



Port Macquarie-Hastings Council

AMENDED DELIVERY PROGRAM

2013-2017



PORT MACQUARIE
HASTINGS

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Message from the Mayor

The 2013-2017 Delivery Program represents a gathering of ideas from individuals and community groups throughout the Port Macquarie-Hastings Local Government Area, along with input from Council staff and Councillors. It is the first of a set of planning documents compiled with an elected council that satisfies the legislative requirements as outlined by the New South Wales Government's Integrated Planning and Reporting framework.

This document spells out the actions our councillors have committed to undertaking in this four year term, and it reflects the opinions and expectations of you, the people within our community.

In gathering those opinions and expectations, many questions were asked, opinions sought and feedback gathered which included a comprehensive telephone survey, community workshops and online activities. Overall, it is very clear (and not the least bit surprising) to see that roads and improved infrastructure are a priority. It was also made clear that our community wants council to provide strong community leadership with a commitment to long-term planning and to consulting the community.

The importance of these issues cannot be understated and Councillors take our responsibility for addressing these issues very seriously. Given the large infrastructure backlog that is facing our community and the current recognition from NSW Treasury that Council is in a weak financial position with a negative outlook, the challenge is to deliver on priority infrastructure and services in a fiscally responsible manner. This will mean that whilst many projects across the Local Government Area will be undertaken, there is the realisation that many other worthwhile projects will remain unfunded.

Council is moving to address this issue by working across all levels of government to improve resources and funding opportunities for our community.

Council will also undertake a full service review within the next 12 months to ensure that our focus remains on community and service priorities, so that we deliver on our core responsibilities.

This will include improvements to our transport assets and community facilities through strong maintenance programs, whilst ensuring that services that provide very real social benefits, like our libraries, remain an important part of our future.

The challenges facing local government are not unique to our particular council. Cost shifting from other levels of government, restricted income opportunities, population growth and the associated infrastructure demands are common issues, particularly for coastal Councils.

In this Delivery Program, we have set out Council's objectives for meeting these challenges. Over the next four years, with your ongoing engagement, we will strive to establish ourselves as the best regional Council in New South Wales.

For those who are interested in where Port Macquarie-Hastings is going in future, this document is a very interesting read. In fact, this document is the blueprint and our call to action for the Port Macquarie-Hastings council and community.

We look forward to working with you to make it happen.



Peter Besseling
Mayor

For the purpose of Council's proposal to apply for a special rate variation above the rate peg from 2017-2018, the amended parts of this Delivery Program are in 'red fonts'

Councillor profiles

In order to focus on some of the bigger issues facing our community, Councillor Portfolios were developed and adopted in December 2012. A Councillor chairs each portfolio which allows a focused approach to engagement processes and information flow, with the end result that better decisions will be made.

It should be noted that two of the Councillors who were elected for the 2012-2016 term of Council are no longer Councillors. To this end, for this amended document we have removed Councillor Adam Roberts and Councillor Trevor Sargeant who were replaced by Councillor Peter Alley and Councillor Lee Dixon following the 2016 Local Government election.



**Mayor
Peter Besseling**

- Communication, Governance and Community Relations



Cr Michael Cusato

- Economic Development Events and Tourism
- Major Projects
- Roads and Infrastructure



Cr Rob Turner

- Economic Development, Events and Tourism
- Glasshouse and Cultural Development



**Deputy Mayor
Cr Lisa Intemann**

- Roads and Infrastructure
- Future Planning and Environment



Cr Justin Levido

- Major Projects



Cr Lee Dixon

- TBA



Cr Sharon Griffiths

- Public Spaces
- Corporate Services



Cr Geoff Hawkins

- Corporate Services
- Public Spaces



Cr Peter Alley

- TBA

What is integrated planning and reporting?

The Integrated Planning and Reporting (IPR) framework was legislated by the Department of Local Government in 2009. It provides councils with a planning framework which is guided by the vision of their community. The framework requires four major elements which are linked and continually assessed through regulatory reporting channels. These are:

- the Towards 2030 Community Strategic Plan (CSP)
- the Resourcing Strategy
- the 2013–2017 Delivery Program
- the Annual Operational Plan.

These are briefly explained over the next few pages.

What is the Towards 2030 Community Strategic Plan (CSP)?

This document is owned by the people of Port Macquarie-Hastings. It details the long-term vision and aspirations of the community, taking into consideration the issues and challenges of the local area. Council, which has a custodial role in the creation and collation of the CSP, undertook community engagement in 2009, resulting in the creation and adoption of the CSP in 2010.

The CSP is structured around one guiding principle and four focus areas. These are also reflected in the Delivery Program and Operational Plan.

1. Ensuring good governance is the guiding principle. In achieving this, we aim to have a collaborative community that works together and recognises opportunities for community participation in decision making that is defined as ethically, socially and environmentally responsible.

The four focus areas are:

2. Looking after our people – which means that our social infrastructure and programs create a healthy, inclusive and vibrant community.
3. Helping our community prosper – which means that the Port Macquarie-Hastings region is able to thrive through access to a range of educational, employment and business opportunities.

4. Looking after our environment – which means we understand and manage the impact that the community has on the natural environment. It means that we protect the environment now and in the future.
5. Planning and providing our infrastructure – which means that our population growth is supported through public infrastructure and land use development strategies that create a connected, sustainable and accessible community.

What is the Resourcing Strategy?

The Resourcing Strategy has three elements. These are the Asset Management Plan, the Workforce Management Strategy and the Long Term Financial Plan. These provide the detail on the resources, time, money and people required to deliver the objectives detailed in the 2013–2017 Delivery Program.

The amended Long Term Financial Plan (LTFP) supports Council's proposal to apply for a special rate variation above the rate peg.

What is the Delivery Program?

The 2013–2017 Delivery Program (this document) has been developed by the newly elected council. It outlines their commitments to the Port Macquarie- Hastings community during their four year term of office. These commitments focus on achieving the aspirations of the community as detailed in the Community Strategic Plan. **The Delivery Program includes financial estimates. It has considered community priorities and expected levels of service as indicated through council's community engagement and consultation activities. The Financial Plan section of this document supports the amended Delivery Program for the proposed special rate variation application.**

The actions Council will undertake in carrying out the 2013–2017 Delivery Program objectives are detailed in the annual Operational Plan.

What is the Operational Plan?

The One Year Operational Plan lists individual actions that will be undertaken during the financial year to achieve outcomes stated in the 2013– 2017 Delivery Program. The Operational Plan contains an annual budget and revenue statement, including proposed rates, fees and charges.

What have the community told us?

Port Macquarie-Hastings has elected councillors who want to deliver what the community needs. Council has a fixed budget, so it is very important that we make sure our resources are targeted at the issues that will make the most difference.

Chances are that you've heard about Council's ongoing engagement with the Port Macquarie-Hastings community. In 2012, this included face to face workshops, online forums, telephone surveys, targeted group discussions, and visits to organisations/stakeholders.

This happened as part of the Hastings Horizon engagement strategy, which we developed in order to gauge the level of satisfaction the Port Macquarie- Hastings community has with the 34 categories of services that Council currently provides.

It also helped us to determine the level of service the community needs in relation to parks, playgrounds and sports fields and in relation to social issues. The outcomes of the consultation are reflected in the Delivery Program 2013–2017 and the Operational Plan 2013–2014.

In October 2012 we conducted a community satisfaction telephone survey during which we contacted 600 randomly-selected residents of the community. We can report that there were high levels of community satisfaction with Library services, Recycling, the Stormwater drainage system, and with regard to personal contact with Council by phone and in person. In fact, 45% of residents surveyed gave a rating of satisfied or very satisfied with Council's overall performance.

Analysis of the results also indicated that the maintenance of sealed and unsealed roads is a key issue. This is currently being addressed through the increased maintenance program (made available through the additional funding received through the special rate variation).

Major infrastructure projects that have been prioritised for attention include:

- Stingray Creek Bridge
- Improvements to Beechwood Road
- Upgrade of the Hastings River Drive and Boundary Street intersection.

These have been prioritised on the basis of your feedback as well on the basis of safety risk, the condition of the asset, the economic, community and environmental benefits, and funding availability. Further detail of additional projects that Council will be undertaking during the 2013–2014 financial year can be found in the focus area Planning and providing our infrastructure Capital Works Program on page 90.

It's not all about infrastructure, though. The people we consulted told us that community leadership and communication were areas that Council could work on. We have taken note of this and factored it into the Delivery Program 2013–2017 and Operational Plan 2013–2014.



What have the community told us?

The Port Macquarie-Hastings community also told us that they are content with the level of service that is currently being delivered with regard to regional, district and local parks, playgrounds and sports fields. Of those who responded, 68% rated lawn/ground cover, shade and public toilets as being of high priority with regard to this.

Yet another topic that was explored in the course of the various engagement activities was that of social issues. The feedback on this has been included in the Delivery Program and Operational Plan and has also provided guidance in the development of Council's 2013–2017 Social Strategy. In brief, this strategy is about how we address the sorts of social issues people face in the community – what Council can do and what the community can do.

Further information on the results of the Hastings Horizon engagement strategy can be found on Council's website.



The Community's Vision for 2030

The vision of the community, as captured in the Community Strategic Plan, is that by 2030 the people of the Hastings will be:

- living in a harmonious, safe and connected community
- enjoying participatory local democracy
- accessing quality infrastructure including roads, waste, water and sewerage management
- benefiting from quality urban design that encourages use of open spaces and provides easy access between our towns and villages
- enjoying economic prosperity and having access to quality education and training
- actively participating in inclusive community activities
- preserving and protecting our natural habitats.

The Delivery Program and annual Operational Plans are the first steps towards making our 2030 vision a reality.

Snapshot of the region

The Port Macquarie-Hastings Local Government area lies in the Mid North Coast region of New South Wales. Council acknowledges the Birpai Nation as the traditional owners of the lands within its local government boundaries. Under the Land Rights Act 1983, the area has four Aboriginal representatives' bodies. These are the Birpai, Bunyah, Kempsey and Taree/Purfleet Local Aboriginal Land Councils.

The area has many small localities and villages in addition to the three main townships of Port Macquarie, Laurieton and Wauchope.

With a population of over 45,000, Port Macquarie serves as the business and tourism hub and is the major regional centre for the area. In 2011, Greater Port Macquarie hosted over 1.6 million visitors from Australia and overseas, drawn to its natural and built environments.

The township of Wauchope, west of Port Macquarie, serves as the regional centre for the inland area, particularly for the rural communities and the associated agricultural industries.

Laurieton is the main service centre in the Camden Haven, which is located at the southern extremity of the local government area. This is a rapidly growing area and includes the towns of Kendall, Kew, North Haven, Dunbogan and West Haven.

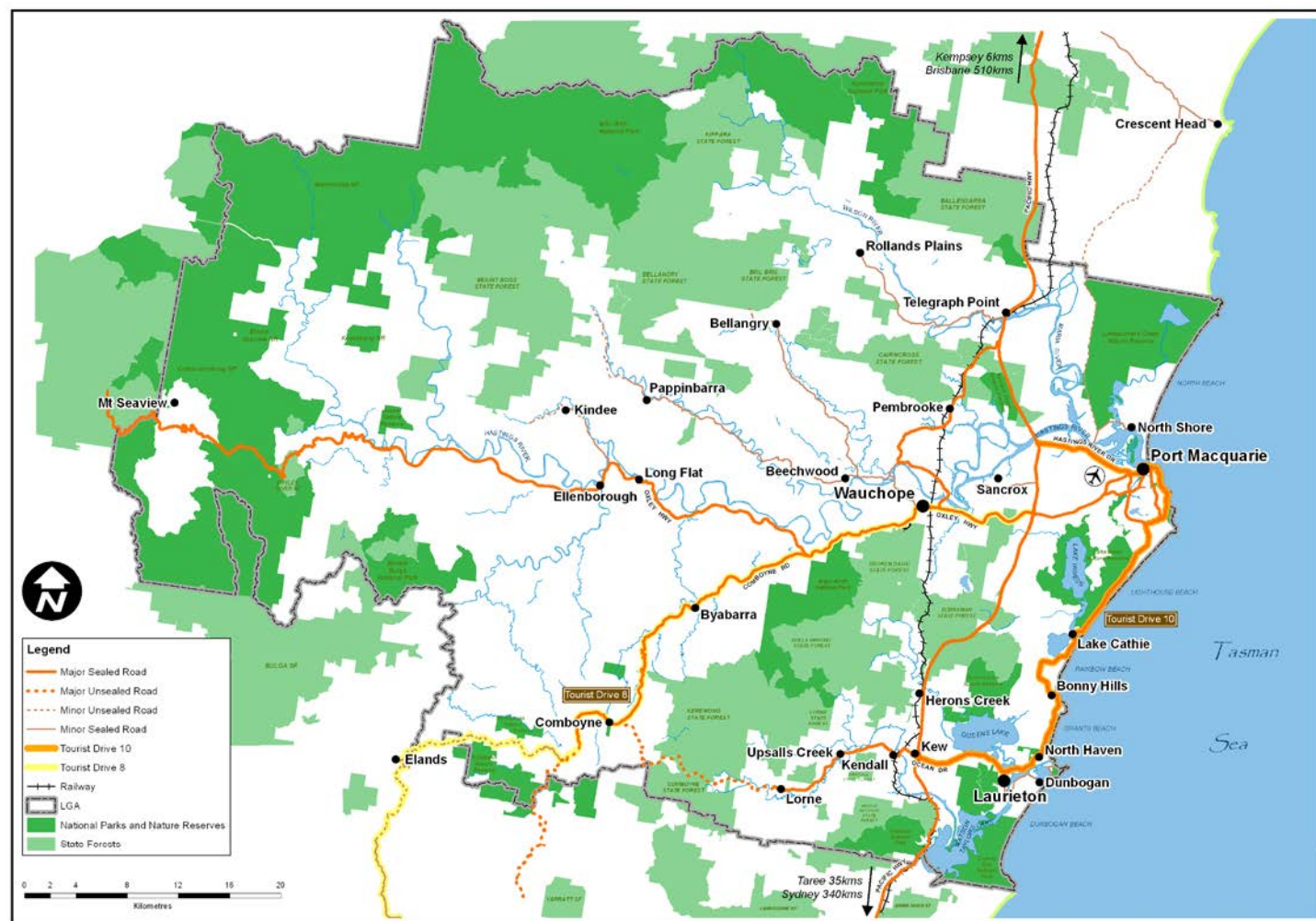
Demographic change will have significant impacts on these townships, on the local economy, on requirements for infrastructure and services and on the types of residential development required. This was indicated by the analysis completed to prepare the Port Macquarie-Hastings Urban Growth Management Strategy.

Another issue which was identified in the analysis was the fact that in recent years, the number of births in the area has been less than the number of deaths. This means that the population growth in Port Macquarie-Hastings is derived entirely from people moving to the area.



2011 ABS Census Findings for the Port Macquarie-Hastings area

- Estimated resident population (ERP) was 74,949, a 5.97% increase since 2006.
- The population is forecast to grow to 104,589 by 2031.
- From 2006 to 2011, the local government area population increased by 4,098 people (6.0%).
- The median age was 47 years.
- The 2031 projected median age for the area is 50 years.
- 8.0% of households earned a high income, and 30.8% were low-income households.
- The median weekly household income was \$837.
- 26% of households had a mortgage.
- 26% of households were renting.
- Lone person households made up 26.3% of the total.
- Couples without children made up 32.4% of the total.
- 47.8% of the employed resident population were in the occupation areas of professionals (18.4%), technicians and trades workers (14.9%) and clerical and administrative workers (14.6%).



Delivery Program Quick Reference Guide

Finding information on services of interest

The Delivery Program, like the other documents in the Integrated Planning and Reporting Framework, is organised according to the Guiding Principle and Four Focus Areas. These themes were identified by the community at the time of developing the Community Strategic Plan.

Feedback from the community has identified the need to more easily find references to the services that are of individual interest. Accordingly topics of interest have been developed.

The following table is a tool to assist in locating the Focus Area and unique reference number for particular services. These reference numbers apply across the suite of planning documents including the Towards 2030 Community Strategic Plan and One Year Operational Plan.

Topic of Interest	Focus Area	Reference Number
Airport	Helping our Community Prosper	3.5.1 3.5.2
Business Improvement	Ensuring Good Governance	1.5.1 1.5.3
Council and Decision Making	Ensuring Good Governance	1.1.2 1.2.1 1.3.1 1.4.1 1.4.4
Council Businesses	Helping our Community Prosper	3.2.2 3.2.4 3.2.5
Economic Development	Helping our Community Prosper	3.1.1 3.2.1 3.3.1 3.3.2 3.4.1 3.5.3 3.5.4 3.5.5
Engagement and Communications	Ensuring Good Governance	1.1.1 1.4.1
Environmental Management	Looking After Our Environment	4.1.1 4.2.1 4.6.1 4.7.1 4.8.1
Financials and Risk Management	Ensuring Good Governance	1.4.2 1.5.4 1.5.5
Glasshouse	Looking After Our People	2.8.1
Heritage and Culture	Looking After Our People	2.5.2
ICT	Ensuring Good Governance	1.5.2

Topic of Interest	Focus Area	Reference Number
Land Development	Helping our Community Prosper	3.2.3
		3.2.6
	Looking After Our Environment	4.9.1
		4.9.2
	Planning/Providing Infrastructure	5.4.1
		5.4.2
		5.4.3
Library	Looking After Our People	2.9.2
Roads and Transport Assets	Planning/Providing Infrastructure	5.1.1
		5.1.2
		5.2.1
Safety and Health	Looking After Our People	2.1.1
		2.1.2
		2.1.3
		2.3.1
Sewerage Management	Looking After Our Environment	4.3.1
	Planning/Providing Infrastructure	5.5.3
		5.5.4
		5.5.5
Social Connectedness	Looking After Our People	2.2.1
		2.4.1
		2.5.1
		2.6.1
		2.6.2
		2.7.1
Sports Recreation and Bushland	Looking After Our People	2.9.1
	Looking After Our Environment	4.5.1
	Planning/Providing Infrastructure	5.3.1
		5.3.2
Stormwater Management	Planning/Providing Infrastructure	5.5.6
		5.5.7
Waste Management	Looking After Our Environment	4.4.1
		4.4.2
Water Management	Looking After Our Environment	4.3.2
		4.3.3
		4.3.4
	Planning/Providing Infrastructure	5.5.2
Workforce	Ensuring Good Governance	1.5.6

Key

Lead responsibility

Com & Ec Growth

Community and Economic Growth

Govern Exec Services

Governance and Executive Services

Corp & Org Services

Corporate and Organisational Services

Dev Environment

Development and Environment

Infra & Asset

Infrastructure and Asset Management

For the amended document we have re-aligned the Lead Responsibility to reflect the current organisational structure.

Guiding Principle - Ensuring Good Governance

What are we trying to achieve?

A collaborative community that works together and recognises opportunities for community participation in decision making that is defined as ethically, socially and environmentally responsible.

DELIVERY PROGRAM OBJECTIVES		Lead Responsibility
1.1.1	Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive	Com & Ec Growth
1.1.2	Support community involvement in decision making through education around Council matters and services	Com & Ec Growth
1.2.1	Provide effective leadership that supports the community	Corp & Org Services
1.3.1	Participate in active alliance with other agencies to make effective decisions that address the needs of our community	GMs Office
1.4.1	Engage with the community on impacts and changes of operations	
1.4.2	Manage Council's financial assets, provide accurate, timely and reliable financial information for management purposes and provide plain English community reporting	Com & Ec Growth Corp & Org Services
1.4.3	Build trust and improve Council's public reputation through transparency and accountability	Corp & Org Services
1.4.4	Promote the visibility and profile of Councillors through improved access by the community	Corp & Org Services
1.5.1	Address community needs with a transparent, responsive, efficient and effective organisation that is customer focused and aspires to deliver best practice service	Com & Ec Growth
1.5.2	Provide and maintain efficient and effective information management systems that are accessible, user friendly and meet community and organisational requirements	Infra & Asset
1.5.3	Ensure ratepayer value for money through continuous improvement in quality, effectiveness and efficiency of delivery of Council services	Dev Environment Corp & Org Services
1.5.4	Use procurement, tendering and purchasing approaches that provide best value to the community	Corp & Org Services
1.5.5	Ensure there is appropriate management of risk for Council and the community	Corp & Org Services
1.5.6	Create a workplace that reflects current best practice in human resources	Corp & Org Services

WHAT WILL THE RESULT BE	HOW DO WE MEASURE THIS?	WHAT IS THE FREQUENCY OF THE MEASURE?
The community actively participates in Council decision making	Community Satisfaction survey	Biennially
The community is experiencing benefits gained from Council working in alliance with all levels of Government	Examples of community benefits	Annually
Effective and positive financial management is communicated to the community	Effective use of funds and investments	Monthly
The staff at Council enjoy a safe, inclusive and supportive environment	Lost time frequency injury rate	Annually

FOCUS AREA - Looking after our people

What are we
trying to
achieve?

Our social infrastructure and community programs create a healthy, inclusive and vibrant community.

DELIVERY PROGRAM OBJECTIVES		LEAD RESPONSIBILITY
2.1.1	Provide leadership in implementing safety initiatives	Com & Ec Growth
2.1.2	Advocate for, support and coordinate emergency services	Infra & Asset
2.1.3	Implement inspection, compliance and education practices that ensure acceptable levels of public and environmental health; meet building and fire safety standards	Dev Environment
2.2.1	Build capacity in the community to support young people	Com & Ec Growth
2.3.1	Advocate, support and /or implement wellness and healthy lifestyles in accordance with the 2013-2017 social strategy	Com & Ec Growth
2.4.1	Work with community groups to build capacity on social justice issues	Com & Ec Growth
2.5.1	Provide sponsorship and expertise to community groups that coordinate social and community events	Com & Ec Growth
2.5.2	Facilitate, support and/ or advocate for cultural and heritage education within the community	Com & Ec Growth
2.6.1	Work with rural communities to identify, evaluate and address community needs	Com & Ec Growth
2.6.2	Create access to community facilities that allow a range of social, health and wellbeing activities	Com & Ec Growth
2.7.1	Encourage and build capacity for community groups to be active, successful and sustainable and support growth of the volunteer base	Com & Ec Growth
2.8.1	Support, facilitate and advocate for arts and cultural programs that engage the community and deliver a range of high quality performing, visual arts and cultural development services	Corp & Org Services
2.9.1	Provide a range of sporting and recreational opportunities	Com & Ec Growth
2.9.2	Plan and deliver innovative Library Services which cater for new technology and growth areas	Com & Ec Growth

WHAT WILL THE RESULT BE	HOW DO WE MEASURE THIS?	WHAT IS THE FREQUENCY OF THE MEASURE?
A range of activities, program and events are supported or implemented for the multiple generations within our community.	No of community activities, events and programs held within the LGA	Annually
The community is empowered. It volunteers together to provide support, participates in community activities and uses facilities that are available.	Volunteer participation rates for Council programs	Annually
Community facilities, including sporting cultural and educational are maintained and improved.	Community satisfaction with the number and range of sporting facilities and parks, playgrounds and reserves.	Biennially

FOCUS AREA - Helping our community prosper

What are we trying to achieve?

The Port Macquarie-Hastings region is able to thrive through access to a range of educational, employment and business opportunities.

DELIVERY PROGRAM OBJECTIVES		Lead Responsibility
3.1.1	Investigate and plan for expansion of the higher education industry and actively explore and facilitate optimal local partnerships, together with Universities and other educational institutions	Com & Ec Growth
3.2.1	Identify, support and advocate for effective programs that assist in the growth of appropriate business and industry	Com & Ec Growth
3.2.2	Develop, manage and maintain Council business units to optimise commercial return and community benefit	Corp & Org Services
3.2.3	Facilitate growth in retail and commercial business through the provision of appropriately zoned land that meets the needs of sustainable business	Dev Environment
3.2.4	Appropriately develop, manage and maintain Council's property including property sales, acquisitions, road closures, land development and management of community and commercial leases	Corp & Org Services
3.2.5	Optimise the commercial focus on Council's property portfolio to deliver improved returns to Council and the community	Corp & Org Services
3.2.6	Optimise the use of appropriately zoned land	Dev Environment
3.3.1	Maximise, support, facilitate and advocate for major events and conferences to ensure ongoing positive economic and tourism growth	Com & Ec Growth
3.3.2	Implement and support innovative and effective strategies and partnerships that position Port Macquarie-Hastings as a distinct and competitive destination that guides market development, investment and infrastructure in public sectors	Com & Ec Growth
3.4.1	Advocate and lobby government for implementation of the National Broadband Network as soon as possible	Com & Ec Growth
3.5.1	Develop, manage and maintain Port Macquarie Airport as a key component of the regional transport network and continue to grow the airport's contribution to the regional economy.	Corp & Org Services
3.5.2	Investigate options for the future management and ownership of the Port Macquarie Airport	Corp & Org Services
3.5.3	Advocate for a range of high quality, safe and competitive transport services	Corp & Org Services
3.5.4	Develop partnerships with local and regional business networks to assist in maintaining existing businesses and industry in the region	Corp & Org Services
3.5.5	Support and encourage continuous improvement and implementation of programs designed to support the development of all businesses and industry partnership with the Chambers of Commerce and other business networks.	Corp & Org Services

WHAT WILL THE RESULT BE	HOW DO WE MEASURE THIS?	WHAT IS THE FREQUENCY OF THE MEASURE?
There is an increased opportunity to undertake tertiary study within the Port Macquarie-Hastings region	Number of available tertiary education positions	Annual
Airport usage is increasing	Aircraft ,movements and passenger numbers	Quarterly
Business and industry sectors across the LGA are well supported and growing	Output growth of combined business and industry sectors	Annual
	Number of business specific programs supported by Council	Annual
Tourism visitation numbers are increasing	Tourism data	Quarterly

FOCUS AREA - Looking after our environment

What are we trying to achieve?

We understand and manage the impact that the community has on the natural environment. We protect the environment now and into the future.

DELIVERY PROGRAM OBJECTIVES		LEAD RESPONSIBILITY
4.1.1	Implement and advocate a range of proactive programs for the environmental management of lands within the local government area	Dev Environment
4.2.1	Incorporate efficiency and environmental impact mitigation into project planning process	Dev Environment
4.3.1	Operate the sewerage system to maximum efficiency to ensure that effluent release into the environment meets EPA licence conditions	Infra & Asset
4.3.2	Increase availability and community awareness of reclaimed water and reused effluent	Infra & Asset
4.3.3	Incorporate integrated water management and water sensitive urban design principles into new development areas	Infra & Asset
4.3.4	Adopt water conservation practices that maintain potable water consumption below state benchmark levels	Infra & Asset
4.4.1	Reduce waste to landfill, utilising appropriate education, facilities and strategies	Dev Environment
4.4.2	Participate in regional cooperation for effective waste management and resource recovery at the strategic and operational level	Dev Environment
4.5.1	Provide and promote new upgraded paths, facilities and access to parks and bushland / natural resources	Infra & Asset
4.6.1	Investigate and implement cost effective renewable energy generation for Council assets and promote outcomes to the community	Dev Environment
4.7.1	Promote the conservation of key habitats	Dev Environment
4.8.1	Carry out relevant studies to determine the likely extent of natural events and the impact of climate change, develop relevant mitigation strategies	Dev Environment
4.9.1	Strategically and financially plan for the infrastructure that will cater for population growth	Dev Environment
4.9.2	Undertake transparent and efficient development assessment in accordance with relevant legislation	Dev Environment

WHAT WILL THE RESULT BE	HOW DO WE MEASURE THIS?	WHAT IS THE FREQUENCY OF THE MEASURE?
We have healthy functioning bushland ecosystems, clean waterways and beaches that are rich in biodiversity.	Water quality	Annual
There is increased recycling and waste reduction across LGA	Total waste recycled or diverted from landfill per capita	Annual
There is increased usage of reclaimed water across the LGA	Reclaimed reticulation extension (m)	Quarterly
Our sewerage system is efficient and environmentally compliant	Nil breaches of EPA licence for controlled sewerage discharges	Annual

FOCUS AREA - Planning and providing our infrastructure

What are we trying to achieve?

Our population is supported through public infrastructure, land use and development strategies that create a connected, sustainable and accessible community.

DELIVERY PROGRAM OBJECTIVES		LEAD RESPONSIBILITY
5.1.1	Plan, investigate, design and construct road and transport assets which address pedestrian, cyclist and vehicular needs	Infra & Asset
5.1.2	Develop and implement the annual maintenance and preventative works programs for roads and transport assets	Infra & Asset
5.2.1	Plan and implement traffic and road safety programs and activities addressing pedestrian, cyclist and vehicular needs	Infra & Asset
5.3.1	Plan, investigate, design and construct open spaces and recreational facilities	Infra & Asset
5.3.2	Develop and implement programs for the annual maintenance and operation of open spaces and recreational facilities	Infra & Asset
5.4.1	Plan settlements to accommodate a range of compatible land uses that meets projected population growth for new and existing developments	Dev Environment
5.4.2	Review planning instruments and strategies to ensure currency and facilitate sustainable development outcomes whilst acknowledging the impact on community affordability	Dev Environment
5.4.3	Review the planning framework for decisions regarding land use and development	Dev Environment
5.5.1	Plan, investigate, design and construct water supply assets	Infra & Asset
5.5.2	Develop and implement the annual maintenance and preventative works program for water assets	Infra & Asset
5.5.3	Plan, investigate, design and construct sewerage assets	Infra & Asset
5.5.4	Develop and implement the annual maintenance and preventative works program for sewerage assets	Infra & Asset
5.5.5	Deliver water and sewerage supply services to ensure public health and safety and environmental protection	Infra & Asset
5.5.6	Plan, investigate, design and construct stormwater assets	Infra & Asset
5.5.7	Develop and implement the annual maintenance and preventative works program for stormwater assets	Infra & Asset

WHAT WILL THE RESULT BE	HOW DO WE MEASURE THIS?	WHAT IS THE FREQUENCY OF THE MEASURE?
Open space and recreational facilities are well maintained	Community satisfaction with parks, playgrounds and recreational facilities	Biennially
A focus is on improving transport assets through structured maintenance programs	Transport asset maintenance backlog figure compared to previous year	Annual
Planning and design for future projects are completed a year ahead for transport, water, sewer, stormwater and parks and recreation assets	Design scheduled in Operational Plan and monitored per reporting schedule	Quarterly

Financial Plan

Under the Integrated Planning and Reporting (IPR) Framework, Council is required to prepare financial estimates for the four year period of the Delivery Program. The four year forecast has been developed within an overall planning framework that identifies which parts of the 2030 Community Strategic Plan will be delivered by Council over the period of the Delivery Program.

The table below shows the Community Strategic Plan (CSP), Delivery Program (DP), and Operational Plan (OP) alignment in terms of Focus Area by which SRV funding has been applied in the last five years.

Community Strategic Plan	Delivery Program	Operational Plan
Focus Area 5 - Planning and providing our infrastructure		
5.1 Create and maintain an integrated roads and transport system that eases access between population centres and services	5.1.1 Plan, investigate, design and construct road and transport assets which address pedestrian, cyclist and vehicular needs	Design for new roads construction 5.1.1.1 - Undertake design/preconstruction activities on road and transport assets: - <i>Funding supported design requirements for new road construction.</i>
	5.1.2 Develop and implement the annual maintenance and preventative Works Programs for Roads and Transport assets	Roads resealing and Road pavement rejuvenation 5.1.2.1 - Undertake road resurfacing and rehabilitation works in accordance with rolling priority program and roads maintenance hierarchy: - <i>High traffic road resurfacing undertaken with priorities based on condition data, roads hierarchy and traffic volumes, - Pavement rejuvenation carried out according to priority rankings.</i> Unsealed roads maintenance 5.1.2.2 - Carry out annual unsealed road maintenance program including resheeting, grading, drainage and vegetation and rural roadside vegetation clearing: - <i>Allocation of two additional grading crews to continue the rural grading program.</i>

Funding the Delivery Program

Like many councils in NSW, Port Macquarie-Hastings is facing issues in terms of funding. In simple terms, the cost of delivering works and services is rising at a faster rate than our revenue base. Over time, this has created an income gap which must be addressed in both the short and long term.

The most recent asset management data indicates that Council is facing an infrastructure backlog (the cost to get our infrastructure up to a satisfactory standard) of approximately in excess of \$100m, placing additional pressure on the annual capital and maintenance budget. This backlog will continue to increase in future years if not addressed.

As per the 2016-2017 adopted budget:

Total expenditure in 2016-2017 will be \$186m, which includes:

- \$98.6m on the ongoing operational costs (excluding depreciation and asset write-offs);
- \$66.2m on capital works projects;
- \$14.7 on the cost of servicing debts (including loan repayments and interest); and
- \$6.5m on developer-provided assets.

Council's projected income for 2016–2017 is expected to be \$173.3m, which will come from:

- rates and annual charges (\$86.6m or about 50% of the income);
- user charges and fees (\$29.8m) for services such as water, waste management, building and planning, animal registration, crematorium, airport and library;
- interest income (\$4.7m);
- grants and contributions (\$47.8m or around 28% of the income) made up of state and federal government grants and of developer contributions; and
- other revenue (\$4.4m) such as waste management income, fines and rental of Council facilities.

In addition to these funding sources, the budget includes loans (\$3.4m) and cash reserves that are drawn from each year to provide additional funds for work and services as required. For example, Council receives Section 94 developer contributions which developers make towards infrastructure and facilities and holds these funds in cash reserves to fund public facilities in future years.

The Port Macquarie-Hastings area is a high growth centre of the North Coast region and is expected to accommodate a significant proportion of regional growth over the next two decades. The population will grow from 79,114 in 2016 to 102,926 in 2036. As a consequence of this growth, Council must plan for future capital expenditure on the infrastructure that will be needed to support the community, business and visitors to the area.

Council holds cash reserves as an alternative to borrowing. These reserves have a combination of external and internal restrictions. Externally restricted reserves are restricted by various regulations and can only be used in accordance with those regulations. These reserves are not available for general use. As at June 2016, Council holds \$214m in cash and reserves. Whilst this is a significant figure, of this \$14m is for working capital requirements i.e. unpaid creditors at year end, and \$200m is in reserves. Of the \$200m, \$140m relates to externally restricted reserves and is therefore not available for general use. Of the \$60m remaining the majority is specially earmarked for major projects or is already committed.

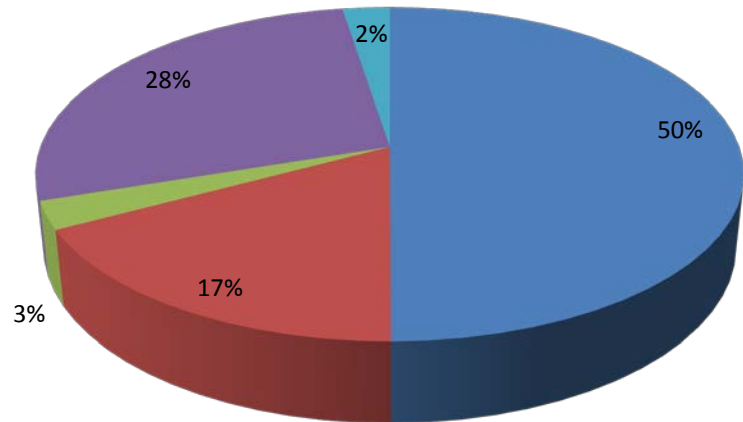
Port Macquarie-Hastings Council Budget Statement

	2013-14 Original Budget	2014-15 Original Budget	2015-16 Original Budget	2016-17 Original Budget
Operating Activities Movements				
Income from continuing operations				
Rates & Annual Charges	77,898,907	80,456,282	83,583,657	86,545,908
User Charges & Fees	25,010,705	27,450,198	28,898,105	29,824,384
Interest Received	4,750,550	4,933,250	4,651,702	4,715,873
Grants & Contributions	31,676,899	57,393,518	42,548,615	47,794,522
Other Operating Receipts	4,366,630	5,158,647	4,423,945	4,381,020
	143,703,691	175,391,895	164,106,024	173,261,707
Expenses from continuing operations				
Employee Costs	(42,250,949)	(44,401,436)	(45,871,863)	(47,981,635)
Materials & Contracts	(38,291,981)	(39,896,665)	(37,106,424)	(38,622,703)
Depreciation	(40,717,800)	(47,119,101)	(45,102,801)	(42,105,601)
Interest Paid	(6,678,699)	(6,187,888)	(5,651,327)	(4,495,417)
Other Operating Payments	(10,678,379)	(11,935,807)	(12,242,679)	(11,992,976)
Loss on Disposal of Assets	(3,200,000)	(3,200,000)	(2,900,000)	(2,900,000)
	(141,817,808)	(152,740,897)	(148,875,094)	(148,098,332)
Operating result from continuing operations	1,885,883	22,650,998	15,230,930	25,163,375
Restricted Asset Movements				
Restricted asset movements receipts				

	2013-14 Original Budget	2014-15 Original Budget	2015-16 Original Budget	2016-17 Original Budget
Transfer from Restricted Assets	35,603,158	46,047,352	62,057,383	38,514,299
Restricted asset movements payments				
Transfer to Restricted Assets	(23,927,447)	(23,562,905)	(27,808,401)	(30,066,172)
Net Revenues Used/(Provided) in Restricted Assets	11,675,711	22,484,447	34,248,982	8,448,127
Property, plant & equipment movements receipts				
Sale of Fixed Assets				
Sale of Real Estate Development Assets				
Property, plant & equipment movements payments				
Purchase of Assets	(53,785,858)	(87,104,857)	85,565,903	(66,223,021)
Developer Provided Assets	(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)
Net Revenues Used/(Provided) in Investing Activity	(60,285,858)	(93,604,857)	(92,065,903)	(72,723,021)
Financing activities movements				
Financing activities receipts				
Proceeds from Borrowings & Advances	10,800,000	7,500,000	3,500,000	3,425,000
Financing activities payments				
Repayments of Borrowings & Advances	(8,799,679)	(9,349,689)	(9,766,810)	(10,159,301)
Net Revenues Used/(Provided) in Financing Activity	2,000,321	(1,849,689)	(6,266,810)	(6,734,301)
Net Result (Including Depreciation)	(44,723,943)	(50,319,101)	(48,852,801)	(45,845,820)
Add Back: Non Cash Items	43,917,800	50,319,101	48,002,801	45,005,601
Cash Budget Surplus/(Shortfall)	(806,143)	-	(850,000)	(840,219)

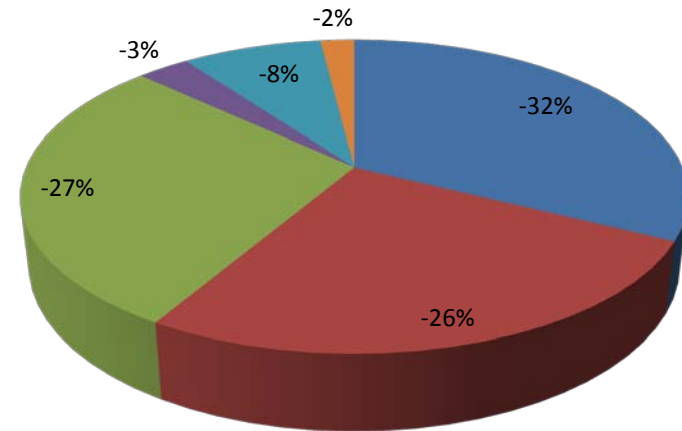
As per the 2016-2017 adopted budget:

**Income from continuing operations
Budget 2016-17**



■ Rates & Annual Charges
■ Interest Received
■ Other Operating Receipts
■ User Charges & Fees
■ Grants & Contributions

**Expenses from continuing operations
Budget 2016-17**



■ Employee Costs
■ Materials & Contracts
■ Depreciation
■ Interest Paid
■ Other Operating Payments
■ Loss on Disposal of Assets

Capital Works Program

The table below details the \$66M Capital Works Program included in the 2016-2017 adopted budget.

Council Section	2016-2017 Adopted Budget
Airport	\$500,000
Aquatic facilities	\$1,787,966
Asset Design	\$186,000
Community Place	\$78,000
Crematorium & cemetery services	\$95,000
Information technology	\$2,607,196
Plant & depots	\$3,883,500
Property	\$30,000
Library	\$337,100
Glasshouse cultural	\$14,800
Glasshouse back of house operations	\$76,000
Waste disposal	\$2,350,000
Transport & traffic	\$28,944,759
Laboratory	\$17,900
Facilities	\$2,608,200
Bushfire control	\$350,000
Parks gardens and reserves	\$2,171,600
Stormwater drainage	\$60,000
Water supply	\$10,585,000
Sewerage services	\$9,540,000
Total	\$66,223,021

What is a Special Rate Variation (SRV)

Council's rating revenue is regulated under "rate pegging". Independent Pricing and Regulatory Tribunal NSW (IPART) sets a rate peg which limits the amount by which councils can increase their rate revenue from one year to the next. For many years, the rate peg limit has not kept pace with the spiralling increases to costs for councils in NSW to deliver vital community services.

IPART provide Councils with a guide to the expected rate peg. It is then up to each Council to assess whether there will be sufficient funds to deliver its services. Councils have conversations with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there are sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variation (SRV)

In July 2012 PMHC received approval for a five year Special Rate Variation in order to fund an ongoing program of maintenance for roads and parks infrastructure and to increase spending on capital works in order to replace failing roads and bridges.

The 2012-13 SRV approval was a 4.43% increase above rate peg, applied for five years and supported Council to fund infrastructure that needs replacing or repair. The additional funding was allocated as follows:

Works the SRV funds	2012/13	2013/14	2014/15	2015/16	2016/17 (planned)
Unsealed Road maintenance	\$398,000	\$411,000	\$421,000	\$431,000	\$438,000
High Traffic Resurfacing	\$800,000	\$827,000	\$846,000	\$867,000	\$882,000
Rejuvenation Treatments	\$200,000	\$207,000	\$212,000	\$217,000	\$221,000
Road Construction	\$180,000	\$186,000	\$190,000	\$195,000	\$198,000
Total	\$1,578,000	\$1,631,000	\$1,669,000	\$1,709,000	\$1,740,000

Year 1 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2012/13, utilising the first year of SRV funding in the amount of **\$1,578,000**.

- Completion of **\$800,000** of high traffic road resurfacing work, including resealing works on Randall and Cameron Street in Wauchope, on Pacific Drive and Gordon Street in Port Macquarie, on Ocean Drive in Lake Cathie and on Panorama Drive and Beech Street in Bonny Hills;
- Completion of **\$398,000** of high priority unsealed road grading, under which all high priority unsealed roads were graded twice within the financial year, due to the addition of a fourth fulltime maintenance grading crew;
- Completion of **\$200,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$180,000** to support design requirements for new road construction.

This was in addition to the ongoing reactive maintenance activities required to be undertaken in 2012/13 to maintain the overall road network.

Year 2 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2013/14, utilising the second year of SRV funding in the amount of **\$1,631,000**.

- Completion of **\$827,000** of high traffic road resurfacing work, including rehabilitation works on Bago Rd South of King Creek near Wauchope, Koala St (Kennedy to Shearer St), Lake Rd (Lake Road and Jindalee Rd), and Pacific Dr (Pacific Dr and Flynn St, and Waterview to Bangalay) in Port Macquarie, and resealing works on Livingstone Rd (entire length) and Pacific Dr (Livingstone Rd to bus bay) in Port Macquarie;
- Completion of **\$411,000** of unsealed road grading work, including allocation of two additional grading crews to continue the grading program.
- Completion of **\$207,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$186,000** to support design requirements for new road construction.

This was in addition to the ongoing reactive maintenance activities required to be undertaken in 2013/14 to maintain the overall road network.

Year 3 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2014/15, utilising the third year of SRV funding in the amount of **\$1,669,000**.

- Completion of **\$846,000** of high traffic road resurfacing work, including foam bitumen and asphalt rehabilitation works on Cameron St (High St to Bridge St) in Wauchope, Hastings River Drive (Tuffins Ln to Boundary St) and William St (Munster St to Grant St) in Port Macquarie;
- Completion of **\$421,000** of unsealed road grading work, including allocation of two additional grading crews to continue the rural grading program.
- Completion of **\$212,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$190,000** to support design requirements for new road construction.

During the same year, Council allocated approximately \$1m of additional funding to the existing road maintenance budget for road resealing, specifically to address lower priority local roads. This was in response to an independent assessment that Council commissioned in late 2013, that identified while Council possessed a high level of in-house technical skills, and that the road work prioritisation program was having a positive impact, there was still a need to invest in more proactive maintenance of the network to ensure that roads currently not in disrepair remained that way.

The program of work aimed to achieve the best economies of scale and positive impact on residential communities, and was implemented to support the positive impacts made to the condition of the road network from the first two years of SRV funding.

Year 4 of 4.43% SRV Funding:

Council was able to undertake the following proactive works, in 2015/16, utilising the fourth year of SRV funding in the amount of **\$1,709,000**.

- Completion of **\$867,000** of high traffic road resurfacing work, including foam bitumen and asphalt rehabilitation works on Lord St (Gordon St to Yaranbee Rd) and Kennedy Drive (Yaranbee Rd to Coral St) in Port Macquarie, and Ocean Drive (near Waterview Cr) in West Haven;
- Completion of **\$431,000** of unsealed road grading work, through allocation of two additional grading crews to continue the rural grading program, including 1km of works at each of Ballengarra Bransdon Rd in Telegraph Point and Pappinbarra Rd in Pappinbarra;
- Completion of **\$217,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$195,000** to support design requirements for new road construction.

During the same year, Council again allocated approximately \$1m of additional funding for road resealing, specifically to address lower priority local roads. The program of work continued to build on the positive impacts made to the condition of the road network from the previous three years of SRV funding.

Year 5 of 4.43% SRV Funding:

In 2016/17, in accordance with the Operational Plan, Council will undertake the following proactive works, utilising the fifth year of SRV funding in the amount of **\$1,740,000**.

- Completion of **\$882,000** of high traffic road resurfacing work;
- Completion of **\$438,000** of unsealed road grading work, through allocation of two additional grading crews to continue the rural grading program;
- Completion of **\$221,000** in pavement rejuvenation across the region based on priority rankings, and investment of **\$198,000** to support design requirements for new road construction.

During the same year, Council will again continue to focus on addressing lower priority local roads, to continue to build on the positive impacts made to the condition of the road network from the previous four years of SRV funding.

Over the past 12 months Council has undertaken comprehensive community engagement on how the community feels about our region, current Council services and community expectations on levels of service. The Your Voice Our Community program and more recently the region wide telephone survey of 800 community members, conducted by University of Technology Sydney, amongst other things highlighted the community's continuing desire to do more when it comes to our Roads. Council have listened to the priority the community place on continuing the progress we have made over the last 5 years in regards to the maintenance and renewal of our road network and therefore propose to continue the current SRV funding to ensure we can maintain the current level of service. .

To support Councils proposed SRV application it is currently undergoing a community engagement program to understand the community's willingness and capacity to continue the current funding above the rate peg. The outcome of this community engagement will assist in Councils decision making in applying for the outlined SRV.

Expression of Interest to apply for Special Rate Variation (SRV)

The current SRV funding will terminate as of 30 June 2017. It is important to consider the impact the loss of this funding would have on the progress made to date:

- Council would no longer be in a financial position to strategically manage its road assets, and the condition of the network would deteriorate year on year;
- Council would be forced to revert to a reactive approach to roads maintenance;
- Resealing and rejuvenation works would once again be predominantly replaced by reactive jet patching works;
- Sealed roads in the local government area would only be able to be resealed or rehabilitated every 25 years; and
- There would be a significant decrease in the level of service provided to residents by these assets.

To continually support Council's maintenance and renewal of its infrastructure projects, Council proposes a SRV application to permanently embed the current SRV funding. IPART have indicated a rate peg of 2.5% for 2017/18. Port Macquarie-Hastings rate base growth over the last 5 years means a continuation of the current funding has changed from the 2012 application of 4.43% to 3.96% (6.46% including rate peg). To ensure there is no increase to rates created by the SRV other than the predicted rate peg increase, Council is proposing to apply to continue the current funding at 6.46% including the rate peg. The amended Long Term Financial Plan demonstrates the scenarios that support this proposed application.

Scenario 1: (reduce)

In 2017/18 the current SRV expires which means rates would reduce. Each year after that they would increase by the rate peg only.

Scenario 2: (maintain)

Council would continue receiving the funds from the current SRV and receive the predicted rate peg of 2.5%. This means in 2017/18 the community would only see the impact of the rate peg increase.