



Central Coast Council
Business Paper
Ordinary Council Meeting
22 February 2022





COMMUNITY STRATEGIC PLAN 2018-2028

ONE – CENTRAL COAST IS THE COMMUNITY STRATEGIC PLAN (CSP) FOR THE CENTRAL COAST LOCAL GOVERNMENT AREA

ONE – CENTRAL COAST DEFINES THE COMMUNITY'S VISION AND IS OUR ROADMAP FOR THE FUTURE

ONE – CENTRAL COAST BRINGS TOGETHER EXTENSIVE COMMUNITY FEEDBACK TO SET KEY DIRECTIONS AND PRIORITIES

One - Central Coast will shape and inform Council's business activities, future plans, services and expenditure. Where actions are the responsibility of other organisations, sectors and groups to deliver, Council will work with key partners to advocate on behalf of our community.

Ultimately, every one of us who live on the Central Coast has an opportunity and responsibility to create a sustainable future from which we can all benefit. Working together we can make a difference.

RESPONSIBLE

WE'RE A RESPONSIBLE COUNCIL AND COMMUNITY, COMMITTED TO BUILDING STRONG RELATIONSHIPS AND DELIVERING A GREAT CUSTOMER EXPERIENCE IN ALL OUR INTERACTIONS.

We value transparent and meaningful communication and use community feedback to drive strategic decision making and expenditure, particularly around the delivery of essential infrastructure projects that increase the safety, liveability and sustainability of our region. We're taking a strategic approach to ensure our planning and development processes are sustainable and accessible and are designed to preserve the unique character of the coast.



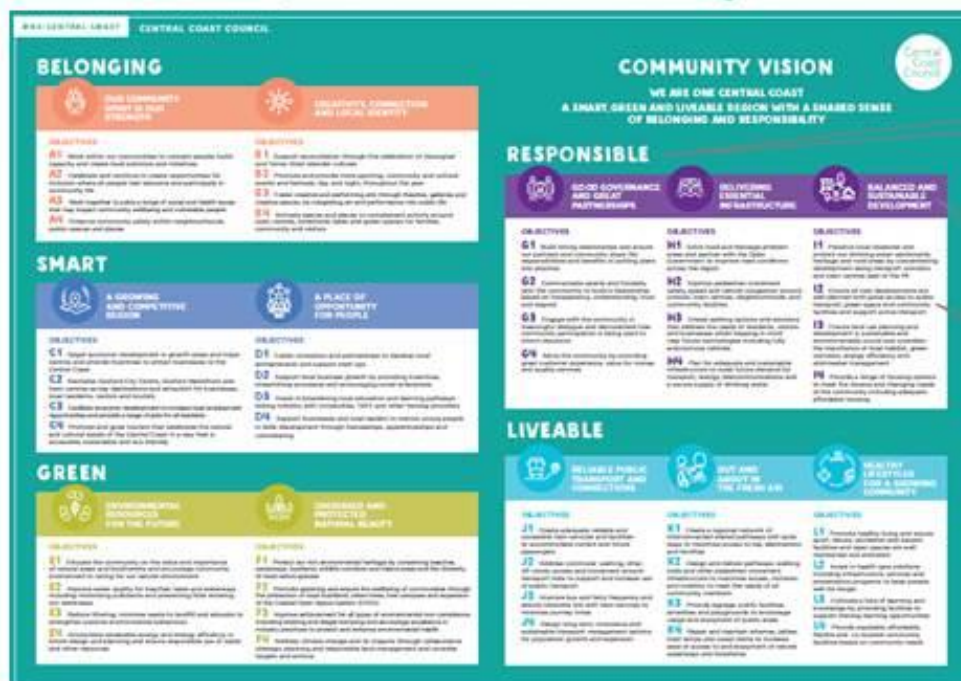
Good governance and great partnerships

G2 Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect

There are 5 themes, 12 focus areas and 48 objectives

COMMUNITY STRATEGIC PLAN 2018-2028 FRAMEWORK

All council reports contained within the Business Paper are now aligned to the Community Strategic Plan. Each report will contain a cross reference to a Theme, Focus Area and Objective within the framework of the Plan.



Theme

Focus Area

Objective

Meeting Notice

**The Ordinary Council Meeting
of Central Coast Council
will be held in the Council Chamber,
2 Hely Street, Wyong
on Tuesday 22 February 2022 at 6.30pm,
for the transaction of the business listed below:**

1 Procedural Items

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David Farmer
Chief Executive Officer

Item No: 1.1
Title: Disclosure of Interest
Department: Corporate Affairs

22 February 2022 Ordinary Council Meeting

Reference: F2022/00021 - D15034113



Recommendation

That Council and staff now disclose any conflicts of interest in matters under consideration by Council at this meeting.

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states:

- "(1) A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
 - (a) at any time during which the matter is being considered or discussed by the council or committee, or*
 - (b) at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the councillor or member has an interest in the matter of a kind referred to in section 448.*
- (4) Subsections (1) and (2) do not apply to a councillor who has a pecuniary interest in a matter that is being considered at a meeting, if:*
 - (a) the matter is a proposal relating to:*
 - (i) the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or*

- (ii) *the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and*
 - (a1) *the pecuniary interest arises only because of an interest of the councillor in the councillor's principal place of residence or an interest of another person (whose interests are relevant under section 443) in that person's principal place of residence, and*
 - (b) *the councillor made a special disclosure under this section in relation to the interest before the commencement of the meeting.*
- (5) *The special disclosure of the pecuniary interest must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and must:*
 - (a) *be in the form prescribed by the regulations, and*
 - (b) *contain the information required by the regulations."*

Further, the Code of Conduct adopted by Council applies to all councillors and staff. The Code relevantly provides that if a councillor or staff have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflicts of interests might be managed.

Item No: 1.2
Title: Confirmation of Minutes of Previous Meeting
Department: Corporate Affairs

22 February 2022 Ordinary Council Meeting

Reference: F2022/00021 - D15034119



Recommendation

That Council confirm the minutes of the Ordinary Meeting of Council held on 8 February 2022.

Summary

Confirmation of minutes of the Ordinary Meeting of Council held on 8 February 2022.

Attachments

1	MINUTES - Council Meeting - 8 February 2022	Provided Under Separate Cover	D15023783
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Item No: 1.3
Title: Notice of Intention to Deal with Matters in Confidential Session
Department: Corporate Affairs

22 February 2022 Ordinary Council Meeting

Trim Reference: F2022/00021 - D15034173



Recommendation

That Council note that no matters have been tabled to deal with in a closed session.

Summary

It is necessary for the Council to adopt a resolution to formalise its intention to deal with certain matters in a closed and confidential Session. The report is incorporated in the "Confidential" business paper which has been circulated.

The *Local Government Act 1993* requires the Chief Executive Officer to identify those matters listed on the business paper which may be categorised as confidential in terms of section 10A of the *Local Government Act 1993*. It is then a matter for Council to determine whether those matters will indeed be categorised as confidential.

Context

Section 10A of the *Local Government Act 1993* (the Act) states that a Council may close to the public so much of its meeting as comprises:

- 2(a) personnel matters concerning particular individuals (other than Councillors),*
- 2(b) the personal hardship of any resident or ratepayer,*
- 2(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business,*
- 2(d) commercial information of a confidential nature that would, if disclosed:*
 - (i) prejudice the commercial position of the person who supplied it, or*
 - (ii) confer a commercial advantage on a competitor of the Council, or*
 - (iii) reveal a trade secret,*
- 2(e) information that would, if disclosed, prejudice the maintenance of law,*

- 2(f) *matters affecting the security of the Council, Councillors, Council staff or Council property,*
- 2(g) *advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,*
- 2(h) *information concerning the nature and location of a place or an item of Aboriginal significance on community land.*
- 2(i) *alleged contraventions of any code of conduct requirements applicable under section 440*

It is noted that with regard to those matters relating to all but 2(a), 2(b) and 2(d)(iii) it is necessary to also give consideration to whether closing the meeting to the public is, on balance, in the public interest.

Further, the Act provides that Council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public (section 10A(3)).

As provided in the Office of Local Government Meetings Practice Note August 2009, it is a matter for the Council to decide whether a matter is to be discussed during the closed part of a meeting. The Council would be guided by whether the item is in a confidential business paper, however the Council can disagree with this assessment and discuss the matter in an open part of the meeting.

Attachments

Nil

Item No: 2.1
Title: 2021-2022 Quarter 2 Review
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: F2021/00508 - D14984857
Author: Mellissa McKee, Financial Controller
Michelle Best, Financial Controller
Paul Foote, Section Manager Corporate Planning and Reporting
Manager: Sharon McLaren, Unit Manager Strategic Planning (Acting)
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

That Council adopt Central Coast Council's Q2 Business Report for 2021-2022 including the proposed budget amendments.

Report purpose

To report on Central Coast Council's performance progress as measured against the organisation's Operational Plan for 2021-2022 to 31 December 2021 (Q2). The Q2 Business Report covers the progress on the operational plan activities and financial performance for the period 1 October 2021 to 31 December 2021.

Executive Summary

Clause 203 of the *Local Government (General) Regulation 2005* requires a Council's Responsible Accounting Officer to prepare and submit a quarterly budget review statement to the governing body of Council. The quarterly budget review statement must show, by reference to the estimated income and expenditure that is set out in the Operational Plan adopted by Council for the relevant year, a revised estimate of income and expenditure for that year. It also requires the budget review statement to include a report by the Responsible Accounting Officer as to whether or not they consider the statement indicates Council to be in a satisfactory financial position and if not, to include recommendations for remedial action. Council's Operational Plan sets out the achievements, goals and revenue policy, including estimates of income and expenditure. The quarterly budget review statement plays an important role in monitoring Council's progress against the plan.

Operational Plan Action and Target Progress

At the end of Quarter 2 the overall performance against the Operational Plan actions and targets shows that out of the 66 actions / indicators, 5 have been Completed, 44 are On Track, one has Not Commenced, and 16 are either Delayed, On Hold or have been Closed. The majority of those that are Delayed, On Hold or Closed are due to the COVID-19

restrictions and the need to comply with the NSW Public Health orders, which were in place during Quarter 2.

Financial Performance

- The year to date (YTD) operating result (excluding capital grants and contributions) is showing a favourable variance of \$13.1M, consisting of an actual surplus of \$165.2M compared to a budget surplus of \$152.1M.
- The year to date (YTD) operating result (including capital grants and contributions) is showing a favourable variance of \$12.4M, consisting of an actual surplus of \$186.9M compared to a budget surplus of \$174.5M.
- The proposed Q2 adjustments will move the 2021-2022 approved operating surplus (excluding capital grants and contributions) from \$3.1M to an operating surplus (excluding capital grants and contributions) of \$6.3M.
- The proposed Q2 adjustments will move the 2021-2022 approved operating surplus (including capital grants and contributions) from \$70.8M to an operating surplus (including capital grants and contributions) of \$68.7M.
- The year to date (YTD) capital expenditure is \$42.3M compared to a year-to-date budget of \$53.6M.
- The proposed Q2 capex budget adjustment is a decrease of \$12.3M that will result in a revised 2021-2022 full year capital works program of \$160.4M from \$172.7M.

For more information and details of progress and financial performance please refer to the attached Q2 Business Report.

Background

The attached report is the 2021-2022 Q2 Business Report for Central Coast Council. It incorporates reporting on the progress of actions and targets against the objectives of the Operational Plan and a Quarterly Budget Review Statement.

Clause 203 of the *Local Government (General) Regulation 2005* requires that no later than two months after the end of each quarter (except the June quarter), the Responsible Accounting Officer of Council must prepare and submit to Council a Quarterly Budget Review Statement that shows a revised estimate of the income and expenditure for that year.

Sub-section 404(5) of the *Local Government Act 1993* requires that Council report as to its progress with respect to its actions and targets against the objectives of the Operational Plan,

at least every six months. This report contains progress information for Quarter 2 and is prepared to coincide with the Quarterly Budget Review Statement.

This quarterly report is presented in the necessary format and is considered to satisfy the legislative requirements.

Current Status

The 2021-2022 Q2 Business Report is included as Attachment 1 and reports on progress for the year to 31 December 2021 (Q2 YTD), against the Operational Plan 2021-2022, including budget.

Operational Plan Actions and Targets

The table below is a summary of the overall progress on the actions, measures and projects for Q2. The information contained in the Q2 Business Report includes specific details of progress.

Theme:	Belonging	Smart	Green	Responsible	Liveable	Total
Completed	0	1	0	2	2	5
On Track	5	2	6	21	10	44
Delayed	1	0	0	4	7	12
Not Commenced	0	0	0	1	0	1
On Hold	0	0	1	1	1	3
Closed	0	1	0	0	0	1
Total	6	4	7	29	20	66

Financial Performance

The year to date (YTD) operating result (excluding capital grants and contributions) is showing a favourable variance of \$13.1M, consisting of an actual surplus of \$165.2M compared to a budget surplus of \$152.1M. For more information, please refer to sections 1.1 and 2.2 of Attachment 1.

The year to date (YTD) operating result (including capital grants and contributions) is showing a favourable variance of \$12.4M, consisting of an actual surplus of \$186.9M compared to a budget surplus of \$174.5M. For more information, please refer to sections 1.1 and 2.2 of Attachment 1.

These results are reported in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) which requires Council to recognise rates income at the beginning of the financial year when levied. The impact of this on Council's operating results is a large surplus at the beginning of the financial year which will reduce as the year progresses as Council incurs expenditure from delivering services to the community.

Q2 YTD capital expenditure is \$42.3M compared to a year-to-date budget of \$53.6M.

Consultation

All Units of Council were consulted during the development of this Report and contributed to the information contained in the Report.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Budget adjustments are proposed in this report and are detailed in the attached 2021-2022 Q2 Business Report.

The proposed Q2 adjustments will improve the 2021-2022 approved operating surplus (excluding capital grants and contributions) from \$3.1M to an operating surplus (excluding capital grants and contributions) of \$6.3M.

The proposed Q2 adjustments will decrease the 2021-2022 approved operating surplus (including capital grants and contributions) from \$70.8M to an operating surplus (including capital grants and contributions) of \$68.7M.

Adjustments proposed to be adopted as part of the Q2 budget review include:

Increase of \$2.0M in operating income

- \$2.7M additional sewer annual charges income resulting from IPART's Clarification Notice No 1 of 2021. Council brought a clerical error in the 2019 Determination to IPART's attention and IPART issued amendments to correct the error resulting in additional income.
- \$0.7M additional funding for Natural Disaster operating projects (offset by additional expenditure)
- \$0.5M additional income from water availability charges - residential \$0.5M and non-residential \$20k.
- \$0.5M additional income from trade waste non-compliant user charges in December 2021.
- \$0.4M additional income from restoration works and works to be undertaken on State roads (partially offset by additional expenses).
- \$0.2M increase in Waste Management annual charges.

- (\$0.3M) reduction in forecast Property Development and Projects revenue in 2021-2022.
- (\$1.1M) reduction in forecast Holiday Park and Camping Ground income (partially offset by reduced expenses).
- (\$1.5M) reduction in water usage income - water demand has been lower in Q2 due to higher rainfall (YTD demand is down approx 1.8% compared to the previous year).

Decrease of (\$5.2M) in capital income

- (\$2.1M) reduction in capital grant income due to changes in project delivery timeframes for the following water and sewer projects:
 - Infrastructure reinforcement works Gosford CBD
 - Mardi Water Treatment Plant Upgrade
 - Warnervale Town Centre works.
- (\$2.1M) reduction in s7.11 developer contribution forecast income.
- (\$1.0M) reduction in s64 developer contribution forecast income.

Reduction of \$1.2M in operational expenditure

- \$1.8M reduction in Information and Technology contract and consultant costs, operating lease expense, communication costs (mobiles), software licenses and postage costs in 2021-2022.
- \$0.4M reduction in Holiday Parks contract commission payments as a result of reduced income forecasts.
- \$0.2M reduction in EPA Waste Levy payments due to lower waste tonnages being received at Council's waste management facilities.
- (\$0.3M) increase in green waste processing costs due to green waste volumes at Council's waste management facilities.
- (\$0.3M) reduction in internal tipping income that impacts recoveries in operating expenditure.
- (\$0.7M) additional expense for Natural Disaster operating projects (offset by additional income)

Council's focus continues to be on reducing expenditure, raising additional income, monitoring incoming cash flow, performing cashflow forecasts and ensuring a more sustainable cash preservation. Council's Business Recovery Plan is a multi-faceted approach to address the current liquidity issues and introduce structural changes aimed at ensuring the longer-term financial sustainability of Council operations. For more information on the proposed budget adjustments please refer to section 3.1 and 3.2 of Attachment 1.

Capital Works Program

The proposed Q2 budget adjustment is a decrease of \$12.3M, resulting in a revised 2021-2022 full year capital works program of \$160.4M.

For a full list of proposed changes to the capital works program please refer to section 3.3 of the Attachment.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G4: Serve the community by providing great customer experience, value for money and quality services.

Options

Quarterly reporting of Council's financial performance is mandatory under the *Local Government (General) Regulation 2005*.

Critical Dates or Timeframes

Sub-clause 203(1) of the *Local Government (General) Regulation 2005* requires a Council's Responsible Accounting Officer to prepare and submit a quarterly budget review statement to the Council within two months of the end of each quarter (excluding June).

Attachments

1  Q2 Business Report Provided Under Separate Cover D15038202

Item No: 2.2
Title: Investment Report for January 2022
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: F2004/06604 - D15034671
Author: Devini Susindran, Team Leader
Manager: Mellissa McKee, Financial Controller
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 That Council note the Investment Report for January 2022.**
- 2 That Council note that internally restricted funds are unrestricted funds that have been internally allocated to a certain purpose.**
- 3 That Council allocate the required unrestricted funds available in the General Fund to meet its January 2022 unrestricted funds deficit of \$43.34M in Water and Drainage funds as set out in this report.**

Report purpose

To present monthly Investment Reports in accordance with cl. 212 of the *Local Government (General) Regulation 2005* which states as follows:

- 1 *The Responsible Accounting Officer of a Council*
 - a *must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented—*
 - i. *if only one ordinary meeting of the council is held in a month, at that meeting, or*
 - ii. *if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and*
 - b *must include in the report a certificate as to whether the investment has been made in accordance with the Act, the regulations and the council's investment policies.*
- 2 *The report must be made up to the last day of the month immediately preceding the meeting.*

Executive Summary

This report details Council's investments as at 31 January 2022.

Background

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2005, the amended Investment Policy adopted at the Ordinary Council Meeting on 3 February 2021, Ministerial Investment Order issued February 2011 and Division of Local Government (as it was then known) Investment Policy Guidelines published in May 2010.

Current Status

Council's current cash and investment portfolio totals \$580.62M as at 31 January 2022.

Council's Cash and Investment Portfolio by Source of Funds

Source of Funds	Value (\$'000)
Investment Portfolio	557,496
Transactional accounts Per Bank Statement and cash in hand	23,123
Total	580,619

Council's Portfolio is held in separate funds by purpose and is summarised as follows:

Fund	General Fund (\$'000)	Water Fund (\$'000)	Sewer Fund (\$'000)	Drainage Fund (\$'000)	Waste Fund (\$'000)
External Restricted Funds	186,477	7,195	22,019	37,049	93,499
Internal Restricted Funds	89,734	1,026	877	55	-
Total Restricted Funds	276,211	8,221	22,896	37,104	93,499
Unrestricted Funds	57,300	(7,577)	118,474	(35,760)	10,251
Total funds by Fund	333,511	644	141,370	1,344	103,750

During January, Council's total cash and investments decreased by \$6.62M from \$587.24M to \$580.62M.

Detailed restrictions have been provided in Attachment 2. Council is managing the previously reported negative unrestricted funds balance, as part of Council's Business Recovery Plan.

2.2 Investment Report for January 2022 (contd)

The negative unrestricted balance is currently \$43.34M, made up of unrestricted fund deficits in the Water and Drainage Funds, as per the table above.

The unrestricted funds balances above, across the five Funds will increase and decrease during the 2022 financial year as rates revenue and property sale settlements occur. In the interim, the unrestricted funds deficit of \$43.34M is proposed to be funded through the General Fund's available unrestricted cash balance of \$57.30M at 31 January 2022.

Portfolio management

Council's Investment Portfolio is managed through term deposits and floating rate note maturities and placements.

Total net return on the portfolio for Council in January, comprising entirely of interest earned, was \$460k. The total value of the Council's investment portfolio at 31 January 2022 is outlined in Table 1 below.

Table 1 – Portfolio movement Investment only

Description	2020-21 Financial Year \$'000	Jul-Sep Qtr 2021/22 \$'000	Oct-Dec Qtr 2021/22 \$'000	Jan-22 2021/22 \$'000	FYTD 2021/22 \$'000
Opening Balance	348,210	447,221	510,478	557,727	447,221
Movement for the period	99,011	63,257	47,249	(231)	110,275
Closing Balance	447,221	510,478	557,727	557,496	557,496
Interest earnings	4,508	1,129	1,223	460	2,812

The market value of Council's investment portfolio at 31 January is \$557.50M.

Council's investments are evaluated and monitored against a benchmark appropriate to the risk (APRA Standards BBB long term or above) and time horizon of the investment concerned. A summary of the term deposit and floating rate notes maturities are listed in Table 2 below.

Table 2 - Investment Maturities

Time Horizon	Percentage Holdings	Maturity on or before	Value \$'000
At Call	2.91%	Immediate	16,223
Investments			
0 - 3 months	8.25%	Apr-2022	46,001
4 - 6 months	12.19%	Jul-2022	67,932
7 - 12 months	1.79%	Jan-2023	10,000
1 - 2 years	7.42%	Jan-2024	41,346
2 - 3 years	17.72%	Jan-2025	98,813
3 - 4 years	20.69%	Jan-2026	115,333
4 - 5 years	29.03%	Jan-2027	161,848
Total Investments	97.09%		541,273
Total Portfolio	100.00%		557,496
Interest Accrued to 31 Jan 2022 (Excluding Interest on call accounts)			1,315
Market Value of Investment per Portfolio Valuation Report (Attachment 5)			558,811

Council is required hold funds with the State Insurance Regulatory Authority (SIRA) for workers compensation purposes. An investment of \$850k matured on 31 January 2022 and notification of these funds being placed in a Trust account with SIRA was received after month end. While attachment 5 shows these funds as matured, attachment 4 shows the funds as placed in the SIRA trust account with Westpac. This variance is purely due to timing.

A reconciliation is provided below to support attachments to the investment report

Reconciliation		\$'000
Face Value of Investments		557,397
Market Value Adjustment		99
Market Value of Investments	Table 1 and Table 2	557,496
Interest income accrual	Table 2	1,315
Market Value of Investments	Table 2 and Attachment 5	558,811
SIRA (Workcover) investments	Recorded as matured January and as invested in February in Council's General ledger	850
Market Value + SIRA		559,661
Less Market Value Adjustment		(99)
Less Interest Accrual		(1,315)
Face Value of Investments	Attachment 4	558,247

The investment portfolio is concentrated in AA above (21.33%), A (27.39%), and BBB (51.28%).

Council monitors and manages the portfolio taking into consideration credit ratings of financial institutions, interest rates offered for the maturity dates required and counterparty exposure.

Council's investments were in excess of its 3-5 year term group trading limit by \$39.2M at 31 January 2022 due to \$35M in new 5 year Floating Rate Note investments placed in

January. The investments were placed with Commonwealth Bank, Suncorp Bank and Westpac Banking Corporation. However, no individual trading limits have been exceeded and on this basis this exceedance has been accepted as it provided the best return on Council's investments.

The current spread of investments and counterparty exposure for January 2022 are shown in Graphs 1 and 2 respectively in Attachment 3.

Environmental, Social and Green (ESG) Investments

Council continues to look for 'ESG' investment opportunities subject to prevailing investment guidelines. A list of current ESG investments held is contained on the investment listing, highlight in green. For the month of January there have been no new green investments undertaken.

Council currently holds 4.12% or \$22.95M in ESG investments as at 31 January 2022.

Portfolio Return

Interest rates on investments in the month, ranged from 0.30% to 3.18%, all of which exceeded the monthly Bank Bill Swap Rate (BBSW) benchmark of 0.01%.

The weighted running yield for January of 0.97% for Central Coast Council is favourable compared to the rolling three-year benchmark bank bill swap (BBSW) Index of 0.48% as shown in Graph 3 - Portfolio Returns in Attachment 3.

Market values reflected in the Portfolio valuation report in Attachment 5 have been used to record the unrecognised gains in tradeable fixed rate bonds and floating rate notes. Interest accrued has been recorded separately and is not reflected in portfolio valuations.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Council's investment portfolio includes rolling maturity dates to ensure that Council has sufficient liquidity to meet its ongoing obligations.






Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G4: Serve the community by providing great customer experience, value for money and quality services.

Attachments

1	Summary of Investments as at 31 January 2022	Provided Under	D15035688
		Separate Cover	
2	Summary of Restrictions as at 31 January 2022	Provided Under	D15036080
		Separate Cover	
3	Investment Report for January 2022 - Graphs	Provided Under	D15035690
	1, 2 and 3	Separate Cover	
4	Treasury Direct Trading Limits Report at	Provided Under	D15035696
	31 January 2022	Separate Cover	
5	Treasury Direct Portfolio Valuation Report at	Provided Under	D15035693
	31 January 2022	Separate Cover	

Item No: 2.3
Title: Monthly Finance Report - January 2022
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: F2020/03205 - D15038232
Author: Peter Correy, Unit Manager, Finance
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

That Council note the report Monthly Financial Reports – January 2022.

Report purpose

To present to Council the monthly financial reports for January 2022.

Executive Summary

This report presents the January 2022 monthly financial reports for Central Coast Council. The reports cover the period 1 July 2021 to 31 January 2022.

Background

The monthly financial reports have been prepared in accordance with the requirements of the *Local Government Act 1993* ("LG Act"), the *Local Government (General) Regulation 2005* ("LG Reg"), and the relevant accounting and reporting requirements of the Office of Local Government prescribed Code of Accounting Practice and Financial Reporting and Australian Accounting Standards.

Report

The reports disclose the year-to-date financial results in Operating Statement format, they reflect the organisational structure and are presented by Department and Unit. The reports include a traffic light indicator of current status – on track (green light), off track (red light) continue to monitor status (orange light). Relevant supporting comments are included, as well as a graphical representation of the financial results.

The Local Government Code of Accounting Practice and Financial Reporting (Guidelines) require Council to recognise rates income at the beginning of the financial year when levied. However, for internal reporting purposes Council recognises rates revenue on a continual basis throughout the financial year thereby aligning revenue with Council's expenditure for the delivery of services to the community.

Consultation

In the preparation and finalisation of the monthly reports for January 2022, all business areas of Council contributed to the information contained within the financial reports.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

These financial reports show how actual expenditure is tracking against the year-to-date Q2 adjusted forecast of Council for the reporting period 1 July 2021 to 31 January 2022.

Council's net operating result excluding Grants and Contributions for capital purposes for January is showing a favourable variance to budget of \$3.5M, consisting of an actual surplus of \$3.4M compared to a budget deficit of \$0.1M.

Year to date, Council's net operating result excluding Grants and Contributions for capital purposes is showing a favourable variance to budget of \$16.5M, consisting of an actual surplus of \$29.3M compared to a budget surplus of \$12.8M.

Council's net operating result including Grants and Contributions for capital purposes for January is showing a favourable variance to budget of \$0.7M, consisting of an actual surplus of \$6.8M compared to a budget surplus of \$6.1M.

Year to date, Council's net operating result including Grants and Contributions for capital purposes is showing a favourable variance to budget of \$13.1M, consisting of an actual surplus of \$54.5M compared to a budget surplus of \$41.5M.

Year to date capital expenditure was \$46.0M against budget of \$65.0M. There are currently 457 projects in various stages of completion.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Attachments

1	January 2022 Monthly Finance Report	Provided Under	D15041850
		Separate Cover	
2	Consolidated and By Fund January 2022 Monthly	Provided Under	D15041861
	Financial Report	Separate Cover	
3	Office of the Chief Executive Officer January 2022	Provided Under	D15041862
	Monthly Financial Report	Separate Cover	
4	Community and Recreation Services January 2022	Provided Under	D15041864
	Monthly Financial Report	Separate Cover	
5	Infrastructure Services January 2022 Monthly	Provided Under	D15041865
	Financial Report	Separate Cover	
6	Water and Sewer January 2022 Monthly Financial	Provided Under	D15041866
	Report	Separate Cover	
7	Environment and Planning January 2022 Monthly	Provided Under	D15041867
	Financial Report	Separate Cover	
8	Corporate Affairs January 2022 Monthly Financial	Provided Under	D15041868
	Report	Separate Cover	



Item No: 2.4
Title: Adoption of the Public Forum Policy
Department: Corporate Affairs

22 February 2022 Ordinary Council Meeting

Reference: F2004/06502 - D15041471
Author: Rachel Callachor, Meeting Support Officer
Manager: Edward Hock, Unit Manager Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

That Council adopt the Public Forum Policy (provided at Attachment 1).

Report purpose

To set out the structure and governance by which members of the public are enabled to participate in Meetings of Council, or meeting of Committees of the Council, on items of business to be considered at the meeting.

Executive Summary

Prior to each Ordinary Meeting of Council, Extraordinary Meeting of Council, or meeting of Committees of the Council, oral submissions may be considered from members of the public on items of business to be considered at the meeting.

This policy is a standalone document and is separate from the Code of Meeting Practice. Its content is based upon, and consistent with, the previous participation methods undertaken by Council. As outlined in this report and further detailed in the policy document, there are some minor changes to these practices to facilitate efficient and effective engagement.

Background

At its meeting held on 14 December 2021 Council resolved to place a draft Code of Meeting Practice on public exhibition. The draft had the following changes:

- To incorporate the changes made to the Model Code of Meeting Practice for Local Councils in NSW by the NSW Office of Local Government;
- For Council Meetings to be conducted monthly on the fourth Tuesday of the month; and
- To remove the non-mandatory provisions for Public Forums from the Code of Meeting Practice.

A separate report is being presented to Council that addresses the submissions received in response to the proposed amendments to the Code of Meeting Practice. Those amendments included to removal of the Public Forum provisions from the Code, and development of this Public Forum Policy, which enables an incoming Council to revise the provisions of the Policy to meet its needs and the community's expectations.

Current Status

Public forum participation and the manner in which such forums are conducted have previously been enshrined in the Code of Meeting Practice.

Council acknowledges the contribution to public debate and engagement that a Public Forum can provide.

The adoption of this policy will ensure that community members can continue to be heard in relation to Council matters.

Participation and attendance at the Forum prior Council Meetings occurs at each Ordinary Meeting and may occur for other Committees and Extraordinary meetings of Council, with prior approval of the respective meeting convenor.

Consultation

The draft Public Forum Policy was not required to be formally exhibited. It is noted that the Code of Meeting Practice was exhibited online from 15 December 2021 to 7 February 2022 (55 calendar days). Submissions were received during the exhibition period in response to the public forum and are provided in summary as to the *Code of Meeting Practice* report.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

There are no financial implications related to the adoption of the Public Forum Policy.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

2.4 Adoption of the Public Forum Policy (contd)

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Options

- 1 Council could resolve to adopt the draft Public Forum Policy provided at Attachment 1.
This is the recommended option.
- 2 Council could resolve not to adopt the draft Public Forum policy provided at Attachment 1. This is not recommended as Council has prepared this policy to allow for the conduct of the forum and continued community participation at Meetings and Committees of Council.

Attachments

1	Draft Public Forum Policy - February 2022	Provided Under Separate Cover	D15041768
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Item No: 2.5
Title: Code of Meeting Practice
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: F2019/00883 - D15021846
Author: Edward Hock, Unit Manager Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1** *That Council in accordance with section 363 of the NSW Local Government Act 1993 adopt the amended Code of Meeting Practice that is Attachment 1 to this report having given consideration to all submissions and feedback received concerning the amended Code of Meeting Practice as required by section 362 of the NSW Local Government Act 1993.*
- 2** *That Council write to those who made submissions, thanking them and advising them of the outcome.*

Report purpose

To consider submissions on the draft Code of Meeting Practice and consider adoption of the amended Code of Meeting Practice.

Executive Summary

At its meeting held on 14 December 2021 Council resolved to place a draft Code of Meeting Practice (the Code) on public exhibition for comment.

49 submissions were received during the exhibition period. The submissions were regarding:

- the frequency of Council meetings;
- the timing of public availability of Agenda Papers;
- notice periods for Council meetings;
- the extension of time for responses to Questions on Notice by Council Staff;
- inclusion of a requirement for executives to disclose conflicts of interest;
- the removal of the Public Forum provisions from the Code;
- the capacity and reasons for Council staff to edit recordings of Council meetings;
- the ability of Councillors to participate by Audio-Visual Link (AVL);
- the timing of the exhibition of the amended Code;
- an extension of time for Public Forum speakers;

- ensuring minutes are an accurate reflection of the business discussed at the meeting;
- the inclusion of an Acknowledgement of Country;
- the inclusion of a Mode of Address for members of the public;
- the grounds for closure of meetings to the public; and
- the suitability of the Acts of Disorder provision.

A change to clause 3.18 of the exhibited draft Code is recommended as a result of the exhibition period.

Background

At its meeting held on 14 December 2021 Council resolved to place a draft Code of Meeting Practice on public exhibition. The draft had the following changes:

- To incorporate the changes made to the Model Code of Meeting Practice for Local Councils in NSW by the NSW Office of Local Government;
- For Council Meetings to be conducted monthly on the fourth Tuesday of the month; and
- To remove the non-mandatory provisions for Public Forums from the Code of Meeting Practice.

49 submissions were received during the public exhibition period. In summary the submissions were:

- **Council meetings should be conducted more frequently than monthly** (29 of 49 submissions)

This is not supported. The average of 7 Council Reports for consideration at fortnightly meetings throughout 2021 has resulted in a disproportionate use of Council resources for the consideration of that business. It is estimated that the change to monthly meetings will result in savings of over \$40,000 per year.

- **The timing for distribution of agendas and business papers** (22 of 49 submissions)

This provision has not been amended in the exhibited draft Code. The submissions are not supported as it is considered that the appropriate balance has been struck between issuance of papers and consultation on agendas.

- **Notice Period for Council Meetings** (18 of 49 submissions)

This provision has not been amended in the exhibited draft Code. The submissions are not supported.

On 27 April 2021, Council resolved to adopt an amended Code of Meeting Practice. Those amendments at that time included the deletion of the word *business* from clause 3.9. However, that deletion remains visible in the present Code as a struck through term. Council acknowledges this oversight.

- **Time for Responses to Questions with Notice** (24 of 49 submissions)

A plurality of submissions considered that the length of time for responses to Questions on Notice by Council Staff is excessive. It is accepted that this provision ought have been amended to reflect to proposal for monthly meetings. Accordingly, a further amendment to cl3.18 is proposed, to reduce the timeframe for response from the **fourth** subsequent Ordinary Meeting of Council, to the **second** subsequent Ordinary Meeting of Council. Where responses are capable of being provided in lesser duration, Council staff will endeavour to do so.

- **Inclusion of a requirement for executives to disclose conflicts of interest** (1 of 49 submissions)

This is not supported as it is considered that the provision as drafted provides sufficient impetus for executives to disclose conflicts of interest.

- **Removal of Public Forum provisions from the Code and reduction in participation opportunities** (32 of 49 submissions)

This is not accepted. Public Forum is intended to continue as a regular activity of Council, to be conducted prior to the commencement of Ordinary Meetings of council. The proposal to have Public Forum conducted pursuant to an operational policy, rather than included in the Code, is to allow an incoming elected body to revise the Public Forum to fit its purpose, and to provide greater flexibility to the initiative. There is no intention to remove public participation in the Public Forum.

Further, in 2021, 10 of the 21 Ordinary Council meetings attracted participation in the Public Forum (11 meetings included participants in the Open Forum initiative introduced by the former Administrator, Mr Persson). The number of individuals speaking at those for a totalled 51 throughout 2021. The lack of uptake does not justify the use of Council resources on this activity, when several other opportunities for engagement and participation exist, including the Public Forum.

- **Editing of recordings of Council meetings** (30 of 49 submissions)

This is not supported. The provision at clause 5.35 allows Council to edit recordings '*prior to broadcasting*' subject to appropriate disclosures. Clause 5.35 provides Council with a mechanism to ensure defamatory statements or material otherwise liable to lead to legal liability is not broadcast. The provisions in the clause do not entitle Council to otherwise edit or dispose of recordings other than pursuant to the *State Records Act*.

- **Participation by Councillors via AVL** (17 of 49 submissions)

Objections to these provisions is not supported. The submissions contended that such participation should be a decision for an incoming elected body. The provisions make clear that attendance by AVL is to be in circumstances of public health or other emergency, or otherwise on application. Accordingly, the submissions' position is misfounded.

- **Exhibition during the holiday period** (2 of 49 submissions)

This objection is noted. However, Council agreed to accept and consider submissions beyond the mandated 42-day period, and has considered submissions received after the deadline.

- **Public Forum speakers should have a 5-minute time limit** (1 of 49 submissions)

This is not supported as it is considered adequate for speakers to be granted 3 minutes of speaking time to address their issues.

- **Ensuring Minutes are an accurate record of the business discussed at a meeting** (1 of 49 submissions)

This is acknowledged and considered adequately provided for in the Code.

- **Acknowledgement of Country should be removed from the Order of Business.** (1 of 49 submissions)

This is not supported. It is appropriate that an Acknowledgement of Country be included at the start of every Council Meeting. The Model Code of Meeting Practice includes Acknowledgement of Country as one of the optional provisions for inclusion in the Order of Business.

- **Mode of Address for Members of the Public** (1 of 49 submissions)

This is not supported. There is no available data to suggest that Council Staff, Councillors, or any Administrator has failed to appropriately or respectfully address members of the public.

- **Grounds for Closure of Meeting to the Public** (1 of 49 submissions)

This is not supported as it is a mandatory provision of the Model Code.

- **Acts of Disorder** (1 of 49 submissions)

This is not supported as these are mandatory provisions of the Model Code.

The proposed amendments included in the amended Code of Meeting Practice, which is **Attachment 1** to this report are marked in **bold** and *italic* with deletions marked with ~~strikeout~~.

Consultation

The draft Code was exhibited online from 15 December 2021 to 7 February 2022 (55 calendar days). 49 submissions were received during the exhibition period and are provided in summary as **Attachment 2** to this report.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

The adoption of the recommendation will have positive financial impact of approximately \$40,000 per year due to the reduction in use of Council resources in conducting fortnightly meetings. The revisions in the Code seek to balance Council's resource availability with the need to support the conduct of Council Meetings.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Options



Council has the following options:

- 1 Council could resolve to adopt the amended Code of Meeting Practice provided at Attachment 1. **This is the recommended option.**

2.5 Code of Meeting Practice (contd)

- 2 Council could resolve not to adopt the amended Code of Meeting practice provided at Attachment 1. This is not recommended as Council has exhibited the proposed changes and sought and considered public comment.

Attachments

- | | | | | |
|----------|---|--------------------------|-------------------------------|-----------|
| 1 |  | Code of Meeting Practice | Provided Under Separate Cover | D14899598 |
| 2 |  | Summary of Submissions | Provided Under Separate Cover | D15037723 |

Item No: 2.6
Title: Revised Council Meeting Dates, March to December 2022
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: F2022/00021 - D15037514
Author: Rachel Callachor, Meeting Support Officer
Manager: Edward Hock, Unit Manager Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 That Council adopt the proposed revised Ordinary Council Meeting dates, March to December 2022, as detailed in this report.**
- 2 That Council note the schedule will require amendments following the announcement of the date for the 2022 Local Government Election for the Central Coast. This information is to be provided by way of a further report to Council.**

Report purpose

To adopt a revised schedule of Ordinary Council Meeting dates for the remaining Ordinary Council Meeting dates in 2022.

Executive Summary

At its Ordinary Meeting of 14 December 2021, Council resolved in part

309/21

- 1 That Council adopt the proposed Ordinary Council Meeting dates for 2022.

and

310/21

- 1 That in accordance with section 361 of the Local Government Act the amended Code of Meeting practice as set out in this Report be placed on public exhibition for a period of not less than 28 days, with submissions accepted for a period of not less than 42 days.
- 2 That in accordance with section 362 of the Local Government Act a further report be provided to Council following the conduct of the public exhibition period.

2.6 Revised Council Meeting Dates, March to December 2022 (contd)

A separate report has been presented to Council that addresses the changes to the Code of Meeting Practice, this includes a change to the frequency of Ordinary Council meetings to a monthly basis.

This report is to formalise the meeting schedule for March – December 2022. The revisions comply with Section 365 of the [Local Government Act 1993](#) which states that Council is required to meet at least 10 times each year, each time in a different month.

Variations to Schedule

Local Government Election

Meeting dates and schedule information is subject to change following the announcement of the 2022 Local Government election date for the Central Coast.

The report [Proposed Council Meeting Dates 2022](#) (OM 14 December 2021) contains detailed information in relation to Council meetings in an election year, including 'caretaker period'. It is noted it may also be necessary to further amend the schedule of Meeting dates, relative to the date of the LGA election.

Proposed Revised Schedule

The revised schedule of proposed Ordinary Council Meetings for Central Coast Council for March to December 2022 is as follows:

Date	Time	Location
22 March 2022	6.30pm	2 Hely Street, Wyong
26 April 2022	6.30pm	2 Hely Street, Wyong
24 May 2022	6.30pm	2 Hely Street, Wyong
28 June 2022	6.30pm	2 Hely Street, Wyong
26 July 2022	6.30pm	2 Hely Street, Wyong
23 August 2022	6.30pm	2 Hely Street, Wyong
27 September 2022	6.30pm	2 Hely Street, Wyong
11 October 2022*	6.30pm	2 Hely Street, Wyong
22 November 2022	6.30pm	2 Hely Street, Wyong
13 December 2022	6.30pm	2 Hely Street, Wyong

* The meeting that would have ordinarily been scheduled for 25 October will be not be held (due to LGNSW 2022 Annual Conference being held on the same date).

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

The adoption of the recommendation will have positive financial impact of approximately \$40,000 per year due to the reduction in use of Council resources in conducting fortnightly meetings. The revisions seek to balance Council's resource availability with the need to support the conduct of Council Meetings.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Options

- 1 Council could resolve to adopt the Revised 2022 Ordinary Council Meeting schedule for March – December 2022 and note the related further actions as detailed in this report.
This is the recommended option.
- 2 Council could resolve to delay adopting any amendments to the Ordinary Council Meeting schedule until the status of a Local Government Election is known. This option is less favourable as it delays the implementation of meeting efficiency measures.

Critical Dates or Timeframes

Nil identified. The previously adopted Ordinary Council Meeting Schedule remains in place unless Council resolves to make changes.

Attachments

Nil

Item No: 2.7
Title: Water and Sewer Business Review
Department: Water and Sewer



22 February 2022 Ordinary Council Meeting

Reference: CPA/3839 - D15028701
Author: Jenny Back, Business Performance Specialist Water and Sewer
Executive: Jamie Loader, Director Water and Sewer

Recommendation

- 1 That Council note the report “Structural Review of the Water and Sewer Business” which outlines three options for the future Central Coast water and sewer business model.**
- 2 That Council authorise the Chief Executive Officer to undertake a more detailed analysis and assessment on each of the options and provide this in a future report to Council.**

Report purpose

To note the options outlined in the report “*Structural Review of the Water and Sewer Business*” and authorise the CEO to undertake further analysis and assessment on each of the options discussed.

Executive Summary

In July 2021, the Central Coast Council commissioned an independent review of the model governing its water and sewer operations. The purpose of the review was for Council to explore if there were opportunities to produce better value and return on investment for the Central Coast community in relation to the provision of water and sewerage services.

Central Coast Council is governed by both the LG Act and, as a substantial Water Supply Authority, the *Water Management Act 2000* (NSW) (WM Act). It is the only Council subject to both Acts, creating a complex and restrictive regulatory environment. In particular, the LG Act imposes restrictions on the operation of its water business that other water businesses do not face.

Kellogg, Brown & Root (KBR) was engaged to review the current operating model of Council’s water and sewer business and provide advice and recommendations to deliver the most sustainable future for both the Council and the water and sewer business (as a Water Supply Authority).

The report from KBR "*Structural Review of the Water and Sewer Business*" highlights the complex and restrictive regulatory environment currently governing Council's water and sewer operations and outlines three options that may resolve this complexity. Each of these options require some form of assistance from the NSW Government to implement. These options are as follows:

- 1 Remove the Central Coast Council's water and sewer business from the Local Government Act.
- 2 Amend the Local Government Act.
- 3 Remove the Central Coast Council's water and sewer business from the Water Management Act.

Council staff have reviewed the KBR report and believe that before Council takes any of these options to the NSW Government for consideration, further detail is required on each of the recommended options to enable an informed decision on the impacts, risks, and opportunities in relation to:

- 1 Legislative change
- 2 Impacts to stakeholders
- 3 Costs of implementation
- 4 Provision of appropriate powers, autonomy, and licence functions

Background

Central Coast Council's water and sewer business is a "Water Supply Authority" as specified in Schedule 3 of the WM Act. Being a Water Supply Authority means that the legislative framework transverses both the Local Government Act and the Water Management Act. Central Coast Council is the only council subject to both Acts, creating a complex and restrictive legislative environment.

In July 2021, Council engaged Kellogg, Brown & Root (KBR) to review the current operating model of Council's water and sewer business and provide advice and recommendations to deliver the most sustainable future for both the Council and the water and sewer business.

The KBR report found that Council's current regulatory environment "*severely restricts the options available to the Central Coast Council to allocate its cash reserves to capital expenditure upgrades that are most needed. Dual regulation also restricts the council in its endeavours to repay debt accrued in its restricted funds.*" The report also states that the "*NSW Government should remove one of these regulatory burdens if it wishes the ratepayers of the Central Coast to benefit from an innovative, prudent and efficient water business*".

The KBR report identified three options to resolve issues created by dual regulation, as follows:

1 Remove Central Coast Council's water and sewer business from the Local Government Act

This option involves corporatising the water and sewer functions to establish a separate Central Coast Council owned corporation, which would have the ability to pay a dividend when appropriate. The Central Coast Water Corporation Act 2006 would need amendments to incorporate the Council amalgamation and for assets to be transferred to a single corporation before it could be proclaimed.

2 Amend the Local Government Act

Section 409(3) of the Act outlines restrictions regarding the spending of funds raised for water supply and/or sewerage services for other purposes. Consideration for amendment could be sought if the money raised was regulated by IPART. Central Coast Council would remain a Water Supply Authority and continue to use the Local Government Act, Water Management Act and the Water Management Regulations as the primary legislative framework.

3 Remove Central Coast Council's water and sewer business from the Water Management Act

Central Coast Council is considered a "Water Supply Authority" under the Water Management Act (schedule 3). The Water Management Act allows the Governor to add water supply authorities by proclamation to the Act. The Act could be amended to remove Central Coast Council as a Water Supply Authority, thus removing the Act's authority over Council. Removing Central Coast Council from the Water Management Act would mean provision of the water and sewerage services would be provided and legislated under the Local Government Act, similarly to all other Councils who currently provide water and/or sewerage services.

The KBR report provides further detail on each of these options and makes recommendations to Council on its preferred options.

The KBR report also identifies opportunities for Council to improve its performance without legislative or structural change, including:

- Ensuring all aspects of the amalgamated Council are embedded in the business;
- Reforming budgeting and financial reporting systems;
- Better understanding the knowledge, skill and ability gaps and opportunities across the organisation;
- Renewed focus on prudent and efficient spending as reflected in Council's recent IPART submission.

A copy of the full KBR report is attached to this report.

Current Status

Council staff have reviewed the KBR report and it is agreed that additional detail is required on each of the options before Council can make an informed decision. Any change to the existing legislative framework needs to be done with full understanding of the risks, issues, costs, impacts and opportunities.

This more detailed analysis is required before Council will be positioned to commence any discussions with the NSW Government to make any legislative changes.

Further, Council will receive its price determination from IPART in May 2022, which will outline the prices the Council can charge for its water, sewer and stormwater drainage services for the next four years. IPART is also expected to provide its findings on the costs and benefits of Council's water and sewer services being provided as a stand-alone business. These findings would also need to be considered when analysing each of the options outlined in the KBR report.

Consultation

In preparing its report, KBR undertook direct engagement with Central Coast Council staff to determine the best operating model. Interviews were held with the Administrator, Chief Executive Officer, Chief Financial Officer, Director of Water and Sewer, key water and sewer staff, the United Services Union, and others (listed in the report).

Council will initiate stakeholder engagement with staff, unions, the community, NSW Government agencies and regulators while undertaking its further analysis of each of the options.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

There are no financial implications for this analysis phase to review the proposed options. Any internal staff costs in undertaking this analysis will be absorbed within current budgets.

Link to Community Strategic Plan

Theme 4: Responsible

Goal H: Delivering essential infrastructure

R-H4: Plan for adequate and sustainable infrastructure to meet future demand for transport, energy, telecommunications and a secure supply of drinking water.

Options

- 1 Endorse the recommendation for the Chief Executive Officer to undertake further analysis and provide a report to Council evaluating the issues, risks, costs and opportunities of each options discussed in the KBR report "*Structural Review of the Water and Sewer Business*".
This is the recommended option.
- 2 Defer or discount that any additional analysis is required and there is no further action on the KBR Report "*Structural Review of the Water and Sewer Business*".

Attachments

- | | | | |
|----------|--|-------------------------------|-----------|
| 1 | FINAL CCC - Structural Review of the Water and Sewer Business - Kellogg, Brown and Root - 24 December 2021 | Provided Under Separate Cover | D15032255 |
|----------|--|-------------------------------|-----------|

Item No: 2.8
Title: Variations to Development Standards - October to December 2021 Period
Department: Environment and Planning



22 February 2022 Ordinary Council Meeting

Reference: F2020/00039 - D14995029
Author: Luke Sulkowski, Unit Manager Environmental Compliance and Systems (Acting)
Executive: David Milliken, Director Environment and Planning (Acting)

Recommendation

That Council notes the report on Variations to Development Standards – October to December 2021.

Report purpose

To inform Council of development applications determined (in the period from 1 October to 31 December 2021) where there has been a variation in development standards under an Environmental Planning Instrument. This is a requirement under Planning Circular PS 2-002 – 'Variation to Development Standards'.

Executive Summary

This report provides information regarding development applications determined where there has been a variation in standards in an Environmental Planning Instrument (as is required by *Planning Circular PS 2-002 – 'Variation to Development Standards'*).

For the October to December 2021 period, 607 development applications were lodged, and a total of 771 development applications were determined. A total of 18 Development Applications have been determined where there has been a variation in development standards.

Variations to Development Standards

Each quarter Councils are required to report to the Department of Planning, Industry and Environment, development applications that have been granted consent involving a variation to relevant development standards. The following consents were granted in the July to September 2021 period, which included a variation to a development standard within WLEP, GLEP, or IDO 122:

- 18 Development Applications by Central Coast Council staff;
- 0 Development Applications by Local Planning Panel; and
- 0 Development Applications by Regional Planning Panel

2.8 Variations to Development Standards - October to December 2021 Period (contd)

A copy of the variation to development standard register for the October to December 2021 period is included in Attachment 1 to the report.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

There are no financial implications for Council associated with this report.

Link to Community Strategic Plan

Theme 4: Responsible

Goal I: Balanced and sustainable development

R-I3: Ensure land use planning and development is sustainable and environmentally sound and considers the importance of local habitat, green corridors, energy efficiency and stormwater management.

Risk Management

There are no risk implications for Council associated with this report.

Attachments

1	Development Standard Variations Central Coast Council - 1 October - 30 December 2021	Provided Under Separate Cover	D15032644
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Item No: 2.9
Title: Outcomes of Public Exhibition - Central Coast
Destination Management Plan 2022-2025
Department: Corporate Affairs



22 February 2022 Ordinary Council Meeting

Reference: CPA/3869 - D14972791
Author: Alicia Williams, Senior Marketing and Tourism Officer
Rebecca Ius, Team Leader, Marketing and Tourism
Manager: Sue Ledingham, Unit Manager Communications Marketing and Customer Engagement
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 That Council note the report on community consultation undertaken for the Central Coast Destination Management Plan 2022-2025 (Attachment 1).**
- 2 That Council adopt the final Central Coast Destination Management Plan 2022-2025.**

Report purpose

To enable Council to consider the outcomes of the community consultation on the draft Central Coast Destination Management Report 2022-2025 as resolved by Council on 23 November 2020 and to present to Council with the final Central Coast Destination Management Report 2022-2025 for adoption.

Executive Summary

2021 has been another challenging year for the Central Coast tourism industry, who are still under pressure from the impacts on visitation and visitor expenditure from the 2019-20 bushfires, floods and ongoing uncertainty and lockdowns associated with the COVID-19 pandemic.

Timing could not be better for the renewal of the Central Coast Destination Management Plan (the Plan), updating not only the region's strategic priorities such as increasing visitor yield and encouraging dispersal and product development, but the Plan will also become a roadmap for recovery and commitment to sustainably grow this important economic and employment sector for the region.

Community consultation was undertaken on the draft Plan between 25 November and 22 December 2021. The consultation submissions can be found in Attachment 1 (D15016982). Based on the feedback provided key items were identified for consideration in the final Plan. Points referring to this are in the below Report.

Background

The Central Coast Destination Management Plan (DMP) guides tourism development and destination management priorities for four years for all stakeholder groups including the Central Coast community and operators in the visitor economy; Central Coast Council business units; and industry bodies, to help ensure long-term viability and sustainability of this vital sector for the Central Coast economy. The Plan outlines the community and Council's shared vision for the Central Coast as having a thriving, connected and supported tourism industry that provides compelling visitor experiences, and positions the region as a premier sustainable tourism and lifestyle destination.

Any Destination New South Wales (DNSW) and many Commonwealth Government funding applications by an organisation, inclusive of Councils and commercial operators, must be supported by goals and actions within their region's DMP, including funding for marketing activities, tourism product, infrastructure, and experience development.

The DMP has been aligned with strategic policy and direction of the NSW Government's Visitor Economy Strategy 2030, the regional Destination Sydney Surrounds North (DSSN) DMP (2018 and 2022 under development) and the State-wide DMP (2019). It also considers other local level Council plans and strategies including but not limited to the Central Coast Bike Plan 2019-2029, Central Coast Council Long Term: Economic Development Strategy 2020-2040; and The Central Coast Cultural Plan 2020-2025. Full details can be found in the Destination Management Plan Appendix A.

In addition to the DMP, tourism activities on the Central Coast are guided by the Tourism Opportunity Plan 2019-2024 (TOP), which provides direction on public and private sector investment and activation opportunities.

Council facilitates the delivery of tourism marketing and management in the region through planning and coordinated actions in collaboration with the tourism industry, tourism funding bodies and other regional stakeholders. It is important to note that not all of the actions within the DMP are the responsibility of the Council to carry out. The implementation of Destination Management actions is shared and activities are undertaken in alignment with the region's local tourism industry and stakeholders, such as DNSW, Destination Networks, strategic partners Darkinjung Aboriginal Land Council, National Parks & Wildlife Services, and our local tourism activities and the many businesses that support the visitor economy.

In April 2020, Council unanimously adopted the Tourism Review Report, which outlined the ongoing management plan for Tourism by Central Coast Council, via a dedicated internal Tourism Team and their management of outsourced specialist services and tourism marketing activities (\$800,000 annual budget allocation) rather than an outsourced tourism management model.

2.9 Outcomes of Public Exhibition - Central Coast Destination Management Plan 2022-2025 (contd)

Council facilitates the delivery of tourism marketing and management in the region through actions in collaboration with the tourism industry, tourism government and funding bodies and other regional stakeholders.

Council also supports the Central Coast visitor economy year-round through economic development, events, town planning and visitor information services activities.

Current Status

Public exhibition of the draft Destination Management Plan 2022-2025 and preparation of a report on the outcomes of the community consultation has been completed.

Report

Council undertook community consultation on the draft Plan between 25 November and 22 December 2021. The Plan was shared with industry, stakeholders and the Central Coast community through both Central Coast Council and Love Central Coast owned channels. Overall there were 324 page views on yourvoiceourcoast.com with 139 downloads of the Plan. A total of 10 submission forms were received. Submissions were received by industry and community members.

Feedback from submissions was noted and responded to with the below changes to the final Plan (Attachment 2):

- A more prominent inclusion of references to the Central Coast Council's Cultural Plan 2020-2025.
- Reviewed and corrected all references to NSW National Parks & Wildlife Service (NPWS) for consistency.
- Included a reference to the Somersby Falls visitor precinct upgrade in Brisbane Water National Park scheduled to commence in 2022.

Some feedback has also been shared with other relevant Council teams for consideration. The consultation submissions and responses can be found in Attachment 1 (D15016982).

Consultation

This DMP is informed by independent research and analysis, as well as consultation with industry representatives, community members and groups, businesses, Council and Government stakeholders. The engagements below were undertaken virtually via videoconferencing, across August and September 2021 due to COVID-19 restrictions.

The DMP was developed incorporating feedback generated from:

- Eight 1 to 1 stakeholder engagements with key government agencies and key local operators with investment potential identified by Council.

2.9 Outcomes of Public Exhibition - Central Coast Destination Management Plan 2022-2025 (contd)

- Four industry workshops attended by over 30 industry members, undertaken across the sub-regions of North Coast, South Coast, Hinterland and Gosford to identify specific issues and opportunities.
- A wide-reaching community and business online survey, distributed by Council to over 5,000 contacts to broaden the understanding of challenges and opportunities. The survey received approximately 650 responses.
- Workshop and follow-up consultation with internal Council stakeholders including representatives from planning, economic development, open space and recreation, community and culture, events and placemaking, environmental management, Central Coast Stadium and communications, marketing and customer engagement.
- Public commentary through exhibition of the plan on Council's online consultation platform **yourvoiceourcoast.com** from 25 November to 22 December 2021.

Council staff have notified those people who lodged submissions and relevant stakeholders of the actions taken and inclusions in the final Plan.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Council actions listed and budgets nominated within the DMP are noted from existing programs and budget allocations. Where nominated funds are outside this scope, priority levels will be considered. The DMP includes securing investment and grant funding to deliver projects and Council's internal Marketing and Tourism teams will continue to actively apply for grant opportunities to enable completion of actions in the DMP.

Where actions have been identified in the DMP as the responsibility of parties outside Council, Council has consulted with those stakeholders to ensure their commitment to funds and deliverables noted.

Link to Community Strategic Plan

Theme 1: Belonging

Goal B: Creativity connection and local identity

B-B2: Promote and provide more sporting, community and cultural events and festivals, day and night, throughout the year.

B-B4: Activate spaces and places to complement activity around town centres, foreshores, lakes and green spaces for families, community and visitors.

Theme 2: Smart

Goal C: A growing and competitive region

S-C1: Target economic development in growth areas and major centres and provide incentives to attract businesses to the Central Coast.

S-C2: Revitalise Gosford City Centre, Gosford Waterfront and town centres as key destinations and attractors for business, local residents, visitors and tourists.

S-C3: Facilitate economic development to increase local employment opportunities and provide a range of jobs for all residents.

S-C4: Promote and grow tourism that celebrates the natural and cultural assets of the Central Coast in a way that is accessible, sustainable and eco-friendly.

Social Impacts

Tourism sits across all objectives of the Community Strategic Plan (CSP) 2030 and results of the recent CSP survey findings indicate a strong support for tourism with 79% of respondents identifying that the Central Coast has the potential to grow as a tourist destination.

Sustainable tourism development brings improvement to services and facilities in a region that can improve the quality of life of its residents. This includes an appreciation of enhanced lifestyle and leisure opportunities arising from tourism development and the direct benefits of local employment and business opportunities.

Environmental Considerations

The DMP for the Central Coast recognises the outstanding natural attractions of the region as a critical competitive advantage over other destinations. The DMP proposes that nature-based and soft adventure activities are a growth opportunity. The purpose of the DMP is to guide tourism development in such areas to help ensure long-term viability and sustainability of such sectors.

Included in the DMP is Council's 2+ year journey to Eco Destination Certification, funded through the EcoTourism Australia and WWF partnership. Once achieved will give the region

2.9 Outcomes of Public Exhibition - Central Coast Destination Management Plan 2022-2025 (contd)

an internationally recognised stamp of approval and help to attract an increasing number of visitors seeking sustainable travel experiences. Aiming to be certified by June 2022.



Risk Management

Risk to Council's reputation if some actions are unable to progress as per the strategies of the DMP. Risk is mitigated through stakeholder consultation and the provision of actions in existing and new Council strategies and operational plans and future budgets.

Critical Dates or Timeframes

There is a requirement to have a current Destination Management Plan for Council, partners and industry to apply for grant funding and investment opportunities from early 2022.

Attachments

- | | | | | |
|---|---|-----------------------------------|-------------------------------|-----------|
| 1 |  | DMP Public Exhibition submissions | Provided Under Separate Cover | D15016982 |
| 2 |  | Central Coast DMP_2022-2025 | Provided Under Separate Cover | D15035267 |

Item No: 2.10
Title: Submission to the public exhibition of the draft Central Coast Regional Plan 2041
Department: Environment and Planning



22 February 2022 Ordinary Council Meeting

Reference: F2016/02099 - D14971615
Author: Kathryn Heintz, Principal Strategic Planner Local Planning and Policy
Scott Duncan, Section Manager Land Use and Policy
Manager: Sharon McLaren, Unit Manager Strategic Planning (Acting)
Executive: David Milliken, Director Environment and Planning (Acting)

Recommendation

- 1 That Council note the Department of Planning and Environment's Draft Central Coast Regional Plan 2041 was placed on public exhibition on Wednesday 8 December 2021 and runs until Friday 4 March 2022.**
- 2 That Council note a review of the Draft Central Coast Regional Plan 2041 was coordinated by Council's Strategic Planning Unit with the following matters identified:**
 - a) Support for the improved co-ordination of land release and infrastructure provision;**
 - b) That more focus should be given to resolving issues for the existing 1,103Ha of undeveloped employment zoned land rather than the inclusion of additional employment land at Somersby, Charmhaven and Wallarah;**
 - c) That planning for greenfield release areas and infill around existing town centres should remain east of the M1 Motorway;**
 - d) That urban development west of the M1 Motorway could pose significant risk on the Central Coast's water supply;**
 - e) That until such time as the Central Coast Highway upgrade is designed and funded, the Karagi Growth Area should focus on The Entrance rather than Long Jetty and Bateau Bay;**
 - f) That as transport is a significant land use planning issue for the Central Coast transport planning objectives should be included in the Plan;**
 - g) That the CCRP 2041 confirm the Warnervale Town Centre local train station to allow existing planning to continue, or alternatively confirm its removal entirely and allow land use planning in the vicinity of the station to be revised accordingly;**
 - h) That the separation of the Tuggerah-Wyong Corridor and elevation of Tuggerah to a Strategic Centre should be made in consideration of Council's existing Tuggerah-Wyong Economic Corridor Strategy, Tuggerah-Wyong should be a strategic centre;**

- i) That the extension of the Central Lakes Planning District across the Central Coast LGA and Lake Macquarie LGA is clearly defined with regard to responsibility;*
 - j) That the mapping should be amended to describe 'open space' land more accurately;*
 - k) That regional biodiversity connectivity should not be compromised as part of future growth plans for the Central Coast, and the plan should have strong references to ensure biodiversity issues are addressed early in the rezoning process;*
 - l) That biodiversity corridors across agricultural land should be reviewed to consider any potential impacts on agricultural production;*
 - m) That population, dwelling and job projections should be considered and included in the plan;*
 - n) That residential density targets should be guided by the future Central Coast Local Housing Strategy.*
- 3 That Council make, subject to and consistent with Resolution 2, a formal submission to the Department of Planning and Environment on the draft Central Coast Regional Plan 2041.**

Report purpose

To provide a summary of findings and recommendations in relation to the draft Central Coast Regional Plan 2041 (CCRP 2041), and that Council endorse this feedback for submission to the Department of Planning and Environment (DPE).

Executive Summary

The Central Coast Regional Plan 2036 (CCRP 2036) is the NSW State Government's current land-use plan for the Central Coast. It is a key strategic document that Council, other state agencies and private organisations use to drive sustainable growth on the Central Coast.

Regional Plans generally have a planning horizon of twenty years and are reviewed every five years. It has been five years since the CCRP 2036 was approved, with DPE undertaking a review and preparing a new draft that will extend to 2041. The draft CCRP 2041 was released for public comment on 8 December 2021 and is due to close on 4 March 2022.

Council's Strategic Planning Unit coordinated the review of the draft CCRP 2041, with the feedback outlined in this report inclusive of comments and input received from across Council's five Directorates. It is recommended that the feedback and matters identified in this report is endorsed by Council and that a formal submission is made to DPE by 4 March 2022.

Background

The CCRP 2036 is the NSW State government's long-term land-use plan for the Central Coast. The CCRP 2036 is a way for the NSW State Government, in conjunction with Central Coast Council and other private organisations, to plan for the region's future growth in housing, jobs, infrastructure and environment.

DPE has undertaken a 5-year review of the CCRP 2036 and prepared a new draft that extends to 2041 and reflects priorities based on progress of the current CCRP 2036 and the release of more up to date information. Through its development, DPE sought input from a range of stakeholders, including Central Coast Council. Some of the feedback and matters for consideration raised in this report was previously provided to DPE as part of the development of the draft CCRP 2041.

The public exhibition of the draft CCPR 2041 commenced on 8 December 2021 and is due to conclude on 4 March 2022. The public exhibition provides an opportunity for Council to formally outline and endorse its position on the draft and make a formal submission to DPE. Once DPE has considered feedback, the final CCRP 2041 will replace the CCRP 2036, as well as the current North Wyong Shire Structure Plan (NWSSP).

A copy of the draft Central Coast Region Plan is available at:

<https://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-Coast>

Current Status

The public exhibition of the draft CCRP 2041 was opened on 8 December 2021 and is due to conclude on 4 March 2022. Council's Strategic Planning Unit coordinated the review of the draft CCRP 2041, with the feedback outlined in this Report inclusive of comments and input received from across Council's five directorates. It is recommended that the feedback and matters identified in this Report is endorsed by Council and that a formal submission is made to DPE by 4 March 2022.

Report

Council welcomes the review of the CCRP 2036 and acknowledges and appreciates the close working relationship that has been developed between DPE representatives and Council in preparation of the draft CCRP 2041.

As the draft CCRP 2041 is a plan that covers future housing, jobs, infrastructure and the environment for the region, it has the potential to impact many areas of Central Coast Council and the delivery of other land-use and strategic planning initiatives. As such, Council's Strategic Planning Unit has coordinated the review of the draft CCRP 2041, with the feedback and matters outlined below based on input received from across the five directorates.

1 New future growth areas for employment land at Somersby, Charmhaven and Wallarah

As of 22 December 2020, there was approximately 2,137Ha of existing employment zoned land on the Central Coast, of which:

- 1,034Ha is developed; and
- 1,103Ha is undeveloped (only 249Ha serviced).

The current CCRP 2036 and the NWSSP identifies 871Ha of future employment land for investigation. This land is not yet zoned for employment.

The draft CCRP 2041 identifies approximately 800Ha of additional employment land (for investigation) within the Central Coast, over and above the 871Ha of future employment land for investigation identified in CCRP 2036.

With average employment land take-up rate of 12Ha/annum over the last 10 years, there is already sufficient capacity to accommodate job projections and targets over the life of the plan (20+ years). This includes tolerance for the net developable area due to land constraints. Demand modelling undertaken as part of the Central Coast Employment Land Audit, Monitor and Strategy calculated between 142Ha and 160Ha of additional employment land would be required across the Central Coast to meet demand over the next 22 years.

It is therefore difficult to justify the identification of these additional Employment Precincts, based on current employment land supply and demand. More focus should be given to resolving the issues for the existing 1,103Ha of undeveloped employment zoned land, including resolution of servicing and biodiversity certification issues that has delayed the development of these lands.

For DPE's Consideration:

- Rather than the inclusion of additional employment land, more focus should be given to resolving issues for the existing 1,103Ha of undeveloped employment zoned land.

2 New future growth areas for residential land west of the M1 Motorway (Jilliby, Alison and Mardi)

Based on current residential land supply and demand, the Central Coast has sufficient residential growth areas east of the M1 Motorway to accommodate housing targets over the life of the plan (20+ years). As such, introducing actions to investigate growth west of the M1 Motorway is not supported. Supporting these future growth areas west of the M1 Motorway would contradict the objectives of the draft CCRP 2041, which speaks of consolidation within existing urban environments and creating walkable 15-minute neighbourhoods. Rather, the draft CCRP 2041 should represent a balance of infill and greenfield development east of the

M1 Motorway – with the M1 representing a logical boundary for future greenfield development.

The future growth areas at Jilliby, Alison and Mardi are also situated within water supply catchments. Future development of these areas could pose significant risk to the Central Coast's water supply. Due to this significant risk, Council has always maintained a strict policy position of not promoting urban development in water supply catchments.

For DPE's Consideration:

- The focus should be on planning for greenfield release areas and infill around existing town centres east of the M1 Motorway. Most of these areas have significant development potential, provided infrastructure is funded to enable the development.
- The Central Coast's drinking water supply catchments need to be protected and the CCRP 2041 should be modified to address this issue.

3 Karagi Growth Area (The Entrance, Long Jetty and Bateau Bay)

As there are significant traffic constraints in Long Jetty further development in this area should not be promoted until the Central Coast Highway upgrade is designed and funded. Rather, as development is needed at The Entrance to support the viability and economic growth of the Town Centre, growth should be focused on The Entrance. In particular, ways to grow the permanent population of The Entrance as opposed to temporary visitors.

For DPE's Consideration:

- Until such time as the Central Coast Highway upgrade is designed and funded, the growth area should focus on The Entrance rather than Long Jetty and Bateau Bay.

4 Transport Planning for the Central Coast

Transport is one of the major planning issues for the Central Coast and there are no objectives in relation to transport planning. Whilst Transport for NSW (TfNSW) is preparing a Central Coast Transport Strategy, it is essential that better integration between transport and land use planning is achieved. Council had previously provided input to DPE to include a number of objectives on transport planning, similar to what is included in DPE's Illawarra-Shoalhaven Regional Plan. That suggestion was not taken up.

There is also a lack of clarity about the future of the proposed Warnervale Town Centre Station. The Warnervale Town Centre has been designed based on the proposed train station, however TfNSW have not progressed the development application and are suggesting it will be withdrawn. Neither TfNSW nor DPE have indicated the strategic intent. It is considered the most appropriate outcome would be for the CCRP 2041 to confirm the strategic need for a

local station to enable the current planned town centre to proceed. Alternatively, the CCRP 2041 should confirm the station is not proceeding and land use planning in the vicinity of the station location be revised accordingly.

For DPE's Consideration:

- As transport is a significant land use planning issue for the Central Coast, including transport planning objectives, similar to the Illawarra-Shoalhaven Regional Plan, will lead to better planning and integration with state agencies
- That the CCRP 2041 confirm the Warnervale Town Centre local train station to allow existing planning to continue, or alternatively confirm its removal entirely and allow land use planning in the vicinity of the station to be revised accordingly.

5 Tuggerah-Wyong Corridor

Council has always treated Tuggerah-Wyong as a centre that co-exists in a relationship that benefits each other. The Tuggerah-Wyong Economic Corridor Strategy was developed by Council in light of this relationship. The draft CCRP 2041 elevates Tuggerah to a Strategic Centre and considers Wyong to be a local centre. It is considered that this may disrupt the fine balance between the two and doesn't support the ambition to increase the population and activity at Wyong.

For DPE's Consideration:

- Given the balance and reliance between the two centres, separation of the Tuggerah-Wyong Corridor and elevation of Tuggerah to a Strategic Centre should be made in consideration of Council's existing Tuggerah-Wyong Economic Corridor Strategy. The Tuggerah-Wyong Corridor should be considered as a Strategic Centre as a whole.

6 Crossover with the draft Hunter Regional Plan

The Central Lakes Planning District extends into the Lake Macquarie LGA and is also included in DPE's Hunter Regional Plan. This area being subject to two LGAs will cause confusion in relation to future planning proposals. Although the draft CCRP 2041 notes that 'an inter-regional and coordinated approach is required' the framework for this is not identified.

For DPE's Consideration:

- The benefits of extending the Central Lakes Planning District across the Lake Macquarie and Central Coast LGA is recognised and supported, but as this will require interregional planning a clearly defined framework is suggested for inclusion to avoid confusion and streamline delivery.

7 Biodiversity

Regional biodiversity connectivity and open space areas seem to be confusing and inconsistent. In addition, regional biodiversity connectivity should not be compromised as part of future growth plans for the Central Coast/Lake Macquarie areas. The draft CCRP 2041 should have strong references to ensure biodiversity issues are addressed early in the rezoning process, particularly given the new approach to rezoning that is currently proposed by DPE. This new process will mean shorter timeframes for rezoning applications.

For DPE's Consideration:

- Reference to 'open space' on mapping throughout the plan should be amended to describe this land more accurately.
- Regional biodiversity connectivity should not be compromised as part of future growth plans for the Central Coast, and the draft CCRP 2041 should have strong references to ensure biodiversity issues are addressed early in the rezoning process.
- Further review the biodiversity corridors across agricultural land and consider any potential impacts on agricultural production as a result of these corridors in the draft CCRP 2041.

8 Population and Employment Projections

The draft CCRP 2041 does not contain any population, dwelling and job projections like the CCRP 2036. These need to be included within the draft CCRP 2041 to provide transparency and clarity on the level of growth being planned for in this iteration of the regional plan.

For DPE's Consideration:

- Population, dwelling and job projections should be included in the plan. This will provide transparency and clarity on the level of growth being planned for in this iteration of the regional plan.

9 Minimum Residential Density

The draft CCRP 2041 identifies a minimum residential density of 50-75 dwellings per hectare for all new development. This target would be more appropriate in sites which could accommodate high density settings. This represents a steep increase from the 12-15 dwellings per hectare as outlined in the North Wyong Shire Structure Plan for its greenfield development areas. These types of residential density targets are not appropriate for most greenfield development areas within the Central Coast LGA and residential density targets should be applied based on the area and the appropriateness of the different residential settings. All references to greenfield residential density targets should be removed from the draft CCRP 2041 and be guided by the future Central Coast Local Housing Strategy.

For DPE's Consideration:

- Residential density targets, particularly in greenfield land release areas, should be guided by the future Central Coast Local Housing Strategy. This will minimise contradictions and ensure targets are evidence based and appropriate to the area and residential setting of the area.

Consultation

Prior to the public exhibition of the CCRP 2041, DPE sought feedback from various stakeholders, including Central Coast Council. Workshops and discussion forums have also been made available through DPE's public exhibition process, with Council staff attending.

Council's Strategic Planning Unit has coordinated the review of the draft CCRP 2041, with the feedback and matters outlined in this Report a result of the input received from across Council's five directorates.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

The recommendations in this report will not entail additional costs to Council. This Report is to seek endorsement of feedback and matters identified as part of Council's review of the draft CCRP 2041 and that a formal submission is made to DPE for their consideration, prior to a final CCRP 2041 being approved.

Link to Community Strategic Plan

Theme 4: Responsible

Goal C: A growing and competitive region

S-C1: Target economic development in growth areas and major centres and provide incentives to attract businesses to the Central Coast.

R-I2: Ensure all new developments are well planned with good access to public transport, green space and community facilities and support active transport.

Risk Management

Failure to provide feedback on areas of concern may result in DPE proceeding with the draft CCRP 2041 in its current form. This would be detrimental to the overall growth and future land-use planning of the Central Coast region.

Options

- 1 Endorse the recommendations and provide a formal submission to DPE on the draft CCRP 2041. Council supports the majority of the draft CCRP 2041, however has concerns with and feedback on some of the detail and information contained within the draft plan. By providing a formal submission to DPE, these matters can be further considered, with the potential of a better outcome for all parties. **This is the recommended option.**
- 2 Resolve not to make a formal submission to DPE on the draft CCRP 2041. Council has legitimate concerns with some of the detail and information contained within the draft plan. A decision to not make a formal submission would mean that DPE is unaware and unable to consider and address these concerns. This is not the recommended option.

Critical Dates or Timeframes

The draft CCRP 2041 was released for public exhibition on Wednesday 8 December 2021 and concludes on Friday 4 March 2022. Council's Strategic Planning Unit has coordinated the review of the draft CCRP 2041, with the feedback and matters outlined in this Report a result of the input received from across Council's five Directorates. If Council resolves the recommendations in this report a formal submission will be made to DPE by Friday 4 March 2022.

Attachments

Nil.



Item No: 2.11
Title: Submission to the public exhibition of DPIE's New Approach to Rezoning
Department: Environment and Planning

22 February 2022 Ordinary Council Meeting

Reference: F2004/00550 - D15024060
Author: Charlotte Ryan, Strategic Planner
Scott Duncan, Section Manager Land Use and Policy
Manager: Sharon McLaren, Unit Manager Strategic Planning (Acting)
Executive: David Milliken, Director Environment and Planning (Acting)

Recommendation

- 1 That Council note Department of Planning and Environment's discussion paper on 'A New Approach to Rezoning' was placed on public exhibition on Wednesday 15 December 2021 and concludes on Monday 28 February 2022.**
- 2 That Council note a review of the discussion paper 'A New Approach to Rezoning' was undertaken by Council's Strategic Planning Unit with the following matters identified:**
 - a Supports the aims of improving the rezoning process efficiency and clarity;**
 - b Calls for close engagement with the planning and local government industry as the next step in developing a new rezoning process;**
 - c Mandates a pre-lodgement process that is directly linked to the formal rezoning process;**
 - d Requires State Agencies to respond to consultation within the set timeframe;**
 - e Requires consideration of alignment with planning strategy (the strategic merit test) before the exhibition phase and the ability to dismiss rezonings that do not align with strategy;**
 - f Provides sufficient lead in time for exhibition and a 'stop the clock' mechanism;**
 - g Includes the Local Planning Panel in the rezoning decision-making process; and**
 - h Does not support the imposition of a planning guarantee or appeal mechanisms for all rezonings, but rather considers ensuring adequate planning resources and improvements to the current rezoning review process.**
- 3 That Council make, subject to and consistent with Resolution 2, a formal submission to the Department of Planning and Environment on the draft Central Coast Regional Plan 2041.**

Report purpose

To provide a summary of findings and recommendations in relation to the public exhibition of the discussion paper on *A New Approach to Rezoning* and request that Council endorse this feedback for submission to the Department of Planning and Environment (DPE).

Executive Summary

In December 2021, DPE released a discussion paper outlining proposed reforms to the rezoning process. The reforms are part of the NSW Government's Planning Reform Action Plan – a set of structural reforms to create a planning system that is transparent, faster, more certain, and easier to use.

Public exhibition of the discussion paper commenced on 15 December 2021 and concludes on 28 February 2022. Council's Strategic Planning Unit has reviewed the discussion paper, with the feedback and recommendations outlined in this report.

It is recommended that Council endorse the feedback and recommendations, and that a formal submission is made to DPE by 28 February 2022.

Background

Rezoning (or Planning Proposals) are an important planning process that involves making amendments to local environmental plans that change development control standards. They may range from setting the highest-level parameters for the use of land (eg environmental, residential) through to smaller amendments to specific controls. The making of an LEP is also a type of planning proposal or rezoning.

The State has a focus on increasing land supply and wishes to decrease the processing time for rezonings. It is noteworthy that the Central Coast has particularly challenging rezonings, where greenfield development intersect with land that has high biodiversity values, or where complex infill developments are proposed within centres. Local government professionals across the State (and Country) agree that there are benefits of a clearer and more efficient rezoning process, however are also focussed on ensuring the rigour and reputation of planning processes are maintained, that decisions align with strategy, and that the community has appropriate participation in the planning process.

In December 2021, DPE released a discussion paper outlining a new approach to rezonings (Note: The term 'rezoning' is used rather than 'planning proposal' and includes all proponent-initiated and council-initiated requests to amend an LEP). The new approach is part of the NSW Government's Planning Reform Action Plan. The action plan outlines the long-term structural reform of the planning system and consists of a series of initiatives, one of which is to accelerate the process for rezoning proposals by reducing assessment timeframes, streamlining the process and introducing a new class of merit appeals in the Land and

Environment Court for rezoning proposals. Public exhibition of the discussion paper commenced 15 December 2021 and concludes on the 28 February 2022. Council has been invited to review the documentation and provide feedback.

It should be noted that DPE also released a new LEP Making Guideline in December 2021. The LEP Guideline delivers immediate improvements to the existing process. The discussion paper incorporates aspects of the new LEP Guideline, but primarily sets out the long-term reform framework for the rezoning process. If the framework is adopted, it will be subject to a detailed implementation plan, which will include any necessary transitional arrangements for existing planning proposals / rezonings in the system. For now, existing and future planning proposals / rezonings will follow the current planning proposals / rezonings process.

The concept of adding clarity and efficiency to the rezoning process is supported by planning professionals. Establishing different categories for types of rezonings has merit, as does requiring better application information up front, mandatory pre-lodgement processes as well as mechanisms to ensure referral agencies respond in a timely manner. However, the rezoning process is just a small part of the land development process and other interventions are also necessary to meet the Government's objectives of increasing land supply and controlling housing costs. Several of the proposed changes to the rezoning process simply reduce timeframes without considering resources, whether the timeframe is realistic given the steps involved, take away important planning considerations such as the strategic merit test, and add further complexity to the process through appeal mechanisms and immediate exhibition requirements.

The discussion paper can be downloaded from:

<https://www.planning.nsw.gov.au/Policy-and-Legislation/Under-review-and-new-Policy-and-Legislation/A-new-approach-to-rezoning-in-NSW>

Current Status

Public exhibition of the discussion paper commenced on 15 December 2021 and concludes on 28 February 2022. Council's Strategic Planning Unit has reviewed the discussion paper, with the feedback and recommendations outlined in this report.

It is recommended that Council endorse the feedback and recommendations, and that a formal submission is made to DPE by 28 February 2022.

Report

Council's Strategic Planning Unit has reviewed the discussion paper and note there are several changes to the rezoning process that have the potential to significantly impact on Council's time, human and financial resources as well as create unrealistic expectations for proponent's and the community regarding land use planning outcomes for the Central Coast.

2.11 Submission to the public exhibition of DPIE's New Approach to Rezoning (contd)

A comparison of the current and proposed rezoning framework is provided in Figure 1, with a summary of the proposed changes as follows:

- Providing private proponents with ownership of the rezoning application, throughout the process
- Provision of mandatory scoping / pre-lodgement meetings with State agencies.
- Removal of gateway review and determination as part of the rezoning process.
- All rezoning proposals to be exhibited, assessed and determined, irrespective of strategic merit.
- Exhibition to commence immediately upon lodgement.
- Implementing maximum timeframes for referrals and assessment.
- Enforcing refunds if Council does not meet the assessment timeframes.
- Introducing new categories for planning proposals based on level of complexity, including different fees and assessment timeframes.
- Allowing councils to approve some inconsistencies with Ministerial directions rather than notifying DPE.
- Changes to the roles of various parties in the rezoning process.
- Introduction of a new class of merit appeals in the Land and Environment Court for planning proposals.

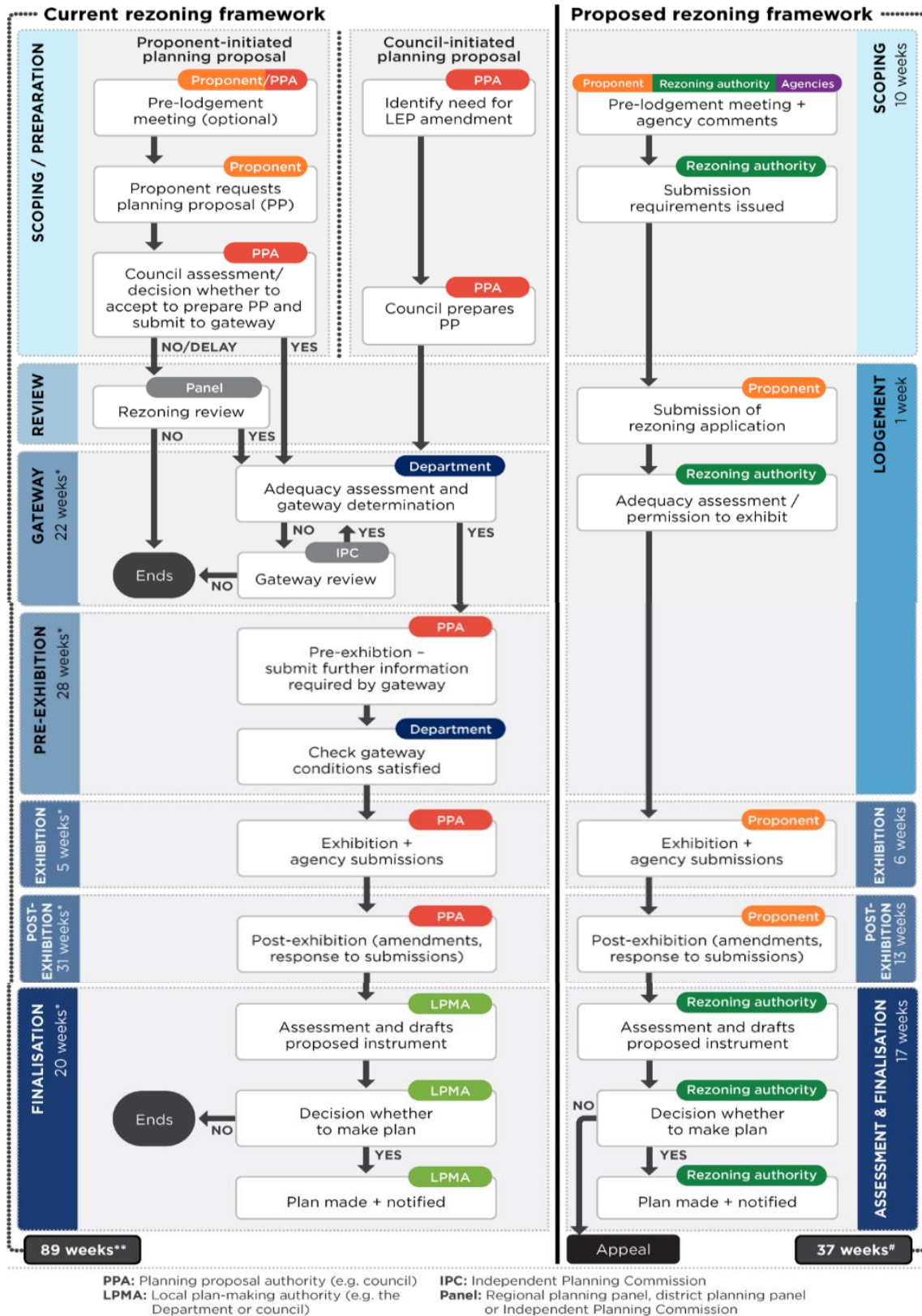


Figure 1 – Comparing the current and proposed rezoning framework

2.11 Submission to the public exhibition of DPIE's New Approach to Rezoning (contd)

Feedback for each step is detailed below:

1 Pre-lodgement/scoping stage

The new approach includes a mandatory pre-lodgement stage for rezoning applications called *Scoping* whereby a meeting is held between the proponent, rezoning authority and State agencies. It is unclear how the pre-lodgement process will be mandated, whether all submitted rezoning proposals must be consistent with pre-lodgement advice and, if so, how that would be enforced. For example, it is unclear whether legislative amendments to EP&A Act or LEPs are proposed.

Council supports early engagement with State agencies however it is unclear if they are required to partake in all pre-lodgement scoping meetings, irrespective of whether the proposal has strategic merit. Some State agencies have previously taken up to one year to provide a response to rezoning applications, significantly delaying assessment. It would be beneficial to have a central body that co-ordinates agency involvement and ensures State agencies provide comments within a reasonable timeframe.

Councils professional planning staff support the proposal for mandating pre-lodgement processes. However, these processes must have closer ties to the next steps in the process to give the pre-lodgement process adequate weight. Council staff also support steps to improve engagement with State agencies, as their reluctance to participate is a major source of delays in the rezoning process.

2 Lodgement and Exhibition

Once a rezoning proposal is lodged via the NSW Planning Portal, under the proposed process, Council will have 7 days to check the study requirements have been met. If all study requirements are met, exhibition is to commence immediately. No strategic assessment is to occur.

This differs greatly from the current process whereby a robust strategic assessment occurs prior to public exhibition. It typically involves a report to Council recommending refusal or progression to DPE for Gateway. If it progresses, a Gateway review and satisfaction of Gateway conditions is determined, and finally, amendments to the planning proposal. If Council does not endorse the proposal going to gateway or gateway is not granted, public exhibition does not occur.

Firstly, 7 days is insufficient time to allow a comprehensive review and check of the documentation submitted, determine whether it is suitable for exhibition and coordinate exhibition documents. This is also insufficient to meet scheduling requirements to commence a community consultation process, in terms of advising landowners and giving public notice. It is unclear whether Council, the proponent or DPE will co-ordinate the public exhibition process.

2.11 Submission to the public exhibition of DPIE's New Approach to Rezoning (contd)

Secondly, a strategic merit assessment needs to be undertaken upfront before a proposal is publicly exhibited. Under the new approach, all rezoning proposals will be exhibited so long as the study requirements are met. Publicly exhibiting all proposals, regardless of strategic merit, could create unrealistic expectations for both the proponent and community. It may also be misleading and imply Council's support of a proposal which may not be the case.

This has implications on both proponent's and Council's time and financial resources. Proponents will be required to spend both time, money and resources upfront on a proposal that may have no strategic merit. These proposals will be required to be publicly exhibited irrespective of whether they have strategic merit.

Thirdly, the new process does not align with current Council reporting processes whereby a Council resolution is required prior to requesting Gateway and publicly exhibiting a proposal. Under the new framework, the formal exhibition period will commence immediately once a rezoning proposal meets all study requirements and is lodged via the NSW planning portal. This will require changes to council staff delegations, who do not currently have delegation to exhibit a proposal without a council resolution.

Council's professional planning staff consider this proposal would lead to poorer planning outcomes. The immediate progression to exhibition would likely result in a large number of 'ambit claim' rezonings being put on exhibition, with consequent increases in staff resources to manage the process. It may lead to deterioration in reputation of the planning process due to a large number of poor rezoning proposals. Proponents would likely have little reason not to progress poor rezonings through to determination, and when ultimately refused the proposed appeals pathway would lead to extensive resources allocated to Court processes. Council staff consider this element should be removed, and some form of strategic merit test be applied to ensure rezoning proposals are consistent with strategic objectives.

3 Rezoning proposal categories and benchmark timeframes

The discussion paper proposes maximum benchmark timeframes for steps in the rezoning process, noting in most cases DPE anticipate a shorter timeframe (see Figure 2).

Stage	Category 1 (Basic)	Category 2 (Standard)	Category 3 (Complex)	Category 4 (Principal LEP)
Scoping	6 weeks	10 weeks	12 weeks	10 weeks
Lodgement	1 week	1 week	1 week	1 week
Exhibition	4 weeks	6 weeks	8 weeks	6 weeks
Post-exhibition	10 weeks	13 weeks	15 weeks	17 weeks
Assessment and finalisation	11 weeks	17 weeks	24 weeks	26 weeks
Total, excluding scoping*	26 weeks	37 weeks	48 weeks	50 weeks

Figure 2 – Proposed categories and benchmark timeframes (DPE)

Further clarity is required on who will be responsible for monitoring the proposed timeframes for each stage of the rezoning process and the consequences if timeframes are not met. Quality control measures will need to be in place to ensure proponent-led submissions are high quality and adequate for exhibition to enable a streamlined assessment process.

Council staff do not believe that Council(s) should be penalised for delays to the assessment process caused by poor quality, inadequate proponent submissions or proponents running out the clock by not providing information when requested.

Planners work best where they are afforded the opportunity to negotiate better outcomes with proponents. Strict enforcement of timeframes substantially removes this ability and results in rezonings becoming a determination (yes or no) of what was initially submitted. Whilst the concept of having a timeframe for each step is generally supported, clear "stop the clock" requirements are necessary to enable better outcomes to be negotiated.

It is also noteworthy that the proposal gives the Department 26 weeks to consider the assessment and finalisation of principal LEP's. The Central Coast LEP was submitted in July 2020, 31 weeks prior to this report. It will be important that the timeframes outlined are met by the Department, not just dictated to Local Governments. The concept of each Council having a standard instrument LEP was supposed to streamline the adoption of principal LEP's, therefore this particular timeframe should be a shorter timeframe, not the longest in the table.

4 Assessment and Finalisation

Under the new rezoning approach, if a rezoning application lacks strategic merit, the only opportunity to refuse it is after exhibition, which is the final assessment stage. As mentioned above, Council staff do not support removing the opportunity for a merit assessment before exhibition. A strategic merit assessment needs to be undertaken upfront and Council need adequate time and resourcing to do so. The benchmark timeframes should be amended to accommodate this.

Under the new approach, it is proposed that councils can approve an inconsistency with a s9.1 Ministerial direction, rather than notifying DPE and seeking approval from the secretary. Council does not think it should be able to approve all inconsistencies with 9.1 directions, particularly the Hazard and Risk directions. For example, based on advice provided by the NSW Biodiversity Conservation Division (BCD), any variation to the bushfire direction should be signed off by the NSW Rural Fire Service and flooding direction by DPE.

5 Council resourcing and funding

The discussion paper acknowledges that many councils are time poor and under-resourced, however the proposal transfers more responsibility to councils and as such, the whole

process will have an impact on resourcing. The proposed process increases resourcing required and provides penalties where the timeframes are not met.

Council also request that State government provide more funding to councils to enable them to update their strategic planning studies. This will help better frame strategic merit of rezoning proposals early in the rezoning process.

As discussed below, with the new appeal rights, more resourcing may be required to manage the appeals. If staff are caught up in the appeals, this may make it difficult to meet the proposed benchmark timeframes.

It is noteworthy that all Councils operate in a planning environment of limited staff and funding, whereas the Department has comparatively unlimited funds and resources. The number of planners employed and recruited by the Department adds to the challenge of recruiting planners for local government. Adequately resourcing Council planning staff across the State would make the most significant impact on assessment timeframes for all planning processes.

6 New roles

The discussion paper notes that where a conflict of interest arises with a council, the relevant local planning panel (or regional panel) will determine the rezoning application. With the exception of conflicts of interest, it is unclear what role Local Planning Panel's (LPP's) will play in the new rezoning process. It is the view of Councils planning staff that LPP's should play significant role in the assessment of rezonings to ensure independence and transparency.

The review mechanisms and roles of planning panels (including the Regional Planning Panel) need to be better defined.

The discussion paper notes that in some circumstances where a rezoning application accompanies a state significant development application, is a Council proponent rezoning application or is of state and regional significance, that the Minister, through DPE, will assess these. It is not clear if proposals assessed by DPE will adhere to the same process proposed in the discussion paper.

7 Stakeholder engagement

If every rezoning proposal is exhibited (regardless of strategic merit), it may create an expectation that Council supports the proposal, which may not be the case. There is also the risk of disengagement from the community, which could result in less participation in the planning process.

8 Fees

The discussion paper proposes that there is fee consistent structure for proponents. Council supports *Option 3: Fixed and variable assessment fees*. Council currently has a similar fee structure in place to this option which has proved to work successfully for several years and should be retained.

Council does not support Option 1 and 2. *Option 1: Fixed Assessment Fees* will likely mean Council will not recoup staff time and effort, while *Option 2: Variable assessment fees* is considered unnecessary. The establishment of a standard fee schedule across NSW is not supported. Councils should be able to ensure fees meet 100% of the cost of servicing planning proposals.

9 Planning guarantees and refunds

DPE are considering a planning guarantee which provides for a fee refund if Councils take too long to assess an application. Even where a refund is given, assessment and determination of the application continues. The proposal to require Council to refund fees at 'Assessment and Finalisation' if an application is not determined within 17 weeks is not supported.

Whilst Council supports a faster and streamlined assessment process, the majority of assessment delays are related to a lack of sufficient documentation, inability to demonstrate appropriate provision of infrastructure, and/or the process to achieve Biodiversity Certification. With regards to Biodiversity Certification, greater efficiency would be achieved if the rezoning process mandated that a Biodiversity Certification Assessment Report (BCAR) is lodged with Biodiversity Conservation Division (BCD) and certified prior to lodgement.

Proponents often submit partially complete or speculative proposals with little strategic merit which slows the rezoning process. The discussion paper notes *Extensions of Time* would be required if more time is genuinely required. However, it is not identified how or who will determine if an extension is 'genuinely' required.

10 New appeals pathway

The new appeals pathway will result in staff dedicating more time and money to appeals and less time invested in strategic merit proposals, which will further hinder the ability to meet the benchmark timeframes. Consideration needs to be given to not just the legal costs involved but the cost in staff time. It also needs to be identified at what point of the rezoning process can a proponent commence the appeal process.

11 Further considerations

The strategic planning process in NSW is relatively immature, Local Strategic Planning Statements have only recently been introduced and are not spatial in nature. There is also a lack of rigour in other strategic process such as Structure Plans. Consideration should be

given to increasing the governance processes around other elements of strategic planning, to better articulate what might or might not be considered to have strategic merit.

The proposed rezoning framework, as presented in the discussion paper represents a focus on increasing the speed of rezonings at the expense of good planning processes. This is a consistent theme currently where proposals are put forward under the guise of improving planning, however add significant resource requirements to local governments. Perversely, this proposal may actually result in slower development processes overall where planning resources are directed to Court processes. It should be noted that rezonings are generally a small portion of the development processes yet attract significant attention from the development sector.

12 Summary and Recommendations

Council fundamentally supports the objectives of the proposed reforms as the planning industry as a whole would benefit from process efficiencies and clearer requirements, however, the framework as currently presented may create significant process and resourcing constraints. It is considered that the Department should engage closely with the planning profession to create a rezoning process that achieves these aims for local government as well as the development industry.

Consultation

The discussion paper relates to changes to the rezoning process, with Council invited to provide feedback and help support a planning system that is transparent, faster, more certain, and easier to use.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

The recommendations in this report will not entail additional costs to Council. This Report is to seek endorsement of the feedback and matters identified as part of Council's review into DPE's discussion paper of *A New Approach to Rezoning* and that a formal submission is made. While the recommendations in this Report will not impact on Council's bottom-line, if the Rezoning Reforms is implemented by DPE without further amendment, Council will need to consider its resourcing to effectively implement the process.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Goal G: Good governance and great partnerships

R-G3: Engage with the community in meaningful dialogue and demonstrate how community participation is being used to inform decisions.

Goal I: Balanced and sustainable development

R-I2: Ensure all new developments are well planned with good access to public transport, green space and community facilities and support active transport.

Goal I: Balanced and sustainable development

R-I3: Ensure land use planning and development is sustainable and environmentally sound and considers the importance of local habitat, green corridors, energy efficiency and stormwater management.

Risk Management

Failure to provide feedback, may result in DPE proceeding with the proposed changes in their current format. This could have potential adverse impacts on Council's resources, as well as on land use planning for the Central Coast LGA, the proponents and the community.

Options

- 1 Endorse the recommendations and provide a formal submission on DPE's discussion paper of *A New Approach to Rezoning*, as outlined in this report. Council has significant concerns about the proposed rezoning reforms presented in DPE's discussion paper. By providing a formal submission to DPE, these matters can be further considered, with the potential of a better outcome for all parties. **This is the recommended option.**
- 2 Resolve not to make a formal submission on DPE's discussion paper of *A New Approach to Rezoning*. Given Council's significant concerns about the proposed rezoning reforms

2.11 Submission to the public exhibition of DPIE's New Approach to Rezoning (contd)

presented in DPE's discussion paper and likely impacts that could result, a decision to not make a formal submission would mean that DPE is unaware and unable to consider and address these concerns. This is not the recommended option.

Critical Dates or Timeframes

Public exhibition of the discussion paper commenced on Wednesday 15 December 2021 and concludes on Monday 28 February 2022. Council's Strategic Planning Unit has reviewed the discussion paper, with the feedback and recommendations outlined in this report. If Council resolves the recommendations in this Report a formal submission will be made to DPE by Monday 28 February 2022.

Attachments

Nil.



Item No: 2.12
Title: Community Support Grant Program - December 2021 and January 2022
Department: Community and Recreation Services

22 February 2022 Ordinary Council Meeting

Reference: F2017/02117 - D14916192
Author: Belinda McRobie, Section Manager Community Development
Manager: Glenn Cannard, Unit Manager Community and Culture
Executive: Brian Bell, Director Community and Recreation Services (Acting)

Recommendation

- 1** ***That Council allocate \$23,028.50 (inclusive of GST where applicable) from the 2021/2022 grants budget to the Community Support Grant program, as outlined in the following report and Attachment 1.***
- 2** ***That Council decline applications for the reasons indicated in Attachment 1, and the applicants be advised and where relevant, directed to alternate funding sources.***

Report purpose

To seek endorsement of the recommendations for the Community Support Grant Program.

Executive Summary

This report considers the applications and recommendations for the Community Support Grant Program.

The Community Support Grant Program remains open throughout the year to provide assistance for community activities that require In-kind support through the provision of subsidised access to Council services and financial assistance for community activities that require a smaller amount of support.

This program enables applicants to apply for funding support in a quicker response time.

Background

Council's grant programs are provided to support the community to deliver quality programs, projects or events that build connections, celebrate our local community, that align with the One-Central Coast Community Strategic Plan and build capacity across the entire Central Coast community.

2.12 Community Support Grant Program - December 2021 and January 2022 (contd)

The Community Support Grant Program is provided to support the community to deliver activities which require a small amount of funding and/or in-kind support. The Community Support Grant Program remains open throughout the year to provide assistance for community activities that require:

- 1 In-kind support through the provision of subsidised access to Council services.
- 2 Financial assistance for community activities that require a smaller amount of support. The Community Support Grant Program provides a combined budget of \$300,000 annually as detailed in table one below.

Table 1: Community Support Grant Program

Program	Budget	Opening Period	2021/2022 allocation to date	Recommendation allocation within this report (inclusive of GST where applicable)	Allocation to date + Recommendation within report (inclusive of GST where applicable)
Community Support Grant Program	\$300,000	Ongoing	\$117,157.12	\$23,028.50	\$140,185.62
TOTAL			\$117,157.12	\$23,028.50	\$140,185.62

Current Status

The Community Support Grant Program remains open for applications throughout the year and the closing date for each assessment period is the last day of each month.

The Community Support Grant Program provides up to \$5,000 per project per financial year in combined funding and in-kind Council services to applicants who are a legally constituted not-for profit organisations, or auspiced by one.

Assessment

14 applications were received and assessed by 1st February 2022 with 6 recommended for funding in this Council report.

The Community Support Grant applications were assessed by Council's Unit Manager Community and Culture and the Community Grants Team, against the Community Support Grant Program guidelines.

Consultation

Information on Council's Community Grants program is provided on Council's website and promoted through Council's social media platforms.

Regular emails with relevant information were provided to the community grants database.

Council staff conducted two grant writing workshops with 51 attendees and four grant information sessions with 94 attendees

Additionally, Council staff also undertook two drop-in support sessions with 10 attendees to assist applicants with their submissions where required.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Council's 2021/2022 Council Operational Expenditure budget allocates \$300,000 to the Community Support Grant Program.

Expenditure is approved until the end of the 2021-2022 financial year. Unspent funds will lapse on 30 June 2022.

No additional budget is required nor sought through this report. All actions within have been funded through existing and approved operational plan budgets.

Link to Community Strategic Plan

Theme 1: Belonging

Goal A: Our community spirit is our strength

B-A1: Work within our communities to connect people, build capacity and create local solutions and initiatives.

Risk Management

All successful applications will receive a letter of offer outlining Council's requirements of funding, service delivery and accountability for both Council and the funded organisation.

Applications recommended for funding are conditional on all relevant event/activity approvals (including COVID-19 related) being provided prior to the release of funds, and successful applicants are required to return any unspent funds for projects not able to be delivered as planned through COVID-19 related impacts.

All successful applicants are required to submit a final project acquittal report no later than twelve weeks after the agreed completion date of the activity/project with copies of any photos, promotional materials and evidence of payment/purchase for each funded item.


Options

- 1 Approval of all recommended applications as submitted will provide a community benefit to residents of the Central Coast Local Government Area.
This is the recommended option
- 2 Non approval of some or all applications, as recommended, may result in projects not being undertaken if the respective proponents are unable to secure alternate funding. Not recommended.

Critical Dates or Timeframes

Many of these grant applications are dependent upon support via Council's grant program. Should decisions be delayed or not supported projects may not be undertaken.

Attachments

- | | | | |
|----------|--|----------------------------------|-----------|
| 1 | Community Support Grant - December 2021 and
 January 2022 - Recommended and Not
Recommended | Provided Under
Separate Cover | D15031370 |
|----------|--|----------------------------------|-----------|



Item No: 2.13
Title: Audit, Risk and Improvement Committee Recruitment
Department: Corporate Affairs

22 February 2022 Ordinary Council Meeting

Reference: F2021/00030 - D15022552
Author: Kelly Drover, Meeting Support Officer
Manager: Edward Hock, Unit Manager Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

That Council establish an Interview Panel to select a new Audit, Risk and Improvement Committee Independent External Member as set out in this report.

Report purpose

To recommend that Council select an Interview Panel to appoint a new Independent External Member to the *Audit, Risk and Improvement Committee* (ARIC).

Executive Summary

The appointment of one of the Independent External ARIC Members ceases on 27 April 2022, resulting in a vacancy on ARIC. This report sets out the recruitment and selection process and recommends the appointment of an Interview Panel to recruit a new Independent External Member to ARIC.

Background

The initial three-year appointment of the three Independent External Members made at the [26 July 2017 Ordinary Council Meeting](#) expired on 26 April 2020 with a formal review undertaken (as required under Clause 15 of the ARIC Charter) and was presented to Council for consideration at the [27 April 2020 Ordinary Council Meeting](#).

At that meeting, Council resolved, in part:

317/20 That Council recognise the contribution of the three Independent External Members of Audit, Risk and Improvement Committee for their assistance and contribution over the past three years and make the following phased re-appointments:

a Dr Colin Gellatly (AO) be re-appointed for a period of one year;

- b John Gordon be re-appointed for a period of two years; and*
- c Carl Millington be re-appointed for a period of three years.*

Dr Gellatly's appointment has since ceased, and a recruitment process was undertaken to fill this vacancy.

At the [Ordinary Council meeting held 27 April 2021](#), Council resolved, in part:

That Council appoint Mr Arthur Butler as an Independent External Member of the Central Coast Council Audit, Risk and Improvement Committee for an initial period of three years.

Current Status

The appointment of the three current Independent External Members is as follows:

Arthur Butler – ceasing on 27 April 2024
 Carl Millington (Chair) – ceasing on 27 April 2023
 John Gordon – ceasing on 27 April 2022

Report

The ARIC Charter does not set out a process for the recruitment of an Independent External ARIC Member, however the NSW OLG's Discussion Paper [Risk Management and Internal Audit for local councils in NSW](#) (August 2021) makes the following observation at page 25:

Audit, risk and improvement committee chairs and members are appointed by a resolution of the governing body of the council. The governing body should first appoint the chair of the audit, risk and improvement committee, who is to then assist in the selection and appointment of the other independent committee members.

When selecting individual audit, risk and improvement committee members, the governing body of the council is required to ensure that the committee has the appropriate mix of skills, knowledge and experience to successfully implement its terms of reference and add value to the council.

The audit, risk and improvement committee should have:

- *at least one member with financial expertise (for example, a qualified accountant or auditor or other financial professional with experience of financial and accounting matters), and*
- *a mix of skills and experience in:*
 - *business*
 - *financial and legal compliance*
 - *risk management, and*

- *internal audit, and*
- *any specialised business operations of the council, where the committee would benefit from having a member with skills or experience in this area (for example, IT skills or experience where IT systems have an important role in the council's business).*

Recruitment

John Gordon's appointment will cease on 27 April 2022. An [Expression of Interest advertisement](#) to fill this vacancy has now been published on Council's website and closes on Sunday 6 March 2022. The advertisement will also be placed on SEEK for a 4-week period.

This timeline will allow approximately 7 weeks for review of applications and interviews to take place, with the new Independent External Member to commence 28 April 2022.

Interview Panel

It is recommended that the Interview Panel consider a new Independent External ARIC Member to consist of the following five members (or a selection thereof):

- 1 Administrator
- 2 Chief Executive Officer
- 3 Director Corporate Affairs and Chief Financial Officer
- 4 Chair of the Audit, Risk and Improvement Committee
- 5 Unit Manager Governance and Legal Counsel

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

- 1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.*

The following statement is provided in response to this resolution of Council.

The recommendations contained in this report will not impose any additional spending by Council in the current or next financial year over and above what is already planned.

Independent External Members will be paid as follows:

The standard fee that will be paid for attendance is:

- *\$20,920 (ex GST) per annum for the Chairperson; and*
- *\$2,092 (ex GST) per meeting for other Independent Members.*

Fees are inclusive of travel, preparation and all other costs associated with attending the meetings.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Attachments

Nil.