affordability and diversity around the City's existing urban centres. This is achieved by deleting sub-clause 4.1(4A)(a) from the LEP 2011. The sub-clause relates to the subdivision of residential zoned land designated 'T1' in the LEP maps. The existing clause currently prevents the Torrens subdivision of a considerable number of residential allotments in the LGA.

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

The Planning Proposal is consistent with the directions and actions of the KKDS and will position the Kurri Kurri Centre to benefit from major regional infrastructure, urban growth and infill development that is occurring in the wider District. The proposed amendments are considered necessary to ensure that Council's overall vision for the Kurri Kurri District is achieved and that the directions and actions of the KKDS are implemented. On this basis, it is recommended that Council endorse the Kurri Kurri District Strategy Consequential Amendments Planning Proposal as an amendment to the *Cessnock Local Environmental Plan 2011*.

ENCLOSURES

- [1⇒](#) Planning Proposal - Kurri Kurri District Strategy Consequential Amendments
- [2⇒](#) Summary and Response to Submissions

Planning and Environment

Report No. PE50/2019

Planning and Environment



SUBJECT: *DEVELOPMENT APPLICATION PERFORMANCE
MONITORING REPORT - MARCH 2019 QUARTER*

RESPONSIBLE OFFICER: *Business Support & Customer Relations Manager - Roslyn Ashton*

SUMMARY

The purpose of this report is to provide Council with the March 2019 quarterly report in relation to development assessment performance monitoring data and provide an overview of development activity within the Cessnock Local Government Area.

RECOMMENDATION

That Council receives the report and notes the information.

BACKGROUND

Each year, the NSW Department of Planning and Environment analyses data from each Council in NSW to provide comprehensive information on the operation of the local development assessment system for development applications, modification of Consents and complying development.

Over recent years, Council has continued to work with key stakeholders to improve processes and the overall performance in relation to development assessment and processing times.

The most recent data is provided in the report and indicates ongoing efforts to improve performance are being realised. In addition, Council is significantly exceeding projections for residential dwelling approvals.

REPORT/PROPOSAL

DEVELOPMENT ASSESSMENT

Key Highlights

MARCH Quarter 2019	DAs and modifications	YTD 2018/2019
--------------------	--------------------------	---------------

237 applications
RECEIVED



875 applications
RECEIVED

274 applications
DETERMINED



830 applications
DETERMINED

40 median
PROCESSING DAYS



28 median
PROCESSING DAYS

67 mean (avg)
PROCESSING DAYS



52 mean (avg)
PROCESSING DAYS



MARCH QTR 2019

2018/2019



Determination Body
DELEGATED AUTHORITY
90%



Determination Type
APPROVED
87%

CESSNOCK
PCA Market

55 percent
Construction Certificates

40 percent
Occupation Certificates



\$57,470,843
Development
Value for **approvals**



\$19,672,933
Complying Development
Value for **approvals**
(Council & Private Certifiers)

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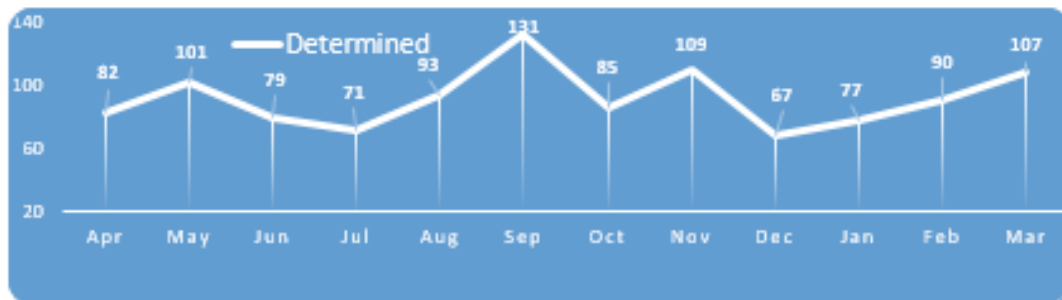
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MARCH QTR 2019

2018/2019



12 Month comparison of applications determined (DAs & S96)

**Development
BY LOCATION**



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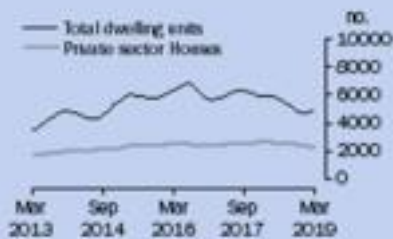
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DWELLING UNITS APPROVED STATE TRENDS

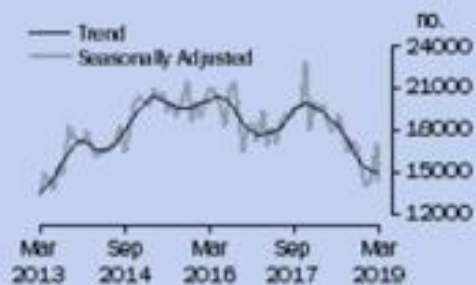
NEW SOUTH WALES



The trend estimate for total number of dwelling units approved in New South Wales rose 0.8% in March. The trend estimate for the number of private sector houses fell 3.4% in March.

BUILDING APPROVALS

NUMBER OF TOTAL DWELLING UNITS



The trend estimate for Australia fell 0.6% in March.

Residential building approvals

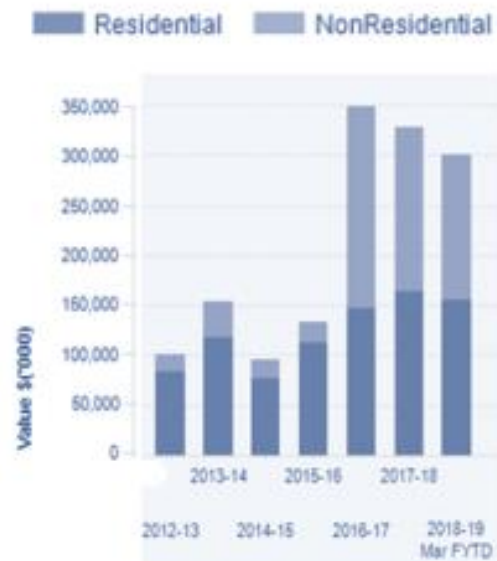
Cessnock City	Number			Annual change		
Year (ending June 30)	Houses	Other	Total	Houses	Other	Total
2018-19 Mar FYTD	491	36	527	—	—	—
2017-18	456	41	497	33	-3	30
2016-17	423	44	467	68	24	92
2015-16	355	20	375	93	-13	80
2014-15	262	33	295	-112	-87	-199
2013-14	374	120	494	60	67	127
2012-13	314	53	367	29	-28	1

<https://profile.id.com.au/cessnock/building-approvals>

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Value of total building approvals

Financial year	Cessnock City			New South Wales			Cessnock City as a % of NSW
	Residential \$('000)	Non-residential \$('000)	Total \$('000)	Residential \$('000)	Non-residential \$('000)	Total \$('000)	
2018-19 Mar FYTD	155,005	145,314	300,319	16,834,929	11,979,629	28,814,558	1.04%
2017-18	163,630	163,611	327,241	26,679,463	14,687,899	41,367,362	0.79%
2016-17	146,563	200,917	347,480	25,294,965	14,322,685	39,617,649	0.88%
2015-16	112,573	20,406	132,979	24,507,071	11,286,909	35,793,980	0.37%
2014-15	76,046	19,245	95,291	15,651,703	12,000,977	27,652,680	0.34%
2013-14	117,126	37,315	154,441	15,651,703	12,000,977	27,652,680	0.56%
2012-13	83,814	17,007	100,821	11,981,013	7,883,815	19,864,829	0.51%

<https://economy.id.com.au/cessnock/value-of-building-approval>


527 residential buildings approved to be built in the financial year 2018-19 MAR FYTD



The value of **building approvals** was **\$300m** in the 2018-19 MAR FYTD financial year

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Highlights Commentary

- The data is showing the number of development applications submitted continue to increase with a total of 830 applications determined March FYTD.
- During the March quarter 10 percent of applications were determined by Council, which included the refusal of 24 applications at Gullane Close and Loch Lomond Ave, Heddon Greta.
- During this quarter application processing times increased significantly however, the March FYTD median is 28 days and average is 52 days.
- Council has approved **527** residential dwellings in the year 2018/19 March FYTD.
- The number of residential dwelling approvals is already running above the record level of 497 residential buildings approved to be built in the last financial year.
- Council's residential dwelling approvals continue to increase – this is going against the trend across NSW and Australia.
- Council's Building Certification market share for construction certificates was at 55% during the March quarter.

CONSULTATION

NSW Planning – Local Development Performance Monitoring
Civica – Authority and MasterView Consultants
Director Planning and Environment
Health and Building Manager
Development Services Manager

STRATEGIC LINKS

a. Delivery Program

The report is linked to Objective 3.1.6 Continue to efficiently and effectively process development applications, and respond to planning related enquiries.

b. Other Plans

Nil

IMPLICATIONS

a. Policy and Procedural Implications

Nil

b. Financial Implications

Nil

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c. Legislative Implications

The statistics will continue to be prepared and submitted annually as required by the NSW Department of Planning and Environment.

d. Risk Implications

Nil

e. Environmental Implications

N/A

f. Other Implications

Nil

CONCLUSION

The report is provided for Council information and outlines an overview of the quarterly performance of Development Assessment as at the end of the March 2019 Quarter.

ENCLOSURES

There are no enclosures for this report

Corporate and Community
Report No. CC40/2019
Corporate and Community Services



SUBJECT: *MARCH 2019 QUARTERLY REVIEW OF 2017-21 DELIVERY PROGRAM*

RESPONSIBLE OFFICER: *Finance and Administration Manager - Andrew Glauser*

SUMMARY

Quarterly update of progress against Council's 2017-21 Delivery Program.

RECOMMENDATION

1. That Council note the progress in implementing the 2017-21 Delivery Program as at 31 March 2019.
2. That Council endorse the following change to the Recreation Buildings Renewal Program:

Add: RBR-2019-005 Kurri Kurri Rugby League Old Boys Shed – drainage upgrade.
3. That Council endorse the following change to the Local Road Construction Program:

Add: CRL-2019-008 Baileys Lane, Abermain – Seal 250m of unsealed road east from Frame Drive intersection.
Add: CRL-2019-012 Great North Road, Laguna – Ramsays Leap
4. That Council endorse deferring the following Local Road Renewal Projects to be reconsidered for the 2021-25 Delivery Program:

Defer: RRL-2019-005 Macquarie Avenue, Cessnock – from Arcadia to Wangi.
Defer: RRL-2019-008 Mount View Road, Millfield – from CH13978 to Second.
Defer: RRL-2019-007 Heddon Street, Kurri Kurri – from Northcote to Deakin
5. That Council endorse the following changes to the Local Road Renewal Program:

Add: RRL-2019-016 Kline Street, Weston – Eighth Street to End.
Add: RRL-2019-015 Walmsley Street, Millfield – Between Eleventh Avenue and Davis Street.

Project description for RRL-2019-006 be amended to more accurately describe the location:

Remove: Quorrobolong Road, Kitchener.
Add: Cessnock Street, Kitchener.

6. That Council endorse the following change to the Traffic Facilities Program:

Add: CFT-2019-007 Lovedale and Wilderness Road – intersection and design.

7. That Council endorse the following change to the Cemeteries Facilities Construction Program:

Project description for CFC-2019-002 Branxton Cemetery:

Remove: replace timber trusses on pergola

Add: remove timber pergola

8. That Council endorse deferring the following 2018-19 Regional Road Renewal Project indefinitely:

Defer: RRR-2019-005 Cessnock Road Weston – Maybury Peace Park access intersection construction.

9. That Council note the progress of carryover deliverables.

BACKGROUND

Section 404(5) of the Local Government Act 1993 requires the General Manager to provide regular progress reports to Council with respect to progress against the principal activities detailed in its Delivery Program with reports provided at least every six months.

The Quarterly Budget Review Statements, required under clause 203 of the Local Government (General) Regulation 2005, provide financial information in regards to estimates of income and expenditure and are separately reported to Council.

Council adopted the 2017-21 Delivery Program and 2018-19 Operational Plan in June 2018. The Delivery Program outlines the activities that Council will undertake to implement the strategies identified in the Community Strategic Plan and is the single point of reference for all principal activities undertaken by an elected Council during its term in office.

At the end of each quarter (September, December, March and June) a report is prepared to assess our progress against 2017-21 Delivery Program actions and the Capital Works Program.

REPORT/PROPOSAL

The 2018-19 Operational Plan is a one year plan (the second year of the 2017-21 Delivery Program) developed to implement the adopted actions from the 2017-21 Delivery Program. A summary of progress for the March quarter including highlights for the quarter are provided below.

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Corporate and Community Services



March 2019 quarter highlights included:

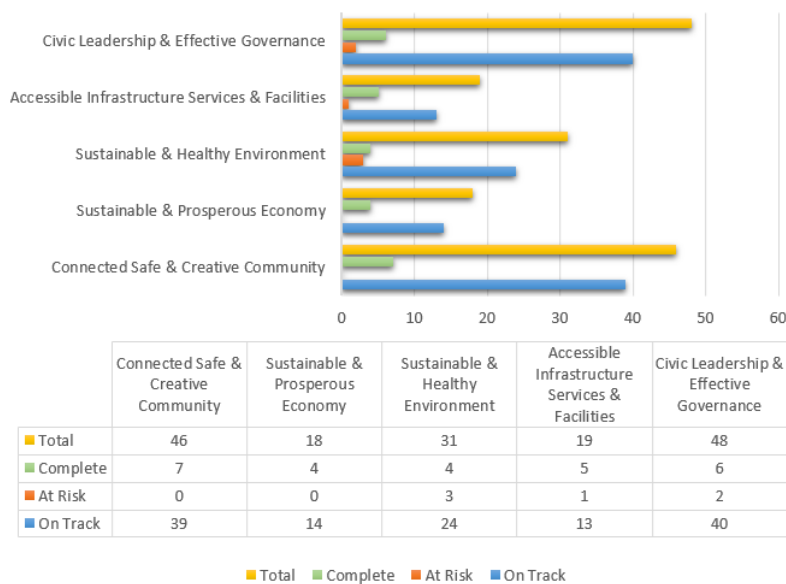
- Launch of the new Official Hunter Valley visitor map, with 500 local businesses supporting the initiative.
- Cessnock was named on TripAdvisor's top 10 cities list as part of its Travellers' Choice awards.
- Clean-up Australia Day was held on 3 March – 17 sites collected 6.5 tonnes of waste.
- Council received a grant of \$89,492 from round 6 of the EPA's illegal dumping grants to partner with National Parks to tackle illegal dumping.
- Mattress drop-off held on 9 March – 800 mattresses were collected.
- New free streaming service launched for members of Cessnock and Kurri Kurri libraries.

2017-21 Delivery Program

At 31 March 2019, 26 (or 16%) of the deliverables (from the Operational Plan) were completed, 6 (or 4%) were at risk and 130 (or 80%) were on-track.

96% of deliverables are either complete or on-track for completion as programmed.

Status of Deliverables



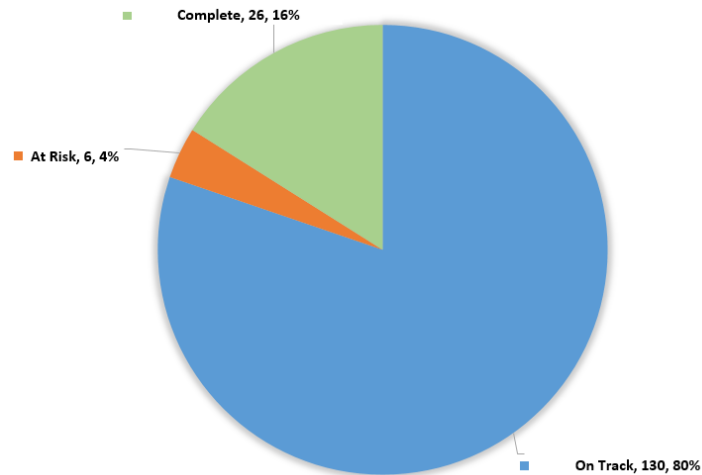
Corporate and Community

Report No. CC40/2019

Corporate and Community Services



There is a total of 162 actions within the 2018-19 Operational Plan. The chart below shows the overall status of these actions.



Details of these "At Risk" deliverables are below:

Ref.	"At Risk" Deliverables
3.1.1.b	Commence review of Cessnock LEP 2011.
	<i>Action post finalisation of the Cessnock City Planning Strategy.</i>
3.1.6.b	Undertake investigations of Council's former waste sites.
	<i>Exploring options to fast track.</i>
3.1.11.a	Continue to develop a tree management strategy.
	<i>Report to Council in April with an update and plan to complete strategy.</i>
4.1.2.a	Investigate and design the following high priority projects from the Traffic & Transport Strategy. <ul style="list-style-type: none"> • Old Maitland Road, Northern outer CBD bypass Stage 1.
	<i>Briefed consultant to prepare concept options report.</i>
5.3.11.a	Review of Council's rating structure and categorisations. Stage 1 (draft findings)
	<i>Scope has been increased. Staff are reviewing timing of receipt of income as well as structure.</i>
5.3.11.c	Assess service and funding options based on community feedback from the service level review.
	<i>Dependent on analysis of community engagement survey. Analysis is being completed in more depth.</i>

2017-21 Delivery Program – Measures

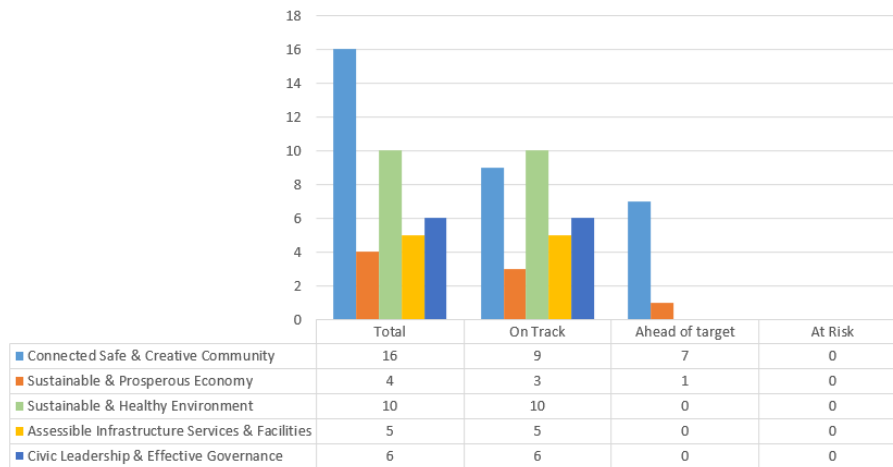
At 31 March 2019, 33 (or 80%) of the Delivery Program measures were on-track and 8 (or 20%) were ahead of target.

100% of measures are either on-track or ahead of target.

Corporate and Community

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Corporate and Community Services



Details of progress against each action and measure in the 2017-21 Delivery Program are included in **Enclosure 1** to this report.

2017-21 Delivery Program (2017-18 Operational Plan) – carried forward deliverables

At 31 March 2019, 3 (or 18%) of the carried forward deliverables were on-track, 12 (or 70%) were completed and 2 (or 12%) is at risk. Although 2 deliverables are at risk, there is the opportunity for them to be delivered over the life of the Delivery Program (i.e. by 30 June 2021).

Details of deliverables are included in **Enclosure 1** to this report.

2018-19 Capital Works Program

At 31 March 2019, 25 (or 29%) of the Capital Works Program projects were complete, 6 (or 7%) were on-track, 52 (or 60%) were in progress and 4 (or 4%) are proposed for deferral.

Three projects are proposed to be deferred and reconsidered for the 2021-25 Delivery Program and 1 project deferred indefinitely. Details of these projects are provided below:

Mount View Road, Millfield: Project RRL-2019-008 proposed to be deferred and reconsidered for the 2021-25 Delivery Program due to the anticipated impact of construction traffic and changed traffic patterns associated with a significant residential subdivision on Mount View Road.

Macquarie Avenue, Cessnock: Project RRL-2019-005 proposed to be deferred and reconsidered for the 2021-25 Delivery Program as inspections show road is maintaining satisfactory condition under current traffic loading.

Cessnock Road, Weston: Project RRR-2019-005 for Peace Park intersection construction is proposed to be deferred indefinitely. The Concept Options Report prepared in 2018-19 proposed 3 options for improving safety at the entrances to the Park. The options included:

- installation of a median island with pedestrian fencing,
- construction of a channelised right hand turn intersection treatment, or
- construction of an urban basic right turn (BAR).

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At this location Cessnock Road Weston is a classified road (MR588), forming part of state route B68. Matters on state roads are managed by Roads and Maritime Services (RMS), preliminary consideration by RMS for these options did not support an increase in access arrangements at this location.

Access to Maybury Peace Park will be considered as part of a master plan for Maybury Peace Park.

Heddon Street, Kurri Kurri: Project RRL-2019-007 proposed to be deferred and reconsidered for inclusion in the 2021-25 Delivery Program due to adverse geotechnical findings and requires full reconstruction.

	<i>Connected, Safe & Creative Community</i>	<i>Sustainable & Prosperous Economy</i>	<i>Sustainable & Healthy Environment</i>	<i>Accessible Infrastructure, Services & Facilities</i>	<i>Total Projects</i>	<i>%</i>
Complete	3	4	9	9	25	29%
On Track	2	1	-	3	6	7%
In Progress	12	6	16	18	52	60%
Pending (proposed for deferral)	-	-	-	4	4	4%
Total Program	17[#]	11	25	34[#]	87	100%
New projects [#]	1	-	-	4	5	
Unfunded/ deferred	5	-	1	21	27	
Carryover projects	4	-	4	12	20	

Capital Works Program – carried forward projects

Of the 20 outstanding projects carried forward from the 2016-17 and 2017-18 capital works programs, 14 have been completed, 5 are in progress and 1 remains unfunded.

Detailed information on the Capital Works Program is included in Enclosure 2.

OPTIONS

Option 1 – adopt the report.

Option 2 – adopt the report with amendments.

CONSULTATION

The General Manager, Directors, Managers and Coordinators provided the information for inclusion into this report and its enclosures.

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STRATEGIC LINKS

a. Delivery Program

This report is part of the organisation's governance framework – providing feedback on the progress against the key plans adopted by Council. This is in line with the community's desired outcome of: *"Civic Leadership and Effective Governance."*

b. Other Plans

N/A

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The quarterly budget review forecasts have been reported separately to Council.

c. Legislative Implications

This report satisfies the requirements of Section 404 of the *Local Government Act 1993*.

d. Risk Implications

This report satisfies the requirements of Section 404 of the *Local Government Act 1993*.

e. Other Implications

N/A

CONCLUSION

The review of the 2017-21 Delivery Program for the quarter ended 31 March 2019 is submitted for Council's consideration.

ENCLOSURES

- [1](#) ➡ March 2019 Quarter Review of the 2017-21 Delivery Program
- [2](#) ➡ March 2019 Quarter Review of the 2018-19 Capital Works Program

Corporate and Community

Report No. CC41/2019

Corporate and Community Services



SUBJECT: ***TENDER T1819-08 MAINTENANCE OF AIR CONDITIONING SYSTEMS***

RESPONSIBLE OFFICER: ***Finance and Administration Manager - Andrew Glauser***

SUMMARY

The purpose of this report is to engage a suitably experienced and qualified contractor to support the maintenance of the air conditioning units within specified Council owned facilities. The current tender for Maintenance of Air Conditioning Systems (T1415-06) expires July 2019.

RECOMMENDATION

1. That Council accept the tender received from Ritchies Refrigeration and Air Conditioning schedule of rates for the Maintenance of Air Conditioning Systems (T1819-08)
2. That Council note the contract term for the Ritchies Refrigeration and Air Conditioning (T1819-08) is from 1 July 2019 to 30 June 2021 with an option for a 3 x 12 month contract extension based on satisfactory supplier performance.

BACKGROUND

Council owns and maintains a variety of buildings and facilities throughout its Local Government area. Many of these facilities have air conditioning units and Council is seeking to engage a licensed contractor to carry out work on Air Conditioning systems in these facilities as described below.

1. Specific programmed maintenance
2. Specific programmed maintenance – Large Commercial Systems
3. Reactive Maintenance

After conducting analytics on historical costs from the past 3 years the estimated annual expenditure per annum for this contract is \$160,000.

REPORT

Request for Tender

The Request for Tender (RFT) documents were prepared by Council officers, and reviewed by the Tender Audit Panel (TAP) before tenders were called. The form of contract selected was Hunter Joint Organisation tender suite. The RFT called for a schedule of rates tender for the maintenance of Air Conditioning Systems.

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Invitation

Tenders were invited on 27 February 2019 on Council's e-tender portal, Tenderlink and advertised in the following publications:

Publication	Day	Date
Newcastle Herald	Saturday	2 March 2019
Sydney Morning Herald	Tuesday	5 March 2019
Advertiser	Wednesday	6 March 2019

Addenda

The following addenda were issued via the Tenderlink website to all prospective tenderers during the invitation period:

None where issued

Closure

Tenders closed 2pm Tuesday 26 March 2019

Evaluation of Tenders

Tender Evaluation Team: In accordance with Councils *Procurement Procedure*, a Tender Evaluation Team (TET) was formed with the following members:

Building Maintenance Coordinator, Open Space and Community Facilities
 Recreation & Community Liaison Officer, Open Space and Community Facilities
 Senior Contracts and Tendering Officer, Finance and Administration

Evaluation Process: The evaluation was conducted according to the following process:

1. Assessment of receipt
2. Assessment of conformance
3. Weighted evaluation
4. Due diligence checks on preferred tenderers
5. Determine evaluation result
6. Independent review of the tender selection process

The evaluation criteria and their weightings were documented in the Tender Evaluation Plan, reviewed by the Operations Accountant prior to tenders being invited.

1. Assessment of Receipt

Tenders were received and assessed against the first threshold criteria:

Threshold Criteria	
Criterion 1	Submission on time

The following tenders were received and are listed in alphabetical order.

Tender	Tenderer	Business Address	Criterion 1
1	Air Conditioning Industries	Lambton	On time
2	Air Master Australia Pty Ltd	Beresfield	On time

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3	Engie Mechanical Services Australia Pty Ltd	Maryville	On time
4	Harveys Newcastle Pty Ltd	Carrington	On time
6	Novocastrian Electrical and Air Conditioning Pty Ltd	Heatherbrae	On time
7	Precise Air Group Pty Ltd	Homebush	On time
8	Ritchies Refrigeration and Air Conditioning	Cessnock	On time
5	RMS Services Pty / Ltd – (Muswellbrook Air Refrigeration Pty Ltd)	Muswellbrook	On time
9	Veolia Energy Technical services Pty Ltd	Pymont	On time

All tenders were received on time and met threshold Criterion 1.

2. Assessment of Conformance

The tenders were then assessed for conformance with the remaining threshold criteria:

Threshold Criteria	
Criterion 2	Conformance with the Request for Tender Documents

No tenders had any qualifications that required clarification.

All tenders were considered conforming in threshold Criteria 2.

All tenders were progressed to the next stage of evaluation, subject to the financial capacity of those tenderers, found to be in contention, to be confirmed at the Due Diligence stage of evaluation.

3. Shortlisting

With nine competitive tenders received, shortlisting was not considered necessary and all tenders were progressed to the next stage of evaluation.

4. Weighted Evaluation

Tenders were evaluated using the following weighted evaluation criteria:

Criterion	Description	Weighting %
Criterion 3	Schedule of rates A – Monthly Programmed Maintenance - Commercial Systems	30%
	Schedule of rates B Monthly Programmed Maintenance – Large Commercial Systems	
Criterion 4	Schedule of rates C labour costs	15%
Criterion 5	After Hours Charge	15%
Criterion 6	Response Times	20%
Criterion 7	Experience and resources	15%
Criterion 8	Supplier Location	5%

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To assess tenders against the evaluation criteria, the TET used information obtained from the tender documents. A Weighted Evaluation Matrix, containing full details of the tender amounts and weighted evaluation is provided as confidential **Enclosure 1**.

One tenderer, Engie Mechanical Services Australia Pty Ltd offered an alternate offer but was not advantageous to council when compared across the other submissions and the program offered was not suitable

The tender provided by Ritchies Refrigeration and Air Conditioning scored highest for the tendered amount, as well as scoring competitively on all other weighted criteria. With the highest score, the tender from Ritchies Refrigeration and Air Conditioning was identified as the preferred tender.

5. Due Diligence

Referees, provided by the preferred tenderer, were reviewed and previous contracts value as well as staff resumes. Performance on other known work was also considered.

6. Evaluation Result

Following steps 1 to 5 of the evaluation process, the TET found that Tender eight from Ritchies Refrigeration and Air Conditioning met the requirements of the RFT and recommended acceptance of Tender submission.

7. Independent Review

The evaluation process and recommendations were reviewed by the TAP and determined to be in accordance with relevant documents and legislation:

- *Cessnock City Council Procurement Policy,*
- *Cessnock City Council Procurement Procedure,*
- *Local Government Act 1993, and*
- *Local Government (General) Regulation 2005.*

TIME FRAME

The contract will commence 1 July 2019 for two years until 30 June 2021 with an option for three x 12 month extensions based on performance.

LOCAL CONTENT

Criterion 8, supplier location was considered for all submissions and allowed for a weighted score. The submission provided by Ritchies Refrigeration and Air Conditioning addressed this criteria.

OPTIONS

Option 1: (Preferred Option)

- 1. That Council accept the tender received from Ritchies Refrigeration and Air Conditioning schedule of rates for the Maintenance of Air Conditioning Systems (T1819-08)**
- 2. That Council note the contract term for the Ritchies Refrigeration and Air Conditioning (T1819-08) is from 1 July 2019 to 30 June 2021 with an option for a 3 x 12 month contract extension based on satisfactory supplier performance.**

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Option 2:

Decline to accept any offers and negotiate with other service providers.

This option is not recommended as it will negatively impact on the project program.

CONSULTATION

The following officers were consulted during the tender process:

- Open Space & Community Facilities Manager
- Building Maintenance Coordinator
- Operations Accountant
- Senior Contract & Tendering Officer

STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving the following objective of the Delivery Program 2017–21

- 1.2.4 Provide and manage a range of community, sporting and aquatic facilities

b. Other Plans

Buildings Asset Management Plan (2017).

IMPLICATIONS

a. Policy and Procedural Implications

The tender process has been carried out in accordance with:

- *Cessnock City Council Procurement Policy,*
- *Cessnock City Council Procurement Procedure,*
- *Tendering Guidelines for NSW Local Government 2009, and*
- *NSW Government – Code of Practice for Procurement 2005.*

b. Financial Implications

This cost will be funded under Council's Operational Buildings Maintenance budgets the period of the contract.

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c. Legislative Implications

The tender process has followed the legislative provisions, referenced in *Cessnock City Council Procurement Policy* and *Cessnock City Council Procurement Procedure*, as follows:

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*

In particular, reference is made to Part 7, Division 4, Clause 178 of the *Local Government (General) Regulation 2005 (Acceptance of tenders)*:

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.
2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.
3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.
4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:
 - (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
 - (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

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d. Risk Implications

By requiring the provision of the following information in the tender submission the evaluation panel has been able to assess and minimise Council's exposure to business risks:

- Financial details
- Insurances
- Management and staff resources
- Physical Resources
- Previous Experience
- References
- Work Health & Safety

The authenticity of the Contractor's certificates of currency for the following insurance policies will be verified:

- Workers Compensation,
- Public Liability (\$20M or greater),
- Comprehensive Motor Vehicle,

Risks identified in relation to safety are mitigated by the RFT requirement for adherence to the following system standards:

- *AS/NZS 4801:2001 - Occupational Health and Safety Management Systems*

Regarding safety, the RFT requires the Contractor to prepare and implement a Site Specific Safety Management Plan including:

- Requirements for on-site workers to have current general construction induction cards (white card) and licences/ tickets and inducted to the site, and
- Safe Work Method Statements, kept on site, and discussed at daily tool box talks
- Additionally Council has engaged the services of BNG Conserve to assist in ensuring that all contractors engaged by Council have relevant and current insurance policies, have effective OH&S procedures & SWMS. BNG Conserve will carry out, the following activities on Council's behalf:

e. Other Implications

N/A

CONCLUSION

The tender from Ritchies Refrigeration and Air Conditioning, offers the best value for money for tender Maintenance of Air Conditioning Systems (T1819-08). The contract schedule of rates and contingency are fully funded from the available project budget identified in this report.

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ENCLOSURES

- 1** T1819-08 Air Conditioning Maintenance Evaluation Matrix - *This matter is considered to be confidential under Section 10A(2) (dii) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.*

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Report No. CC42/2019

Corporate and Community Services



SUBJECT: ***TENDER T511920HUN SUPPLY AND DELIVERY OF READYMIX CONCRETE***

RESPONSIBLE OFFICER: ***Finance and Administration Manager - Andrew Glauser***

SUMMARY

The purpose of this report is to consider and accept the Regional Procurement Tender for Supply and Delivery of Readymix Concrete (T511920HUN)

RECOMMENDATION

1. That Council accept the Regional Procurement Tender for Supply and Delivery of Readymix Concrete (T511920HUN).
2. That tenderers;
 - Entire Concrete Pty Limited
 - Hanson Pty Ltd
 - Hunter Readymixed Concrete Pty Ltd
 - Maitland Ready Mixed Concrete Pty Ltd

be accepted in no order of preference as a panel for Council under Regional Procurement Tender for Supply and Delivery of Readymix Concrete (T511920HUN)
3. That Council note the contract term for Tender for Supply and Delivery of Readymix Concrete (T511920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance.

BACKGROUND

Council currently utilises a Regional Procurement Contract (T071617HUN) for the Supply and Delivery of Readymix Concrete. The contract was established for the period 1 July 2016 to 30 June 2018 with a one year extension until 30 June 2019.

Regional Procurement has called an open Panel Source Tender for a new contract to run from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance.

After conducting analytics on historical costs from the past 3 years the estimated annual expenditure per annum for this contract is \$1,371,115.35.

TENDER PROCESS

Regional Procurement invited Tenders on Tuesday 5 March 2019 on the Regional Procurement e-tender portal, Tenderlink and advertised as shown in **Table 1**.

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Table 1 - Advertisements		
Publication	Day	Date
Sydney Morning Herald	Tuesday	5 March 2019
Newcastle Herald	Saturday	9 March 2019

Tenders closed on 26 March 2019 with a total of eleven tenders received from the following suppliers to supply across New South Wales:

- Boral Resources Country Pty Ltd
- Dungog Shire Concrete Pty Ltd
- Entire Concrete Pty Limited
- Hanson Pty Ltd
- Holcim Australia Pty Ltd
- Hunter Readymixed Concrete Pty Ltd
- Hunter Valley Concrete Pty Ltd
- Hymix Australia Pty Limited
- Maitland Ready Mixed Concrete Pty Ltd
- Premier Concrete NSW Pty Ltd
- Williams Concrete Pty Ltd

The tenders were evaluated on 10 April 2019 at Council's administration building by Regional Procurement staff and Council staff members in accordance with the Local Government Tendering Guidelines, Regional Procurement Tendering Code of Conduct and Tendering Evaluation Principles and Processes.

A late tender from Redicrete Pty Ltd was received after the close of tender on the 28 March 2019 and was not evaluated.

Eleven tenders were deemed conforming. The Regional Procurement evaluation panel recommendation is that the best fit for purpose tenderers be awarded this contract as the Panel Source.

Council has selected four suppliers based on their tender responses. These responses had the highest scores and covered the four zones specified by Council and the four vendors will collectively meet Council's requirements.

The Regional Procurement Evaluation Report is attached as **Confidential Enclosure 1**.

OPTIONS

Option 1:

- That Council accept the Regional Procurement Tender (T071617HUN) for the Supply and Delivery of Readymix Concrete.
- That tenderers;
 - Entire Concrete Pty Limited
 - Hanson Pty Ltd
 - Hunter Readymixed Concrete Pty Ltd
 - Maitland Ready Mixed Concrete Pty Ltd

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be accepted in no order of preference as a panel for Council under Regional Procurement Tender for Supply and Delivery of Readymix Concrete (T511920HUN)

- That Council note the contract term for Tender for Supply and Delivery of Readymix Concrete (T511920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance

This is the preferred option to allow the work within the delivery plan to be completed in an efficient and cost effective manner.

Option 2:

- That Council decline to accept the Regional Procurement tender.
- That Council complete its own tender process.

This option is not the preferred option as a suitable result was achieved by the Regional Procurement tender process. The period of Council conducting the tender process would likely negatively impact on the completion of the Delivery Program and the results are not likely to be as competitive as the larger Regional Procurement based tender has produced.

CONSULTATION

- Regional Procurement Management and Staff
- Finance and Administration Manager
- Works and Operations Manager
- Works Engineer
- Operations Accountant
- State Maintenance Coordinator
- South Area Maintenance Coordinator

STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving the following objectives of the Delivery Program 2017–21

- Objective 4.2: Improving the Road Network

b. Other Plans

Road and Road Infrastructure Network Asset Management Plan (2017).

IMPLICATIONS

a. Policy and Procedural Implications

Acceptance of Regional Procurement Tender is in accordance with:

- Cessnock City Council Procurement Policy,
- Cessnock City Council Procurement Procedure,

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- Tendering Guidelines for NSW Local Government 2009, and
- NSW Government – Code of Practice for Procurement 2005.

b. Financial Implications

Funding is available for acceptance of the tender via program budgets within Council's Operational Plan 2019-20.

c. Legislative Implications

Acceptance of Regional Procurement Tenders is in accordance Local Government Act 1993 and the Local Government (General) Regulation 2005.

The tender process has followed the legislative provisions, referenced in Cessnock City Council Procurement Policy and Cessnock City Council Procurement Procedure, as follows:

- *Local Government Act 1993, and*
- *Local Government (General) Regulation 2005.*

In particular, reference is made to Part 7, Division 4, Clause 178 of the *Local Government (General) Regulation 2005 (Acceptance of tenders)*:

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.
2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.
3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.

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4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:
 - (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
 - (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

d. Risk Implications

Council's exposure to business risk has been managed by Regional Procurement mandating provision of the following information to be included in the tender submission:

- Financial capacity,
- Previous experience,
- Management and staff resources,
- Quality assurance, and
- Work health & safety system and Insurances.

CONCLUSION

Acceptance of the Regional Procurement Tender for Supply and Delivery of Readymix Concrete (T511920HUN) and acceptance of the four tenderers to form a panel for the Cessnock Local Government Area is considered the most advantageous option for Council.

ENCLOSURES

- 1 T511920HUN Evaluation Report - *This matter is considered to be confidential under Section 10A(2) (dii) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.*
- 2 ➡ T511920HUN Evaluation Matrix

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Report No. CC43/2019

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SUBJECT: *TENDER T501920HUN SUPPLY AND DELIVERY OF ROAD RESURFACING*

RESPONSIBLE OFFICER: *Finance and Administration Manager - Andrew Glauser*

SUMMARY

The purpose of this report is to consider and accept the Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN)

RECOMMENDATION

1. That Council accept the Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN).
2. That tenderers;

Category 1. Bitumen Spray Seal
Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd and New South Wales Spray Seal Pty Ltd.

Category 2. Asphaltic Concrete
Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt and Colas New South Wales Pty Ltd

Category 3. Mill and Resheet
Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt and Colas New South Wales Pty Ltd

Category 4. Crack Sealing
Fulton Hogan Industries Pty Ltd, Colas New South Wales Pty Ltd and The Trustee for SuperSealing Unit Trust t/a SuperSealing

Category 5. Heavy Patch
Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt, Colas New South Wales Pty Ltd and ANA Industries Pty Ltd.

be accepted in no order of preference as a panel for Council under Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN)
3. That Council note the contract term for Tender for Supply and Delivery of Road Resurfacing (T501920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance until 30 June 2023.

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Corporate and Community Services**BACKGROUND**

Council currently utilises a Regional Procurement Contract (T541415HUN) for the Supply and Delivery of Road Resurfacing. The contract was established for the period 1 July 2015 to 30 June 2018 with a one year extension until 30 June 2019.

Regional Procurement has called an open Panel Source Tender for a new contract to run from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance until 30 June 2023

After conducting analytics on historical costs from the past 3 years the estimated annual expenditure per annum for this contract is \$15,956,425.05.

TENDER PROCESS

Regional Procurement invited Tenders on 19 March 2019 on the Regional Procurement e-tender portal, Tenderlink and advertised as shown in **Table 1**.

Table 1 – Advertisements		
Publication	Day	Date
Sydney Morning Herald	Tuesday	19 March 2019
Newcastle Herald	Saturday	23 March 2019

Tenders closed on 30 April 2019 with a total of thirteen tenders received from the following suppliers to supply across New South Wales:

- **Accurate Asphalt and Road Repairs Pty Ltd**
- **All Pavements Solutions Pty Ltd**
- **ANA Industries Pty Ltd**
- **Bitupave Limited t/a Boral Asphalt**
- **COLAS New South Wales Pty Ltd**
- **Downer EDI Works Limited**
- **Fenworx Pty Ltd - t/as Newpave Asphalt**
- **Fulton Hogan Industries Pty Ltd**
- **Ian Rich Asphalt Pty Ltd**
- **New South Wales Spray Seal Pty Ltd**
- **State Asphalt Services Pty Ltd**
- **The Trustee for SuperSealing Unit Trust t/a Supersealing**
- **Taurus Asphalting Pty Ltd**

The tenders were evaluated on 15 May 2019 at Council's administration building by Regional Procurement staff and Council staff members in accordance with the Local Government Tendering Guidelines, Regional Procurement Tendering Code of Conduct and Tendering Evaluation Principles and Processes.

Note: The Council panel determined that the evaluation results revealed on 15/05/2019 were to be final. No further adjustment or allowance would be made for additional or outstanding information.

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The Regional Procurement evaluation panel recommendation is that the listed tenderers be awarded this contract as the Panel Source per category in no order of preference.

The Regional Procurement Evaluation Report is attached as ***Confidential Enclosure 1.***

OPTIONS

Option 1:

- That Council accept the Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN).

- That tenderers in;

Category 1. Bitumen Spray Seal

Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd and New South Wales Spray Seal Pty Ltd.

Category 2. Asphaltic Concrete

Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt and Colas New South Wales Pty Ltd

Category 3. Mill and Resheet

Bitupave Limited t/a Boral Asphalt, Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt and Colas New South Wales Pty Ltd.

Category 4. Crack Sealing

Fulton Hogan Industries Pty Ltd, Colas New South Wales Pty Ltd and The Trustee for SuperSealing Unit Trust t/a SuperSealing.

Category 5. Heavy Patch

Fulton Hogan Industries Pty Ltd, Accurate Asphalt and Road Repairs Pty Ltd, Fenworx Pty Ltd t/a Newpave Asphalt, Colas New South Wales Pty Ltd and ANA Industries Pty Ltd.

be accepted in no order of preference as a panel for Council under Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN)

- That Council note the contract term for Tender for Supply and Delivery of Road Resurfacing (T501920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance until 30 June 2023.

This is the preferred option to allow the work within the delivery plan to be completed in an efficient and cost effective manner.

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Corporate and Community Services



Option 2:

That Council decline to accept the Regional Procurement tender and that Council complete its own tender process.

This option is not the preferred option as a suitable result was achieved by the Regional Procurement tender process. The period of Council conducting the tender process would likely negatively impact on the completion of the Delivery Program and the results are not likely to be as competitive as the larger Regional Procurement based tender has produced.

CONSULTATION

- Regional Procurement Management and Staff
- Senior Contracts and Tendering Officer
- Works and Operations Manager
- Works Engineer
- State Maintenance Coordinator
- South Area Maintenance Coordinator

STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving the following objectives of the Delivery Program 2017–21

- Objective 4.2: Improving the Road Network

b. Other Plans

Road and Road Infrastructure Network Asset Management Plan (2017).

IMPLICATIONS

a. Policy and Procedural Implications

Acceptance of Regional Procurement Tender is in accordance with:

- Cessnock City Council Procurement Policy,
- Cessnock City Council Procurement Procedure,
- Tendering Guidelines for NSW Local Government 2009, and
- NSW Government – Code of Practice for Procurement 2005.

b. Financial Implications

Funding is available for acceptance of the tender via program budgets within Council's Operational Plan 2019-20.

c. Legislative Implications

Acceptance of Regional Procurement Tenders is in accordance Local Government Act 1993 and the Local Government (General) Regulation 2005.

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The tender process has followed the legislative provisions, referenced in Cessnock City Council Procurement Policy and Cessnock City Council Procurement Procedure, as follows:

- *Local Government Act 1993, and*
- *Local Government (General) Regulation 2005.*

In particular, reference is made to Part 7, Division 4, Clause 178 of the *Local Government (General) Regulation 2005 (Acceptance of tenders)*:

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.
2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.
3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.
4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:
 - (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
 - (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

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d. Risk Implications

Council's exposure to business risk has been managed by Regional Procurement mandating provision of the following information to be included in the tender submission:

- Financial capacity,
- Previous experience,
- Management and staff resources,
- Quality assurance, and
- Work health & safety system and Insurances.

CONCLUSION

Acceptance of the Regional Procurement Tender for Supply and Delivery of Road Resurfacing (T501920HUN) and acceptance of the listed tenderers for 5 Categories to form a panel in no preference for the Cessnock Local Government Area is considered the most advantageous option for Council.

ENCLOSURES

- 1** T501920HUN Evaluation Report - *This matter is considered to be confidential under Section 10A(2) (dii) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.*

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Corporate and Community Services



SUBJECT: *TENDER T521920HUN PROVISION OF HYGIENE SERVICES*

RESPONSIBLE OFFICER: *Finance and Administration Manager - Andrew Glauser*

SUMMARY

The purpose of this report is to consider and accept the Regional Procurement Tender for Provision of Hygiene Services

RECOMMENDATION

1. That Council accept the Regional Procurement Tender for Provision of Hygiene Services (T521920HUN).
2. That tenderer Flick Anticimex Pty Ltd be accepted as the preferred supplier for Council under the Regional Procurement Tender for Provision of Hygiene Services
3. That Council note the contract term for Tender for Provision of Hygiene Services (T521920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance.

BACKGROUND

Council currently utilises a Regional Procurement Contract (REGPRO041617) for the Provision of Hygiene Services. The contract was established for the period 1 July 2016 to 30 June 2018 with a one year extension until 30 June 2019.

Regional Procurement has called an open Single Source tender for a new contract to run from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance.

After conducting analytics on historical costs from the past 3 years the estimated annual expenditure per annum for this contract is \$28,626.91.

TENDER PROCESS

Regional Procurement invited Tenders on Tuesday 5 March 2019 on the Regional Procurement e-tender portal, Tenderlink and advertised as shown in **Table 1**.

Table 1 - Advertisements

Publication	Day	Date
Sydney Morning Herald	Tuesday	5 March 2019
Newcastle Herald	Saturday	9 March 2019

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Tenders closed on 26 March 2019 with a total of three tenders received from the following suppliers to supply across New South Wales:

- Flick Anticimex Pty Ltd
- Rentokil Initial Pty Ltd
- San Serve Pty Ltd

The tenders were evaluated on 18 April 2019 at Council's administration by Regional Procurement staff and Council staff members in accordance with the Local Government Tendering Guidelines, Regional Procurement Tendering Code of Conduct and Tendering Evaluation Principles and Processes.

Three tenders were deemed conforming. The Regional Procurement evaluation panel recommendation is that the best fit for purpose tenderer be awarded this contract as the Single Source. Council has selected one supplier based on their tender responses. The selected tenderer response had the highest score.

The Regional Procurement Evaluation Report is attached as ***Confidential Enclosure 1***.

OPTIONS

Option 1:

- That Council accept the Regional Procurement Tender (T521920HUN) for the Provision of Hygiene Services.
- That tenderer Flick Anticimex Pty Ltd be accepted as the preferred supplier for Cessnock City Council under the Regional Procurement Tender for Provision of Hygiene Services
- That Council note the contract term for Tender for Provision of Hygiene Services (T521920HUN) is from 1 July 2019 to 30 June 2022 with an option for a 12 month contract extension based on satisfactory supplier performance.

Option 2:

- That Council decline to accept the Regional Procurement tender.
- That Council complete its own tender process.

This option is not the preferred option as a suitable result was achieved by the Regional Procurement tender process. The period of Council conducting the tender process would likely negatively impact on the completion of the Delivery Program and the results are not likely to be as competitive as the larger Regional Procurement based tender has produced.

CONSULTATION

- Regional Procurement Management and Staff
- Finance and Administration Manager
- Open Space and Community Facilities Manager
- Operations Accountant

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- Building Maintenance Coordinator

STRATEGIC LINKS

Acceptance of the tender will contribute to achieving the following objective of the Delivery Program 2017 – 21

- 1.2.4 Provide and manage a range of community, sporting and aquatic facilities

a. Other Plans

Buildings Asset Management Plan (2017).

IMPLICATIONS

a. Policy and Procedural Implications

Acceptance of Regional Procurement Tender is in accordance with:

- Cessnock City Council Procurement Policy,
- Cessnock City Council Procurement Procedure,
- Tendering Guidelines for NSW Local Government 2009, and
- NSW Government – Code of Practice for Procurement 2005.

b. Financial Implications

Funding is available for acceptance of the tender via program budgets within Council's Operational Plan 2019-20.

c. Legislative Implications

Acceptance of Regional Procurement Tenders is in accordance Local Government Act 1993 and the Local Government (General) Regulation 2005.

The tender process has followed the legislative provisions, referenced in Cessnock City Council Procurement Policy and Cessnock City Council Procurement Procedure, as follows:

- *Local Government Act 1993, and*
- *Local Government (General) Regulation 2005.*

In particular, reference is made to Part 7, Division 4, Clause 178 of the *Local Government (General) Regulation 2005 (Acceptance of tenders)*:

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.
2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful

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tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.

3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.
4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:
 - (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
 - (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

d. Risk Implications

Council's exposure to business risk has been managed by Regional Procurement mandating provision of the following information to be included in the tender submission:

- Financial capacity,
- Previous experience,
- Management and staff resources,
- Quality assurance, and
- Work health & safety system and Insurances.

CONCLUSION

Acceptance of the Regional Procurement Tender for the Provision of Hygiene Services (T521920HUN) and acceptance of the single source tenderer for the Cessnock Local Government Area is considered the most advantageous option for Council.

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ENCLOSURES

- 1 T521920HUN Tender Evaluation Report - *This matter is considered to be confidential under Section 10A(2) (dii) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret.*
- 2 ➡ T521920HUN Tender Evaluation Matrix

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Corporate and Community Services



SUBJECT: *MEETING NOTES OF THE INQUORATE ABORIGINAL AND TORRES STRAIT ISLANDER COMMITTEE MEETING OF CESSNOCK CITY COUNCIL HELD 17 MAY 2019*

RESPONSIBLE OFFICER: *Community & Cultural Engagement Manager - Natalie Drage*

RECOMMENDATION

1. That the notes from the inquorate meeting of the Aboriginal and Torres Strait Islander Committee held 17 May 2019 be noted.
2. That Council support the Aboriginal Flag to be permanently flown on the Sydney Harbour Bridge with the Mayor writing to the NSW Premier, Minister for Roads, Maritime and Freight, Minister for Transport and Infrastructure, and Minister for Aboriginal Affairs and that Council publicise the change.org petition on social media and in news print media.
3. That Council note an application for RH Dougherty Awards, Local Government New South Wales for the NAIDOC Week 2018 program acknowledging community partnerships has been lodged.

For Council's Information

Council's former 2017-2018 Elsa Dixon Aboriginal Employment Program recipient Kyle Rees was recently awarded a 2019 Cessnock Local Government Area Mayoral Academic Scholarship. Kyle is enrolled at university studying a teaching degree.

NOTES FROM THE INQUORATE ABORIGINAL AND TORRES STRAIT ISLANDER COMMITTEE MEETING OF CESSNOCK CITY COUNCIL HELD IN ANTE ROOM ON FRIDAY, 17 MAY 2019, COMMENCING AT 9:00AM

PRESENT: The Mayor, Councillor Pynsent
Councillor Doherty
Ms Sonia Sharpe (Community Representative)
Ms Tara Dever (Community Representative)

IN ATTENDANCE: Ms Natalie Drage – Community & Cultural Engagement Manager
Ms Jo Dennis – Principal Community Planner (Left 10.20am)
Ms Jo Miller – Community & Cultural Engagement Officer

INVITEES: Mr Matt Gordon – Team Leader Urban Parks Maintenance (partial attendance via phone)

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APOLOGIES

Councillor Gray

Mr Craig Layer (Community Representative)

Ms Michelle Earl (Community Representative)

Ms Tracey Skene (Community Representative)

Ms Susan Mulyk (Community Representative)

The meeting was inquorate. Below are notes from the meeting.

ACKNOWLEDGEMENT OF COUNTRY

CONFIRMATION OF MINUTES

MINUTES:

Minutes of the Aboriginal and Torres Strait Islander Committee meeting held 8 February 2019 was made available to Committee members.

LISTED MATTERS

LISTED MATTERS - COMMITTEE NO. AACLM8/2019

SUBJECT: BRIDGES HILL REGIONAL PARK PLAYGROUND

MEETING NOTES

1. That Timber Creations be engaged to progress the canoe installation in Stage 2 of Bridges Hill Park Playground.
2. That Council progress opportunities for young people to be involved in installing artwork (e.g. burnt engravings) onto the canoes.
3. That there be an Expression of Interest for an artist to design an artwork for installation as part of Stage 3 of Bridges Hill Park Playground.

LISTED MATTERS - COMMITTEE NO. AACLM9/2019

SUBJECT: INNOVATE RECONCILIATION ACTION PLAN (2018-2020) ACTIONS

MEETING NOTES

The Committee noted the progress for implementation of the Innovate Reconciliation Action Plan.

LISTED MATTERS - COMMITTEE NO. AACLM10/2019

***SUBJECT: OVERVIEW OF STAFF CULTURAL AWARENESS TRAINING
DELIVERED BY UNGOOROO ABORIGINAL CORPORATION***

MEETING NOTES

This item was not discussed.

LISTED MATTERS - COMMITTEE NO. AACLM11/2019

***SUBJECT: SUBMISSION TO RH DOUGHERTY AWARDS FOR NAIDOC WEEK
2018***

MEETING NOTES

The Committee supports Council to submit an application for RH Dougherty Awards, Local Government New South Wales for the NAIDOC Week 2018 program, acknowledging community partnerships.

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Report No. CC45/2019

Corporate and Community Services



LISTED MATTERS - COMMITTEE NO. AACLM12/2019

**SUBJECT: DISPLAY OF ACKNOWLEDGEMENT OF COUNTRY IN THE COUNCIL
ADMINISTRATION BUILDING FOYER AND ON A PORTABLE PULL-
UP BANNER**

MEETING NOTES

1. That the Committee progress with developing the Acknowledgement of Country for a temporary portable pull-up banner using the image of the Wedge-Tailed Eagle used on the cover of the Innovate RAP and the wording:-

‘Cessnock City Council acknowledges Aboriginal people as the traditional custodians of the land on which our offices and operations are located, and we pay our respects to Elders past, present and future’.

2. That the Acknowledgement of Country wording using Wonnarua language for the portable pull-up banner continue to be progressed by the Committee.
3. That the Acknowledgement of Country on the plaque in the Administration Building be held over until the next meeting.

LISTED MATTERS - COMMITTEE NO. AACLM13/2019

**SUBJECT: COUNCIL ACTIVITIES FOR NATIONAL RECONCILIATION WEEK
2019**

MEETING NOTES

1. The Committee noted that due to availabilities of participants the Elders Morning Tea will now be held Tuesday 4 June 2019 and will be an Elders Afternoon Tea.
2. That the film ‘Connection to Country’ be screened at the Cessnock Performing Arts Centre to recognise National Reconciliation Week 2019.

LISTED MATTERS - COMMITTEE NO. AACLM14/2019

SUBJECT: COMMITTEE TERMS OF REFERENCE

MEETING NOTES

This item was not discussed.

CORRESPONDENCE

CORRESPONDENCE - COMMITTEE NO. AACCO1/2019

SUBJECT: BRIDGE-ING THE GAP CAMPAIGN

MEETING NOTES

Attendees recommended that Council consider supporting the change.org petition, publicise the petition on social media and news print media and the Mayor write to the NSW Premier and the relevant Ministers to support the push to fly the Aboriginal Flag on the Sydney Harbour Bridge permanently.

GENERAL BUSINESS

A draft copy of the 2019 NAIDOC Week program was tabled.

Discussion occurred for Plans of Management and consultation with Local Aboriginal Land Councils.

The Meeting Was Declared Closed at 11am

ENCLOSURES

There are no enclosures for this report

SUBJECT: *FINANCIAL SUSTAINABILITY INITIATIVES*

RESPONSIBLE OFFICER: *Director Works and Infrastructure - Justin Fitzpatrick-Barr*

SUMMARY

This report responds to a Council resolution from the meeting of 20 February 2019 (Report WI6/2019) relating to the adopted Financial Sustainability Initiative (FSI) projects. The initial FSI report stemmed from a specific objective and measure in the General Manager's Annual Performance Plan linked to financial management, with a key measure being to investigate financial sustainability initiatives, including potential savings and efficiency improvements for consultation by the Executive Leadership Team (ELT) and Council.

RECOMMENDATION

1. That Council notes the information provided in the report.
2. That the General Manager continues to manage and monitor the implementation of Council's adopted Financial Sustainability Initiative (FSI) projects through the Integrated Planning & Reporting framework.

BACKGROUND

At its meeting of 20 February 2019, Council considered a report on Financial Sustainability Initiatives (WI6/2019) and resolved as follows:

1. *That Council notes the information provided in the report.*
2. *That the General Manager continues to manage and monitor the implementation of Council's adopted Financial Sustainability Initiative (FSI) projects through the Integrated Planning & Reporting framework.*
3. *That a further report on the status of the FSI projects be provided to Council in June 2019.*

This report is in response to the above resolution.

REPORT

1. Financial Sustainability – (Recap)

The NSW Treasury Corporation defines a financially sustainable council as one that, over the long term, is able to generate sufficient funds to provide the level and scope of services and infrastructure, agreed with its community through the Integrated Planning & Reporting process.

Works and Infrastructure

Report No. WI30/2019

Works and Infrastructure***Measures of Sustainability***

As reported in WI6/2019, IPART's report on the Assessment of NSW Councils Fit for the Future (FFTF) proposals provided a summary of the criteria used for assessing whether a Council was classed as fit. The following Tables were provided by IPART as part of its assessment of Council's FFTF proposal in 2015.

Table - B.2 provides a definition for each of the key measures used by IPART to assess sustainability. Table - B.3 provides a definition for each of the measures used to assess infrastructure and service management, while Table - B.4 provides a definition of the key measure for efficiency.

Table B.2 Sustainability criterion – measures and definitions

Measure	Definition
Operating Performance Ratio	Core measure of financial sustainability – indicates a council's capacity to meet ongoing operating expenditure requirements.
Own Source Revenue Ratio	Councils with higher own source revenue have a greater ability to control their own operating performance and financial sustainability.
Building & Infrastructure Asset Renewal Ratio	Measures whether a council's assets are deteriorating faster than they are being renewed – indicator of whether a council's infrastructure backlog is likely to increase.

Table B.3 Infrastructure and service management criterion – measures and definitions

Measure	Definition
Infrastructure Backlog Ratio	Measures how effectively the council is managing its infrastructure. Increasing backlogs may affect the council's ability to provide services and remain sustainable.
Asset Maintenance Ratio	Measures whether the council is spending enough on maintaining its assets to avoid increasing its infrastructure backlog.
Debt Service Ratio ^a	Indicates whether the council is using debt wisely to share the life-long cost of assets and avoid excessive rate increases.

^a We consider that debt is used wisely when it is used reasonably in conjunction with established, sound, Asset Management Plans.

Table B.4 Efficiency criterion – measures and definitions

Measure	Definition
Real Operating Expenditure (Opex) per capita	Indicates how well the council is using economies of scale and managing service levels to achieve efficiencies.

Works and Infrastructure

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Works and Infrastructure

*How are we placed?*

As reported in WI6/2019, In 2014 the NSW Government requested IPART to review criteria set by the Office of Local Government (OLG) to assess the overall financial health of a council. In September 2014 IPART produced and published a report titled - *Review of Criteria for Fit for the Future*. Council's performance against the key criteria set by the OLG, and detailed in the report, is summarised in Table 1 (below).

Table 1 – a summary of Council's performance against key criteria and measures set by the OLG

Performance Indicator	IPART recommended benchmark	Actuals				Comments
		2014-15	2015-16	2016-17	2017-18	
Operating Performance Ratio	<i>Between 3% deficit and 10% surplus average over 3 years</i>	0.42%	-1.36%	0.53%	-0.70%	IPART recommends greater flexibility. Cessnock meets this metric based on the recommendation.
Own Source Revenue	Greater than 60% average over 3 years	71.62%	67.44%	64.44%	59.89%	Based on averaging over 3 years Cessnock only misses the ratio by 0.11%. Exceptional levels of dedications (\$40m) was a key factor.
Building and Infrastructure Asset Renewal *	<i>Greater than 100% average over 3 years</i>	121.96%	140.34%	153.73%	135.81%	Once averaged over three years Council meets this ratio across all years.
Infrastructure Backlog Ratio	Less than 2%	0.49%	2.00%	3.40%	4.26%	Cessnock experience is consistent with IPART assessment - methodology has changed over time. NSW Councils do not have a uniform approach (and not audited). Last year reflects reclassified buildings (i.e. not reflective of change in trend).
Asset Maintenance Ratio	Greater than 100% average over 3 years	74.33%	103.81%	104.87%	117.17%	Council has significantly improved the level of asset maintenance. It could be considered that this is an increased level of service (relevant for the last metric).
Debt Service Ratio	Greater than 0% and less than or equal to 20% average over 3 years	2.45%	2.50%	2.39%	2.30%	Cessnock is substantially below the 20% cap. The ratio has trended down in recent years. Disciplined borrowing will keep Council well within the benchmark.
Real Operating Expenditure per Capita	A decrease in Real Operating Expenditure per capita over time	1.02	1.02	1.02	1.07	Index was 1.04 in 2012/13. Adjustments for one-time items raised in analysis of 2017/18 financial results in index that equates to 2012/13.

As shown in Table 1, the infrastructure backlog is the clear exception. The other two indicators which do not meet the benchmarks can be explained due to underlying factors. Own source revenue can be explained by a substantial increase in dedications associated with sub-division activity. These dedications place no additional dependence by council on other revenue sources as dedications are not a cash item. Trends in real operating expenditure per capita are largely flat especially when underlying factors are considered.

It is noted that the 2018-19 Performance Indicators will be recalculated as part of the End of Year financial reporting processes.

2. Financial Sustainability Initiatives

As previously reported (WI6/2019), in June 2015 Council adopted a package of FSI's that included 16 projects aimed at improving the efficiency and effectiveness of Council's operations. The details of each of these FSI projects were subsequently included in a submission to the Department of Local Government's FFTF reforms process.

Works and Infrastructure

Report No. WI30/2019

Works and Infrastructure



The FSI's, along with other projects that contribute to Council's ongoing financial sustainability, have been incorporated into Council's Integrated Planning and Reporting (IP&R) framework and this is discussed later in Section 4 of this report.

In the draft 2019-20 Operational Plan, all projects that support financial sustainability are identified with an orange colored asterisk and the following notation;

***Project supporting financial sustainability**

3. Service Review

As reported previously (WI6/2019), in 2017 Council undertook an important FSI Service Review project, which focused primarily on productivity improvements and potential cost savings, utilising a methodology outlined in the Australian Centre of Excellence for Local Government's publication "Service Delivery Review: A how to manual for local government" (2nd Edition, June 2015).

The review identified in excess of 50 services and 150 sub-services currently offered by Council.

In considering the information provided in each of the service statements that were compiled as part of the review, seven Service Improvement Projects (SIPs) were initiated, being;

- Certifying Authority
- Compliance
- **Heavy Plant & Equipment**
- **Procurement & Purchasing**
- Rural Road Maintenance
- **Landfill Operations**
- Cessnock & Branxton Swimming Pools

A number of actions stemming from the seven SIP's were implemented in 2017-18, while others form part of specific actions listed in the 2018-19 Operational Plan (see Section 4 - Table 2). Further actions from these SIP's are listed in the draft 2019-20 Operational Plan, and as highlighted earlier, these actions are identified with an orange colored asterisk and an associated notation.

The following is a précis of significant outcomes from the implementation of three key SIP's, which are highlighted in the list above;

3.1 Heavy Plant & Equipment

The Heavy Plant SIP investigated opportunities for cost savings associated with Council's external heavy plant hire. This was done by analyzing hire costs for the previous year, year-to-date and projected year, and then comparing external vs internal hire costs with a view to making savings recommendations.

Works and Infrastructure

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Works and Infrastructure



The analysis identified five heavy plant categories that were subsequently reviewed in depth, being:

- 3-6T Excavator
- Positrac
- 10T Tipper
- Watercart
- Rollers

After analyzing the past and current plant hire rates, and overall annual spends, the Heavy Plant Hire Focus Group recommended, in part, the following:

Purchase:

- 1 x small 5T Excavator
- 1 x Positrac
- 2 x 8T Tippers & Tagalong Trailers (floats)

Create

- 2 x EFT Plant Operators for the Excavator and Positrac.

The SIP report identified that a one-time expenditure of \$528K and an annual operating cost of \$406K was necessary to deliver estimated savings of at least \$1.153M over four years. Given the scale of the potential savings, the above SIP recommendation was implemented in early 2018.

The implementation has facilitated a move from external hire to internal hire for high use and costly hired plant. It also reduced the need for external wet hire of plant that was occurring due to a lack of staff to operate Council owned plant.

A recent analysis of Council's external heavy plant hire between April 2018 and March 2019 appears to validate the findings of the SIP report. The analysis shows that the implementation of the SIP recommendation has realised cost savings in the order of \$310K over the preceding twelve month period.

In addition to the identified cost savings, the initiative has also created two (2) new EFT positions within Council's workforce establishment, which in turn supports a key objective in Council's Delivery Program 2017-21;

- **Objective 2.2 – Achieving more sustainable employment opportunities**
- Strategic Direction – “We have employment opportunities in the local government area”

The Heavy Plant Hire Focus Group will continue investigating further ways in which savings can be achieved, with consideration being given to the purchase of additional plant and establishment of additional Plant Operator positions (subject to project capacity and needs).

3.2 Procurement & Purchasing

Council's reported annual expenditure for materials and contracts in the 2017/18 Financial Statements was \$23.157M. Given the size of this expenditure, procurement and purchasing of materials and contracts is an area with potentially significant opportunities for financial savings.

Works and Infrastructure

Report No. WI30/2019

Works and Infrastructure



With the above in mind, Council's Executive Leadership Team (ELT) approved an enhanced procurement policy in 2018 with a mandate to improve and evolve the Procurement function over the next 3-5 years.

The primary objective of the Procurement and Purchasing SIP is to develop best practice procurement and purchasing policies and processes to maximise savings across the various procurement categories within Council.

An initial analysis of procurement across Council has identified a number of procurement categories and practices that could potentially provide significant opportunities for savings. In order to further investigate these opportunities, the Procurement and Purchasing Focus Group recommended the engagement of Arc Blue to facilitate a Leading Efficiency & Analytics Program (LEAP).

LEAP is a low-cost ongoing continuous improvement program that uses real data and evidence to improve the procurement capability of Council. The Program helps identify the "as is" and "to be" of Council's procurement function and benchmarks this against best practice within the Local Government Sector.

The Arc Blue LEAP has identified 81 improvement areas that can be broken down into the following broad sections:

- Category management
- Leadership & Influence
- Organisation
- People and Skills
- Process & Governance
- Supplier Management
- Sustainability
- Technology
- Value & Realisation results

Of the original 81 areas identified for improvement, **20 items** have been actioned, resulting in the following achievements:

- ✓ Increased engagement with Procurement by Council staff;
- ✓ Increased awareness and usage of VendorPanel across the organisation;
- ✓ Progressing with ArcBlue actions in parallel with planning;
- ✓ Implementation of VendorPanel & Contracts monitoring;
- ✓ Roll out of evaluation training;
- ✓ Incorporation of Procurement training into the new starter induction program
- ✓ Introduction of regular communication to staff via a newsletter and email updates;
- ✓ Improved procurement documentation; and
- ✓ Establishment of a contracts register.

The Procurement Team is committed to gaining the greatest possible value from implementing the LEAP actions. By the end of the LEAP implementation in December 2021, it is hoped that the following broad developments will be in place and benefiting the entire organisation:

- ✓ CCC is a leader in the Hunter Region for procurement innovation and practises.
- ✓ Improved business reputation.

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- ✓ Supported savings in procurement by compliance to systems and competitive practices.
- ✓ Enhanced reporting capability.
- ✓ Tendering/ quotation documentation, including AS Contracts in a central location.
- ✓ Comprehensive preferred supplier lists.
- ✓ Creation of a central depository for quotations.

3.3 Landfill Operations

The primary objective of the Landfill Operations SIP was to identify opportunities for providing a contemporary landfill operation that offers sustainable cost effective waste management services, including a facility that encourages and accommodates a reduction in landfill through resource recovery and recycling.

The SIP explored opportunities for cost savings and efficiency gains within the existing landfill operations area to aid in providing an overall cost effective and competitive waste service.

Following a review of the current operations, the SIP Focus Group identified eight (8) areas that could be further investigated to either improve operations, communication with the community and/or return operational savings. A number of these were subsequently addressed as part of the new Waste Transfer Station (WTS) implementation.

The recent introduction of the WTS has moved the focus from landfill to resource recovery and recycling, in order to achieve the desired goals of - "sustainable cost effective waste management and a reduction in landfill through recycling and reuse opportunities.

It is well documented that a landfill site attracts NSW Government Waste Levy (\$138.20/t – 2017/18) for material received. The liability is introduced via Section 88 Protection of the Environment Operations Act 1997 and is payable monthly. Importantly, material leaving the site to an approved processor (either recycling or reuse) attracts a levy rebate. In 2017/18 Council's Waste Levy liability was in the order of \$8M.

To address the impact of the waste levy, the SIP identified a need to increase site personnel to monitor, interact and provide advice with customers of the new WTS, with the primary objective being to maximise the amount of material leaving the site as recycled product.

A subsequent increase in front end staff numbers at the new WTS has led to increased yields of recoverable materials. This initiative, along with a number of other operational changes at the disposal face, has contributed to a significant decrease in the annual waste levy liability. Based on current figures, Council's projected 2018/19 Waste Levy liability will be in the order of \$5.5 – 6M.

Additional savings will also be achieved through landfill space longevity, as each tonne of waste landfilled equates to 1 cu m and the current value of 1 cu m of landfill air space is approx. \$200 (excl levy).

The SIP also recognised that heavy plant was a major factor in the effectiveness and efficiency of landfill operations. In response, Council elected to purchase a suite of vehicles to support operational needs at the newly upgraded Waste Management Centre and the overall positive impact of this initiative, coupled with the implementation of the new WTS, was the subject of a Councillor Briefing on 22 May 2019

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The Briefing – “Waste Management Long Term Financial Plan” highlighted the potential long term ‘legacy’ benefits of implementing a number of major operational changes at the Waste Management Centre.

In addition to the identified cost savings, the above initiatives have created eight (8) new EFT positions within Council’s workforce establishment, which in turn supports a key objective in Council’s Delivery Program 2017-21;

- **Objective 2.2 – Achieving more sustainable employment opportunities**
- Strategic Direction – “We have employment opportunities in the local government area”

4. Continued Implementation of the FSI projects

The continued implementation of the FSI projects is well documented under Objective 5.3.11 in Council’s Delivery Program 2017-21, with a number of specific actions relevant to this Objective being detailed in Council’s yearly Operational Plans.

2018-19 Operational Plan

Table 2, below, provides a listing of specific FSI actions identified in the 2018-19 Operational Plan. The actions highlighted in bold in Table 2 will be discussed in further detail later in this report.

Table 2 – 2018-19 Operational Plan actions relating to the continued implementation of the FSI projects

5.3.11	Continue implementation of the Financial Sustainability Initiative projects		
5.3.11.a	Review of Council’s rating structure and categorisations. Stage 1 (draft findings)	Finance & Administration	
5.3.11.b	Undertake a high level service level review to gauge community expectations (estimate service costs)	Finance & Administration	
5.3.11.c	Assess service and funding options based on community feedback from the service level review	Finance & Administration	
5.3.11.d	Council workshop to review funding/resource allocations to appropriate service and funding options for consideration (after service review)	Finance & Administration	
5.3.11.e	Maintain principle of balanced operating budget and ensure programs are fully funded	Finance & Administration	
5.3.11.f	Undertake a Fees & Charges review applying the principles of cost recover and structuring charges to match Council’s community objectives	Finance & Administration	
5.3.11.g	Undertake a review of asset depreciation and capital expenditure in line with a review of Asset Management Plans and Council’s Long-Term Financial Plan	Infrastructure	
5.3.11.h	Continue implementation of the Plant and Fleet Management review to ensure efficient and effective use of resources	Works & Operations	
5.3.11.i	Continue implementation of the Purchasing and Procurement Service Improvement Project	Finance & Administration	
5.3.11.j	Undertake a review of records management to improve records keeping practices and minimise Council’s risk exposure	Information Technology	

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5.3.11	Continue implementation of the Financial Sustainability Initiative projects	
5.3.11.k	Develop an action plan to support the implementation of continuous improvement focus across the organisation	Human Resources

The status of each of the actions detailed in Table 2 will be provided to Council as part of the end of year IP&R framework, however the following synopsis is provided with respect to the strategic actions highlighted in bold in the above Table; being the Ratings Review.

Ratings Review

The Finance team is currently involved in a project analysing the rating structure across the entire LGA in order to provide Council with alternatives to best accommodate the community's future needs and expectations resulting from the substantial development in the LGA. This project will result in recommendations about the rationalisation of rating categorisations which will maximise the equitable collection of revenue in the LGA.

Council's current practice is to levy rates on newly-subdivided properties from the financial year following the year in which subdivision occurs (called "full-year rating"). Although this practice has no negative effect on the calculation of Council's permissible income, it does result in forgoing possible additional revenue in the year in which subdivision occurs. The reasons for this are: the combined land valuation of subdivided properties is invariably greater than the valuation of the parent property from which they were created, hence a net increase in the ad valorem amount of rates collectible; and the base amount is applied to a greater number of assessments (on a pro rata basis).

The Cessnock LGA is experiencing significant subdivision activity. In 2017/2018, land values increased by over \$119 million, and it is projected that this growth will be similar in 2018/2019. At current growth levels, levying rates on new assessments effective the date of subdivision (called "part-year rating") is anticipated to result in additional rates revenue.

Service Level Review

A community satisfaction survey was undertaken in the second half of FY19 in order to assess the level of community satisfaction with Council's Services. The survey assists with determining service level expectations and whether, in the communities mind, funding of particular services should be decreased, held the same or increased.

This exercise is a critical first step in order to undertake the following tasks:

5.3.11.c Assess Service Levels and Funding Options

5.3.11.d Council workshop following assessment of service levels feedback.

Council was provided with a presentation on the results of the 2019 Community Satisfaction survey at a Councillor Briefing on 22 May 2019.

2019-20 Operational Plan

As highlighted earlier, all projects in the draft 2019-20 Operational Plan that support financial sustainability are identified with an orange colored asterisk and the following notation;

***Project supporting financial sustainability**

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Table 3, below, provides a listing of these projects.

Table 3 – 2019-20 Operational Plan actions that support financial sustainability.

OPERATIONAL PLAN 2019-20		Responsibility
3.1.5	* Continue to implement the Carbon Management & Energy Reduction Strategy	
3.1.5.a	* Develop an action plan for Council's Revolving Energy Fund	Environment & Waste
3.3.2.a	* Investigate alternative capping technologies, remaining void space and current approval for existing landfill site	Environment & Waste
4.1.7	* Complete the preparation of a City Wide Section 94 Contributions Plan	Complete
4.1.8	* Adopt the City Wide Section 94A Contributions Plan	Complete
4.1.1	* Advocate for increased road, public and community transport and associate infrastructure funding	
4.1.1.a	* Prepare applications for available grant funding to improve commuter, freight and tourism transport links	Infrastructure
4.1.1.b	* Prepare funding applications for upgrades of public transport stops	Infrastructure
4.2.1	* Develop prioritised capital works programs in line with adopted Asset Management Plans	
4.2.1.a	* Develop prioritised capital works programs in line with adopted Asset Management Plans	Infrastructure
4.2.2.a	* Investigate alternative treatments for maintenance and construction works	Works & Operations
4.2.3	* Continue to improve support services and facilities to assist works delivery and service provision	
4.2.3.a	* Complete the priority projects from heavy plant and equipment service improvement project	Works & Operations
OPERATIONAL PLAN 2019-20		Responsibility
5.2.2	* Actively participate in and collaborate with Hunter Joint Organisation to promote the interests of the local government area	
5.2.2.a	* Actively participate in and collaborate with Hunter Joint Organisation to promote the interests of the LGA	General Manager

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5.2.3	* Continue to monitor and respond to the State Government's local government reform program to improve the financial sustainability of councils	
5.2.3.a	* Monitor and response to the State Government's local government reform program	General Manager
5.3.6	* Implement systems and strategies to improve productivity across the organisation	
5.3.6.a	* Implement an electronic performance management system to improve productivity and integration across council	Human Resources
5.3.9	* Action the Strategy Property Review	
5.3.9.a	* Progress and implement the Strategic Property Review Project	Strategic Planning
5.3.11	* Continue implementation of the Financial Sustainability Initiative projects	
5.3.11.a	* Review Council's ratings mix and develop options to recalibrate model to better reflect ratepayer base (includes forecasting of growth in LGA)	Finance & Administration
5.3.11.b	* Evaluate community feedback on service and funding options and develop scenarios for community consultation	Finance & Administration
5.3.11.c	* Maintain principle of balanced operating budget and ensure programs are fully funded	Finance & Administration

OPERATIONAL PLAN 2019-20		Responsibility
5.3.11.d	* Continue implementation of the Plant and Fleet Management review to ensure efficient and effective use of resources	Works & Operations
5.3.11.e	* Develop recommendations for consideration on changes to Fees & Charges to ensure preferred mix between ratepayer and user funding of specific services	Finance & Administration
5.3.11.f	* Enhance contract and vendor management processes as part of Purchasing and Procurement Service Improvement Project	Finance & Administration
5.3.11.g	* Review and update the Investment Policy to allow a broader range of compliant investment options to be considered to enable higher investment returns to be realised whilst meeting agreed risk parameters	Finance & Administration
5.3.11.h	* Review options for the general of alternative revenue sources which might reduce the reliance on rates to fund incremental increases in funding requirements	Finance & Administration
5.3.12.a	* Undertake service level (condition) scenarios of council assets and evaluate financial impact in the Long-Term Financial Plan	Finance & Administration
5.3.12.b	* Review Council's Revenue Policy to assess when Council will charge for services and the basis for determining the charges that should apply.	Finance & Administration

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OPTIONS

Option 1 (preferred option)

1. That Council notes the information provided in the report
2. That the General Manager continues to manage and monitor the implementation of Council's adopted Financial Sustainability Initiative (FSI) projects through the Integrated Planning & Reporting framework.
3. That a further report on the status of the FSI projects be provided to Council in June 2020

Option 2

That Council resolve not to proceed with the Financial Sustainability Initiatives that were adopted in 2015.

CONSULTATION

Executive Leadership Team (ELT)
Manager Works and Operations
Resource Coordinator, Works Delivery
Manager Environment and Waste Services
Sustainability Officer, Environment and Waste Services
Manager Finance and Administration
Senior Contracts and Tendering Officer, Financial Services
Operations Accountant, Financial Services
Senior Adviser – Business Improvement, Community and Corporate Services

STRATEGIC LINKS

a. Delivery Program

The report links directly to the 2017-21 Delivery Program through;

Community Desired Outcome - Civic Leadership and Effective Governance

- Objective 5.3 – Making Council more responsive to the community
 - Section 5.3.11 – Continue implementation of the Financial Sustainability Initiatives projects

b. Other Plans

Council's submission in to the Department of Local Government's Fit for the Future reforms process.

IMPLICATIONS

a. Policy and Procedural Implications

Nil

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b. Financial Implications

The FSI projects focus on four key objectives; being to reduce costs, increase revenues, improve value-for-money and strengthen Council's governance framework.

c. Legislative Implications

Nil

d. Risk Implications

Nil

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

Council has an adopted suite of FSI projects aimed at improving the efficiency and effectiveness of Council's operations.

The implementation of these adopted FSI projects is currently being managed and monitored through Council's Integrated Planning and Reporting framework.

ENCLOSURES

There are no enclosures for this report

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SUBJECT: ***HELENA STREET ELLALONG - PETITION RE BUS STOP AND SHELTER***

RESPONSIBLE OFFICER: ***Infrastructure Manager - Katrina Kerr***

SUMMARY

The purpose of this report is to address a written and signed petition lodged by residents of Ellalong and surrounds and an associated petition in the form of a Change.Org online petition by petitioners from within and beyond the City of Cessnock LGA, requesting that Council restore a bus stop and rebuild a bus shelter on Helena Street, Ellalong.

RECOMMENDATION

1. That Council note the petition lodged regarding replacement of the collision damaged bus shelter on Helena Street, Ellalong.
2. That Council include the replacement of the bus shelter in Helena Street Ellalong in the Draft Capital Works Program for the 2019-20 Operational Plan and that the General Manager determines an appropriate funding source to cover the cost associated with installing a contemporary fully accessible bus stop and shelter at the subject location and that this be done as part of the finalisation of the 2019-20 Operational Plan.

BACKGROUND

The bus shelter at the bus stop adjacent 53 Helena Street, Ellalong was destroyed when it was collided with by a motor vehicle on 10 June 2017.

Council officers commenced preliminary investigations to reinstate the shelter and in the course of this process ascertained that the existing shelter slab/boarding platform does not comply with contemporary requirements of the *Disability Discrimination Act 1992 (DDA)* and *Disability Standards for Accessible Public Transport 2002 (DSAPT)*.

A detailed cost estimate prepared by Council's project engineers quantified the cost of erecting a standards compliant shelter at the location as being \$46,200.

The offending driver was identified and an insurance claim was lodged. The extent of indemnity is still being negotiated with the insurer, however at this stage there is a likelihood that the amount Council recovers from the insurer may fall short of the estimated cost of replacement.

In the meantime, a petition has been received seeking reinstatement of the bus stop and shelter.

Consultation with Rover Coaches revealed that the subject bus stop has a very low utilisation rate and they consider that a shelter is not required at the location, given the presence of a nearby bus stop with a shelter in Rugby Street which is well utilised.

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This report responds to the petition.

REPORT/PROPOSAL

Petition: The petition, features 42 signatories, 35 of whom reside in Ellalong and 7 elsewhere within the LGA, and 141 names (36 linked to an Ellalong address), from the change.org website. The petitioners are requesting that Council restore the subject bus stop and rebuild the bus shelter on Helena Street, Ellalong. See Petition at **Enclosure 1**.

Location: The relevant bus shelter is adjacent number 53 Helena Street, Ellalong, which is approximately 135 metres east of Truro Street as shown in **Figure 1** below:



Figure 1 – Bus Shelter Location Map

Investigation: Independently of this matter, Council has been actively working towards upgrading bus stop infrastructure throughout the LGA and the following considerations are relevant:

- In the intervening time since installation of the previous shelter that was destroyed, Council's standard design for bus shelters evolved to meet AS1428 – *Design for Access and Mobility*. Additionally, installation of shelters and ancillary treatments are now required to meet the *DSAPT*.
- From preliminary investigations it was immediately obvious that the site of the destroyed bus shelter is not readily amenable for installation of a *DSAPT* compliant shelter.
- Accordingly, in the knowledge that a like-for-like replacement would not achieve compliance with current Australian Standards for accessibility, Council officers provided an initial cost estimate to Council's insurer, based on available information on recent costs of a new standard design bus shelter.
- Subsequently, when a more thorough investigation of the site identified issues with achieving compliance with AS1428, due to insufficient level ground (beside the position a stationary bus would occupy) to accommodate the larger boarding platform,

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mandated by the standard design, negotiations commenced with the insurer with a view to achieving an improved outcome for the community, by seeking indemnity for the additional costs involved.

Figure 2 below shows features of nonconformance/incompatibility with the standards with respect to surface grades, pedestrian connectivity and spatial requirements.

Figure 2 – Previously existing bus shelter with unsuitable infrastructure



Bus Stop Demand: Regarding the community's desire to preserve the bus stop:

- The detailed investigation and design for replacement of the bus shelter was progressed on a previously anticipated timeline, which would have seen replacement of the shelter prior to the start of the then ensuing, next school term.
- In the course of this investigation Council officers attended a site inspection meeting on 22 November 2018, with the Work Health & Safety Manager (WH&S) from Rover Coaches, and the following issues were highlighted:
 - 2 bus services operate via Helena Street, including a regular service (westbound only) to Millfield and a school bus service via Rugby, Helena and Truro Streets.
 - The school bus service has one regular passenger board the bus in Helena Street, with a second passenger as an occasional user;
 - The regular passenger service has minimal patronage from the Helena Street stop;
 - The vast majority of bus journeys in Ellalong start/finish at the nearby Rugby Street bus stop, which has a shelter.
 - If Council is inclined to install a bus stop/shelter, the location would be suitable, however, passenger numbers do not warrant the replacement/relocation of the Helena Street bus stop/shelter;

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- An informal school bus stop would adequately service the 1 or 2 daily passengers who utilise the Helena Street bus stop;
- Rover Coaches recommend that the existing Helena Street permanent bus stop be removed, as it is not necessary to service the minimal passenger volumes: and
- Similarly, a new bus stop at an alternate location on Helena Street is not considered to be necessary for the same reason and an informal 'hail and ride' stop on Helena Street would suffice.
- Transport for NSW, which is the ultimate body for approval of bus routes, recognises and endorses the operation of 'hail and ride' mode bus services in regional NSW.
- At the same meeting, the Work Health & Safety Manager of Rover Coaches identified a number of issues with the existing bus stop location on Helena Street, which from a WH&S perspective, he considers makes the site unserviceable in its current form:
 - Unformed road edge;
 - Insufficient room for the bus to leave the travel lane;
 - Poor pedestrian access due to the slope away from the road.
 - In line with other regional areas, local bus services in the Cessnock LGA operate on a 'hail and ride' basis, whereby a bus stop (with or without a shelter) is not essential for the purposes of picking up and setting down passengers.
 - Rover Coaches would prefer to treat the subject location as an informal bus stop.

Insurance: In the course of continued negotiation with Council's insurer, as mentioned above, a detailed cost estimate prepared by Council's project engineers, quantified the cost of erecting a standards compliant shelter at the location as being \$48,705. **Table 1** below shows the figures currently being considered in the course of negotiations with the insurer:

Table 1 – Insurance Claim Costings

Item	Responsible Party	Cost
Shelter Structure	Supply only	\$16,155.00 (GST Exclusive)
Remove existing slab, supply material and construction of pad for new boarding platform, shelter and	Council	\$32,550
Deductible	Council	- \$5,000
Total Settlement		\$43,705

The fact that prior to the insured event (car crashing into the shelter), Council was in possession of a bus shelter which did not meet prevailing standards and would require substantial upgrade at Council's expense to meet the standards should it be required to be

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replaced, is subject of negotiations with the insurer with a view to obtaining the appropriate and equitable settlement of the claim.

If a funding shortfall arises, an alternative funding source will need to be identified to install a contemporary fully accessible bus stop and shelter at the location.

OPTIONS

Option 1 (Preferred):

1. That Council note the petition lodged regarding replacement of the collision damaged bus shelter on Helena Street, Ellalong.
2. That Council include the replacement of the bus shelter in Helena Street Ellalong in the Draft Capital Works Program for the 2019-20 Operational Plan and that the General Manager determines an appropriate funding source to cover the cost associated with installing a contemporary fully accessible bus stop and shelter at the subject location and that this be done as part of the finalisation of the 2019-20 Operational Plan.

This is the preferred option to ensure the desire of the community, as called for in the petition is satisfied.

Option 2:

1. That Council note the petition lodged regarding replacement of the collision damaged bus shelter on Helena Street, Ellalong.
2. That Council not proceed with replacement of the bus shelter in its previous location and allow the existing location to service the community as an informal (hail and ride) bus stop.

This is option is not preferred as although it preserves a level of service to bus users, it does not satisfy the community's call for a replacement bus shelter on Helena Street.

CONSULTATION

Internal: Internal consultation has occurred with:

- Traffic Engineering Officer
- Projects Engineer
- Safety & Risk Coordinator
- Insurance Officer

External: External consultation has occurred with:

- Work Health & Safety Manager, Rover Coaches

STRATEGIC LINKS

a. Delivery Program

Delivery Program 2017- 21: The recommendation of this report aligns with the following objectives:

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- Objective 1.3 Promoting Safe Communities – Our roads are safe for motorists and pedestrians
1.3.5 Improve the safety of the road network
- Objective 4.1 Better transport links
4.1.1: Advocate for increased road, public and community transport and associated infrastructure funding.
4.1.1a: Prepare applications for available grant funding to improve commuter, freight and tourism transport links.
- Objective 4.2 Improving the road network
4.2.1 Develop prioritised capital works programs in line with adopted asset management plans.
4.2.2 Deliver prioritised on-ground capital works and maintenance programs.

b. Other Plans

Community Strategic Plan - Cessnock 2027: The recommendation of this report aligns with the following objectives:

- Objective 1.3 Promoting safe communities - Our roads are safe for motorists and pedestrians.
- Objective 2.3 Our local government area is attractive to visitors
- Objective 4.2 Improving the road network
- We have a quality road network.
 - We have managed the traffic impact of the Hunter Expressway on local communities.

Operational Plan 2018-19: The recommendation of this report aligns with the following objectives:

- Objective 1.3: Promoting Safe Communities
1.3.5 Improve the safety of the road network
- Objective 2.3: Increasing tourism opportunities and visitation to the area
2.3.4 Commence implementation of the Vineyard Signage Strategy
- Objective 4.1: Better transport links
4.1.1: Advocate for increased road, public and community transport and associated infrastructure funding.
4.1.1a: Prepare applications for available grant funding to improve commuter, freight and tourism transport links.
4.1.2 Commence implementation of the Traffic & Transport Strategy.
- Objective 4.2: Improving the road network
4.2.1 Develop prioritised capital works programs in line with adopted asset management plans.
4.2.2 Deliver prioritised on-ground capital works and maintenance programs.

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4.2.2b Undertake in-house design and document road work, bridges and culverts to meet required service levels for the Capital Works Program.

4.2.2c Advocate for and support applications for grant funding to improve road infrastructure.

Cessnock City Council - Road Safety Strategic Plan (2014 - 2018): The recommendation of this report aligns with the following objectives:

Safer Roads: Develop Programs that will deliver safer roads and roadsides:

Objective 2.1: Continue to manage Council's assets in an innovative and cost effective manner, delivering treatments for safe road use through improved design, construction, maintenance, operation and auditing of the road network.

Objective 2.2: Make applications under State and Federal Government road safety funding grant schemes for targeted road infrastructure works programs to enhance safety outcomes for all road users.

Objective 2.3: Administer Council's Capital Works Program to ensure that road safety is considered throughout the design, construction, maintenance, operation and audit of the road network for all road users.

IMPLICATIONS

a. Policy and Procedural Implications

This report has been prepared in accordance with Council's standard practice for reporting petitions.

b. Financial Implications

Internal Council resources were utilised for investigating the suitability of this bus shelter location and the extensive works required to achieve relevant standards compliance.

It is noted that site constraints at the location render achieving compliance with applicable standards for a bus stop more expensive than in most typical locations, due to the nature and extent of earthworks required.

In the event that Council resolves to install a shelter at the location before the amount recoverable under insurance is quantified, there is an inherent risk that Council will need to reallocate funds already slated for upgrading of another bus stop, which would likely be more heavily used than the subject stop in Ellalong.

c. Legislative Implications

Road Rules 2014:

- Part 8 – Traffic Signs & Road Markings
- Part 11 – Other Driving Rules
- Part 12 – Restrictions on Stopping & Parking

Roads Act 1993:

- Section 7 – The council of a local government area is a roads authority

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- Section 71 – Powers of roads authority with respect to road work
- Section 145 – Roads authorities own public roads

Civil Liability Act 2002:

- Section 42 – Principles concerning resources, responsibilities etc. of public and other authorities.
- Section 43 - Proceedings against public or other authorities based on breach of statutory duty
- Section 45 – Special non-feasance protection for roads authorities
- Section 46 Exercise of function or decision to exercise does not create duty

d. Risk Implications

A number of risks are present as outlined below;

Safety Risk: It is untenable to simply install a replacement shelter on the remaining slab as pedestrian safety will be compromised and disability standards will not be met.

Financial Risk: Council risks financial liability for the yet to be determined potential shortfall in the insurance payout and the actual cost of the shelter and associated infrastructure.

Reputational Risk: Council faces reputational risk if it expends funds on public transport infrastructure for which there is a demonstrated lack of demand, rather than directing such funds to more essential infrastructure.

Conversely, Council also faces reputational risk if it fails to meet community expectations in the provision of public transport infrastructure, particularly where a facility once existed and was removed.

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

Notwithstanding the low public patronage of the bus stop and the expressed opinion of the public transport provider that a permanent bus stop is not required at the location, the petition received points to a community desire for the bus stop to be retained and a shelter reinstated.

It is arguable that the community has a legitimate expectation that they not be disadvantaged by the actions of an errant driver and that their bus shelter will be replaced.

Accordingly, it is recommended that the replacement of the bus shelter in Helena Street Ellalong be included in the Draft Capital Works Program for the 2019-20 Operational Plan.

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ENCLOSURES

- 1 ➡ Traffic & Transport _ Helena Street Ellalong _ Bus Stop Shelter Peition
- 2 ➡ Traffic & Transport _ Public Transport Stop Improvements _ 53 Helena Street _
Final Cost Estimate _ S Deo

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SUBJECT: *HENDERSON AVENUE AND MARLTON STREET,
CESSNOCK AND CRUICKSHANK STREET, BELLBIRD*

RESPONSIBLE OFFICER: *Infrastructure Manager - Katrina Kerr*

SUMMARY

The purpose of this report is to confirm the inclusion of investigation and design of upgrade to storm water drainage in Cruickshank Street, Bellbird in the draft Operational Plan 2019-20, and to report the outcome of an investigation into the potential inclusion of renewal of Henderson Avenue and Marlton Street, Cessnock in the same draft Plan.

RECOMMENDATION

1. That Council note the inclusion of investigation and design of upgrade to storm water drainage in Cruickshank Street, Bellbird in the draft Operational Plan 2019-20
2. That Council note the outcome of the investigation into the potential inclusion of renewal of Henderson Avenue and Marlton Street, Cessnock in the draft Operational Plan 2019-20.
3. That Council includes the rehabilitation of Henderson Avenue and Marlton Street, Cessnock in the draft Operational Plan 2019-20 as a design and investigation project with a further report to come back to Council once rehabilitation costs are known.

BACKGROUND

At its meeting of 1 May 2019, Council considered report CC31/2019 Adoption of Draft 2019-20 Operational Plan for Public Exhibition and resolved as follows:

1. *That Council place the Draft 2019-20 Operational Plan on public exhibition for 28 days in accordance with Section 405 of the Local Government Act 1993.*
2. *That the investigation and design for drainage and flooding issues in Cruickshank Street, Bellbird be included in the draft Operational Plan 2019-20.*
3. *That the General Manager investigate the potential for inclusion of Henderson Avenue and Marlton Street between Maitland Road and Halcyon Street, to be included in the local road renewal program for 2019-20.*

This report responds to items 2 and 3 of the above resolution.

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REPORT/PROPOSAL

Cruickshank Street, Bellbird

Council records show reports of drainage issues in Cruickshank Street since 2001. Whilst considered for inclusion in subsequent Drainage Construction programs, it appears that other issues across the City have taken precedence.

In response to more recent reports of both nuisance storm water inundation during heavy rainfall events and more substantial inundation from larger storms, earlier this year an initial investigation was undertaken. The investigation confirmed that resolution of the current storm water inundation issues requires construction of significant storm water drainage infrastructure, which is not currently budgeted for.

A project has been scoped for detailed site investigation, detailed design and preparation of cost estimates including:

- Liaise with residents to confirm flooding issues and define scope for further investigation
- Confirm the storm water drainage assets in the catchment
- Carry out ground survey within downstream portion of the catchment
- Confirm future development in the upper catchment
- Define the existing storm water drainage and overland flow characteristics through a catchment Overland Flow Study
- Following the Overland Flow Study
 - Develop initial mitigation options to reduce overland flow impacts, for example
 - Reshaping of table drains, limited kerb and gutter and improved pit inlet capacity within Cruickshank Street
 - Raising driveways and nature strip on downstream side of Cruickshank Street
 - Flow diversion along Wollombi Road
 - Consideration of flow discharge reaching the sag in Cruickshank
- Develop staged storm water upgrade and overland flow strategy for prioritisation and implementation within Council's Delivery Program, such as:
 - Upgrades to current storm water infrastructure within the catchment
 - Upgrades to Cruickshank Street and Wollombi Road road infrastructure along with kerb and gutter
 - Additional storm water infrastructure requirements in the catchment
 - Overland flow path requirements through private property, including construction activity and easements to drain water

Inclusion of this scope of work in the *Operational Plan 2019/20* will allow scheduling and budgeting for what are expected to be substantial works in a future capital Works Program.

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In the meantime, Council Works & Operations Unit will attend to the area with maintenance activities.

Henderson Avenue and Marlton Street, Cessnock

Council's current road condition data records the condition of the two subject roads as shown in Table 1 below:

Location:	Score:	Condition:
Henderson Avenue	4.06 to 4.48	AC 107m long by 9m wide Poor Condition – Consider Renewal
Marlton Street	5.00	AC 97m long by 10m wide Very Poor Condition – Approaching Unserviceable

Table 1 - Condition Data

The outcome of recent investigations confirms that the current conditions of the two roads indicates that they are both nearing the end of their useful lives.

Selection Criteria for the Local Road Renewal Program

Council's current approach to road renewal is to attempt to maintain as much of the road network as possible in Fair Service (Level 3) condition or better.

To optimise Council's spend on roads, the most efficient approach is to model the condition of the network against the available funds and to spend the limited funding to return as much of the network to Level 3 as possible. In this way, overtime the majority of the network will be in acceptable condition.

In order to achieve the desired outcome, a portion of funds is set aside in the Local Road Renewal Program to undertake resealing works to save road pavements that are currently in good to fair condition. This concept is foreign to the alternate view which is to fix the worst roads first, however this approach has been modeled to show its effectiveness over time.

With regard to the two subject roads, these are identified as being in poor and very poor condition and it is reasonable to consider prioritising these roads over others in the network given the volume of traffic using these roads.

Funding

The cost to bring these roads up to the desirable condition will be expensive as more costly road rehabilitation methods will be required. These works however can be funded from within the existing Local Road Renewal Program by reallocating funds from the Local Road Resurfacing Program.

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OPTIONS

Option 1 (Preferred):

1. That Council note the inclusion of investigation and design of upgrade to storm water drainage in Cruickshank Street, Bellbird in the draft Operational Plan 2019-20
2. That Council note the outcome of the investigation into the potential inclusion of renewal of Henderson Avenue and Marlton Street, Cessnock in the draft Operational Plan 2019-20.
3. That Council includes the rehabilitation of Henderson Avenue and Marlton Street, Cessnock in the draft Operational Plan 2019-20 as a design and investigation project with a further report to come back to Council once rehabilitation costs are known.

Option 2:

1. That Council note the inclusion of investigation and design of upgrade to storm water drainage in Cruickshank Street, Bellbird in draft Operational Plan 2019-20, and
2. That Council note the outcome of investigation into the potential inclusion of renewal of Henderson Avenue and Marlton Street, and allocation additional funds in draft Operational Plan 2019-20 to undertake the work.
3. That Council considers including Henderson Avenue and Marlton Street in the next iteration of the Delivery Program 2021-2025

CONSULTATION

Internal Consultation:

- Principal Engineer Roads Infrastructure
- Environmental Infrastructure Engineer

External Consultation:

- Residents and property owners of Cruickshank Street.

STRATEGIC LINKS

a. Delivery Program

Community Strategic Plan Cessnock 2027:

The recommendation of this report aligns with the objectives of:

Section 4 Accessible infrastructure, services & facilities:

- *Objective - 4.2 Improving the road network.*

Delivery Program 2017-2021: The recommendation of this report will contribute to achieving objectives of:

- 4.2.1 Develop prioritised capital works programs in line with adopted asset management plans.

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- 4.2.2: Deliver prioritised on-ground capital works and maintenance programs.

b. Other Plans

Road and Road Infrastructure Network Asset Management Plan 2017: The recommendation of this report aligns with the objectives of the Plan.

Asset Management Plan Road and Road Infrastructure Network: The recommendation of this report aligns with the objectives of the Plan.

IMPLICATIONS

a. Policy and Procedural Implications

Council's current procedure for prioritising roads for renewal relies on a combination of:
Condition data,

- road hierarchy,
- traffic volume, and
- maintenance costs.

To optimise Council's spend on roads, the most efficient approach is to model the condition of the network against the available funds and to spend the limited finding to return as much of the network to Service Level 3 as possible. In this way, overtime the majority of the network will be in acceptable condition rather than a small proportion of being in good condition and the majority being unacceptable of unserviceable.

The Local Road Construction Program and Local Road Renewal Program have been developed in response to Council's adopted Road and Road Infrastructure Network Asset Management Plan.

b. Financial Implications

Henderson Avenue and Marlton Street are local roads. The appropriate source of funding from within the Delivery Program 2017-21 is the Local Road Renewal Program. The draft 2019-20 Program allocates \$1,486,720 to carry out local road resealing works.

Inclusion of the subject roads in the 2019-20 Local Road Renewal Program will require a reallocation of funds from Local Road Resurfacing Program. This can be funded from within the existing Operational Plan Program.

Given the rehabilitation costs are unknown it is recommended that an investigation be undertaken and a further report be presented to Council once the cost estimates are known.

c. Legislative Implications

Nil

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d. Risk Implications

Financial Risk: There is a risk if the proposed works are to be funded from existing program one or more road resealing projects would need to be delayed and/or removed.

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

Council's current approach to road renewal is to attempt to maintain as much of the road network as possible in Fair Service (Level 3) condition or better

To optimise Council's spend on roads, the most efficient approach is to model the condition of the network against the available funds and to spend the limited funding to return as much of the network to Level 3 as possible. In this way, overtime the majority of the network will be in acceptable condition.

Henderson Avenue and Marlton Street are identified as being in poor and very poor condition and it is reasonable to consider prioritising these roads over others in the network given the volume of traffic using these roads.

The required rehabilitation works will be costly however these works can be funded from within the existing Local Road Renewal Program by reallocating funds from the Local Road Resurfacing Program.

ENCLOSURES

There are no enclosures for this report

SUBJECT: *TENDER T1819-13 - MANAGEMENT OF THE KURRI KURRI AQUATIC & FITNESS CENTRE*

RESPONSIBLE OFFICER: *Recreation & Community Facilities Coordinator - Nathan Eveleigh*
Strategic Recreation & Community Facilities Planner - Kate Harris

SUMMARY

The purpose of this report is to provide the outcome of the evaluation and selection of tender for Tender No. T1819-13 – Management of Kurri Kurri Aquatic & Fitness Centre.

RECOMMENDATION

1. That Council accept the lump sum tender price received from Belgravia Health & Leisure Group Pty Ltd for the management of Kurri Kurri Aquatic and Fitness Centre (T1819-13) for the amount of \$1,016,269.10 (including GST).
2. That Council note the agreement term for Belgravia Health & Leisure Pty Ltd (T1819-13) is from 14 July 2019 to 30 June 2024 with an option for two additional periods of five years based on satisfactory performance.

BACKGROUND

The Kurri Kurri Aquatic & Fitness Centre is an indoor, heated, year round facility located in the centre of Margaret Johns Park at Boundary Street Kurri Kurri. It comprises of an 8 lane 25m pool as well as a program/leisure pool with a beach entry and spa seat. There is a kiosk and administration desk in the entry foyer as well as a small clubroom, office spaces and program room which is presently used as a gymnasium.

The facility was originally managed by the YMCA NSW from 2002-2015, with Belgravia Health & Leisure Group Pty Ltd (Belgravia) taking of the contract following a competitive tender process in 2015. The current management agreement expires on 30 June 2019.

REPORT

Request for Tender

The Request for Tender (RFT) documents were prepared by Council officers, and reviewed by the Tender Audit Panel (TAP) before tenders were called. It is proposed to enter into a licence agreement with the proponent for the management of the facility. The RFT called for one of three options for the management of Kurri Kurri Aquatic & Fitness Centre, those being:

1. Guaranteed Fixed Fee – paid to Council
2. Guaranteed Fixed Fee + surplus share – % paid to Council
3. Management Fee – paid to the Tenderer

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Invitation

Tenders were invited on 9 April 2019 on Council's e-tender portal, Tenderlink and advertised in the following publications:

Publication	Day	Date
Newcastle Herald	Saturday	13 April 2019
Sydney Morning Herald	Tuesday	16 April 2019
Cessnock Advertiser	Wednesday	17 April 2019

Addenda

The following addenda were issued via the Tenderlink website to all prospective tenderers during the invitation period:

No.	Date	Description
1	6 May 2019	Asset Register & Condition Assessment report – clarification around loose assets.
2	8 May 2019	Relevance of Returnable Schedule 12 – Technical and Mechanical Resources
3	9 May 2019	Clarification around shutdown of the facility for annual planned maintenance and renewal.

Closure

Tenders closed 2pm Tuesday 14 May 2019

Evaluation of Tenders

Tender Evaluation Team: In accordance with *CCC Procurement Procedure*, a Tender Evaluation Team (TET) was formed with the following members:

- Manager Open Space & Community Facilities
- Operations Accountant
- Recreation & Community Facilities Coordinator

Evaluation Process: The evaluation was conducted according to the following process:

1. Assessment of receipt
2. Assessment of conformance
3. Weighted evaluation
4. Evaluation result
5. Independent Review

The evaluation criteria and their weightings were documented in the Contract Initiation and Development Plan, reviewed by the Manager Open Space & Community Facilities prior to tenders being invited.

1. Assessment of Receipt

Tenders were received and assessed against the first threshold criteria:

Threshold Criteria	
Criterion 1	Submission on time

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The following tenders were received and are listed in alphabetical order.

Tender	Tenderer	Business Address	Criterion 1
1	Belgravia Health & Leisure Group Pty Ltd	Bayswater, VIC	On time
2	BlueFit Pty Ltd	Moonee Ponds, VIC	On time
3	YMCA NSW	Parramatta, NSW	On time

All three tenders were received on time and met threshold Criterion 1.

2. Assessment of Conformance

The tenders were then assessed for conformance with the remaining threshold criteria:

Threshold Criteria	
Criterion 2	(a) Legal entity with ABN (b) Acceptance of Commercial Conditions (c) No unmanageable conflict of interest (d) Financial Capacity to service the contract (e) Compliance with insurance requirements
Criterion 3	Meets Minimum WHS requirements
Criterion 4	Meets minimum Environmental Management requirements

All three tenders were considered conforming in threshold Criteria 2, 3 and 4. All three tenders were progressed to the next stage of evaluation.

3. Weighted Evaluation

Tenders were evaluated using the following weighted evaluation criteria:

Criterion 5	Tender Price
Criterion 6	Proposed Business Plan
Criterion 7	Proposal to invest in complimentary additional facilities in the future
Criterion 8	Experiences, past performance, management and staff resources offered
Criterion 9	QA Systems & Procedures
Criterion 10	WHS Systems

To assess tenders against the evaluation criteria, the TET used information obtained from the tender documents. A Weighted Evaluation Matrix, containing full details of the tender price and weighted evaluation criterion is provided as confidential **Enclosure 1**.

Tender one from Belgravia scored highest for the tendered amount, as well as scoring competitively on all other weighted criteria. With the highest overall score, Tender one from Belgravia was identified as the preferred tender.

4. Evaluation Result

Following steps 1 to 4 of the evaluation process, the TET found that Tender one from Belgravia met the requirements of the RFT and recommended acceptance of Tender one.

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5. Independent Review

The evaluation process and recommendations were reviewed by the TAP and determined to be in accordance with relevant documents and legislation:

- *Cessnock City Council Procurement Policy,*
- *Cessnock City Council Procurement Procedure,*
- *Local Government Act 1993, and*
- *Local Government (General) Regulation 2005.*

TIME FRAME

This contract will commence on Monday 15 July 2019 for a period of five years, expiring 30 June 2024. As part of this RFT, two additional five year additional term extension options are offered.

LOCAL CONTENT

There was no local preference scoring applied, however, Belgravia are the current operators of the Kurri Kurri Aquatic & Fitness Centre.

OPTIONS

Option 1: That Council accept the lump sum tender price received from Belgravia Health & Leisure Group Pty Ltd for the management of Kurri Kurri Aquatic and Fitness Centre (T1819-13) for the amount of \$1,016,269.10 (including GST).

That Council note the agreement term for Belgravia Health & Leisure Pty Ltd (T1819-13) is from 14 July 2019 to 30 June 2024 with an option for two additional periods of five years based on satisfactory performance. This is the preferred option.

Option 2: That Council decline to accept any offers and Council transition in to carry out the requirements of the proposed contract itself. This would require an interim arrangement with the incumbent contractor to manage the facility until Council had sourced the appropriate staff, equipment and appropriate business plan. This is expected to take between 3-6 months and could involve the expertise of existing Council staff as well as professional advice from other Councils who manage their own aquatic facilities, such as Lake Macquarie, Maitland and Mid Coast Councils.

CONSULTATION

The following officers were consulted during the tender process:

- Asset Engineering Officer (Buildings)
- Building Maintenance Coordinator
- Governance Coordinator
- Manager open Space & Community Facilities
- Operations Accountant
- Senior Contracts & Tendering Officer
- Belgravia Health & Leisure Group Pty Ltd
- BlueFit Pty Ltd
- YMCA NSW
- Lindsay Taylor Lawyers

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STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving the following objectives contained in the 2019/2020 Draft Operational Plan:

- 1.1 Promoting Social Connections
- 1.2 Strengthening Community Culture
- 3.2 Better Utilisation of existing open space

b. Other Plans

- Aquatic Needs Analysis (2014)
- Margaret Johns Park Plan of Management

IMPLICATIONS

a. Policy and Procedural Implications

The tender process has been carried out in accordance with:

- *Cessnock City Council Procurement Policy,*
- *Cessnock City Council Procurement Procedure,*
- *Tendering Guidelines for NSW Local Government 2009, and*
- *NSW Government – Code of Practice for Procurement 2005.*

b. Financial Implications

There are no significant financial or resource implications.

The lump sum tender amount of \$1,016,269.10 (including GST) for five years for Belgravia to manage the Kurri Kurri Aquatic & Fitness Centre is within the existing annual budget allocation of the current tender price (\$225,363.96 for 2018/2019).

c. Legislative Implications

The tender process has followed the legislative provisions, referenced in *Cessnock City Council Procurement Policy* and *Cessnock City Council Procurement Procedure*, as follows:

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*

In particular, reference is made to Part 7, Division 4, Clause 178 of the *Local Government (General) Regulation 2005 (Acceptance of tenders)*:

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.

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2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.
3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.
4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:
 - (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
 - (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

d. Risk Implications

To minimise Council's exposure to business risks, the RFT required that tenderers had:

- Compliance with insurance requirements
- No unmanageable conflict of interest
- WHS and Quality Assurance systems.
- Financial Capacity to service the contract
- Sufficient resources to service the contract

e. Other Implications

Belgravia is the largest commercial operator of leisure facilities in the country with over 170 facilities under their management, including 90 aquatic facilities.

Using both tried and tested systems and sound judgement, Belgravia has a track record of delivering enhanced services to the community and better results to facility owners.

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CONCLUSION

The tender from Belgravia, in the lump sum amount of \$1,016,269.10 (including GST) offers the best value for money for the management of the Kurri Kurri Aquatic & Fitness Centre for the term of the contract from 15 July 2019 to 30 June 2024. The contract lump sum can be fully funded from the available budget identified in this report.

Council will continue to have a strong partnership with Belgravia Health & Leisure Group Pty Ltd, who continue to deliver KPI's as expected with the management of the Kurri Kurri Aquatic & Fitness Centre.

ENCLOSURES

- 1** Management of KKAFC Tender Evaluation Matrix - *This matter is considered to be confidential under Section 10A(2) (di) (dii) (j) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; AND commercial information of a confidential nature that would, if disclosed (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret; AND Council Policy.*

NOTICES OF MOTION No. BN11/2019

SUBJECT: *HEDDON GRETA*

COUNCILLOR: *Darrin Gray*

MOTION

1. That the General Manager prepare a report to Council within 2 months to investigate the preparation of a strategic land use plan for the growing Heddon Greta – Cliftleigh Precinct.
2. That the report to Council regarding the proposed Heddon Greta – Cliftleigh Precinct strategic land use plan address the following matters:
 - A. Better integration of the existing residential community with the new urban release areas and future residential growth areas, such as the Hydro site, in terms of community facilities, roads, traffic management and related infrastructure;
 - B. Consideration of existing land use strategies including, but not limited to, the Hunter Regional Plan 2036, Greater Newcastle Metropolitan Plan 2036, Hunter Expressway Land Use Strategy and the strategic planning being carried out by state agencies, in particular the NSW Roads and Maritime Services;
 - C. Consider what arrangements can be made to invite Maitland City Council in the planning process with a view to joint contributions and structure planning wherever feasible across the precinct; and
 - D. Resourcing, funding and timeframe considerations in order to prepare the plan.

It is my intention to move the above motion at the next Ordinary Meeting of Council on 5 June 2019.

RATIONALE

The Heddon Greta – Cliftleigh precinct has seen unprecedented growth over the past decade especially since the opening of the Hunter Expressway. Development seems to have been activated without any overall strategic or integrated planning overview.

The compounded traffic issues and the continuing lodgement of Development applications that only compound the issues, especially traffic concerns, within the precinct, are a continuing frustration to residents.

Due to not having a CBD as such no specific Town Strategic Plan has been prepared or any integrated planning has been presented to the community in a way that can be interpreted by current or future residents.

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It is time for Council to consider a report on how we could prepare a plan to address the issues strategically and to ensure a better co-ordinated outcome for existing and future residents of the Heddon Greta – Cliftleigh Precinct. When the report comes back to Council we can then make a fully informed decision on how we will progress the future of the precinct.

Sgd: Darrin Gray

Date: 27 May 2019

ENCLOSURES

There are no enclosures for this report

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SUBJECT: ***RECLASSIFICATION OF HART ROAD/GINGERS LANE/ORANGE STREET***

RESPONSIBLE OFFICER: ***Infrastructure Manager - Katrina Kerr***

Q41/2019 – Reclassification of Hart Road/Gingers Lane/Orange Street

Asked by Councillor Gray at the Ordinary Meeting of Council held on 15 May 2019.

“for an update on the reclassification of Hart Road/Gingers Lane and Orange Street”.

At its Ordinary meeting of 6 March 2019, Council resolved:

1. *That Council concur with the RMS proposed reclassification of roads along the connection route from the HEX, Loxford to State Route B68 on Cessnock Road, Abermain via Hart Road, Gingers Lane, Frame Drive and Orange Street.*
2. *That Council accept reclassification of the roads along the route from Local Roads to unclassified Regional Roads.*
3. *That Council confirm with RMS that no load limit will be imposed along the route, other than in unforeseen cases outside the control of Council.*
4. *That the General Manager request RMS to also consider reclassification from Local Roads to unclassified Regional Roads along the associated road connection route from Hart Road, Loxford to Northcote Street, Kurri Kurri via Government Road and Mitchell Avenue.*
5. *That the General Manager respond to the RMS proposal in accordance with this resolution.*
6. *That the General Manager request RMS to also consider reclassification from Local Roads to unclassified Regional Roads of Camp Road Greta.*

Items 1, 2, 3 and 5 relate to Hart Road, Gingers Lane and Orange Street.

In accordance with the above resolution a letter has been sent to Roads and Maritime Services (RMS) seeking an update on the proposed reclassification of the connection route from the Hunter Expressway (HEX) to State Route B68 on Cessnock Road, Abermain (Main Road 588) via Hart Road, Gingers Lane, Frame Drive and Orange Street.

A further meeting with RMS officers was scheduled for 27 May 2019. This meeting was cancelled and a further meeting has been scheduled to discuss the road reclassification matters that form part of Council's resolution and will be the subject of an agenda item at this meeting.

ENCLOSURES

There are no enclosures for this report

Answers To Questions For Next Meeting

Report No. AQ51/2019

Works and Infrastructure



SUBJECT: *HART ROAD UPDATE*

RESPONSIBLE OFFICER: *Infrastructure Manager - Katrina Kerr*

Q40/2019 – Hart Road Update

Asked by Councillor Sander at the Ordinary Meeting of Council held on 15 May 2019.

“for an update on extended works being conducted on Hart Road”.

The planned work on Hart Road, Loxford includes the construction of a permanent roundabout at its intersection with Gingers Lane, and Government and Sawyers Gully Roads. Associated upgrade of Gingers Lane to connect with Frame Drive is also planned.

Plans for the roundabout have been progressed to Preliminary Design to account for the results of recent geotechnical testing and include new pavement, drainage and retention of the existing slip lane south bound onto Government Road.

The cost estimate for the roundabout, based on the Preliminary Design exceeds the current funding available from Roads and Maritime Services' (RMS) allocation for construction and impacts of the Hunter Expressway. Further liaison about the Final Design and negotiation on funding with RMS are planned in a bid to align construction of the roundabout with the construction program for the grant funded upgrade of Gingers Lane.

Regarding Gingers Lane, plans for the upgrade are also well progressed. The plans aim to increase the pavement depth to cater for anticipated traffic demand and provide intersection treatments for the three access roads into the adjoining residential areas. Design decisions have been taken to minimise the loss of trees and spoil generated from the works.

The current program for construction of Gingers Lane is to commence with relocation of an existing water main in Gingers Lane late August 2019, subject to site conditions and weather permitting.

A briefing to further update Councillors and review the required traffic management to undertake the construction is currently being prepared.

ENCLOSURES

There are no enclosures for this report

Answers To Questions For Next Meeting

Report No. AQ52/2019

Works and Infrastructure



SUBJECT: OPERATIONAL PLAN UPDATE

RESPONSIBLE OFFICER: Acting Director Works and Infrastructure - Nicole Benson

Q39/2019 – Operational Plan Update

Asked by Councillor Sander at the Ordinary Meeting of Council held on 15 May 2019.

“for an update on the project completions on the Operational Plan end of June 2019”.

Report No. CC40/2019 - March 2019 Quarterly Review of the 2017-21 Delivery Program is included in this business paper and contains information on project completions and progress up to the end of March 2019.

The progress of capital works projects in the Operational Plan is updated by Council officers on a monthly basis and can be viewed by Councillors via the secure Councillor Dashboard log in on Council's website.

End of June 2019 will be reported in the September 2019 Quarterly Review of the 2017-21 Delivery Program.

ENCLOSURES

There are no enclosures for this report

Answers To Questions For Next Meeting

Report No. AQ53/2019

Works and Infrastructure



SUBJECT: *PLAN OPTIONS FOR SPLASH PAD CESSNOCK POOL*

RESPONSIBLE OFFICER: *Acting Director Works and Infrastructure - Nicole Benson*

Q42/2019 - Plan Options for Splash Pad Cessnock Pool

Asked by Councillor Burke at the Ordinary Meeting of Council held on 15 May 2019:-

“When will Council be briefed on the plan options for the splash pad at Cessnock Pool?”

Community engagement for the splash pad and a masterplan for the Cessnock Pool has commenced with a number of stakeholder workshops and a survey underway. It is intended that officers will brief Council in July on the options for the splash pad as well as the masterplan.

ENCLOSURES

There are no enclosures for this report

Correspondence

Report No. CO9/2019

Corporate and Community Services



SUBJECT: *AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION -
FEDERAL ELECTION FUNDING CAMPAIGN*

RESPONSIBLE OFFICER: *Director Corporate and Community Services - Robert
Maginnity*

RECOMMENDATION

That the correspondence be noted.

At its Ordinary Meeting of 17 April 2019 Council considered a Report MM7/2019 – Australian Local Government Association – Federal Election Funding Campaign and resolved (inter alia):

3. **That Council calls on all political parties contesting the 2019 Federal Election and their local candidates to support the Australian Local Government Association's call to restore the national value of Financial Assistance Grants funding to an amount equal to at least 1 % of Commonwealth Taxation revenue and therefore to provide a Fairer Share of Federal funding for our local communities.**
4. **That Council write to all candidates in the Federal seats of Paterson and Hunter outlining Council's position on Financial Assistance Grants.**

Responses have been received from candidates;

Jan Davis (the Greens NSW) - Paterson
Neil Turner (Pauline Hanson's One Nation Party) - Paterson
James Murphy (Animal Justice Party) – Paterson
Meryl Swanson MP – Paterson
The Hon Joel Fitzgibbon MP – Hunter

Copies of the responses are attached for Council's information.

ENCLOSURES

- 1 ➡ Candidate for Paterson - Jan Davis, Greens NSW
- 2 ➡ Candidate for Paterson - Neil Turner, Pauline Hanson's One Nation Party
- 3 ➡ Candidate for Paterson - James Murphy, Animal Justice Party
- 4 ➡ Candidate for Paterson - Meryl Swanson MP, Australian Labor Party
- 5 ➡ Candidate for Hunter - The Hon Joel Fitzgibbon MP, Australian Labor Party