



Port Macquarie-Hastings Council

Annual Report

2009-2010

PART A



**PORT MACQUARIE
HASTINGS**



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HASTINGS

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Snapshot of the Region

Community Profile

Estimated population 30 June 2010 (Snapshots)	75,104
Population growth rate pa 2003-2009 (Snapshots)	1.5%
Projected population growth rate pa (med proj) 2009-36 (Snapshots)	1.3%
Number of households 30 June 2006 (ABS Census, 2006)	27,768
Population median age 2006 (years) (ABS Census, 2006)	45
Value (GDP) of the Regional economy January 2010	\$2.93B
Value of building approvals (March Quarter 2010) - Residential	\$155.1M
Non-Residential (March Quarter 2010) (Source ABS 8731.1)	\$60.5M

Port Macquarie-Hastings Council Financial Profile

Total Assets	\$1,724,460,000
Total Liabilities	\$136,970,000
Total Grants and Subsidies	\$37,018,000
Total Rates and Annual Charges Revenue	\$62,275,000
Total Other Revenue	\$39,167,000
Total Infrastructure, Property, Plant & Equipment Additions	\$45,193,000

A Message from the Administrator



Council's continuing commitment to reconnect with our local community has been a priority during the past 12 months, with a number of community engagement programs established to take the Council to the people.

By conducting our Rural Consultation meetings this year at Telegraph Point, Comboyne, Long Flat and Pappinbarra, Council has been able to meet with local residents, undertake a series of on-site inspections and sit and talk with residents about issues of concern.

Council has held "Listening to the Community" meetings at Laurieton and Lake Cathie to give people the opportunity to come along and speak with myself and the Executive Team about local issues.

We have also held Council Meetings at Wauchope and Laurieton, which I am pleased to say were very well attended.

These programs are invaluable and essential to not only build stronger relations with our community, but also for Council to keep in touch.

The message that has come through loud and clear is that our community wants more done to improve local roads, infrastructure, parks and reserves. This is the rationale behind Council adopting a "back-to-basics" program which was implemented during the year.

Despite Council taking some drastic steps to reduce expenditure, including rationalising staff numbers and reducing service levels, Council had to apply for and was granted a 7.4% Special Rate Variation to raise the \$2.45 million necessary to continue the program.

A significant portion of the \$1.95 million will be allocated to undertake more core road maintenance works, including grading unsealed roads, more pavement repairs, additional roadside vegetation slashing and drainage improvements.

A further \$500,000 will be spent improving local parks and reserves, tree maintenance and beach safety. These works are being rolled out in the second half of this year and our community will see major improvements in these identified areas.

The next 12 months holds some significant challenges for Council as we continue to implement plans to improve our financial position while at the same time, improve service delivery for our ratepayers.

I invite you to read Council's Annual Report. It will give you a better understanding of the programs undertaken during the past year.

As the Administrator, I am confident that through good economic management, careful planning and continuing our community engagement in all of its forms, we will continue to deliver high quality services to the community.



Garry Payne AM
Administrator

A Message from the General Manager



Improving Council's financial position, undertaking widespread community engagement, developing Council's Integrated Planning Framework and adopting a "back-to-basics" program have all been priorities for Council over the past year.

Because of this financial position, there were no big ticket infrastructure works commissioned during the year. Instead, Council implemented a back-to-basics program of improving local roads, parks and reserves and maintaining existing services, which is what our community was telling us they wanted.

With one in three roads in the Local Government Area being considered to be in a poor or bad condition, we have focused our attention on reallocating funds to road maintenance, including heavy patching and rehabilitation works on several high traffic roads.

The State Government has recognised the need for greater connection between Local Government and the community and as such, has implemented a new Integrated Planning and Reporting Framework.

That Framework means Council is now in the process of revising how we do our corporate planning and the ways in which to increase the community's involvement in that planning process.

As part of that process throughout the past financial year, Council has continued working hard to engage the community in developing the Draft 2030 Community Strategic Plan (CSP) which is an overarching plan prepared by Council and the community and focuses on aspirations and challenges over the next 20 years.

The CSP and suite of Integrated Planning documents, including the Four Year Delivery Program, Resourcing Strategy and a One Year Operational Plan, is expected to be finalised and presented to Council later this year.

By working closely with our community to deliver those plans and projects, by returning to a position of working within our budget and by continuing to improve Council's overall financial position, we have not only achieved positive outcomes for the year, we are in a far better position to meet the challenges facing Council and the community in the years ahead.

A handwritten signature in black ink, appearing to read 'Andrew Roach'.

Andrew Roach
General Manager

Introduction

This is a comprehensive Annual Report of Port Macquarie-Hastings Council for the twelve month period to 30 June 2010. The reporting requirements set out in the Local Government Act require significant detail to be provided with a strong emphasis being placed on accountability.

The 2009/2010 Annual Report covers the period 1 July 2009 to 30 June 2010 and includes a comparison between Port Macquarie-Hastings Council's Corporate Plan and the Council's performance during this period.

Progress against the services and projects in the Corporate Plan are reported to Council every 3 months through the Quarterly Corporate Plan review.

Port Macquarie-Hastings Council also produces community newsletters throughout the year which detail Council's major achievements. These newsletters, together with Council's website, provide general information relating to Council's current projects and future plans.

Port Macquarie-Hastings Council welcomes enquiries concerning any area covered in this report. Council staff will endeavour to assist you in providing responses to all enquiries received.

Council Information

Strategic Direction

Port Macquarie-Hastings Council has set a Strategic direction incorporating a Vision, Mission, Corporate Values and Focus Areas. This provides a guide for the organisation to achieve our Vision.

Council's Vision

A sustainable high quality of life for all.

Council's Mission

To provide regional leadership and meet the community's needs in an equitable and inclusive way that enhances the area's environmental, social and economic qualities.

Council's Values

- Sustainability
- Excellence in Service Delivery
- Consultation & Communication
- Openness & Accountability
- Community Advocacy

Council's Focus Areas

- Environment
- Social
- Economic
- Governance

Council Representatives

On 26 February 2008, the Governor of NSW declared all civic offices at the Council to be vacant and appointed Mr Dick Persson as the Administrator of the Council. Mr Persson resigned from this position in January 2009. Mr Garry Payne AM was appointed as the Administrator of the Council until the Ordinary Council elections in 2012. The Administrator has the responsibilities and duties of the Mayor and Councillors, as set out in the Local Government Act 1993.

Council Elections

With four-(4) year terms, the next election will be in September 2012.

Achievements/Awards 2009-10

Date Awarded	Award Name	Awarding Authority	Description
October 2009	2010 IMAGinE Excellence in Exhibition (for six paid staff or less)	Museums & Galleries NSW	Thomas Dick Exhibition
April 2010	Aboriginal Cultural Development	Local Government 2010 Cultural Awards	Thomas Dick Exhibition
August 2009	Category Winner & Overall State Winner	Local Government Awards	Rural Health Outreach Program
November 2009	Highly Commended	National Heart Foundation	Rural Health Outreach Program
November 2009	NSW Tourism Awards 2009	Tourism Industry Council NSW	Greater PMQ Tourism was a finalist in the category of Tourism Marketing
November 2009	Commercial Project over \$20million	Newcastle Master Builders' Association	Glasshouse
June 2010	2010 Blacket Award for Regional Architecture	Australian Institute of Architects' 2010 NSW Architecture Awards	Glasshouse
June 2010	Quality Awards for Excellence	North Coast Area Health Service	Rural Health Outreach Program
June 2010	2010 Marketing Award	NSW Public Library	Highly Commended – 30,001 to 100,000 population category for "Books in Flight"
June 2010	Category Winner	Customer Care Professional Services – Business & Community	PMHC Customer Care Centre

Local Government Act and General Regulation Requirements

Statement of Human Resources Activities Undertaken S428(2)(m)

Industrial Relations

There were a considerable number of negotiations with Unions, and grievance resolutions with individuals during the year, all of which were successfully resolved at a local level. It was not necessary for any matters to be referred to the Industrial Relations Commission for conciliation or arbitration, during the reporting period.

A submission was prepared for the LGSA Award Negotiating Committee, in relation to possible amendments of existing conditions and the inclusion of new provisions in the Local Government State Award 2010. A number of the issues raised by Council have been incorporated into the new Award.

Outsourcing of the day to day operations of Wauchope Waste Transfer Station was successfully undertaken in February 2010, while in June 2010, Council sold Timbertown Heritage Theme Park to a private sector operator. The employer / employee implications of both matters were successfully addressed.

The Consultative Committee met on six (6) occasions, to provide a forum for management / staff collaboration and communication throughout the year.

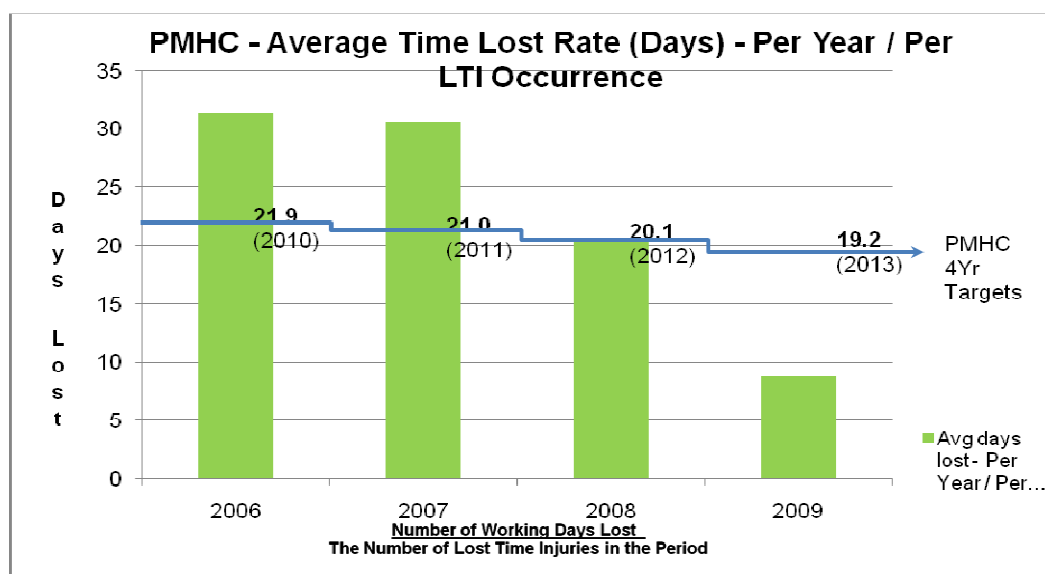
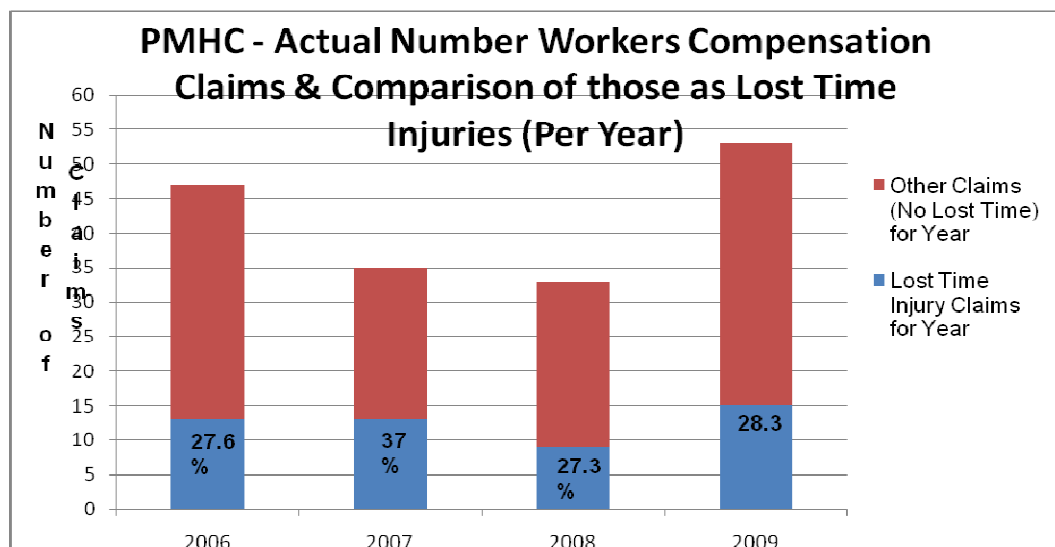
Recruitment

Council has continued to embed its employment branding 'Live Love Work' into its recruitment practices, including the brand logo in all correspondence and employment advertising.

During 2009-10, 39 employment vacancies were advertised. This is a significant decrease from previous years; 55 positions were advertised in 2008-09, and 77 positions were advertised in 2007-08.

Of the 39 positions advertised, 6 were advertised internally and 33 externally. A total of 49 appointments were made, including 8 existing staff and 41 new employees. Although the number of positions advertised has decreased in comparison to recent years, certain technical, managerial and specialist roles continue to be difficult to recruit.

Workers Compensation



Safety

Council's OH&S Management System is under review and will continue to be updated to suit current legislation and work practice changes.

Recent training for Safety Review Committee Representatives will assist them to continue to be strong advocates for safety across Council. Internal audits of staff training requirements in relation to safety have been conducted.

A major Noise Assessment of Council Plant has been undertaken to assist operators and supervisors to understand what noise levels various plant items are omitting and to allow them to effectively administer hearing protection requirements.

Toolbox talks, Risk Assessments and Safe Work Method Statements (SWMS) continue to be a priority in the workplace.

Learning and Development

Learning and Development encompasses a wide range of activities designed to improve the capabilities of Council staff. In accordance with the Port Macquarie-Hastings Council Corporate Plan, a 2009/2010 Learning and Development Plan was developed and implemented.

Statement of Activities to Implement EEO Management Plan S428(2)(n)

EEO

Council has an Equal Employment Opportunity (EEO) Management Plan, which seeks to create a positive work culture within the organisation, by ensuring all employees adopt fair practices and demonstrate ethical behaviour while respecting the social, personal and cultural attributes of those they interact with.

Working in accordance with Council's adopted EEO Management Plan 2008 - 2012, our key achievements have been:

- Conducting six (6) Port Macquarie-Hastings Council Women's Network events to provide professional and personal development activities for female staff.

One of these events was run in conjunction with NAIDOC week featuring a guest speaker who shared her experiences and success story as a young, Aboriginal, female career woman.

- Participating in 'Deadly Days' promoting the diverse range of career paths and opportunities on offer for young Aboriginal people.
- Participating in two Business Industry Showcase events to promote career opportunities for young people within the Local Government industry and our Council.
- Facilitating a Careers Advisor Roadshow promoting Local Government career opportunities to key contacts within local high schools.
- Promoting local government as a legitimate career choice for young people through various Council delivered training and guest speaker activities within local high schools.
- Developing an EEO training program for 2010/2011 rollout to all staff, encompassing discrimination, bullying and harassment.
- Aboriginal Awareness Workshops rolled out (bi-level - General Awareness and Frontline Staff) for all staff.
- EEO training and Aboriginal Awareness training included in our two day new starter staff induction programs.
- Conducting bi-annual 'Supervising Your Apprentice or Trainee' program in conjunction with State Training Services. This training is designed to develop the mentoring and coaching skills of our supervisors, to ensure our young people get the most out of their apprenticeship/traineeship.

- Delivering 'Barrier Free' and 'Tactile Ground Surface Indicators' training to ensure that all staff responsible for building and developing our buildings and communities take into account the needs of People with a Disability.
- Conducting 'Interview Technique' training for all staff involved in the selection or interviewing of applicants to ensure EEO principles are adhered to.
- Working with the Aboriginal Employment Services organisation to develop an Aboriginal Employment Strategy and to seek funding from DEWR to ensure it becomes embedded as 'the way we do business'.
- Developing a Transition to Retirement policy to help ease the transition from working life to retirement for our staff, while assisting the organisation in knowledge transfer and reducing the impact of skills shortage.
- Conducting EEO surveys with all new starters to ensure our EEO statistics are up to-date and to ensure that our EEO initiatives genuinely meet the needs of our staff.
- Working with the Aboriginal Employment Services organisation to assist in meeting casual and temporary employment needs. So far we have filled roles in Development and Environment, Records, the Crematorium and Customer Service.
- Providing work placement opportunities for People with a Disability to assist in developing their work skills.
- Committing to an ongoing program of providing job opportunities for young people, by offering apprenticeships and traineeships annually. Currently we employ 27 apprentices/trainees.
- Implementing flexible work practices including working from home, revised hours of work and part-time work to accommodate carers' responsibilities.

Meetings

Members of the community are welcome to attend and address Council Meetings. Council Meetings are held on the fourth Wednesday of every month.

Business Papers for these Meetings are available for inspection during office hours at Council's Offices and Libraries on the Monday prior to the Council Meeting. The Business Paper is also available on Council's website www.pmhc.nsw.gov.au on the Friday prior to the Meeting.

Council's Public Forum provides residents with the opportunity to address on matters not listed on the agenda. If you wish to raise an issue at the Public Forum, a request must be submitted on the standard application form available at Council's offices, or via Council's website, by 4.30pm on the day prior to the meeting day.

Members of the public may address Council on items listed in the Agenda. If you wish to address a Council Meeting on an Agenda item, a request must be submitted on the standard application form available at Council's offices, or via Council's website, by 4.30pm on the day prior to the meeting day.

In instances where more than two (2) persons have requested to address Council speaking for or against the recommendation on an Agenda item, Council's policy of only allowing 2 speakers "for" and 2 speakers "against" the recommendation may be applied.

To obtain the date and time of the next Council Meeting you may telephone Port Macquarie-Hastings Council on 6581 8111 or visit Council's website. Regular advertisements detailing meeting venues and times are also published in local newspapers.

Facilities and Expenses Policy for Mayor and Councillors S428(2)(f)

Port Macquarie-Hastings Council's policy relating to the provision of Facilities and Payment of Expenses for the Mayor and Councillors was made under the Local Government Act, 1993, including Sections 252 to 254.

The Act requires that the Council must annually adopt a policy concerning the payment of expenses and the provision of facilities to the Mayor and other Councillors. Please find attached a copy of the Policy (Refer to Attachment 1).

ADMINISTRATOR FEES
For the year ended 30 June 2010
S428(2)(f)

The total amount of money expended during the 2009/2010 financial year on Administrator's fees was as follows

1	Mayoral Allowance	0.00
2	Councillor Fees	0.00
3	Administrator Fees	164,004.38
		164,004.38

The total of other costs associated with the Administrator for 2009/2010 were:

Administrator Expenses

Phones	797.98
Phones - Mobile	2,147.97
Travelling	12,857.27
Out of Pocket Expenses	39,355.24
	55,158.46

Other

Meeting Catering	13,165.46
	13,165.46

Total Expenses	68,323.92
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Statement of External Bodies Exercising Delegated Function S428(2)(o)

No external bodies exercised functions delegated by Council in the period 1 July 2009 to 30 June 2010.

Statement of All Companies in which Council Held a Controlling Interest S428(2)(p)

There are no companies which Council held a controlling interest in the period 1 July 2009 to 30 June 2010.

Statement of All Partnerships, Co-operatives or Other Joint Ventures to which Council was a Party S428(2)(q)

Council was not involved in any partnerships or joint ventures in the period 1 July 2009 to 30 June 2010.

Council is a part of the Mid North Coast Library Co-operative

The Mid North Coast Co-Operative Library Service enables rationalised purchasing of resources which are then shared with all residents. All branch libraries are on-line so that readers can reserve or request items from any location. We were once again successful with Library Council special development grants, last year receiving \$42,854 to digitize our local newspapers and \$82,000 to develop programs for children.

Council is a member of the Mid North Coast Strategic Alliance

Council has continued to actively participate in the strategic alliance with Great Lakes, Taree, Gloucester, Kempsey, Nambucca, Bellingen and Coffs Harbour Councils, which was formed with the objective of achieving cost savings and/or improved service delivery of identified functions, within the participating organisations.

There are a number of groups actively working together to achieve both direct and indirect benefits. These benefits range from the sharing of information, networking shared tenders and benchmarking.

OH&S Group

More specifically the OH&S Group has completed various projects such as a shared noise management package (which was Runner Up in the Statecover OH&S Excellence Awards 2010), asbestos survey and contractor safety induction guidelines. The Group also has an extensive database now of OH&S injury & workers compensation statistics from each Council which are reviewed and displayed in graphs and passed on to Management at each Council for discussion.

IT Group

The IT group are conducting a review of various IT policies; also continue to purchase IT equipment under a shared agreement.

Human Resources Group

The Human Resources Group meet from time to time to share information, expertise and discuss new initiatives. Whilst there have been no specific projects there has been a more consistent approach to staff management and policy development.

Mid North Coast Procurement Alliance

The objectives of the Procurement Alliance are as follows:

1. Provide a networking forum for member Councils to share ideas and knowledge and to improve work practices;
2. Provide a forum to explore aggregated buying opportunities across member Councils with the aim of generating financial benefits for member Councils;
3. Provide an opportunity to lift the profile of Purchasing & Procurement roles within Local Government;
4. Provide an opportunity for development of strategic relationships with selected key suppliers across member Councils.

Member Councils meet approximately 6 times a year and discuss many issues relating to purchasing, procurement and tendering such as:

- Purchasing policies;
- Tendering policies;
- Compliance with the Local Government Tendering Regulations;
- Stocktake procedures;
- Electronic tendering;
- Audit requirements etc.

Geographic Information Systems Group (GIS)

The Geographic Information Systems (GIS) group meet quarterly to discuss trends and issues faced in the mapping environment of Local Government in the region. These meetings involve presentations from industry professionals and last year included Imagery and height data acquisition and utilisation. The group actively seeks interaction with state government in the areas of planning, emergency management and in particular our relationship with the Department of Lands.

A major achievement of the GIS group this year saw Andrew Roach as the sole Local Government representative appointed to the newly formed NSW Spatial Council (NSWSC) and the subsequent appointment of Peter Hatton (GTCC) and Carl Bennett to the Local Government Working Group which is headed up by Andrew Roach and will be advocating all relevant needs for LG to the NSWSC.

Report on Bush Fire Hazard Reduction Activities S428(2)(i1)

Hazard reduction activities were carried out by four (4) agencies within the Port Macquarie-Hastings Council area. These were the NSW Rural Fire Service, National Parks & Wildlife Services, Forests NSW and the Department of Lands.

Hazard Reduction Activities

NSW Rural Fire Service

NSW Rural Fire Service, Port Macquarie-Hastings District, completed 24 hazard reduction burns.

National Parks and Wildlife Service (NPWS)

The NPWS carried out a total of 68 hectares of hazard reduction activities.

State Forest

The State Forest carried out a total of 1,300 hectares of hazard reduction activity.

Department of Lands

The Department of Lands carried out 23 hectares hazard reduction activities.

Summary of Hazard Reduction Works

Council maintains 93,466m² of Asset Protection Zones.

Fire Calls and Other Incidents (Rural Fire Service)

The Rural Fire Service attended a total of 536 incidents during the 2009/2010 year. These incidents included bush and grass fires, structural fires, motor vehicle accidents/rescues, hazardous conditions and service calls/community assistance, within the Port Macquarie-Hastings Council area and surrounding areas.

Access and Equity

Details of Programmes Undertaken by Council During the Year to Promote Services & Access to Services for:

- **People with Diverse Cultural and Linguistic Backgrounds S428(2)(j)**
- **Programmes that meet the needs of Children S428(2)(r) – cl 217(1)(c)**
- **Council's performance in relation to access & equity activities to meet residents' needs S428(2)(r) – cl 217(1)(d)(i)**

Aboriginality

Of a total population of 70,039 some 1,763 persons identified as Aboriginal or Torres Strait Islander in the 2006 Census (2.6 % of total population). This represents a similar rate to NSW (2.1 % total population) but lower than the Mid North Coast Region (4.3% total population), and is a 38% increase over the 1,273 persons identified as Aboriginal or Torres Strait Islander in 2001.

Ethnicity

Of the total Hastings population of 70,039, 57,481 persons identify their place of birth as Australia (83.6% of total population). This represents a significantly higher rate than NSW (70.9% total population).

However, of the 7,265 who were not born in Australia 5,045 people identified their place of birth as an English speaking country, whilst 2,220 persons identified their place of birth as non-English speaking. At face value this is a decrease over the data gained from the 2001 census, however, it is important to note that 3,973 persons declined to state origin of birth. As such it is difficult to measure a statistical increase or decrease in ethnicity. It would be correct to say that over 50% of all migrants stated English as their first language.

Access & Equity Activities

The following section summarises the activities Port Macquarie Hastings Council undertook to ensure that appropriate facilities and services are accessible to everyone in the community. This covers services Council may itself provide and services Council may advocate for the provision of, from other service providers.

Council's objective is to ensure appropriate facilities and services are accessible to everyone in the community.

Major Targets

1. Promote fairness in the distribution of resources and access to services essential to meet basic needs.
2. Recognise people's rights and improve quality of life.
3. Provide people with opportunities for participation and consultation about decisions affecting their lives and improve the accountability of decision-makers.

Port Macquarie-Hastings Council's priority access and equity activities have been identified as part of its ongoing community planning process. The Social Plan 2005 - 2010 has been developed to assist Council, local services providers and relevant Government Departments in their planning for specific facility and service provision in the Port Macquarie-Hastings

Local Government Area. Other Council planning documents, which the Social Plan refers to, are:

- Hastings Crime Prevention Strategy 2010 - 2013
- Disability Discrimination Act Action Plan 2009 – 2018
- Port Macquarie Hastings Road Safety Strategic Plan 20 - 20
- Pedestrian Access and Mobility Plan 2001 - 2011

Copies of these documents are available at all Libraries for reference. They are also available from the Council Offices.

Significant access and equity activities that Council has achieved in the 2009/10 reporting year are highlighted in the following table:

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
Implement the strategies identified in the <i>Hastings Crime Prevention Plan (CPP) 2006-2009</i> aimed at reducing crime and fear of criminal activities (All targets groups)	A reduction of crime in the Hastings	Strategy achieved & ongoing. Strategies identified for 08/09 in Crime Prevention Plan achieved. The 2010-2015 Crime Prevention Strategy is currently being developed.
Support the implementation of the strategies identified in the <i>North Coast Area Health Service Plan 2005-2008</i> with regards to health services for all target groups (A6.1.2, C6.1.1 D6.1.1, M5.1.1 O6.1.1, W5.1.1, Y5.1.1)	Improve health and well-being of Aboriginal & Torres Strait Islander (ATSI) people in Hastings	Strategy achieved & ongoing. Council actively advocating for improvements as required. • Medical service outreach provided to rural and isolated communities. • Engagement of Aboriginal children in early education programs. • Support the implementation of programs of State and non Government organisations that engage with Aboriginal persons with a mental illness. • Supported and encouraged Aboriginal specific positions and traineeships, which seek to build self determination and resilience with the Aboriginal community. • Move Well Eat Well Live Well program – Aboriginal Specific HeartMoves and Circus Mooves programs over the year.
Implement the strategies identified in the <i>Port Macquarie Hastings Council's Road Safety Strategic Plan 2004-2007</i> (All target Groups)	The promotion of responsible use, within Port Macquarie Hastings, of a safe and accessible road network for all members of the community	Strategies from the 2004 – 2007 Road Safety Strategic Plan are either completed or ongoing. The <i>Port Macquarie Hastings Council's Road Safety Strategic Plan 2008 – 2012</i> is currently in development. Ongoing strategies are: Promote greater access and equity for non-vehicles users. Continued improvement of safety through education programs involving elderly, children, young people and the general public. Programs included Nightrider, Speed Awareness and Walking School Bus. Raising awareness of safety and responsibility issues by the Road Safety Officer, other Council, State and non-Government agencies.

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
H1.1.1 Ensure that: All Council divisions are aware of social issues relevant to their sections. Other Council divisions consulting with Community Development regarding social needs. Social issues considered in Council documents	Achievement of a “whole of Council approach” to Social Planning	Community Development has taken a lead role in the development and coordination of Council's integrated planning strategy. The strategy will see the redundancy of a stand alone Social Plan. The intent of integrated planning is to facilitate a “whole of Council approach” to all functions of Council. Therefore the key objective is to embed social planning within all functions of Council. Development of the integrated strategy is currently underway with a draft to be finalised by December 2010.
H1.1.2 Lobby for an increase in community facilities in the Hastings to service adequately the needs of the community.	Achievement of a “whole of Council approach” to Social Planning.	Throughout 2009/10 Council has engaged with State and Federal Government to increase access to recreational and community facilities across the LGA. A Whole of Council approach is embraced across all divisions, which has lead to joint submissions from Community Development , Economic Development, Parks and Recreation, Infrastructure, and the Communications Section of Council to State and Federal Government Minister and departments seeking an increase in funding for essential community facilities or for ‘one off’ grant applications. Ongoing lobbying and advocacy for a Community Legal Centre has resulted in funding being allocated and a tender process opened.
H3.1.1 Encourage the use of Non-Council owned Halls by identifying funding opportunities to upgrade community facilities, including halls and showgrounds	To increase participation by residents within the Hastings.	Strategy achieved & ongoing. In 2009/10 regional partnerships program continued. Through the development of this network Council has promoted and supported the management committees to access alternative funding streams. \$93,000 of State funding received to upgrade 7 non-Council Owned Halls. Funding application submitted through the State Government for 4 halls at the end of 2010.

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
H3.1.2 Raise awareness and acceptance of various target groups through positive images in the local newspaper, Council newsletter, Council's website and other media outlets.	To increase participation by residents within the Hastings.	Strategy achieved & ongoing. In accordance with the strategy Council continued to promote the positive representation of specific target groups within the local media.
H3.2.1 Support intergenerational activities such as Intergenerational Support Day & Grandparents' Day.	Improved relationships between older and younger people.	Strategy achieved & ongoing. Council's Community Development team designed and facilitated intergenerational workshops throughout 2009/ 2010. The program was designed to address the perception of crime amongst young people and to help build relationship between young and older persons within Port Macquarie Hastings.
H3.1.4 Implement the strategies identified in the Port Macquarie-Hastings Council Cultural Plan 2005-2020	To increase participation by residents within the Hastings.	Strategy achieved & ongoing. Community engagement programs developed and implemented by Community and Cultural Development teams through targeted programs operated and promoted through The Glasshouse (Arts, Conference & Entertainment Centre), which have engaged with all levels of the community to increase community participation in arts and culture.
H3.3.1 Develop an improved consultation process between Council and the community.	A higher level of positive interaction between Council and the Community	Council has developed a Community Participation Policy, which used in conjunction with the development of Council's Integrated Planning Framework has provided a transparent and engaging form of community engagement. The policy has been responsible for an increased use by Council through community reference groups, surveys, and community forums to assist in community participation in Council's decision making processes.
H4.1.4 Implement strategies identified in the " <i>Economic Development Review</i> ".	Increased employment and business opportunities available in the Hastings.	Strategy achieved & ongoing. Between 08/09 the economy has grown by an estimated 8%.

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
H5.1.2 Strengthen the work of community-based organisations & help them to attract additional resources to meet social and community needs	Improve the well being of the community through increased community services.	Strategy achieved & ongoing. Achievements include: - Assistance with lobbying and submission writing to community groups and community members. - The Community & Cultural Development staff provide assistance to community organisations in sourcing alternative funding.
H5.1.6 Support existing mental health service providers by: Identifying funding opportunities; Promoting existing services	Improve the well-being of the community through increased community services.	Strategy achieved & ongoing. - Suicide prevention training. - Mental health awareness training. - Council staff involved in mental health provider network. - Lobbying of State and Federal Government for increased funding and support for Mental Health Services in Port Macquarie Hastings.
H6.1.2 Provide signage at local beaches regarding safety of personal belongings.	Beaches in the Hastings are safe and accessible.	Strategy Completed. - Annual program implemented over summer 2009/10. - Alcohol prohibitions at popular beaches to reduce anti social behaviour. - The acquisition and supply of beach wheel chairs to surf life saving clubs.
H6.1.5 Promote the "Beach Safety" brochure to the community and visitors to the area.	Beaches in the Hastings are safe and accessible.	Strategy achieved & ongoing (Refer to C5.1.4).
H6.2.3 Increased safety of people using electric scooters by developing and promoting the "Safe Scooter Kit" and conducting workshops on safe use of scooters.	Improve the road safety for residents of the Hastings.	Strategy achieved & ongoing. - Safe Scooter Kit has been developed by the Aged & Disability Development Officer and Road Safety Officer in accordance with the Social Plan and has been distributed. - Ongoing education sessions conducted throughout 2009/10.

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
H7.1.1 Identify and distribute relevant available information to the community regarding mental health issues and services.	An improvement of the health and well being of the residents in the Hastings.	Strategy achieved & ongoing. - Information relating to mental health has been made available on Councils website. - Mental health awareness training provided in six monthly cycles. - Funding to Lifeline, New Horizons provided for the printing of mental health assistance cards and brochures and to conduct community training.
H7.1.2 Lobby for the establishment of residential drug and alcohol rehabilitation centre in the Hastings by: fostering partnerships with relevant stakeholders; coordinating the collection of relevant data demonstrating the need for centre, lobbying State and Federal governments to provide the centre (if required); identifying funding opportunities for a centre.	Rehabilitation centre in the Hastings.	For the life of the 05/10 Social Plan Council has continued to advocate for the establishment of a residential drug and alcohol rehabilitation centre. However, larger more pressing matters continue to over-shadow the establishment of a rehabilitation facility. There continues to be concern re the capacity of the base hospital to meet the needs of the Port Macquarie Hastings Community. In general terms, Port Macquarie Hastings Council continues to work with General Practice network, Medical Services Steering Group and the Mental Health Network for increased capacity of services within the LGA.
H8.1.3 Lobby State and Federal Governments in relation to the provision of affordable housing.	Affordable housing is provided for residents within Hastings LGA.	Affordable Housing Strategy (AHS) adopted by Council. Council has establish strong links with community housing providers to establish affordable housing within in LGA via the Federal Government's affordable housing strategy.
H8.1.1 Develop and implement an Affordable Housing Strategy that addresses the needs of the residents of the Hastings,	Affordable housing is provided for residents within Hastings LGA.	Strategy currently being implemented. Council is currently working with Non Government Organisations for the establishment of Affordable housing within the LGA.
H8.1.2 Lobby State Government with regards to the retention of Caravan Parks under the <i>Residential Parks Act 1998</i> in the Hastings LGA	Affordable housing is provided for residents within Hastings LGA.	Strategy not achieved

Strategy	Outcomes	Achievements/Progress
Generic Hastings Strategies		
H9.1.1 Implement strategies identified in the <i>Pedestrian, Access and Mobility Plan</i> .	An improvement in the transport and pedestrian/ cycleway facilities available in the Hastings.	Strategy achieved & ongoing. Council's Technical Service Division is currently engaged in developing a PMHC Parking Strategy and Cycling Strategy, which will improve access across the LGA.
H10.1.1 Continue to support the expansion of the Port Macquarie University Campus in line with the <i>"Blueprint for Enhancing Higher Education Delivery in the Extended Hastings Region"</i> .	Improved professional development and retention of young people in the Hastings.	Economic Development have established a stand alone position with the specific task of developing a higher education master plan. The objective of the plan is to encourage greater university presence within Port Macquarie Hastings. The plan is due to be finalised late in 2010 early 2011.
H10.1.2 Continue to provide and increase University Scholarships available for courses offered at Port Macquarie campus.	Improved professional development and retention of young people in the Hastings.	Council continues to lobby Southern Cross University, University of NSW and University of Newcastle, through the Tertiary Education Working Group for an increased investment by the organisations in the LGA. Council also provides two scholarships for university placement through the Newcastle University.

Strategy	Outcomes	Achievements/Progress
Children & their Families		
C3.1.1 Provide safer and more interesting play opportunities for children by upgrading existing playgrounds	More recreational and leisure opportunities available for families.	Council has introduced and implemented upgrading of existing playgrounds. The playgrounds ensure that safe and interesting play opportunities exist in Wauchope, Laurieton, Lake Cathie, Bonny Hills, and Port Macquarie & Camden Haven.
C3.1.4 Provide sporting scholarships for children from lower socio-economic backgrounds to cover the cost of sports uniform and registration	Scholarship/ funding opportunities identified.	Social Planner and Youth Development Officer promoted sporting scholarships for this target group. 10 Scholarships awarded throughout 2009/10.
C3.1.5 Promote and support children-specific activities such as Children's Week, Child Protection Week, Grandparents' Day & Teddy Bears' Picnic.	More recreational and leisure opportunities available for families.	The Teddy Bear's Picnic was held in September 2008 and 2009. Grant provided for Grandparents Day. Funding provided through the Community Grants Program to St Josephs Family Services – Healthy Active Kids Program Funding provided through the Community Grants Program to the Port Macquarie and Wauchope Neighbourhood Centres to undertake kids holiday activities. Circus Mooves programs run with two rural primary schools and the Aboriginal Lands Councils. Funding through the Community Grants Program provided to the Engine Room – Bounce House and the Port Macquarie Community Preschool, Comboyne Preschool, Wauchope Preschool.
C3.1.6 Recognise the contribution that grandparents provide to families by involving grandparents in families' activities.	More recreational and leisure opportunities available for families.	Strategy achieved and ongoing. GAPA events funded through Community Grants Program.
C3.1.8 Promote and encourage recreational and leisure opportunities such as: NPWS Rangers Tours for children in the holidays, Vacation care Activities, Toy Libraries, and Playgroups.	Increased number of events and activities promoted.	Community Development Officer recommended appropriate Community Development recreational and leisure projects for funding in Community Development Support Expenditure (CDSE) & Community Grants Program (CGP) 2009/10 funding round.

Strategy	Outcomes	Achievements/Progress
C3.3.1 Council to participate in relevant network, meetings, such as Families First Implementation Group, Early Intervention and Child Protection Network.	A friendlier environment for children and their families in the Hastings.	Strategy achieved and ongoing. Relevant Community & Cultural Development staff continue to attend and participate in network meetings regularly to ensure coordinated outcomes.
C4.1.1 Identify and promote existing and new family support services available to children and their families.	Information distributed.	Community Development Officer keeps Children and Families web page updated for Council's website. Information is disseminated through networks and in partnership with Neighbourhood Centres & Libraries.
C4.1.4 Support the implementation of strategies identified in the <i>Families' First North Coast Area Plan 2008-2012 (draft)</i> .	Support services for children and their families are enhanced.	Strategy achieved & ongoing. Community Development staff attend Families' First meetings to collaborate on strategies.
C5.1.4 Educate children and families about beach safety.	A safer environment is provided for children and their families.	Strategy achieved & ongoing. Beach safety brochures produced by Port Macquarie-Hastings Council - Lifeguards regarding beach safety and beach rules. Beach safety brochures distributed to all Council offices, tourism information centres, hotels/motels/apartments and other relevant locations.
Young People		
Y1.1.2 Support programs for young offenders and those at risk of committing criminal activities	A positive perception of young people with regards to crime or criminal activities.	Strategy achieved & ongoing. A number of community murals projects undertaken on 'high profile' graffiti sites. Funding assistance provided for the 'Your Choice' program.
Y2.1.2 Provide specific activities for young people, including the co-ordination and promotion of specific events such as Youth Week, Battle of the Bands and Fresh Art.	Young people have safe places to interact and socialise.	Strategy achieved & ongoing. Council developed and facilitated 4 major events specifically targeted toward young people. Specific activities provided: Youth Week, Waves and Melodies, events for young people throughout the year during school vacation, Christmas etc continued in 2009/10

Strategy	Outcomes	Achievements/Progress
Y2.1.3 Foster a partnership with PCYC to develop and implement strategies regarding the provision of safe public places for young people to interact and socialise.	Young people have safe places to interact and socialise.	PCYC no longer has a strong presence in Port Macquarie. However, Council's Youth Development Officer continues to liaise with youth networks to improve the provision of youth activities and youth space. (Interagency networks continue to be supported by Council).
Y2.1.4 Provide sporting scholarships for young people from lower socio-economic backgrounds to cover the costs of sports uniform and registration.	Young people have safe places to interact and socialise.	Strategy achieved & ongoing. See C3.1.4
Y2.1.6 Identify opportunities to provide affordable cultural and recreational activities for young people.	Young people have safe places to interact and socialise.	Strategy achieved & ongoing 09/09. Youth Development Officer and Community Development Officer worked together to promote affordable youth cultural events. Including: • Youth Week Events • Music events • Ensuring young people included in intergenerational opportunities
Y2.2.1 Encourage a more positive presentation of young people through their participation in events including cultural, community, sport and academic events.	The contribution of young people in the Hastings is recognised and celebrated.	Strategy achieved & ongoing. Council has encouraged representation from young people in the development of Youth Advisory Council (YAC). YAC develops, coordinates and participates in youth events and in the dissemination of positive articles relating to Young People.
Y2.2.2 Highlight and encourage young people to volunteer in the community and promote the benefits this has for young people and the wider community.	A volunteer card outlining volunteering opportunities in the Hastings developed.	<i>Volunteering in the Hasting</i> distributed amongst schools and other youth service providers. YAC continues to attract new members.
Y3.1.1 In partnership with Youth Employment Services, develop and implement programs and actions that meet employment needs of young people.	Partnerships with youth Employment Services established.	Youth Development Officer maintains partnerships with youth employment services.
Y4.2.1 Promote existing drug and alcohol services in the Hastings through the Hastings Youth Network, CDAT & Community Health.	More drug and alcohol services are available to young people.	Strategy achieved and ongoing. Training in schools as part of school drug education programs and in conjunction with community health program continues.
Y5.1.2 Support driver education programs/initiatives to improve driving skills of young people.	Improved road safety for young people.	Council with Funding, through State and Local Government road safety programs, developed and facilitated driver education programs for P plate drivers.

Strategy	Outcomes	Achievements/Progress
Y5.1.3 Provide assistance to parents and carers of young people with respect to teaching young people to drive.	Improve road safety for young people.	Assistance provided to the Road Safety Officer to hold sessions twice a year.
Y6.1.3 Promote Kick-Start Health Services on Council's website.	An improvement in health and well being of young people.	Kick Start program no longer funded.
Y6.1.4 Develop a partnership with Division of General Practice to develop and implement strategies to improve communication between health professionals and young people	An improvement in health and well being of young people.	Strategy not completed.
Y7.1.2 Provide letters of support to youth service providers for applications to increase youth housing stock.	Affordable housing is more available to young people.	Strategy achieved & ongoing.
Women		
W2.1.1 In partnership with other service providers, support and participate in International Women's Day Activities.	More women involved in events and activities in the Hastings.	Strategy achieved & ongoing. Council supports International Women's Day (IWD) Events.
W2.1.5 Distribute information to the community regarding events, activities and services for women in Hastings	Information distributed.	Information relating to events, activities and services distributed at IWD events, on Council's website and via networks.
W3.1.3 Increase resources to support women who are entering or re-entering the workforce and for the development of leadership skills (such as library reference material, TAFE and other courses).	Resources are made readily available to the community.	Access to vocational and tertiary education course are made available through library internet service and published reference material. Internet speed in most parts of Port Macquarie – Hastings has improved greatly where considerable vocational and tertiary courses are available via distance education.
W4.1.1 Ensure that community services for women are included in Council's Community Directory and updated as required	Women's services included in directory.	Funding, for the Community Directory, is provided to the Port Macquarie Neighbourhood Centre, which is updated annually.
W4.1.2 Identify and promote existing programs and services for young mums, single mums in Hastings.	Information regarding programs distributed to the community.	Support of local service providers promoted throughout the year on Council website and via services' network.

Strategy	Outcomes	Achievements/Progress
Men		
M2.1.1 Support and participate in Men's events and activities such as "Men's Health Week".	More inclusive environment for men in the Hastings.	Strategy achieved & ongoing.
M2.1.2 Highlight and promote existing services available for men in Hastings.	More inclusive environment for men in Hastings.	Strategy achieved & ongoing.
M2.1.4 Conduct a "Boys" event at local high schools to promote men's services, provide activities and discuss issues relating to men and boys.	More inclusive environment for men in the Hastings.	Strategy achieved & ongoing.
M3.1.1 Lobby for an increase in male-specific community services in the Hastings, such as Interrelate and men's groups.	Improve the well-being of the male community in the Hastings through an increase in services.	Strategy achieved & ongoing. Council continues to promote Interrelate Family Services in Port Macquarie.
M4.1.2 Support and encourage programs/events that promote healthy lifestyles, such as the "Good Sports" program.	Improvement in lifestyle activities for men.	Strategy achieved & ongoing. Funding provided in 2010 to contribute to Project Officer costs.
Aboriginal People & Torres Strait Islanders		
A1.1.3 Implement the strategies identified in the Reconciliation Action Plan	Increased awareness of Aboriginal heritage and culture in the community	Strategy achieved. Finalised & adopted by Council.
A3.1.1 Endorse the Local Statements of Commitment and Reconciliation Action Plan between Port Macquarie-Hastings Council and local Aboriginal communities.	Improved relationships between Council, the general community and ATSI people.	Council has adopted the Aboriginal Reconciliation Action Plan and continues to work with the Aboriginal community through Aboriginal Advisory Committee, the Bearlay Aboriginal Interagency and Local Aboriginal Land Councils.
A3.1.4 Continue to implement Council's Anti-Discrimination Training Program	Improved relationships between Council, the general community and ATSI people.	Strategy achieved.

Strategy	Outcomes	Achievements/Progress
A3.1.6 Celebrate appropriate Aboriginal ceremonies and events, such as NAIDOC Week, by working in partnership with LALC and service providers to co-ordinate and promote appropriate events and ceremonies.	Improved relationships between Council, the general community and ATSI people.	Strategy achieved & ongoing. Council continues active involvement in planning and running NAIDOC week celebrations 2009/10 and commemorated Sorry Day and Reconciliation Week.
A6.1.3 Lobby for the establishment of an Aboriginal – specific health service in the Hastings.	Submissions made to State and Federal Departments seeking funds.	Aboriginal Community Development Officer (ACDO) membership to north coast Aboriginal Men's Health network. Continues through this organisation to lobby for funds for specific projects 2009/10.
A8.1.1 Support initiatives and programs that encourage school retention and academic achievements of ATSI students such as "Breakfast Clubs" and Links to Learning".	Number of programs/ initiatives supported.	ACDO continued involvement in the local and regional Aboriginal Education Advisory Committees (AECG) 2009/10.
A8.1.2 Facilitate the establishment of partnerships with local ATSI service providers to develop strategies that encourage retention at schools and academic achievements of ATSI students.	Partnerships established.	AECG partnerships with providers such as Partnerships Aboriginal Care, Burnside, and Local Aboriginal Land Council (LALC) established and maintained 2009/10. ACDO continued involvement in local and regional Aboriginal Education Advisory Committees (AECG).
Older People		
O1.1.1 Develop intergenerational projects to address the fear and perceptions of crime in relation to young people.	Positive perception of young people with regards to crime and a reduction of criminal activities in the Hastings.	Strategy achieved & ongoing Intergenerational activities held within the Hastings during Seniors and Youth Week 2009/10. Perceptions of crime education program undertaken by Crime Prevention Officer to highlight true incidences of crime relating to young people.
O2.1.3 Develop strategies programs to increase the activity of older people who are isolated.	Number of programs developed and implemented.	Support to rural activity for older people in association with North Coast Area Health Service (NCAHS) and rural halls. Participate in strategic planning for Active and Older through the access committee. Specific programs conducted through the Move Well, Eat Well, Live Well program (ie: Heart Moves and Tai Chi Classes) targeting older people.

Strategy	Outcomes	Achievements/Progress
O2.1.5 Provide specific activities/events for older people, including the co-ordination and promotion of specific events such as Seniors' Week, Alzheimer's Week and Grandparents' Day.	Older people are involved in community activities and events.	Strategy achieved & ongoing. .
O2.1.6 Provide options and information regarding volunteering opportunities available in Hastings.	Information distributed.	Strategy achieved & ongoing. Hastings Volunteer Network promoted Councils website. Volunteers acknowledged though Council funded Christmas thankyou celebration 2009/10. Volunteers acknowledged through the PMHC Volunteer Awards and Australia Day Awards
O3.1.2 Facilitate the establishment of partnerships with employment agencies and other service providers to develop skill development programs for older people in the workforce.	Partnerships established.	Ongoing program driven by Economic Development to encourage greater employment of mature aged persons.
O5.1.1 Develop and promote a "Safe Scooter Kit".	A safer environment for older people.	Strategy completed Kit developed and training sessions continue 2009/10.
O8.1.1 Increase the number of facilities that improve the opportunities for older people to circulate, such as positioning of bus stops, seating and shelters.	Older people have more access to transport in the Hastings.	Strategy achieved. Council is committed to implementing the Disability Discrimination Act Action Plan (DDAAP) to improve access to Council facilities, recreation areas and parks. Implementation of DDAAP is ongoing and is coordinated by Council's Aged & Disability Development Officer & group of community representatives (Access Committee) to identify access and circulation opportunities for older people and people with a disability.
People from Culturally & Linguistically Diverse Backgrounds		
L2.1.2 Prepare a Multicultural Directory outlining the services and facilities available for persons from culturally diverse backgrounds in the Hastings.	More participation in the community from Culturally And Linguistically Diverse (CALD) people.	Strategy achieved Multicultural Directory updated in 2010 and also made available on the website.

Strategy	Outcomes	Achievements/Progress
L2.1.5 Improve communication between Council Staff and people from CALD backgrounds.	Council has linked in with Telephone interpreter Services and provided staff with training.	Strategy achieved & ongoing. Customer Services area have implemented telephone interpreter services across LGA. Staff have also received training in the TIS telephone program – continued 2009/10 and have access to Language cards
L2.1.3 Continue to implement Council's Anti-Discrimination Training Program.	More Participation in the Community from CALD people.	Strategy achieved – training conducted as part of staff induction 2009/10.
L2.1.7 Promote funding opportunities for CALD projects.	More participation in the community from CALD people.	Strategy achieved & ongoing. Community Development Officer provides assistance to CALD projects in writing submissions and sourcing and securing funding for CALD projects- continued support 2009/10. Funding made available through the Community Grants Program for the Multicultural Support group and the Comboyne Community Association CALD project. Funding provided for Harmony Day events.
L2.1.8 Council to continue to participate in the Mid-North Coast Multicultural Network meetings and provide relevant resources.	More participation in the community from CALD people	Strategy achieved & ongoing. Council's Community Development Officer attends the Mid North Coast Multicultural Network meetings.
People with a Disability		
D2.1.1 Implement the strategies identified in the <i>Disability Discrimination Act Action Plan</i> .	An increase in accessible buildings, services and recreational facilities.	Strategy achieved & ongoing. Disability Discrimination Act Action Plan 2008 implementation ongoing 2009/10.
D2.1.2 Work in partnership with service providers and community organisations to provide specific activities and events for People With Disabilities (PWD) such as Access Awards and International Day for People with a Disability.	An increase in accessible buildings, services and recreational facilities.	Strategy achieved & ongoing. Access Awards integrated with Port Macquarie Chamber of Commerce annual Small Business Awards 2009/10. Council continues to be involved with the IDPWD working party to raise awareness and plan recognition 2009/10.
Support and promote World AIDS day.	Number of initiatives/events supported or promoted.	Strategy not achieved in 2009/10 constraints on resources impacted on program delivery.

Strategy	Outcomes	Achievements/Progress
D2.1.6 Develop an Accommodation Directory identifying tourism and accommodation locations in the Hastings that are accessible for PWD.	An increase in accessible buildings, services and recreational facilities.	Strategy ongoing 2009/10. Council promotes accessible accommodation, to persons seeking accessible accommodation, through the Visitor Information Centre (VIC).
D4.1.1 Support existing services for PWD and network and lobby for increased services and funding in Hastings	More services to cater adequately for PWD in Hastings.	Strategy achieved & ongoing Development of additional HACC Dementia Day Care Centre for Port Macquarie continued during 2009/10.
D5.1.2 Remove barriers in the physical environment.	Reduced complaints from community re: potential hazards.	The Hastings Access Sub Committee works within Council to cooperatively address Access Mobility and design issues on behalf of the community 2009/10.
D8.1.1 Develop a Mobility Map that identifies accessible amenities, transport options and paths of travel.	Improved access and transport options for PWD in the Hastings.	Strategy completed and updated. Mobility maps widely distributed throughout Hastings – updated for the 2009/10 year.
D8.1.3 Remove barriers from the built environment to enable a PWD to access public transport.	Improved access and transport options for PWD in the Hastings.	Council's Infrastructure Department have developed a long-term plan for the incremental removal of barriers from the built environment. Strategy ongoing.
People identifying as Gay, Lesbian, Bi-sexual & Transgender (GLBT)		
G2.1.4 Ensure access to resources and materials regarding information relevant to the GLBT community.	To increase the awareness and acceptance of GLBT members of the community.	Strategy no longer continued for 2009/10. Strategy not achieved in 2009/10 restraints on resources impacted on program delivery.
G2.1.6 Identify and promote opportunities for the GLBT community to be involved in community events.	To improve access to social and community events.	Strategy ongoing. Community events promoted through Council's website.
G2.1.7 Council to be receptive to the needs of the GLBT community.	To increase the awareness and acceptance of GLBT members of the community.	Strategy partly achieved. Funding provided to ACON for awareness events.
G2.1.8 Continue to implement Council's Anti-Discrimination Training Program	To increase the awareness and acceptance of GLBT members of the community.	Strategy achieved – training conducted for all new staff and periodically for existing staff 2009/10.

Strategy	Outcomes	Achievements/Progress
G2.1.10 Update the Hastings Pride Booklet.	To increase the awareness and acceptance of GLBT members of the community.	Strategy achieved & ongoing. The Hastings Pride Booklet has been distributed to the relevant community organisations and places of interest and is available on Council's website.
G3.1.1 Raise awareness and promote the Anti discrimination legislation to business and the wider community	GLBT Anti - discrimination training session held annually.	Strategy achieved – work undertaken by Council Human Resource Department.
G6.1.2 Provide education to GLBT community regarding rights and responsibilities concerning rental properties	Information distributed at GLBT community events.	Housing booklets provided to ACON and other service providers. Housing booklet on Council's website for easy access & linked to the GLBT web page.

Summary of the Amounts Incurred by Council during in Relation to Legal Proceedings Taken By or Against Council S428(2)(e)

Matter	Cost	Summary/Result
PMHC vs Van Laue	\$11,137	Prosecution regarding illegal brothel on Oxley Highway, PMQ. Prosecution successful. Closure Order issues & costs awarded to Council.
AUSTRACE Pty Ltd	\$1,571	Investigation Contractor's costs in relation to PMHC vs Van Laue matter.
PMHC vs W Wright	\$300	Prosecution of illegal building works (radio tower). Order Upheld. Wright ordered to remove offending structure.
PMHC vs Blak Investments	\$2,480	Breach of Order regarding fire safety upgrade. Order upheld and closure of motel ordered as a result of failure to implement upgrade. Costs awarded to Council.
PMHC vs A Smith	\$1,200	Prosecution for having a dog uncontrolled in a public space x 2 offences. Defendant found guilty on both charges & Council awarded costs.
PMHC vs M Ingram	\$2,880	Prosecution regarding dangerous dog x 2 offences. Defendant found guilty on both charges & Council awarded costs.
PMHC vs Hastings Co-operative Ltd	\$4,002	Appeal in L&EC re approval for supermarket in Randall Street, Wauchope. Court upheld Council's decision to approve supermarket.
Lehman Brothers Australia Ltd (in liquidation)	\$19,671	Fees funded by IMF (Australia Ltd)
Fabcot Pty Ltd (Woolworths) vs PMHC	\$616,231	Damages sought by applicant dismissed. Matter being appealed. Continuing
Compulsory Acquisition of Site for a Waste Transfer Station – Ocean Drive, Kew (PMHC vs Taylor)	\$450,118	Matter finalised but costs subject to review

Condition of Public Buildings S428(2)(d)

Area	Spent	Condition as at 30 June 2010
Amenities & Toilets	\$369,034.87	Satisfactory
Visitor Information Centres	\$11,724.74	Satisfactory
Community/Youth Centres	\$3,776.92	Satisfactory
Surfing Clubs	\$43,243.58	Satisfactory
Residences	\$14,515.72	Satisfactory
Music Centre	\$10,609.15	Satisfactory
Public Halls	\$53,273.93	Satisfactory
Senior Citizen Centres	\$26,032.37	Satisfactory
The Glasshouse	\$6,085.15	Satisfactory
Libraries	\$157,524.42	Satisfactory
Indoor Sporting Complexes	\$81,770.71	Satisfactory
Regional Stadium	\$38,359.98	Satisfactory
Historic Court House	\$24,416.41	Satisfactory
HQ, Laurieton & Wauchope Admin	\$581,139.23	Satisfactory
Regional Art Gallery	\$618.73	Satisfactory
Coach/Transit Station	\$7,006.10	Satisfactory
Community Clocks	\$1,891.55	Satisfactory
Sea Rescue	\$1,485.11	Satisfactory
SES & Fire Control	\$42,765.59	Satisfactory
Tennis Clubs	\$6,707.61	Satisfactory
HAAC Centre	\$6,745.70	Satisfactory
Total	\$1,488,727.57	

Condition of Public Road, Stormwater Drainage, Flood Mitigation, Water Supply and Waste Water S428(2)(d)(i)(ii)(iii)

A condition rating scale of 1-5 has been used, with 1 exceeding requirements and 5 representing very poor condition.

CONDITION OF PUBLIC ROADS							
Asset Category	Quantity	Condition Rating at 30/6/2010	At Cost Value (x \$1,000)	Estimate of Amount Required to Raise Assets to a Satisfactory Serviceability Standard (x \$1,000)	Estimate of Annualised Cost to Maintain Satisfactory Serviceability Standard (x \$1,000)	Estimate of Annualised Cost to Maintain Current Serviceability Standard (x \$1,000)	Maint. Expenditure for 2009/2010 Financial Year (x \$1,000)
Sealed Local Roads	766.365 km	3	\$627,307.13	\$55,057.72	\$13,237.54	\$11,919.00	\$3,420.58
Unsealed Local Roads	461.409 km	4	\$159,705.52	\$23,345.97	\$6,757.61	\$3,195.00	\$870.84
Bridges on Local Roads.	100	3	\$64,397.47	\$5,719.35	\$794.87	\$644.00	\$351.15
Bridges / Culverts on Regional Roads.	24	4	\$15,455.39	\$1,372.64	\$190.77	\$155.00	\$84.28
Sealed Regional Roads	86.548 km	3	\$78,486.94	\$6,973.20	\$1,654.15	\$1,492.00	\$427.97
Street Lighting	-	3	-	\$580.00	\$1,510.00	\$1,160.00	\$869.86
Note: Accurate estimates of the annualised cost to raise the asset condition to a satisfactory serviceability standard or to maintain the current serviceability standard, are not currently available. The figures given in the table above are the best estimates.							

CONDITION OF STORMWATER DRAINAGE AND FLOOD MITIGATION

Asset Category	Estimated Condition Rating at 30/06/08	Estimated At Cost Value	Estimated Cost to Raise Asset to a Satisfactory Standard	Estimated Annualised Cost To Maintain Asset to a Satisfactory Standard	Maintenance Expenditure for 2009/2010
Urban Stormwater Drainage 268km pipes 10,360 pits 86 detention ponds/basins 65 gross pollutant traps	3.8	\$111,061,000	\$10,500,000	\$1,400,000	\$530,000
Flood Mitigation 285,534m3 drainage	3	\$6,714,000	\$1,153,498	\$147,000	\$54,000

CONDITION OF WATER SUPPLY				
Category	Condition at end of 30/07/09	Cost estimate to reach Satisfactory standard	Cost estimate to maintain standard (current \$ value)	Maintenance Programme 2008/2009 (\$)
Collection 6 river intakes, 1 bore well	2	\$75,000	250,000	240,000
Treatment 4 water treatment plants	1	N/A	405,000	380,000
10 chlorination sites	2	N/A	300,000	300,000
Storage 2 OCS Dams	2	N/A	320,000	305,000
35 Reservoirs	2	\$150,000	300,000	290,000
Reticulation 19 pump stations	2	\$40,000	355,000	330,000
780km mains	2	\$930,000	445,000	390,000
28,500 connections	2	N/A	515,000	385,000
1 SCADA system, includes 185 sites	3	\$150,000	360,000	300,000

CONDITION OF WASTE WATER				
Category	Condition at end of 30/06/2010	Cost estimate to reach Satisfactory standard	Cost estimate to maintain standard (current \$ value)	Maintenance Programme 2009/2010 (\$)
Collection				
27,553 connections	2	N/A		
549.5km gravity mains	2	N/A	496,964	496,964
100.4km rising mains	2	N/A		
157 pump stations	2	N/A	1,995,534	1,995,534
Treatment Disposal				
6 plants	2		2,420,142	2,420,142

Summary of Resolutions made Under Section 67 concerning Work Carried Out on Private Land S428(2)(k)

Description	Client	Council Subsidised
Nil	N/A	N/A

Comparison of Actual Stormwater Management Services with Projected Stormwater Management Services as Proposed in Corporate Plan S428(2)(r) – cl. 217(1)(e)

Annual charges for stormwater management service were used to fund operational stormwater maintenance work across all urban areas of the Port Macquarie-Hastings in accordance with Council's intention.

A dedicated stormwater works crew has been established to provide increase focus on the delivery of stormwater maintenance services to the community, to improve actual stormwater services levels and customer response times.

Freedom of Information Act 1989 & Regulation

Section 68 – Clause 10

SECTION A				
Numbers of new FOI requests – Information relating to numbers of new FOI requests received, those processed and those incomplete from the previous period				
FOI Requests		Personal	Other	Total
A1	New (including transferred in)	4	21	25
A2	Brought forward	Nil	1	1
A3	Total to be processed	4	22	26
A4	Completed	3	21	24
A5	Transferred out			
A6	Withdrawn	1	1	2
A7	Total processed	4	22	26
A8	Unfinished (carried forward)	Nil	Nil	Nil

SECTION B		
Status of completed FOI requests? (Completed requests are those on Line A4)		
Results of FOI Request		
B1	Granted in full	14
B2	Granted in part	7
B3	Refused	3
B4	Deferred	Nil
B5	Completed	24

SECTION C		
Ministerial Certificates - number issued during the period		
C1	Ministerial Certificates issued	Nil

SECTION D Formal consultations - number of requests requiring consultations (issued) and total number of FORMAL consultation(s) for the period			
D1	Number of requests requiring formal consultation(s)	-	9

SECTION E Amendment of personal records – number of requests for amendment processed during the period		
Result of Amendment Request		Total
E1	Result of amendment - agreed	Nil
E2	Result of amendment - refused	Nil
E3	Total	Nil

SECTION F Notation of personal records - number of requests for notation processed during the period.		
F3	Number of requests for notation	Nil

SECTION G			
FOI requests granted in part or refused - Basis of disallowing access - Number of times each reason cited in relation to completed requests, which were granted in part or refused.			
Basis of Disallowing or Restricting Access		Personal	Other
G1	Section 19 (application incomplete, wrongly directed)	3	
G2	Section 22 (deposit not paid)		
G3	Section 25(1)(a1) (diversion of resources)		
G4	Section 25(1)(a) (exempt)		
G5	Section 25(1)(b), (c), (d) (otherwise available)		
G6	Section 28(1)(b) (documents not held)		
G7	Section 24(2) (deemed refused, over 21 days)		
G8	Section 31(4) (released to medical practitioner)		
G9	Totals	3	Nil

SECTION H

**Costs and fees of requests processed during the period
(ie those included in lines A4, A5 and A6).**

	Assessed Costs	FOI Fees Received
H1 All completed requests	\$3,990	\$1900

SECTION I

***Discounts allowed - numbers of FOI requests processed during
the period where discounts were allowed.**

Type of Discount Allowed	Personal	Other
I1 Public interest	Nil	Nil
I2 Financial hardship - Pensioner/child	1	Nil
I3 Financial hardship - Non-profit organisation	Nil	Nil
I4 Totals	1	Nil
I5 Significant correction of personal records	Nil	Nil

Note: *Except for Items I5, Items I1, I2, I3 and I4 refer to requests processed as recorded in A7. I5 however shows the actual number of requests for correction of records processed during the period.

SECTION J

**Days to process:
Number of completed requests (A4) by calendar days (elapsed time)
taken to process.**

Elapsed Time	Personal	Other
J1 0 - 21 days	4	14
J2 22 - 35 days	Nil	4
J3 Over 35 days	Nil	2
J4 Totals	4	20

SECTION K				
Processing time: number of completed requests (A4) by hours taken to process				
Processing Hours		Personal		Other
K1	0 - 10 hours	4		17
K2	11 - 20 hours			1
K3	21 - 40 hours			1
K4	Over 40 hours			1
K5	Totals	4		20

SECTION L		
Reviews and appeals: number finalised during the period		
L1	Number of internal reviews finalised	1
L2	Number of Ombudsman reviews finalised	1
L3	Number of District Court appeals finalised	Nil

Details Of Internal Review Results: in relation to internal reviews finalised during the period					
Bases of Internal Review		Personal		Other	
Grounds on which internal review requested		*Upheld	*Varied	*Upheld	*Varied
L4	Access refused			1	
L5	Deferred				
L6	Exempt matter				
L7	Unreasonable charges				
L8	Charge unreasonably incurred				
L9	Amendment refused				
L10	Totals	Nil	Nil	1	Nil
Note: * Relates to whether the original agency decision was upheld or varied by the internal review.					

ADDITIONAL SUMMARY INFORMATION *Comparison from previous period		
Year	2009	2010
New Requests	24	25
Completed	22	25
Withdrawn	1	2
Granted in Full	12	14
Granted in Part	4	7
Refused	6	2
Deferred	Nil	Nil
Requiring Consultation	8	9
Number of internal reviews	Nil	1
Number of Ombudsman reviews	Nil	1
Number of ADT reviews	Nil	Nil
Amendment of personal records	Nil	Nil
There has been nil impact by FOI requirements on Council's activities, policies and procedures.		
There has been one inquiry under the FOI Act by the Ombudsman and no appeals to the Administrative Decisions Tribunal.		

Privacy and Personal Information Protection Act, 1998

Section 33

The Privacy & Personal Information Protection Act is an Act to provide for the protection of personal information, and for the protection of the privacy of individuals generally. It is a requirement of the Act that all State agencies, including Local Government, must prepare and implement a Privacy Management Plan. Port Macquarie-Hastings Council adopted its Privacy Management Plan on 9 October 2000.

The Act requires Council to comply with Information Protection Principles. These principles cover the way Councils collect, store and provide access to personal information. Council is also bound by its Privacy Management Plan and the Privacy Code of Practice for Local Government.

Council has reviewed a number of its forms used for collecting information from the public. As a requirement of the legislation, some of these forms have been amended to include a Privacy & Personal Protection Notice which advises the public of the reason the information is being collected, the intended recipients of the information, whether the supply of the information is required by law or voluntary, the existence of any right of access to, and correction of the information, and the name and address of Council.

The Privacy & Personal Information Protection Act also contains provisions relating to the disclosure of personal information contained in public registers. The Act requires that personal information kept in a public register must not be disclosed unless the agency is satisfied that it is to be used for a purpose relating to the purpose of the register. This requirement has been modified by a Code of Practice, which applies to all Local Government authorities. Under the Code, the Council may allow any person to inspect a publicly available copy of a public register in Council premises, and copy a single entry or a page of the register without requiring the person to provide a reason for accessing the register. If the whole or a substantive part of the register is required, the Code requires that the names and addresses of all previous and current property owners must not be disclosed. Section 58 of the Act allows an individual to request that their personal information can be removed from a public register and not disclosed to the public.

Council did not receive any requests under the Privacy and Personal Information Protection Act this year.

Competitive Neutrality

Progress in Implementing the Principles of Competitive Neutrality S428(2)(r)

National Competition Policy

The National Competition principles agreement:

- Specifies that the competitive neutrality principles need not be applied where the benefits of implementation are outweighed by the costs.
- Indicates that competitive neutrality is only to apply to a local Council's business activities, and not to its non-business and non-profit activities
- Requires a local Council's significant business activities (Category 1 Waste Management Services, Sewerage Service Operations and Water Supply Operations) to be subject to the same corporatisation principles as those applied to significant State Government business activities, viz:
 - Adopt a corporatisation model for the business activities;
 - Include debt guarantee fees, where the business benefits from the Council's borrowing position by comparison with commercial rates;
 - Factor into prices an appropriate return on capital invested;
 - Make any subsidies provided to customers and the funding of those subsidies, explicit;
 - Operate within the same regulatory framework as other businesses; and
 - Include in their costs the same Federal, State and Local Government taxes and charges, as do private businesses.

The principle of competitive neutrality requires that Local Government businesses operate without net competitive advantage over other businesses as a result of their public ownership.

Previously, Local Government businesses received competitive advantages, such as immunity from various taxes and charges and regulatory requirements, concessional interest rates on loans and cheaper borrowing rates because of Government guarantees. Simultaneously, public ownership could create competitive disadvantages, such as costly public service industrial conditions, higher superannuation costs, community service obligations and less managerial autonomy.

However, competition policy does not require that all firms or businesses on an equal footing. Competing businesses may differ in size, assets, skills, experience and culture, characteristics which define each competitor's unique competitive advantages and disadvantages.

The benefits of adopting a competitive neutrality regime reside in the development of fairer and more cost-reflective pricing policies and production in line with market requirements.

Council has determined Category 1 (\$2 million and above) Business Units as follows:

- Water
- Sewerage
- Waste

To-date, Council has:

- Adopted a policy on the attributions of costs overheads
- Adopted a Competitive Neutrality Complaints Policy
- Prepared detailed Business Plans for the Category 1 Business Units
- Applied the Competitive Neutrality pricing requirement

Competitive Neutrality Complaints

Council adopted an Action Requests/Complaints Handling Policy on 9 March 1998. This sets out Council's broad policy position in dealing with complaints. A series of procedures support the Policy by setting out specific action, which will be followed. One of these procedures is the Competitive Neutrality Complaints Procedure adopted by Council on 9 March 1998.

For the period ended 30 June 2010, the following summary is provided:

Number of Complaints received: *Nil*

Subject matter or nature of complaint		N/A
<i>Outcome:</i>		
Finalised	Detail – No	N/A
	Pending – No	N/A

Environmental Planning & Assessment Act 1979

Particulars of compliance with & effect of planning agreements in force during the year S93G(5)

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Sovereign Hills Estate Highway Works Planning Agreement	13 April 2007	Parts of Lot 2 Deposited Plan 1065263, Lot 4 Deposited Plan 588214, Lot 52 Deposited Plan 776844, Lot 2 Deposited Plan 603648 and the Oxley Highway Road Reserve, Thrumster	The planning agreement will allow the early provision of an upgraded section of the Oxley Highway and the provision of a major intersection to serve a proposed new Town Centre identified in the Area 13 Urban Investigation Area Structure Plan Urban Design Guidelines. The developer will bear the full cost of the proposed works, with offsets to development contributions being received over time as development within the structure plan area proceeds.	Port Macquarie-Hastings Council Sovereign Hills Project Pty Ltd NT Australia Pty Ltd Taisei Oncho Australia Pty Ltd MMTR Pty Ltd Almaty Pty Ltd	The Highway upgrading was completed during the financial year.
Sovereign Hills Estate Planning Agreement	18 June 2008	Lot 1 DP 603648, Lot 32 DP 792453, Lot 4 DP 588214, Lot 101 DP 843811, Lot 5 DP 809815, Lot 102 DP 1106752, Lot 2 DP 1108055, Lots 1, 2 & 3 DP 1112929 Oxley Highway Thrumster.	The planning agreement relates to the early provision of infrastructure, including roads open space and community facilities, required to serve a proposed new Town Centre and urban expansion proposed by the Area 13 LEP. The developer will bear the full cost of the proposed works, with offsets to development contributions being received over time as development within the LEP area proceeds.	Port Macquarie-Hastings Council Sovereign Hills Project Pty Ltd (Developer) NT Australia Pty Ltd, Taisei Oncho Australia Pty Ltd, MMTR Pty Ltd, Almaty Pty Ltd, The Gateway (Port Macquarie) Pty Ltd, K M Gleeson and C A Gleeson, MEL Properties Pty Ltd (Owners)	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 603648, Lot 32 DP 792453, Lot 4 DP 588214, Lot 101 DP 843811, Lot 5 DP 809815, Lot 102 DP 1106752, Lot 2 DP 1108055, Lots 1, 2 & 3 DP 1112929 Oxley Highway Thrumster.	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council Sovereign Hills Project Pty Ltd (Developer) NT Australia Pty Ltd, Taisei Oncho Australia Pty Ltd, MMTR Pty Ltd, Almaty Pty Ltd, The Gateway (Port Macquarie) Pty Ltd, K M Gleeson and C A Gleeson, MEL Properties Pty Ltd (Owners)	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 4 DP 613304 Oxley Highway Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council Chewton Glen Pty Ltd	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 1102031 Oxley Highway Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council Christian Outreach Centre	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 3 DP 565437 & Lot 206 DP 754434 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council J C L'Estrange	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 25 DP 1089272, Lindfield Park Road Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council D L Fanning	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 2 DP 701760 Thrumster St Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council P J & R L Gray	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 565437 Thrumster St Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council P J & R L Gray	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lots 8 & 9 DP 22692 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council T O & N J Hamilton & L & A M Stokman	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 147 DP 754434 Oxley Highway Port Macquarie.	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council Lankester Investments Pty Ltd	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 5 DP 809161 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council R L Maloney	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 6 DP 809161 Thrumster St Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council G R & M P Murcott	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 505954 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council W & B J Muras	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 619643 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council New Pacific Australia Co Pty Ltd	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 119272, Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council N Panos	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot G DP 400213 & Lots 22, 23 & 24 DP 1089272 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council C H & E J Pilcher	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 552051 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council N L Ramm	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 2 DP 244442, Lindfield Park Road Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council A M & C K Smith	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lots 10,11 & 12 DP 22692 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council K F & D Y Tanswell	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 1 DP 574816 Oxley Highway Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council P J & A J Willoughby	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 3 DP 619643 Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council A D Witchard	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 2 DP 619643, Oxley Highway Port Macquarie	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council E C & D Witchard	The development had not commenced during the financial year.
Macquarie Park Planning Agreement	18 June 2008 Amended 31 March 2009	Lot 2 DP 1112365, Grant St Port Macquarie	The planning agreement provides for payment of a contribution for the provision of new or upgraded public parking facilities within a designated area.	Port Macquarie-Hastings Council Macquarie Park Developments Pty Ltd	Development completed. Contribution received..
Area 13 Environmental Land Management Planning Agreement	18 June 2008	Lot 2 DP 613304 Bestglen PI Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council G R & G J Teasdell	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	24 Sept 2008	Lot 71, DP 1061516 Oxley Highway Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council Sovereign Hills Project Pty Ltd (Developer)	The development had not commenced during the financial year.
Area 13 Environmental Land Management Planning Agreement	24 Sept 2008	Lot 1, DP 6133305 Oxley Highway Thrumster	The planning agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.	Port Macquarie-Hastings Council G E & S J Vaughan	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Lake Cathie Residential Community Planning Agreement	12 June 2009	Lot 5 DP 594793, Lot 4 DP 255923 and Crown Road subject to Road Closure Application No. W401951 07/4356, Ocean Drive Lake Cathie	The planning agreement provides for payment of contribution for local sewerage services and major roads, construction of an intersection with Ocean Drive, construction of a watermain with contribution offsets, dedication of a link road to adjoining property and establishment, dedication & maintenance of environmental open space	Port Macquarie-Hastings Council Gwynvill Trading Pty Ltd	The development had not commenced during the financial year.
Timber Town Estate Planning Agreement	16 Feb 2010	Lot 21 DP 245751, Part Lot 328 and Lots 329 and 330 DP 1120104 and Lot 319 DP 1065651, Colonial Circuit and Bullock Drive Wauchope	The planning agreement provides for payment of contributions for local roads and open space, construction of a watermain with contribution offsets, dedication and construction of link roads to adjoining property, construction of footpaths and cycleways and establishment, dedication and maintenance of environmental open space.	Port Macquarie-Hastings Council Tebran Pty Ltd	The development had not commenced during the financial year.
Maxwell Residential Subdivision Planning Agreement	16 Feb 2010	Lot 12 DP 812134 and Lot 1 DP 1125021, Beechwood Road Wauchope	The planning agreement provides for payment of contributions for local roads and open space, construction of an intersection with Beechwood Road, construction of a watermain with contribution offsets, dedication and construction of a link road to adjoining property, construction of footpaths and cycleways and establishment, dedication and maintenance of environmental open space	Port Macquarie-Hastings Council Cheryn Annette Maxwell & C A Maxwell as Executor of the Estate of the Late J M Maxwell	The development had not commenced during the financial year.

Title	Date Entered Into	Land to which agreement applies	Description of Agreement	Parties	Status
Beechwood Water Supply, Sewerage Services and Roadworks Planning Agreement	16 Feb 2010	Lot 3 DP 800211, Beechwood Road Beechwood	The planning agreement provides for payment of contributions for local water supply and local roads, construction of intersections with Beechwood Road, construction of a watermain with contribution offsets and dedication of a link road to adjoining property.	Port Macquarie-Hastings Council Robert G Willcox	The development had not commenced during the financial year.
Beechwood Water Supply, Sewerage Services and Roadworks Planning Agreement	16 Feb 2010	Lot 1 DP 789484, Beechwood Road Beechwood	The planning agreement provides for payment of a contributions for local water supply and local roads, construction of intersections with Beechwood Road, construction of a watermain with contribution offsets and dedication of a link road to adjoining property.	Port Macquarie-Hastings Council Kayjay Superannuation Pty Ltd	The development had not commenced during the financial year.
Beechwood Water Supply, Sewerage Services and Roadworks Planning Agreement	16 Feb 2010	Lot A DP 382960, Beechwood Road Beechwood	The planning agreement provides for payment of a contributions for local water supply and local roads, construction of intersections with Beechwood Road, construction of a watermain with contribution offsets and dedication of a link road to adjoining property.	Port Macquarie-Hastings Council Midco Holdings Pty Ltd	The development had not commenced during the financial year.
Beechwood Water Supply, Sewerage Services and Roadworks Planning Agreement	16 Feb 2010	Lot 4 DP 831325, Beechwood Road Beechwood	The planning agreement provides for payment of a contributions for local water supply and local roads, construction of intersections with Beechwood Road, construction of a water main with contribution offsets and dedication of a link road to adjoining property.	Port Macquarie-Hastings Council W T & D C Bowen	The development had not commenced during the financial year.

Companion Animals Act and Regulation

Statement on Activities Relating to Enforcing and Ensuring Compliance with the Companion Animals Act and Regulation CL217(1)(f)

Sixteen (16) reported dog attacks took place in the Port Macquarie-Hastings Local Government area during the 2009/2010 period.

Council funding (expenditure) for Companion Animal Management was approximately \$475,000.

Port Macquarie-Hastings Council conducts a School Education Program targeting Year 3 & 4 students. This program is run in Term 3 and is held with all schools within the Local Government Area. Council also conducted an annual "Mongrel Dog Show" which is an education day and fundraiser with all proceeds being donated to a local charity. This show allows for Council's Enforcement Officers to positively interact with the local community and Companion Animal owners throughout the local government area. Additionally, Council conducts a number of discounted microchipping day which allows Companion Animal owners to have their pets microchipped at a reduced rate. This program is primarily targeting toward low income and disadvantaged families throughout the Local Government Area. Council also conducted an education stall at the Town Green in Port Macquarie during Local Government Week and at the RSPCA million paws walk at the Port Macquarie Race Course.

Port Macquarie-Hastings Council works closely with the local branch of the RSPCA in nominating low income earners for discounted pet desexings. This program is primarily run and funded by the RSPCA.

Port Macquarie-Hastings Council Impounding Facility is run under contract by the State Branch of the RSPCA. This allows for all unclaimed animals to be released to them for assessment and suitability for re-housing. With this procedure in place it allows for all suitable unclaimed dogs and cats to be placed on the statewide rehousing network. Euthanasia rates for Council animals are therefore kept to an absolute minimum.

Council has a number of off-leash areas (beaches) throughout the Local Government area which can be found in Councils "Dogs on Beaches" policy. In addition Council is in the process of establishing a new policy, namely, "Dogs in Public Open Spaces" which will encompass additional off-leash areas in several parks throughout the LGA. This new policy will replace the existing Dogs on Beaches policy. If adopted by Council funding will then be sought to establish the new leash-free parks as identified.

Additionally, Council is working with community groups to identify a suitable site where joint funding can be used effectively to establish and maintain dog exercise and agility parks.

Companion Animal Fund monies are utilised to provide effective education programs throughout the schools in the Hastings together with discounted microchipping days to assist low income earners in compliance of the Companion Animals Act. Fund money also assists Council in conducting its "Mongrel Dog Show" each year which raises money for charities in the LGA as well as promotes Companion Animal Ownership and compliance. It allows Council to actively mix with the general public in a positive yet informative project.

Council Animal Care Facility - 2009/10				
	Transferred To Council's Facility	In Council's Facility - start of month	Animals leaving Council's Facility	Remaining in Council's Facility - End of month
July	42	6	46	2
August	53	2	49	6
September	56	6	57	5
October	56	5	48	13
November	57	13	61	9
December	42	9	47	4
January	58	4	58	4
February	62	4	56	10
March	53	10	59	4
April	64	4	59	9
May	41	9	49	1
June	70	1	66	5
Total	654	73	655	72

Financial Reports

Included in this report are the following:

- Summary of Rates and Charges written-off during 2009/10 S428(2)(a) – CI 132
- The total amount granted under Section 356 of the Local Government Act 1993 S428(2)(l)
- Details of Contracts awarded for amounts greater than \$150,000 S428(2)(h)
- Senior Staff remuneration packages S428(2)(g) – CI 217(b)
- Details of overseas visits undertaken during the year by Councillors, Council Staff or other persons representing the Council S428(2)(r) – CI 217(1)(a)
- Special variations of rating income

A full copy of Council's Financial Statements for the financial year ending 30 June 2010 can be found as an attachment to this Annual Report (Refer to Attachment 2)

SUMMARY OF RATES & CHARGES WRITTEN-OFF
For the year ended 30 June 2010
S428(2)(a) – CI 132

Summary of Rates and Charges Written-Off for the Year Ended 30 June 2010	
Abandoned Pensioners	
General Fund Rates	1,416,073.28
Sewerage Services Annual Charges	605,869.39
Domestic Waste Annual Charges	563,186.84
Other Waste Annual Charges	430.85
Water Supply Usage Charges	121,177.27
Water Supply Annual Charges	517,678.56
	3,224,416.19
Abandoned Other	
General Fund Rates	19,601.29
Water Supply Annual Charges	-26,018.45
Sewerage Services Annual Charges	9,994.20
Domestic Waste Annual Charges	2,573.53
Other Waste Annual Charges	1.41
Water Supply Usage Charges	43,730.36
Sewerage Services Usage Charges	8,023.65
Onsite Effluent Annual Charges	60.95
	57,966.94
Abandoned Interest	
General Fund	7,786.53
Water Supply	-920.60
Sewerage Services	0.44
Domestic Waste Management	2.72
Other Waste Management	0.23
	6,869.32
Total Rates and charges written-off in 2009/10	
	\$3,289,252.45

**TOTAL AMOUNT GRANTED UNDER SECTION 356 OF THE LOCAL
GOVERNMENT ACT 1993
For the year ended 30 June 2010
S428(2)(I)**

Arts Mid North Coast	12,087.15
Camden Haven Concert Band	7,224.00
Camden Haven Marine Radio Base	3,800.00
Camden Haven Sea Rescue	3,800.00
Donation of Rates	23,450.52
Donation of Waste Depot Tipping Fees	12,521.17
Donations - Other Community Grants Programme	175,946.80
Donations for DA/BA fees	5,520.00
Frocktober	295.00
Hastings District Pipe Band	7,224.00
Koala Orchestra	5,676.00
Local Government & Shires Association	713.98
Lorne Recreational Centre	500.00
Maritime Museum – Rates	22,703.65
Mission Australia	200.00
North Coast Academy of Sport	8,000.00
Pappinbarra Progress Association	800.00
PMHC Sporting Fund	29,345.58
Port Macquarie Marine Radio Base	3,800.00
Port Macquarie Ministers Association	4,170.00
Port Macquarie Sea Rescue	3,800.00
Port Macquarie Town Band	10,320.00
Salvation Army	500.00
Sporting Grants Programme	50,413.06
Tourism Tamworth	5,000.00
Wauchope Info & Neighbourhood Centre	2,400.00
	<u>\$400,210.91</u>

**DETAILS OF CONTRACTS AWARDED FOR AMOUNTS
GREATER THAN \$150,000
For the Year Ended 30 June 2010
S428(2)(h)**

Following are the details for each contract awarded by Council during the year, other than employment contracts and contracts for less than \$150,000.

Supplier	Project	Cost \$ (Excl GST)
Biobag Australasia Pty Ltd	Supply of Kitchen Tidies & Compostable Liners	\$150,000 (approx – depending on demand)
Biolink	Consultancy Services – Vegetation Mapping Project	\$155,550
Blanch Earthmoving	Blackman's Point Riverbank Protection Tender	\$215,196
Commercial Project Group Pty Ltd	Construction of Wauchope-Bonny Hills SLSC	2,529,180
Garry Bannister Constructions Pty Ltd	Construction of Fluoridation Civil/Building Works	\$1,181,705
ISS Facility Service	Glasshouse Cleaning (5 Year Term)	\$620,000
Mid Coast Telemetry	Fluoridation Switchgear & Control Gear Assembly	217,873
Pipeline Drillers Group Pty Ltd	Design/Construction of Horizontal Directional Drilling Pipelines	2,657,538
Stowe Australia	Design, Supply & Installation of Power Supply for Thrumster No. 1 Sewage Pumping Station	171,388

**SENIOR STAFF REMUNERATION PACKAGES
For the Year Ended 30 June 2010
S428(2)(g) – CI 217(1)(b)**

Council employed five (5) Senior Staff during the year 2009/10

Title	Total Amount
General Manager	\$244,165
Director of Community and Cultural Development	\$165,000
Director of Corporate and Business Services	\$197,410
Director of Development and Environment Services	\$185,000
Director of Infrastructure Services	\$197,410

These costs include salary, fringe benefits taxation, superannuation and other on-costs.

REGISTER OF OVERSEAS TRAVEL
For the Year Ended 30 June 2010
S428(2)(r) – CI 217(1)(a1)

Name	Name of Conference	Location	Date/s	Resolved
Tony Leahy (Director of Corporate & Business Services)	World Triathlon Corporation Ironman	Frankfurt, Germany	29/06/10 to 05/07/10	ORD 23/06/10

SPECIAL VARIATIONS OF RATING INCOME
For the Year Ended 30 June 2010
S508A(2)

Since 1999/2000, Port Macquarie-Hastings Council has received the following special rating variations. Each year Council has allocated the approved rate pegging limit to give a total amount received from each special variation. The table below outlines how the total amount of the rating increases have been expended to 30 June 2010:

	Special Variation	Amount	
2000/01	3.18%	505,000	<i>Increased road maintenance</i>
	1.57%	250,000	<i>Kerb, gutter and footpaths</i>
			<i>Road works, parks, environmental management and</i>
2004/05	19.16%	3,902,058	<i>increased community expectations</i>
			<i>Road works, parks, environmental management and</i>
2005/06	4.00%	1,034,823	<i>increased community expectations</i>

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Rating pegging limit		2.8%	3.3%	3.6%	3.5%	3.5%	3.6%	3.4%	3.2%	3.5%	
2000/01	755,000	776,140	801,055	830,616	859,687	889,776	921,808	953,150	983,651	1,018,078	8,789,659
2004/05					3,902,058	4,038,630	4,184,021	4,326,277	4,464,718	4,620,983	25,536,688
2005/06						1,034,823	1,072,077	1,108,527	1,144,000	1,184,040	5,543,467

2000/01 Approval	Total
K&G & Footpaths	2,557,652
Increase in Road Maintenance	<u>6,232,006</u>
	<u>8,789,658</u>

2004/05 Approval	
Maintenance Items	
Increase in road maintenance	3,602,046
Increase in parks maintenance	3,406,368
Increase in library operations	779,440
Increase in Community Services Funding	2,596,170
Works Programme Items	
Acid Sulphate Soil Remediation	58,546
Riverbank Protection Works	91,435
Regional Stadium - Covered Grandstand	237,400
Upgrade Aquatic Facilities	69,229
Urban Bushland Reserve Projects	87,437
Upgrade regional indoor stadium	69,510
Provide Athletics Facilities	18,885
Provide new major regional facilities	374,715
Ring Road construction - Revenue	3,291,099
Provide for Social and Cultural Infrastructure	6,763
Loan Repayments	
Provide new major regional facilities (Wayne Richards Park) - Loan Repayments - \$209,890	66,477
Provide new major regional facilities (Wayne Richards Park) - Loan Repayments - \$205,000	112,329
Regional Stadium - Covered Grandstand - Loan Repayments - \$904,675	781,269
Ring road construction - Loan Repayments - \$1,630,000	1,035,921
Ring road construction - Loan Repayments - \$4,705,280	2,258,319
Performing Arts Facility - Loan Repayments	<u>6,593,331</u>
	<u>25,536,689</u>

2005/06 Approval	
Maintenance Items	
Increase in road maintenance	1,816,501
Increase in parks maintenance	1,453,333
Increase in library operations	567,202
Increase in lifeguard funding	431,983
Commencement of operational budget for Performing Arts Centre	1,125,706
Works Programme Items	
Acid Sulphate Soil Remediation	3,873
Riverbank Protection Works	9,548
Upgrade Aquatic Facilities	52,783
Urban Bushland Reserve Projects	54,750
Provide new major regional facilities	27,789
	5,543,468

Outcomes

The following projects and outcomes have been achieved or will be achieved in the future using funding from the special rating increases in addition to other applicable funding.

Estuary Management

Council produced estuary education resources in the form of community posters and postcards that highlight important environmental aspects of the estuaries in the LGA. These resources were provided to residents in mail outs as well as being used as educational aids at community events and during presentations to school groups.

Henry Kendall Reserve - Riverbank Protection

Council carried out river bank restoration works at Henry Kendall Reserve to manage extensive erosion in Stingray Creek. The project involved the reshaping and rock armouring of around 300m of riverbank. The project has prevented further erosion and secured an important community asset in the Camden Haven.

Acid Sulphate Soils

Funding has been used to implement acid sulphate soil remediation works in the Hastings and Camden Haven River floodplains. Works included the installation of weirs within artificial drainage systems to prevent exposure of acid sulphate soils and contain acid groundwater and the recreation of significant areas of wet pasture/wetland. Additional information on this work can be found in Council's State of the Environment Report.

Urban Bushland Projects

Council has worked in co-operation with local Landcare Groups to implement a number of urban bushland restoration projects. Specific examples include Blair Reserve, Lighthouse Beach dunes and Middle Rock littoral rainforest. Restoration works include removal of noxious and environmental weeds, replanting with native local species and formalising access to prevent damage to vegetation.

Lifeguard Funding

The additional funding is used to adequately train and implement the current lifeguard service.

Parks Maintenance

The funding allocated to parks maintenance has been and will continue to be allocated to the following items:

- Improved plant & equipment
- The standard of CBD and roundabout landscaping has been elevated.
- Additional areas of open space in new development areas have been assumed.
- Additional maintenance of our new parks assets, for example Wayne Richards Park
- Replacement of playgrounds
- An additional tree inspection officer due to the number of tree requests.
- Elevation of standard of Council's sports grounds by increased watering/fertilising regime

Wayne Richards Park

Planning for a new Port Macquarie sporting complex began in 1996 when Council identified five areas as potential recreational sites. The Koala Street Playing Fields were selected as the preferred site for the future development of a new Port Macquarie sporting complex.

The project is made up of the following stages:

- Stage 1: Two soccer fields & cricket pitch, car park and amenities and road upgrade
- Stage 2: Additional parking and combined AFL oval, cricket oval and grassed athletics track with an additional soccer field
- Stage 3: Two additional soccer fields and cricket pitch
- Stage 4: Permanent athletics track and car parking
- Stage 5: Hockey field

Stage 1 of Wayne Richards Park is totally complete. Additional parking, the construction of one additional soccer field and the basic sub-grade infrastructure for the AFL oval has been completed from Stage 2.

Regional Sports Stadium/Grandstand

The Port Macquarie Regional Sports Stadium is the premier sports facility in the Hastings. Constructed in 1992 with funding assistance from NSW Sport & Recreation, NSW Country Rugby League and Council, it became the home of rugby league in Port Macquarie.

The playing surface is considered by many to be the number one rugby league facility on the NSW North Coast. It boasts a 1,000 seat grandstand which has transformed the area from a playing field to a genuine high-quality sports stadium.

Underground irrigation and drainage make the site available on a year round basis and has been used for NRL pre-season matches as well as representative fixtures.

Rugby league is the predominant sport played at this location, however, rugby union and soccer fixtures, at the elite level, have been played there.

The principal users of the facility are the Port Macquarie Sharks Rugby League Football Club playing in the Country Rugby League Group 2 competition and the Port Macquarie City Breakers Rugby League Football Club associated with the Country Rugby League Group 3 competition.

A second field has been constructed on the western side of the main field. Carparking adjacent to Boundary Street has been completed as part of Stage 2 works. A future carpark on the western extremities of the site is proposed in the future.

Aquatic Facilities

Port Macquarie-Hastings Council's Aquatic Facilities Working Party has been developing strategies for the construction of an aquatic facility in the Hastings. Location options of the proposed facility have been on public exhibition but site selection is still underway.

It is proposed that the aquatic facility will cater for local, district and regional requirements and facilities included in the proposed complex include:

- outdoor 10 lane 50 metre pool
- diving pool
- indoor heated 25 metre pool
- program pool (hydrotherapy)
- recreation pool/children's play area
- water slide & water features
- professional consulting rooms
- gymnasium
- aerobics room
- foyer/reception area
- retail space
- crèche
- food outlet/coffee shop
- car parking

Performing Arts Facility - The Glasshouse

The Glasshouse is a highly integrated multi-purpose facility. It has a high level of technical specifications delivered in a functional design after extensive research and direct community input.

The Glasshouse is used for an extraordinary wide range of functions including events, performances, conferences, exhibitions, shows etc. The centre hosts arts, sports, entertainment, family events, leisure and civic functions. Projections indicate that more people, both local and visiting, will use this facility than any other Council provided facility in the LGA.

Ring Road (Link Road)

The 1.65 kilometres of road extends between the junction of Lochinvar Place (south) and Ocean Drive (north) and connects to Hindman Street at its junction with Kooloonbung Close, Port Macquarie, NSW.

The Link Road has been constructed as a dual carriageway with two travel lanes and footpaths in each direction within a new road reserve.

The northern end of the Link Road has provided a four-way roundabout to replace the existing three-way intersection of Hindman Street and Kooloonbung Close.

Dual bridges, each of overall length of 31 metres, cross Kooloonbung Creek on the Link Road. There is also a road bridge over Kooloonbung Creek on Lake Road east of its intersection with the Link Road.

Koala Street has been extended from its junction with the existing route of Ocean Drive to intersect with the Link Road in a three-way roundabout at the southern side of Kooloonbung Creek.

At Lake Road, traffic signals have been provided and the Lake Road approaches upgraded to meet traffic capacity requirements

Library Operations

The special rate funding was used to employ an additional librarian. The role was originally responsible for running Port Macquarie Library, which included rostering staff, organising displays and exhibitions and actively promoting our services. This position was changed in April 2007 to a Branch Coordinator. The responsibilities have increased to include the other two branch libraries and will also be responsible for the staff at the proposed new library in Sovereign Hills.

Road Maintenance

The additional road maintenance funding has been used on a number of maintenance activities including:

- Additional resealing and gravel resheeting of Council's roads. This increase was based on a strategy to reduce the frequency of resealing and resheeting to once every ten years. Prior to these funds being applied the resealing and resheeting cycle was much longer.
- Increases in heavy patching, jetpatching, rural roadside slashing of sealed roads, maintenance grading of unsealed roads.
- The appointment of an Inspection Officer to allow the conditional assessment of defects to be made so that maintenance works can be appropriately prioritised.

Areas of Strategic Focus Report

Governance

To provide leadership and effective decision making, sound financial and resource management.

Environment

Social

Economic

Governance

To undertake the role of advocacy and promote communication and consultation. To provide a safe working environment and value teamwork in all that we do

Leadership

Providing leadership and effective decision making, ensuring an accountable and open organisation

Services

- ☐ Administrator's Office
- ☐ General Manager's office
- ☐ Corporate Governance (Council and Committee meetings, statutory compliance and internal audit)
- ☐ Executive Group

Key planning / policy documents

- ☐ Council Strategic Planning Workshop Report
- ☐ Code of Conduct
- ☐ Code of Meeting Practice
- ☐ Statement of Business Ethics
- ☐ Council policies

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide leadership and effective decision making, ensuring an accountable and open organisation	Exercise community leadership and act as an advocate for the community in dealing with government and industry	Community satisfaction with: - Council's leadership role - Council's decision Effectiveness of advocacy approaches	Last measure of Community satisfaction taken in 2008 Survey. At that time 78% of community satisfied with Leadership, 66% satisfied with their involvement in decision making process. Next community survey to be undertaken in 2010/11
	Support the ongoing development of the strategic alliance network including the Mid North Coast Strategic Alliance and business clusters such as the Mid North Coast Group of Councils (MIDGOC) to investigate opportunities for resource sharing and operational efficiencies	Number of areas identified for regional collaboration for the delivery of infrastructure and services	MIDGOC continues to investigate ways of sharing resources and expertise and providing group buying discounts. The 2010 Annual report lists the achievements of the Strategic Alliance Sub Groups.

Objectives	Strategies	Performance indicators	Comment on Progress
	Lead by example within the Council organisation to provide clear direction and promote a culture of strong values, ethics and excellence in service delivery	Employee satisfaction with leadership across the organisation and implementation of annual anti corruption training program	Employee Survey to be undertaken in the second half of 2010. Anti-Corruption training to continue in 2010.
	Develop annual Internal Audit Plan	Percentage of Internal Audit plan achieved (Target: 100%)	100% of Plan not achieved. Balance of projects to be considered in 2010/2011 Internal Audit Plan.
	Develop and implement compliance register	Percentage of compliance with statutory and policy requirements (Target: 100%)	Compliance Measurement in 2010/2011.

Community Focus

Working together to understand community needs and expectations and providing timely and proactive communication and customer services to the community

Services

- ☐ Community participation (incl. research / surveys)
- ☐ Community and stakeholder relations (incl. media, marketing and communications)
- ☐ Customer services (incl. Customer Service Centres and Customer Call Centre)

Key planning documents

- ☐ Community Participation Policy & Framework
- ☐ Marketing and Communications Manual
- ☐ Customer Service Charter (to be developed in 2008)

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To identify and understand community needs and expectations	Undertake regular community research, surveys and analysis to obtain community views on Council direction and services	Community satisfaction with decisions made in relation to services and facilities	Community Survey to be undertaken in 2010/2011.
To engage with the community to ensure participation in Council decision-making	Engage with the community in accordance with the Community Participation Framework to ensure that Council's future policy directions are developed in partnership with the community	Community satisfaction with community participation processes Increase in number of people participating in community enabling activities	Community consulted on all new policy prior to adoption by Council. Community Satisfaction Survey to take place in 2010/2011.
To continue to ensure the community, stakeholders and Council staff are kept informed of Council services and facilities	Provide timely and proactive external and internal communications via media releases; community newsletters; Administrator's columns; website and intranet updates; external / internal e-newsletters and SMS messages	Communications / updates published in accordance with applicable service level agreement (SLA) standard	Ongoing as per Council's Communication and Marketing strategy.
To update Council's Communications and Marketing strategy	Implement a long-term marketing and branding platform to improve community perception of Council	Ongoing implementation of the Communication and marketing strategy	Strategy is currently being reviewed. A Media Relations Policy has also been developed and is expected to be adopted at the July Council Meeting.

Objectives	Strategies	Performance indicators	Comment on Progress
To provide consistent, high quality front line counter and call centre customer services to respond to community needs in terms of: - responsiveness, inclusiveness and accessibility - efficiency and effectiveness - consistency, simplicity and transparency of service	Provide front line counter and call centre services to the community in accordance with agreed service standards	Customer satisfaction with standard of Customer Service (Target: >75%)	Our customer satisfaction service has been judged by Call and Service observations, customer feedback, and internal staff feedback. These areas provide data to support the high level of customer service delivered by the Customer Service Team.
		Grade of service percentage (Target: 75% of calls answered within applicable service level agreement (SLA) standard; Abandoned calls less than 3% of total calls)	There has been a trend to increase the Grade of Service over the past 12 months. Some months have exceeded the expected level by a substantial margin. Further staff cross training and development, and maintaining staff resources will enhance this figure.
	Maintain a complaints management procedure to improve the management, monitoring and reporting of customer complaints	Compliance with complaints management procedure (Target: 100%)	Complaint numbers over the past 12 months have averaged 8-12 per month. However, there was a marked increase in February & March where complaint numbers were 15 & 21 respectively. Proactive action from Council to address Infrastructure related complaints has led to a reduction in complaints in the following quarter. Analysis shows Infrastructure related complaints are the main source of customer concern, where customers were dissatisfied with the level of service provided by Council. Action undertaken by Council to address these issues will see a further reduction in these types of complaints.

Objectives	Strategies	Performance indicators	Comment on Progress
	Implement a 'service excellence' program including the development of a Customer Service Charter to promote excellence in our customer services and high levels of customer satisfaction	Ongoing staff training program	Staff training needs identified through observation, feedback, discussions & staff reviews. An ongoing staff training plan has been developed. Where opportunities to provide focussed training, these will be scheduled as appropriate.

Strategy, Planning and Support Services

Providing strategic corporate and financial planning and support services to ensure sustainability

Services

- ☐ Strategic corporate and business planning
- ☐ Strategic financial planning
- ☐ Financial services (incl. payroll, investments, debt recovery, revenue and rates billing, asset accounting, grant administration, taxation compliance (incl. FBT, GST, payroll), budget preparation, general accounting, corporate and statutory reporting)
- ☐ Corporate support services (incl. procurement and tendering, purchasing; accounts payable; stores and depot management; risk management and insurance services; property management (incl. statutory property and leasing); plant and fleet management services)
- ☐ Property investment

Key planning documents

- ☐ Port Macquarie-Hastings Council Strategic Plans (to be integrated)
- ☐ Corporate Plan
- ☐ Financial Strategy 2007
- ☐ 10-year Plant Replacement Programme
- ☐ Risk Management Policy and Framework 2007
- ☐ Tendering-Made-Easy Guide 2006

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To facilitate strategic corporate and business planning to guide Council operations consistent with community needs and Council's strategic direction	Develop, in partnership with the community, a long-term (20-25 year) vision for the Port Macquarie-Hastings region	Overarching Community Strategic Planning Document for the Port Macquarie-Hastings region adopted by 30 June 2010	Currently underway.
	Update and publish an annual Management / Corporate Plan to outline Council's proposed services and facilities, financial statements and schedule of fees and charges	The adoption of Corporate Plan by Council in accordance with statutory timeframes	The Corporate plan for 2010/11 was adopted within the statutory timeframe excluding the general fund rates. The rates had not been advised by the Division of Local Government by the end of June 2010. These were adopted on 2 July 2010. The Final Corporate plan was published in July 2010 after the adoption of the General Fund rates.
	Facilitate annual business planning process to translate strategic direction into operational business plans	Business planning process to be satisfactorily completed in accordance with adopted Corporate Plan.	Ongoing in accordance with statutory timeframes and requirements.

Objectives	Strategies	Performance indicators	Comment on Progress
To facilitate strategic financial planning to ensure the long-term financial sustainability of Council	Maintain Council's liquidity and solvency to ensure continued financial viability of Council Actively enforce Council's debt recovery policy Maximise Council's investment returns	Comparison of various financial performance ratios to Department of Local Government Benchmarks and Benchmark Interest Rate, incl. - Sources of revenue from ordinary activities - Total ordinary activities revenue per capita - Dissection of expenses from ordinary activities - Total expenses from ordinary activities per capita - Current ratio (unrestricted) - Debt service ratio - Capital expenditure ratio	Comparison of ratios for 2009/10 will be included in the Annual Statements Report to Council in October 2010. Analysis of debt recovery procedures was undertaken early July 2010. Council exceeded budget by 62.63% at year end. Conservative budgeting to continue due to persistent instability in the economy.
To provide a comprehensive range of financial services to support Council operations	Comply with various statutory requirements Provide and monitor financial services internally	Timely submission of audited Financial Statements Preparation of Quarterly Review reports Preparation and timely lodgement of BAS, Payroll Tax, ABS returns and other financial returns as required Satisfaction with provision of internal monitoring, support, financial data and reports	Annual statements for 2008/09 were submitted within statutory timeframe. 2009/10 annual statements will be submitted within statutory timeframe. Monthly reporting to Council. All returns for the financial year have been lodged as required. Satisfied with all reports provided.
To provide a comprehensive range of corporate services to Council that contributes to the organisation's ongoing sustainability	Continue to provide best practice tendering practices to the organisation, in line with our regulatory requirements, with the aim of achieving 'best value for money' outcomes for Council & the community	Number of tenders conducted over the tendering threshold of \$150,000 ex GST	Focus remains on obtaining best value for money results through the formal tendering process.

Objectives	Strategies	Performance indicators	Comment on Progress
	Continue to streamline the Procure-to-Pay processes within Council to drive cost-savings	Percentage of Council purchases (by value) made via Purchase Card Percentage of requisitions placed electronically	Purchase cards remain a feature of our purchasing processes with the cost of processing orders reduced substantially by the use of Purchase Cards. An upgrade to Council's Financial system caused some program issues with online requisitions. These have now been resolved and testing and implementation has recommenced. Go live to occur prior to Dec 2010.
	Develop an organisation-wide Risk Management Plan as a way to implement the Risk Management Policy & Framework across the organisation	Risk Management Plan implemented	On target, with internal adoption of Corporate Risk Register. A process is being developed and will be implemented during 2010/11 to ensure ongoing monitoring and review or organisational risks occurs and is documented.
	Provide timely property services to Council in accordance with relevant legislation & policies	Percentage of requests for service responded to within applicable service standards (Target: >80%)	Focus is still on responding to all enquiries in a prompt manner where possible.
	Provide proactive plant and fleet management services to ensure Council has sufficient plant, vehicles & equipment to fulfil its service delivery obligations	Percentage utilisation & availability of Council plant and equipment (Target: 95%)	Utilisation for 2009/10 reached 69%.
To provide property investment services to generate additional revenue for Council services and facilities	Actively engage in the property development and sales market	Return on investment to meet or exceed the benchmark of 7%	Business Plan prepared indicated that a depressed commercial market prevailed recommending property investment consideration be deferred as expectation of a return on investment of a benchmark of 7% cannot be met in the current economic conditions. Economic conditions continue to be reviewed.

People and Learning

Fostering organisational capability to achieve excellence and deliver results, leading the development of talent and building a great place to work

Services

- | | |
|--|--|
| ☐ Employee well-being | ☐ Occupational health and safety |
| ☐ Employee learning and development | ☐ Staff recognition and reward |
| ☐ Employment, equity and diversity | ☐ Employee attraction and retention |
| ☐ Communication | |

Key planning documents

- | | |
|--|--|
| ☐ Human Resource Strategy 2007-2010 | ☐ Australian Business Excellence Framework (ABEF) |
|--|--|

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
Increase the use and value of performance management systems	Facilitate a performance focussed workplace through: Continued utilisation of 'on-line' Performance Management Plans (PMPs) for relevant staff Implementation of formal review annually for all other employees.	High quality performance reviews with benchmarks established for goal achievement	Good overall progress for this year. This is an ongoing process.
Build organisational leadership capability.	Develop proactive and visionary leadership through: Implementation of a leadership capability framework Implementation of a supervisory program for new and aspiring supervisors Development and implementation of a workforce plan	Number of employees attending appropriate training courses Program Developed/ sourced by August 2009 Plan developed by May 2010 Plan Piloted by July 2010 Plan Implemented by January 2011	Commencement of an Organisational Development Plan will continue to build leadership capability across Council.
Contribute to organisational change and improvement.	Listen to our employees and communicate the ABEF message by: Conduct an Employee Opinion Survey on a bi annual basis: The employee survey process is a continual cycle of survey, analysis and feedback with action plans developed and implemented Support organisational implementation of the Australian Business Excellence Framework	Movement in agreed areas is tracked year on year with comparison to the municipal sector. Integrate ABEF into an induction program for new employees	Good overall progress for this year. This is an ongoing process.

Objectives	Strategies	Performance indicators	Comment on Progress
Deliver high quality Occupational Health and Safety Management Systems	Use of pre qualified OH&S training providers. Maintenance of OHSMS. Development of a OHS Strategic Plan for implementation in 2010-2011	Formal review and evaluation of training outcomes	Ongoing and on target

183B Equal Employment Opportunity (EEO) Management Plan

Objectives	Strategies	Performance indicators	Comment on Progress
<i>Sound Information Base:</i> Ensure that Equal Employment Opportunity (EEO) statistical data is utilised	Encourage new staff to complete EEO surveys at commencement of employment Analyse data for EEO planning and action	Data analysed and statistics calculated and analysed against current trends. An understanding of the break-down of our EEO target group demographics, compared to PMH & National/State ABS data	On track.
<i>Communication and Awareness:</i> Ensure that all employees are aware of: - EEO principles, Anti-discrimination and Council's EEO policy; - Responsibilities in relation to EEO and Anti-discrimination; - Council's EEO Management Plan; - Council's zero tolerance for bullying and harassment in the workplace.	Conduct training for staff on EEO, anti-discrimination and harassment, and their responsibilities relating to appropriate legislation Communicate information on EEO, anti-discrimination and harassment to all new employees as part of the Corporate Orientation program Promote EEO, anti-discrimination and intolerance of bullying & harassment Promote the EEO Contact Officer/s	All staff trained on their rights and responsibilities Managers/Supervisors conduct retraining sessions for their supervisors when legislative changes occur. Employees made aware of, understand role and know how to access the Contact Officer/s	On track with training commenced mid 2010. Ongoing.
<i>Participation:</i> Ensure the participation of employees in decision-making about the EEO Management Plan and that senior management participate actively in Council's ongoing commitment to the EEO.	Invite comment and input during the development of EEO Policy from staff, to ensure appropriate targets included	Employee input included in EEO Policy	Completed.
<i>Recruitment:</i> Ensure that those who convene interview panels are aware of, and implement, EEO principles throughout the recruitment process. To ensure that those who convene interview panels comply with Recruitment and Selection Policy. To include knowledge & understanding of EEO principles as one of the criteria for appointment to any supervisory position.	Ensure that EEO principles are included in interview skills training Develop a diversity statement to be used in recruitment Consider the needs of identified EEO groups in work re-organisation or structural changes	Staff appropriately trained in merit selection techniques Diversity statement appears on our positions vacant advertisements on our website Structural changes and work re-organisation consider EEO and diversity principles	Completed.

Objectives	Strategies	Performance indicators	Comment on Progress
Ensure that conditions of employment comply with EEO principles	HR policies and procedures are developed and reviewed to ensure compliance with EEO principles Flexible working practices are supported through policy and procedure	Nil substantiated complaints about illegal discrimination relating to the policy	No complaints or issues raised.
<i>Learning & Development:</i> To ensure that training complies with EEO, access & equity principles	Examine in-house and external training courses and materials to ensure they are non-discriminatory and consist of EEO, access and equity principles	Courses and materials are non-discriminatory. No breaches of EEO policy Courses are accessible by all. Flexible learning options are available for those who require them	Completed as per EEO report.
<i>Identified Target Groups:</i> To provide opportunities for those EEO target groups (People from Culturally and Linguistically Diverse backgrounds, Older people, People who are Aboriginal or Torres Strait Islander (A/TSI), People with a disability, women and young people). To improve understanding of the needs and capabilities of people in EEO target groups.	Workforce planning incorporates EEO principles Ensure pay equity and employee diversity across salary levels and occupations	Progress towards population benchmarks and government targets in the representation of EEO group members among successful external job applicants	Completed as per EEO report.

Information and Knowledge

Providing and maintaining effective information management systems to meet customer requirements

Services

- | | |
|--|---|
| ☐ Information technology services | ☐ Geographical information system (GIS) services |
| ☐ Records management | ☐ Printing services |
| ☐ Archival services | |

Key planning documents

- ☐ Information Services Strategic Plan 2003-2008

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide and maintain effective information management systems to meet customer requirements	Provide and develop an information management system that provides corporate information in an accessible and useable format (incl. software, hardware, communications, data and information management services)	User satisfaction survey (Target: >80%) System downtime (Target: <1% of service level agreement (SLA) working hours) Percentage of capital works projects completed on-time and within budget (Target: 100%)	Results from IT user survey were 90% satisfactory – Achieved. The average downtime for the 12 month period was 0.29% - Achieved. 100% of the IT projects due during this 12 months were completed on-time and within budget – Achieved.
	Provide end-user support services in accordance with service level agreement (SLA) standards	Percentage of requests for service responded to within applicable SLA standard (Target: >70%)	Over the 12 months, the average was 72.2% which is greater than the target – Achieved.
	Review Council's IT disaster recovery	Review completed by November 2009	Review has been completed – Achieved.
To provide and maintain effective mapping systems to meet customer requirements	Provide and maintain effective GIS mapping services to support decision-making	Percentage of requests for service responded to within applicable SLA standard (Target: >70%)	Over the 12 months, the average was 74% which is greater than the target – Achieved.
To provide effective records management services to comply with legislative and customer requirements	Provide effective information, records and archive management services including Council's electronic document and records management system (Dom Doc) Review Council's Records Management Policy	Annual State Records Act compliance audit (Target: >80%)	Review completed and 89% achieved.
To provide and maintain effective printing services to meet customer requirements	Provide a range of internal printing services to support Council operations, including the production of Council Business Papers and Sub-Committee Agendas	Percentage of requests for service responded to within applicable SLA standard (Target: >70%)	Over the 12 months the average was 92.0% which is greater than the target – Achieved.

Quality, Improvement & innovation

Ensuring value for money and continually improving the quality and efficiency of our services and facilities by being creative and innovative

Services

- ☐ Organisational development and improvement activities

Key planning documents

- ☐ Service delivery standards / service level agreements (SLA)
- ☐ Business Excellence Framework (BEF)

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To ensure Council has a structured and systematic approach to improving and achieving best practice and excellence	The Business Excellence Framework embedded as the 'business as usual' technique for evaluating Council's organisational performance, driving continuous improvement in Council's leadership and management systems	Number of PDSA process improvement teams in operation. Business Planning process modified to align with BEF, by December 2009	Completed.
To promote excellence in the delivery of Council services and facilities	Implement improved performance reporting to allow for better measurement of delivery of services and facilities to the community. Improved project management protocols, processes and reporting implemented, by 30 th June 2010	Percentage improvement in Customer Satisfaction with delivery of the majority of Council services, by 30 th June 2011 Percentage of Works program projects completing Project Stage Gate Reviews. Percentage of Works program projects utilising the approved protocols contained within the Project Management Framework.	Ongoing. Ongoing. Completed.
To promote innovation in service delivery	Develop a structured framework to promote, identify, assess and capture innovative ideas	Innovation framework document, aligned with BEF principles, developed, by 30 June 2011	BEF workshops planned for last quarter 2010.
To ensure compliance with Council policies and standards	Continue to develop and implement an internal audit program	Internal audit program implemented in accordance with agreed schedule	Internal Audit Plan for 2010/11 adopted at August 2010 meeting.

Success & Sustainability

Monitoring, reviewing and reporting organisational performance and progress made towards the achievement of our sustainability objectives

Services

- Organisational Performance Management

Key planning documents

- Annual Corporate Plan

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To monitor, review and report on Council's performance in an open and transparent way to demonstrate to the community and stakeholders the level of service provided and the progress being made towards the achievement of Council's sustainability objectives	Integration of statutory planning and Corporate reporting to strengthen Council's strategic focus to address social, environmental, economic and civic leadership considerations aligned with Community expectations and regulatory requirements.	Community Plan detailing the community determined long term strategic priorities developed by 30 June 2010 Rationalisation of Planning Documents and reports underway by 30 June 2010	The Community Strategic Plan (CSP) has received general support during exhibition. The next stages of development of the integrated planning & reporting framework are well underway.
	Monitor, review and report on Council's environmental performance via the State of the Environment report and Corporate Management plan	Annual publication of the State of the Environment Report	Ongoing in accordance with statutory requirements.
	Monitor, review and report on Council's social performance via the Access and Equity Activities report and Corporate Management Plan	Annual publication of the Access and Equity Activities report	Ongoing in accordance with statutory requirements.
	Monitor, review and report on the local economy via Council's website and <i>Snapshots</i> document	Regular publication of the <i>Snapshots</i> document	Ongoing.

Economic

To facilitate economic growth through the provision of quality services, strategies and infrastructure for the betterment of the community

Environment

Social

Economic

Governance

Economic Development

Encouraging and facilitating growth in sustainable business activity

Services

- ☐ Industry development
- ☐ Business development
- ☐ Economic analysis
- ☐ Economic data provision and reporting

Key planning documents

- ☐ Economic Development Business Plan (Feb2010)
- ☐ Draft Industry Development Plan (Timber & Forestry 2010)
- ☐ Hastings Food and Agricultural Opportunities Plan 2005
- ☐ Food / Wine / Tourism (FWT) Industry Development Plan 2007
- ☐ Blueprint for Enhancing Higher Education Delivery in the Extended Hastings Region
- ☐ Business & Industry Growth Program, March 2010
- ☐ Customer Care Program Handbook 2006

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To Increase the level of sustainable business activity in PMQH	Refine and enhance the Business Development Program comprising the Existing Business Development Program, the Business STARTUP Program, the Business Resource Program and the Business Visitation Program	Greater than 80% of firms implementing action plans Greater than 80 businesses visited on-site per annum Greater than 20 prospective start-ups matched with suitable mentors	Achieved (91%). On track – achieved 98% in first five months. Achieved (23 start-ups).
	Industry Development Program to add depth and value to existing industry by assisting industries with high development potential	Implementation of Tasks in accordance with adopted Industry Action Plans in Retail (Customer Care) and Food, Wine and Tourism	Achieved including Forestry, Timber and Higher Education.
	Foresighting Program to scan new developments and opportunities to attempt to identify new businesses or industries that will provide core activities in the region in 10 to 15 years	A PMC Futures Development Board that is proficient in analysing and observing future trends and communicating	Achieved. The Board has typically met bi-monthly on an as required basis.

Objectives	Strategies	Performance indicators	Comment on Progress
		Develop an Action Plan with implementation in accordance with the KPI's incorporated.	All actions implemented as per action plans.
	Resource Development Program	Use of Resource Database by businesses (> 60 times per annum)	Not achieved (72% of target). New Communications Strategy from commencement 2010/11.

Tourism and Major Events Services

Increasing tourism's contribution to the sustainable development of Port Macquarie- Hastings through strategic planning, effective partnerships and the provision of quality visitor services

Services

- | | |
|--|---|
| ☐ Strategic tourism planning and research | ☐ Industry liaison and development |
| ☐ Tourism marketing and promotions | ☐ Provision and management of visitor information services |

Key planning documents

- | | |
|--|---|
| ☐ Tourism Development Plan 2006 | ☐ Tourism Marketing Plan 2009-2010 |
|--|---|

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To build and convert destination awareness and demand in target markets	Develop and implement an annual Tourism Marketing Plan	Monthly marketing performance review	By Year End (YE) December 2009 Australian domestic tourism experienced a 6% decline in visitor numbers and nights in 2009. Greater Port Macquarie (GPM) maintained market share in terms of visitor numbers, and our visitor nights increased by 10% compared to 2008. Even more positive was the increase in international visitor numbers and nights. By YE December 2009 NSW experienced a 2% decline in international overnight visitors, yet GPM received a 2% increase in 2009 compared to the previous calendar year. Even more interesting is the fact that our international visitor nights increased by an impressive 9% in 2009 compared to the previous year. This is the highest calendar year result since 2000, which was of course was the year of the Olympics in Australia. By YE June 2010 NVS results are as follows: *5% increase in domestic visitor numbers by YE June 2010 (670,000) *9% increase in domestic visitor nights (2.5 million) *Maintained market share of International visitor numbers (62,000) *14% increase in international nights (311,000)

Objectives	Strategies	Performance indicators	Comment on Progress
			All actions from the 2009/10 Tourism Marketing Plan have been completed and KPIS achieved.
	Commission research and provide access to tourism data which is relevant to the local industry and is of value to key stakeholders	Quarterly review of National Visitor Survey	YE end Dec 2009 (calendar year) NVS data results and YE June 2010 (financial year) results were reported to the Greater Port Macquarie Tourism Board and the industry. (refer results above).
		Visitor Information Centre performance review	All Visitor Information Centre performance results are reported monthly to the Tourism Board, and quarterly to industry by the Tourism Manager.
		Annual Consumer Survey	From 1 July to 30 June 619 customer surveys were completed at the Visitor Information centre. When asked the question about staff friendliness, 86% rated staff as 'very good' (the highest rating). 82% of customers also rated staff knowledge as "very good".
		Commission research annually	Contracted TOURISM STRATEGY DEVELOPMENT SERVICES from 1 July to 30 June to extract a range of additional data from the quarterly NVS survey data. All the latest Federal and State Government tourism research is shared with Industry and made available on the destination website.
	Partner with industry to increase marketing spend / reach	Increase in joint venture marketing income annually	166 industry partners joined the Greater Port Macquarie Tourism Partnership Programme in 2009/10. This generated an additional \$132,500 towards our marketing budget. This Programme, combined with an additional \$74,000 from joint venture retail tactical campaigns in 2009/10, has increased the total marketing budget by 21.5% over the

Objectives	Strategies	Performance indicators	Comment on Progress
		Number and type of businesses participating in marketing campaigns and initiatives	previous year. * \$300 Couples Escape Plan = 9 accommodation partners and 1 airline (Qantaslink). *Family Values Campaign = 7 accommodation partners and 1 airline (Qantaslink). * 52+ThingsTo Do Campaign = 31 attractions operators. *Winter Campaign = 17 accommodation operators and 6 attractions
	Develop Federal, State and Regional alliances to maximise funding opportunities	Number of joint marketing initiatives with Regional, State and Federal alliances Level of funding maximised annually	In 2009/10, Greater Port Macquarie secured a total of \$158,000 in Demand Building funding from Tourism New South Wales. A condition of this funding was that it had to be matched \$ for \$ with industry. The funding was used to assist in the above tourism campaigns.
	Achieve efficiencies through the ongoing development of integrated website / booking / administration systems	Quarterly review of Website Development Strategy	New website developed. Launched into Social Media with a major campaign that generated over 590 fans, 290 fan images, 181 Facebook competition entries and 1,120 Twitter fans. Social media will continue to be integrated into all future marketing campaigns and promotions. A Social media strategy has been developed for the next 12 months in the 2010/11 Marketing plan. The destination website - www.portmacquarieinfo.com.au - accounts for over 40% of general enquiries to the Visitor information centre.
	Achieve efficiencies through the ongoing development of booking system	Quarterly review of booking system strategy	A review is about to take place to determine any other online reservation system options. Industry operators will also be surveyed next month for their feedback on the current Bookeasy online reservation system.
To develop private and public sector partnerships to grow and manage tourism	Facilitate the implementation of strategies identified in the Tourism Development Plan	Annual priority actions achieved Number of actions implemented as a percentage of the overall plan	The development of the 2010/13 Tourism Plan has been delayed. It is now expected to begin in late November 2010.

Objectives	Strategies	Performance indicators	Comment on Progress
To develop and strengthen visitor services	Provide information and booking services through Accredited Visitor Information Centres	Annual increase in tourism membership Annual increase in operators utilising booking services	This is the first year of the Tourism Partnership Programme, with 166 paying members. The total membership contribution was \$132,500 in 2009/10. The previous tourism membership scheme was 150 members and generated only \$22,500
	Provide exceptional customer service standards in the delivery of Visitor Services	Quarterly customer survey Quarterly operators survey	From 1 July to 30 June, 619 customer surveys were completed at the Visitor Information centre. When asked the question about staff friendliness 86% rated staff as 'very good' (the highest rating) 82% of customers also rated staff knowledge as very good.
	Achieve annual sales targets	10% increase in sales revenue	By the end of 2009/10, the VIC achieved the following results compared to the previous financial year: *Not met – number of bookings declined by 8% *Not met – number of room nights declined by 5% *Not met - 21% decline in revenue from leisure bookings. *Met - 79% increase in conference and events related accommodation booking activity. *Met - 12% decline in tour bookings.
	Achieve annual visitation targets	10% increase in visitation through the Visitors Centre	It is difficult to make any comparison versus previous years until the VIC has been located in the Glasshouse for 1 year. The visitation reflects only business hours traffic, but has increased on average by 177% per month compared to our previous location.

Facilities Management

Managing facilities effectively to meet a range of community requirements

Services

- | | |
|--|--|
| ☐ Port Macquarie Airport management | ☐ Timbertown Heritage Park management |
| ☐ Caravan parks management
(Beachfront Caravan Park, North Haven;
Bonny Hills Caravan Park; Port Macquarie
Holiday Cabins) | ☐ Crematorium & cemeteries management
(Innes Gardens Memorial Park Crematorium
and Lawn Cemetery; general cemeteries) |

Key planning documents

- | | |
|--|---|
| ☐ Port Macquarie Airport Master Plan 2010 | ☐ Timbertown Strategic Direction Report 2006 |
| ☐ Caravan Parks Master Plans | ☐ Crematorium and cemetery master plans |

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To facilitate a range of high quality, safe and competitive air passenger transport services at Port Macquarie Airport as an important contributor to the economic development of the Greater Port Macquarie region	Work in partnership with airlines and manage airport operations to benefit the community and maintain the airport's operational viability	Number of, and percentage increase in annual regular public transport (RPT) passenger movements	210,195 pax. recorded in financial year – a 12% increase over the previous financial year. The 200,000 pax. pa milestone was achieved for the first time in November 2009. QantasLink added additional capacity on the PQQ – SYD route in March 2010.
To provide high quality, safe and cost effective airport infrastructure and facilities to support the day-to-day operation and ongoing development of Port Macquarie Airport	Plan, maintain and provide airport infrastructure and facilities as necessary to satisfy the forecast growth in airline services and passenger numbers, and comply with Australian Government aviation regulations	Development of <i>draft</i> Port Macquarie Airport Master Plan 2009 by 31 Dec 2009	The Master Plan 2010 was formally adopted by Council on 23 June 2010. The Master Plan sets out the framework and strategic direction to guide the future development of Port Macquarie Airport.

Objectives	Strategies	Performance indicators	Comment on Progress
To provide high quality, cost-effective accommodation in a financially sustainable manner	Continue to manage and operate tourist accommodation parks to benefit the community, offer a range of accommodation alternatives, and maintain their commercial viability	By 30 June 2010, improve visitation by 5%	Significant rain post Christmas 2009 reduced visitation during this busy period. Despite this however, combined visitation for the 3 parks achieved an increase in visitation of 3.5% on the previous year.
		By 30 June 2010, improve operating profit by 2%	Combined operating profit of all 3 parks improved by 7% for the financial year.
		Develop a Caravan Parks Business Plan to be completed by December 2009	As at 30/06/10, negotiations occurring with the Land and Property Management Authority over the future management of both Bonny Hills and Beachfront Caravan Parks. Council resigned as Trust Managers for the Parks with effect from 1 October 2010.
	Continue to develop tourist accommodation park facilities in accordance with the Caravan Parks Master Plans, Department Lands requirements and Council's asset management policy	Implement the development aspects of the caravan parks Business Plan (according to the stated milestones)	Implementation of ongoing works as per the Business Plan are ongoing.
To provide high quality crematorium and cemetery facilities in a financially sustainable manner	Implement the crematorium and cemeteries capital works program in accordance with the Crematorium and Cemetery Master Plans, all regulatory requirements and Council's asset management policy	By June 2010 Infrastructure stage completed as required by the Crematorium and Cemetery master plans.	All capital works as adopted in the corporate plan were completed by June 2010 within budget.
	Develop a detailed Management Plan to support the long-term crematorium and cemetery needs of the Port Macquarie-Hastings Local Govt Area.	By 31 December 2010 develop a detailed Management Plan	A business strategy review for the Crematorium and cemeteries is underway, and due to be complete by 31 December 2010.

Objectives	Strategies	Performance indicators	Comment on Progress
To promote Timbertown as a major tourism operator on the Mid North Coast	Utilising the community feedback resulting from the 2008/2009 Strategic Planning document a Renewal program commences.	A Renewal Project Program Plan based on community feedback to be adopted by 30 June 2009	The focus for Timbertown changed from a renewal process to a formal business review of the park, as per a Council resolution in August 2009. An Expression of Interest (EOI) process was run for the potential sale, lease or joint venture for Timbertown. The results of this EOI were evaluated along with other proposed operating models. As adopted by Council on 25/11/09, Council proceeded with an exchange of contracts for the sale of Timbertown to David and Alison Waite. Settlement occurred on 1 June 2010. Council extended finance on a short term basis to Mr and Mrs Waite to assist with this purchase. The finance was provided on commercial terms, and Council will retain a mortgage over the property until the contractual obligations in relation to this arrangement are fulfilled. This is scheduled to be no later than 1 March 2011.

Social

To facilitate access to a range of services and facilities, recognising the importance of social well-being and ensuring a safe, inclusive and equitable community



Community Development

Working together to develop a community where people have good access to facilities and services, feel secure and are involved in local issues

Services

- ☐ Social planning
- ☐ Community facilities planning
- ☐ Community development
- ☐ Community grant assistance
- ☐ Crime prevention
- ☐ Youth development
- ☐ Aged and disability development
- ☐ Aboriginal and Torres Strait Islanders community development

Key planning documents

- ☐ Hastings Social Plan 2005-2010
- ☐ Hastings Crime Prevention Plan 2006-2009
- ☐ Disability Discrimination Act (DDA) Action Plan 2008-2012
- ☐ Positive Ageing in the Hastings (currently in development)
- ☐ Hastings Youth Strategic Plan
- ☐ Port Macquarie – Hastings Affordable Housing Strategy 2008
- ☐ Aboriginal Reconciliation Action Plan 2008-2012

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To achieve a 'whole of Council approach' to social planning through the implementation of the Social Plan 2005-2010	Implement strategies identified in the Social Plan 2005-2010 which promote a 'whole of Council approach' to social planning	Social planning issues are considered in all Council processes	Community Strategic Plan Developed (CSP). Work continuing on the Integrated planning Framework for all of Council which incorporates social planning issues.
	To increase people's safety in the Hastings through the implementation of the Crime Prevention Plan	An improvement in the crime statistics for the Hastings	Perceptions of crime survey undertaken in Aug 2009. New Crime Prevention Strategy being developed for 2010/2011 to 2014/2015
	To improve relationships between older and younger people.	Complete two projects which promote the develop of intergenerational relationships	Two (2) Intergenerational Forums held throughout the year. Planning is underway for additional Forums in 2010/11.

Objectives	Strategies	Performance indicators	Comment on Progress
	To develop Community activities/events and networks which promote positive interaction between Council and the Community	Number of events and activities held	The Community Development team , as part of the development of the Community Strategic Plan (CSP), undertook 13 Community Forums and received 600 completed community need surveys. The information gathered helped to identify the goals and aspirations of the community in CSP (Towards 2030) planning process. PMHC received \$80,000 through the State Government to conduct the "Move Well, Eat Well, Live Well" over 2 years. which is operating across the LGA including Port Macquarie, Laurieton, Wauchope, 9 rural communities and the 2 Local Aboriginal Lands Councils. PMHC received \$90,000 through the State Government to project manage capital infrastructure upgrades to 7 Non-Council Owned Halls including Telegraph Point School of Arts, Byabarra hall, Comboyne War Memorial Hall, Hollisdale Hall, Kendall Community Hall and Ellenborough Hall. PMHC Community Grants Program 2009-2010 provided over \$140 000 to 32 Port Macquarie-Hastings based projects. PMHC moving towards Best Practice Grants Management through Grants Mapping, implementation of Smartygrants software to process 2010-2011 round applications and the approval for a PDSA Business Excellence Framework project to review Council grant making to be undertaken in 2010/11.

Objectives	Strategies	Performance indicators	Comment on Progress
			The Community Grants Program 2010-2011 was facilitated in June using the online system receiving 71 applications totalling requests over \$400 000. Outcomes to be determined in the new financial year.
	To increase employment and business opportunities available in the Hastings	An increase in employment and an increase in the number of businesses operating in the Hastings	Economic growth rate for PMQ Hastings LGA of 4%/yr is well above the State average
	To increase community access to services in the Local Government area.	Provision of up to date information to the community through website, community guides/directories and newsletters	Google group membership has increased by 75% to 243 members over the last year. Regular information updates provided to the community on Council and community matters including funding, training, information, access to resources, Council plans and projects. PMHC has provided information sessions and support to groups applying to the CDSE funding scheme, and is involved in the Allocation Panel meeting for determinations. PMHC continues to be involved in the Community Builders funding program providing information sessions and advice to applicants. Direct assistance provided to groups applying for funding through external sources such as the FAHCSIA Small Grants Program, NRMA grants program, Holiday Coast, Community Building Partnerships funding. PMHC has been integral in advocating & lobbying for a Community Legal Centre on the MNC. Funding was successful (over \$900 000) to implement a pilot. Council continues to be involved in the development of the project.

Objectives	Strategies	Performance indicators	Comment on Progress
			Assisted the Comboyne Show Society application to receive over \$20 000 in funding through the Rural Halls Renewal Fund. Assisted the Camden Haven Scouts Hall in receiving over \$65 000 of funding for hall upgrades. Assistance continues to the completion of the project in the new financial year. Assistance provided to Rotary Club in provision of new community centre at Hamilton Green. Facilitation of establishment of ACES disability service premises in Wauchope. Assistance provided to Laurieton Men's Shed in establishment of facility Re-establishment of management committee for Port Macquarie Historic Courthouse. \$40,000 extension to PMQ Seniors Centre to provide office space for administration of Centre that is used approx. 90 hrs/wk.
	To ensure beaches in the Hastings are safe and accessible	A reduction in the reports of safety incidents at beaches in the Hastings	2 programs implemented to reduce safety incidents.
	To improve road safety for the residents of the Hastings	A reduction in the number of road safety incidents occurring within the Hastings	Ongoing programs implemented- Nightrider, Speed Awareness, and Walking School Bus. Working with Police HP Operations Unit on education awareness strategies.
	To promote affordable housing in the Hastings	Lobbying on behalf of the community for affordable housing projects	5 meetings held to develop partnerships to increase community housing 3 meetings with Housing NSW 3 letters to lobby the State and Federal Government

Objectives	Strategies	Performance indicators	Comment on Progress
			1 meeting with Rotary for extension to Rotary Lodge
	To improve the transport and pedestrian / cycleway facilities available in the Hastings	An increase in the number of safe pedestrian/cycleway facilities	Community Development staff engaged in the bicycle strategy working group. Additional cycleways provided at The Parade - North Haven and Beechwood Road - Beechwood .
	To work with young people to provide a range of opportunities for personal development and safe events	Number of activities held and personal development workshops.	PMQ-Hastings Youth Advisory Council (PHYAC) provided 4 alcohol and drug free music events. Funding provided to Bonny Hills Strength and Wauchope Information and Neighbourhood Centre (WINC) to run music events for young people. 7 events held during Youth week. The PHYAC continues to provide a practical forum for YAC members personal development.
	To work with community organisations to provide safe spaces for young people	An increase in the number of safe spaces for young people	6 meetings and 2 funding applications submitted to provide youth space for young people. 2 workshops held and survey on YAC website to determine youth space requirements. Support provided to Big Red Bus to outreach to young people in Rural areas.
	To improve the professional development and retention of young people in the Hastings	An increase in the tertiary participation rate compared to the state average	Economic Development and Community Development partnership to enhance the opportunities for young people to study in the Port Macquarie Hasting LGA. Higher Education Plan developed with Community Development participating in the delivery of strategies contained within the Higher Education Plan.

Objectives	Strategies	Performance indicators	Comment on Progress
	To implement strategies identified in the Aboriginal Reconciliation Action Plan	Number of strategies implemented by Council	4 strategies implemented. Reconciliation Week Film Night held at the Glasshouse in May with 200 people attending. Lunch with Aboriginal Community representatives and Council Executive held on National Sorry Day with commitment from Council and Aboriginal Community representatives to have a similar event every 6 months. Thomas Dick Collection – Exhibition of photos of Birpai Aboriginal people 1910 – 1920 won a Local Government Cultural Award. 2009 NAIDOC Family Fun Day held on 8 July 2009 at the Town Green, attracted over 1000 people throughout the course of the day.

Cultural Development

Developing a culturally diverse and vibrant area, which supports creativity and innovation, and celebrates our rich history and heritage

Services

- ☐ Cultural planning
- ☐ Cultural facilities planning
- ☐ Cultural development
- ☐ Heritage
- ☐ Museums
- ☐ Creative industries development (in conjunction with the Economic Development program area)

Key planning documents

- ☐ Cultural Plan 2008-2012
- ☐ Heritage Plan 2008 - 2012
- ☐ Aboriginal Heritage Strategy (currently in development)
- ☐ Heritage Tourism Plan 2007
- ☐ Hastings Museum Development Plan 2007-2009
- ☐ Public Art and Design Policy and Master Plan
- ☐ Creative Industries Study and Development Plan 2008

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To support and cultivate cultural diversity and heritage in the Hastings	Finalise and implement strategies identified in the Cultural Plan 2008-2012	Implementation of Cultural Plan priorities for 2008-2009	Limited progress during the year due to resource constraints.
	To provide advice in conserving and managing our heritage for future generations	Number of responses to community requests	Heritage Advisor attends Council on a monthly basis and attends bi monthly Heritage Working Group meetings. Heritage Advisor contract renewed for 2010/11. Heritage Office funding received to subsidise this position as well as the Local Heritage Assistance program. Heritage Advisor attended 41 local appointments on heritage issues.
	To promote the Hastings as a cultural tourism destination	Number of cultural events which attract tourists from outside the Hastings	239,378 visitors through doors at Glasshouse. 107,456 visitors to Visitor Information Centre at Glasshouse. 69,584 Visitors to the Glasshouse Gallery.

Objectives	Strategies	Performance indicators	Comment on Progress
			43,229 people have attended Glasshouse 115 theatre shows.
	To conserve and protect Aboriginal heritage and enhance community awareness	Number of strategies implemented from the Aboriginal Heritage Strategy	Regular activities undertaken throughout the year to enhance community awareness of Aboriginal heritage issues. Aboriginal Consultative Committee has been formed and is meeting on a bi-monthly basis since 30 March 2010. Annual Sorry Day activities undertaken. NAIDOC week events successfully held from 26 June 2010. Lack of resources has resulted in no Aboriginal Heritage Plan being developed.
	To promote Port Macquarie Hastings in terms of its Aboriginal and European Heritage	Implement Heritage Tourism activities	Ongoing activities have been undertaken to promote the Region throughout the year.
	To conserve and interpret the region's heritage through the development of exhibitions and programs	Number of strategies implemented from the Museum Development Plan 2007-2009	The Museums Working Group and Heritage Sub-Committee have amalgamated. Monthly meetings have been focussed on reviewing the Draft Heritage Plan 2009-2012 which is now finalised. Heritage Festival was held in April as part of National Trust annual event. 20 events were held during this year's Heritage Festival.
	To support the development of Creative Industries in the Hastings	Number of strategies implemented from the Creative Industries Study and Development Plan 2008	Project on hold due to resource constraints.
	To enhance the quality, character and animation of public environments through implementing a diverse range of quality public artworks	Initiatives developed from the Public Art and Design Policy and Master Plan	Consultation and planning of public art installation on Oxley Highway has been underway for the past 5 months.

The Glasshouse Arts, Conference & Entertainment Centre

Vision: To be widely recognised as a place of quality arts experiences, excellent service and community pride

Services

- ☐ 'The Glasshouse' Arts, Conference and Entertainment Centre
- ☐ Performing and visual arts
- ☐ Regional art gallery
- ☐ Commercial venue hire services
- ☐ Community access
- ☐ Education
- ☐ To develop, present and promote high quality innovative artistic experiences
- ☐ To facilitate community cultural and creative industry development
- ☐ To develop audiences and encourage participation in the arts and entertainment
- ☐ To enhance community creativity and individual well-being through engagement in artistic dialogue
- ☐ To provide a creative environment, outstanding services and sound revenue strategies

Key planning documents

- ☐ Glasshouse Arts, Conference and Entertainment Centre Business Plan 2008
- ☐ Glasshouse Arts, Conference and Entertainment Centre Education Plan 2008-2010

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To complete the Glasshouse building project on time and within budget	Develop a comprehensive project and business management plan to manage and monitor the building project	Glasshouse open on time in 2009 and within approved budget parameters	Opened in July 2009
To develop the Glasshouse as a place of quality arts experiences, excellent service and community pride	Implement existing management and operational frameworks to drive community engagement and programming activities in Theatre, Gallery and broad cross sectional areas	95% average customer satisfaction through event and feedback surveys	99% satisfaction rate reported in customer feedback surveys. 27 Exhibitions held. Award Winner : Local Government award for Aboriginal Cultural Development Award Winner : Inaugural IMAGinE awards – Organisation awards for Exhibitions
To establish methods of access to performances and exhibitions within the Glasshouse for community target groups as identified in the Social Plan 2005-2010	Integrate social and economic target groups into Glasshouse audiences and activities through the development and implementation of Glasshouse specific Disability Action Plans and Equal Access policies related to Glasshouse programs	Number of target groups / people visiting / participating in Glasshouse programmes. Minimum of 0.8% average ticket / program allocation to be available for distribution to identified target groups with increase to 1% over the first 3 years of operation	8 Disability Public programs completed. 4 Indigenous exhibitions and 4,730 participants in public programs. Alzheimer's programming partnership established with Alzheimer's Australia. Next round of allocations is due in December 2010

Objectives	Strategies	Performance indicators	Comment on Progress
To promote ongoing employment and training opportunities for youth in the local area	Develop and integrate training programs in conjunction with national training organisations and/or training institutions	One educational partnership formed by 2010. Number of trainee / work experience students participating in roles at Glasshouse	Country Energy Education Partnership for 3 years established. 6 x Workshop programs completed for young people. 1 x University Intern placement planning completed. Newcastle University faculty partnership established. 1 x University workshop planning process completed.
To operate the <i>Glasshouse</i> in the Port Macquarie – Hastings region as an effective and innovative business	Develop comprehensive business, sponsorship and operational plans which embrace an appropriate balance of commercial and community activities	Number of community programs; number of commercial hires; Council operating budget subsidy for the <i>Glasshouse</i> met within approved parameters	6 x Community Exhibitions, 36 x Tours 65 x Community supported events. Total annual traffic 220,000 - 9% increase on the KPI's set Gallery visitations - 70,000 for the first 12 months 95,000 VIC and box office visitors \$1.2M sales through ticketing services \$76,000 in retail sales through Gallery Gift Shop 26,500 telephone calls answered \$54,000 worth of local tour operator sales Annual report delivered 1st July and released to the media. Award Winner: Blakett Award for Regional Architecture (Australian Institute of Architects) Award Winner: Excellence in Building and Construction (Master Builders' Association)

Library services

Providing quality information and recreational services

Services

- | | |
|---|---|
| ☐ Library operations | ☐ Public internet access |
| ☐ Special needs library facilities | ☐ Targeted learning programs |

Key planning documents

- ☐ n/a

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide a range of library services to create an environment to inspire, educate, inform and entertain	Provide convenient and timely access to library-based recreational and educational resources at Council's Port Macquarie, Laurieton and Wauchope libraries.	Demonstrated community support for library services in terms of circulation, visitation, technology usage and information requests as measured by the State Library of NSW Public Library Statistics	Borrowing figures continued to increase over twelve month period. Computer usage is down but wireless access has greatly increased.
	Meet the information needs of all library users through the provision of facilities for special needs groups, internet and technology resources and targeted learning programs	As above	Internet connection now upgraded at all libraries. Free wireless connectivity.
	Implement and maintain the collection development policy to ensure an appropriate and up-to-date information service for the community	Reviewed on an annual basis	Updated in accordance with changes during the year.
	Maximise external funding received via State Government Library Development Grants to supplement library resources	Level of external funding received via State Government Library Development Grants	Received \$42,000 Library development grant to digitise local newspapers both here and at Kempsey.
	Continue to actively support and participate as a member of the Mid-North Coast Co-operative (with Kempsey Shire Council) to ensure the efficient use of library resources	Regular meetings to discuss joint ventures.	Received \$80,000 grant. Actively worked with Kempsey during the year, in particular, to develop children's programs and enhance collections.

Parks, Recreational and Sport Development Services

Providing, maintaining and enhancing a range of active and passive recreational facilities and environmental open space. Providing a range of services and funding to improve local sporting organisations and attract sport tourism events to the region

Services

- | | |
|---|--|
| ☐ Parks, reserves and recreational planning | ☐ Lifeguard and beach management |
| ☐ Design and construction of public open space capital improvement works | ☐ Aquatic (swimming pool) facilities management |
| ☐ Parks, reserves and open space management | ☐ Sporting task force |
| ☐ Sporting field management | ☐ Identifying and securing sport tourism events |
| ☐ Tree management services | ☐ Sport development funding |
| | ☐ Development support to sporting organisations |

Key planning documents

- | | |
|---|---|
| ☐ Plans of Management of Community Land Sportfields (Generic and Specific); General Community Use; Natural Areas - Bushland; Natural Areas - Foreshore; Park | ☐ Strategic Sports Audit 2004 |
| | ☐ Sport Development Funding Guidelines |
| ☐ Open Space Community Recreational Strategy | ☐ Sport venue audit |

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To develop new and enhance existing recreational facilities	Plan for and provide a range of facilities that meet the needs of a growing community	Community satisfaction with recreational facilities Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements	Capital works projects are being completed in accordance with the Corporate Plan. Existing recreational infrastructure is maintained in accordance with the relevant service standards.
	Provide prompt response to user and community requests	Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%)	Customer requests are being managed in accordance with the relevant service standard.
To maintain high quality open space facilities	Deliver maintenance services in accordance with agreed service standards and Council's asset management policy (see Asset Management program area)	Community satisfaction with open space facilities	The acquisition of new maintenance equipment and improved efficiencies in maintenance delivery during this year has seen a downturn in customer complaints about open space issues.
To increase the economic impact of sport tourism events in the region by 10% annually	Maintain existing events and identify and attract new event products for the region	Percentage increase in the overall economic impact of sport tourism events in the region (Target: 10%)	In 2009/10, Council secured 8 major national events (1 international) during this period, which

Objectives	Strategies	Performance indicators	Comment on Progress
			generated over \$44 million in direct economic impact into our community per annum.
To improve the administrative capacities of local sporting organisations	Target specific sporting organisations to address administrative issues	Number of sporting organisations assisted (Target: min. 3 per year)	Council has worked with NSW Sport & Recreation to inform local sporting groups about relevant programs and grants. Two NSW Sport & Recreation presentations were hosted by Council in 2009/10.
To develop commercial partnerships to mitigate the cost of hosting events	Identify opportunities for partnerships, funding and sponsorships at local, state and national levels	Number of major events with significant industry support (Target: 2 per year)	Council has successfully partnered with Events NSW to fund three major events to our LGA – Ironman Australia (3 years), Wintersun (2011) and The Australian Surf Festival (3 years). Major events strategy to be developed and implemented by 30 June 2011 to address a future funding model.
To maintain the Sporting Task Force and annual Sport Development Fund	Develop a charter for the Sporting Task Force and ensure equitable access is available to the Sport Development Fund	Itemised allocation of funding spend	Grant funding is still being distributed to groups who secured funding prior to 2009/10.

Emergency Management

Ensuring all disaster risks are minimised through sound planning for the benefit of the community

Services

- ☐ Emergency risk management services
- ☐ Support services for State Emergency Services (SES) and Rural Fire Service (RFS)
- ☐ Financial support to emergency services organisations

Key planning documents

- ☐ Emergency Disaster Plan (DISPLAN)
- ☐ Emergency Risk Management (ERM) Plan (to be finalised in 2008)
- ☐ Bushfire Risk Management Plan (to be updated in 2008)

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To ensure that natural, technological and biological disaster risks are minimised through sound planning and risk management	Coordinate the Port Macquarie Hastings Local Emergency Management Committee	Arrange quarterly meetings of Committee	Meetings held as scheduled: 30 July 2009 29 October 2009 (Extra Ordinary Meeting) 26 November 2009 11 February 2010 13 May 2010
	Coordinate the Emergency Disaster Plan (DISPLAN) to ensure that the roles and responsibilities of emergency service personnel are clear	Review DISPLAN annually	Annual Reviews continuing.
	Develop an Emergency Risk Management (ERM) Plan to mitigate risks associated with all hazards	Emergency Risk Management (ERM) Plan released by 2009 – major and minor risks have plans in place and monitoring system established	Reformation of LEMC Risk Sub-Committee underway to complete document.
	Assist with review of the Bushfire Risk Management Plan to mitigate risks associated with bushfires	Plan reviewed by Bushfire Management Committee and adopted Dec 2009.	Completed in conjunction with Neighbourhood Safer Places identification Nov 2009.

Infrastructure Planning and Design

Ensuring community infrastructure requirements are identified, programmed and designed to quality standards and agreed service levels

Services

- | | |
|--|--|
| ☐ Infrastructure / transport planning | ☐ Transport capital works programme development |
| ☐ Transport Asset Management | ☐ Engineering development |
| ☐ Engineering survey and design | ☐ Traffic management and safety (incl. street lighting) |

Key planning documents

- | | |
|--|--|
| ☐ Hastings Major Roads and Traffic Study | ☐ Road Safety Strategic Plan 2004-2007 |
| ☐ Port Macquarie Town Centre Traffic Study | ☐ Bridge Upgrade and Replacement Strategy |
| ☐ Wauchope Traffic Study 1997 | ☐ Regional and Local Bike Plans 1998 |
| ☐ Pedestrian Access and Mobility Plan 2001-2011 | ☐ Transport Asset Management Plan |

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide a safe and functional road network	Implement the Major Roads Improvement Strategy & Transport Rolling Works programme	Implemented as scheduled in Council's rolling works programmes to appropriate quality standards	Implemented in accordance with transport infrastructure works programs approved as part of the 2009/10 Corporate Plan.
To improve driver and pedestrian behaviour to reduce accidents and road related offences	Implement strategies identified in the Road Safety Strategic Plan 2009	Implemented as scheduled with a reduction in accidents and road related offences	Implemented in accordance with approved Road Safety Action Plan.
To provide improved mobility and access facilities	Implement strategies identified in the Pedestrian Access and Mobility Plan 2001-2011	Implemented as scheduled in Council's rolling works programmes to appropriate quality standards	Implemented in accordance with transport infrastructure works programs approved as part of the 2009/10 Corporate Plan.
To provide safe and functional cycleways	Implement strategies identified in the Regional and Local Bike Plans 1998	Implemented as scheduled in Council's rolling works programmes to appropriate quality standards	Implemented in accordance with transport infrastructure works programs approved as part of the 2009/10 Corporate Plan.
To ensure safe & efficient local traffic movements	Implement local area traffic management schemes (LATMS), including: - Lighthouse Beach LATMS - North Haven LATMS - Bold St Laurieton LATMS - Wauchope Traffic Study - Town Centre Master Plan	Implemented as scheduled in Council's rolling works programmes to appropriate quality standards	No new schemes approved and funded as part of Councils 2009/10 Corporate Plan.

Objectives	Strategies	Performance indicators	Comment on Progress
To provide street lighting to meet road user and pedestrian safety requirements	Street lighting upgrade and replacement programme	Implemented as scheduled in Council's street lighting programmes to appropriate quality and energy efficiency standards	Implemented requests within available funding , some backlog requests to be carried over to 2010/11 program.
To ensure the timely delivery of cost effective and quality engineering survey & design services	Manage and monitor the delivery of the Engineering Survey & Design programme	Implemented as scheduled in the Survey & Design Programme in accordance with client briefs to appropriate quality standards and within approved budgets.	2009/10 Survey & design program delivered on time to allow for construction scheduling as programmed.
To ensure transport infrastructure delivered through land developments complies with Council approved standards	Manage and monitor the assessment of the delivery of public infrastructure through land developments.	Public infrastructure delivered through land developments, designed and constructed to Council approved policy, guidelines and specifications.	2009/10 engineering aspects of land development applications processed – 85% processed in accordance with approved service standards.
To minimise transport system impacts on urban air quality	Strategically plan for alternative modes of transport (SoE priority issue)	Complete Cycling Survey by December 2009. Review Regional & Local Bikeplans by June 2010 Review Hastings Pedestrian Access Mobility Plan by June 2011	Unable to be resourced during 2009/10 to be carried over to 2010/11.
Renewal and maintenance of stormwater assets	Stormwater Asset Management Plan	Renewal and maintenance of stormwater assets within approved schedules and budgets.	Implemented in accordance with stormwater infrastructure works programs approved as part of the 2009/10 Corporate Plan.
To provide an efficient and cost effective stormwater drainage network	Stormwater Management Plan	Review of the current stormwater management plan by June 2010	Unable to be resourced during 2009/10 to be carried over to 2010/11.

Transport Infrastructure Delivery

Providing and maintaining a safe transport network in accordance with quality standards and suited to community requirements

Services

- ☐ Capital works program delivery
- ☐ Sealed and unsealed road maintenance services
- ☐ Road resealing
- ☐ Bridge maintenance services

Key planning documents

- ☐ Annual capital works program
- ☐ Sealed Road Pavement Maintenance Strategy
- ☐ Unsealed Rural Roads Strategy

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide and maintain a safe transport network	Complete projects identified in the Annual Works Programme in accordance with Council's asset management policy (see Asset Management program area) (Projects undertaken by day labour and contract)	Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements	The 2009/10 Annual Works Program (AWP) Capital projects have all been commenced. Several projects were either programmed to span the end of financial year or effected by weather in the final weeks of the FY. The King Creek Road upgrade was identified early as a project which would not commence in 09/10. Accordingly it was listed for the 10/11 AWP in the Draft Corporate Plan (now adopted). See Major Projects Report for other project specific details. All variances in total cost have been treated in accordance with the organisational procedures and "over expenditure reports" raised for executive review, approval and adoption of financial treatments.
	Undertake routine and reactive maintenance activities for road, bridge, stormwater drainage and associated infrastructure assets in accordance with Council's asset management policy (see Asset Management program area)	Services provided to suit community requirements and be completed in a timely manner, within budget and in accordance with quality, OH&S and environmental requirements	Community expectation remains higher than the delivered service in regard to this strategy. In line with the Council's "Back to Basics" approach, prioritisation of maintenance works has occurred with risk/public

Objectives	Strategies	Performance indicators	Comment on Progress
	(Works undertaken by day labour and sub contract)		safety items being given priority. the operational budgets for transport Infrastructure asset maintenance have been fully expended for this financial year.
	Complete unsealed roads grading programme in accordance with Council's asset management policy (see Asset Management program area) (Works undertaken by day labour and sub contract)	Roads graded in accordance with 6/12/18 month grading programme and quality, OH&S and environmental requirements	Since the adoption of the "Back to Basics" council report in Nov 2009 the revised 6 monthly grading program (comprising the high traffic rural arterial roads) has been completed and communicated to the public. All roads on this program have been graded within the previous 6 months with this level of service expected to continue into the future. A significant number of the lower traffic unsealed roads on the 12 monthly program have not been graded in the previous 12 months due to the prioritisation of the higher traffic roads and limited resources available to these works. Additional resources have been allocated to the strategy for the 2010/11 FY with improved performance expected.
	Complete gravel re-sheeting programme for unsealed roads in accordance with Council's asset management policy (see Asset Management program area) (Works undertaken by day labour and sub contract)	Road resheeting completed in conjunction with maintenance grading programme and in accordance with quality, OH&S and environmental requirements	Gravel Resheeting has been undertaken in conjunction with scheduled maintenance grading works through out the year. These works have been completed in accordance with quality, OH&S and environmental requirements. The deteriorated condition of the unsealed road network has required that many roads require gravel resheeting in conjunction with the scheduled grading.
	Complete resealing programme in accordance with Council's asset management policy (see Asset Management program area)	Roads resealed in accordance with approved program, budget & quality, OH&S and environmental requirements	Revised resealing program implementation underway. Asphaltic Concrete (AC-hotmix) reseals have been

Objectives	Strategies	Performance indicators	Comment on Progress
	(Works undertaken by day labour and sub contract)		completed in accordance with the program on Ocean Drive Laurieton and William Street Port Macquarie. Preparatory heavy patching works have been completed on both Hastings River Drive and Ocean Drive Lighthouse Beach in preparation for resealing. These reseals have been delayed until second quarter of the 2010/11 FY to ensure favourable weather and pavement temperature conditions for hot bitumen resealing. The resealing budgets for these outstanding works will be transferred to reserve and re committed in the 2010/11 FY.
To maintain up-to-date data on transport network assets	Operate 'Reflect With Insight' maintenance management system in accordance with Council's asset management policy (see Asset Management program area) (System used for all road maintenance works)	System up to date and reports produced monthly and annually	Reflect with Insight process review undertaken. Asset data captured not compendious. Asset management planning (generation 2) underway see progress and performance against Asset Management Program Area.
To manage and improve the delivery of transport infrastructure services	To manage and improve the water quality of our waterways (SoE priority issue)	Seek funding for specific environmental improvement projects on unsealed roads	Whilst Council continues to undertake riparian remedial works each year to assist in the improvement of waterway health, there has been no discernible improvement in overall waterway health. This is a function of the magnitude of remedial works required to effect an improvement on waterway health across the LGA.

Asset Management

Providing a comprehensive, structured approach to the lifecycle management of community assets to provide a cost-effective, sustainable level of service delivery to the community

Services

- ☐ Asset management strategy / policy co-ordination
- ☐ Asset management of community assets (planning, provision, operation and maintenance) including transport assets, public buildings, water supply, sewer and stormwater drainage facilities, parks and gardens, sporting fields, airport facilities, caravan parks, crematorium
- ☐ Asset management evaluation / specialist engineering support
- ☐ Asset management reporting

Key planning documents

- ☐ Asset Management Strategy 2008
- ☐ Water Supply Infrastructure Assets Policy Manual 2006
- ☐ Transport Asset Management Plan 2008
- ☐ Sealed Road Pavement Maintenance Strategy
- ☐ Building Asset Management Plan 2007
- ☐ Council Buildings Access Strategy 2005-2008
- ☐ Mechanical / Electrical / Telemetry Routine Maintenance Schedules 2007-2008

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide best practice in the management of community assets to optimise service standards and minimise whole-of-life costs	Develop and implement a comprehensive, structured and consistent approach to asset management across Council including: - development of a whole-of-Council Asset Management Strategy to identify priority actions needed to improve asset management processes - integration of risk management strategy into asset management processes - development of draft long-term asset management plans including service level standards for all asset categories - development of asset management systems including processes, procedures, reporting formats and standards to support asset management activities	Asset Management Strategy incorporating improvement plan implemented by December 2009 Risk Management Strategy incorporated in Asset Management Strategy First draft of asset management plans completed July 2009 Asset Management systems developed and procedures documented – practical completion due June 2010 with continuous improvement thereafter	Asset Management Strategy currently being workshopped & anticipated to be reported to Council November 2010. Draft risk assessment commenced for integration with Generation 2 Asset Management Plans. Generation 1 AMPs for each asset category completed June 2009. Software testing and development proceeding. System review to follow strategy implementation.

Objectives	Strategies	Performance indicators	Comment on Progress
	- documentation of potential service level impacts associated with the implementation of asset management plans	Discussion paper produced for assessment of potential changes to asset service levels by December 2009	Service levels discussion being held in conjunction with Community Planning process.
	- development of comprehensive asset management plans for all asset categories incorporating community feedback and consistent with the Long Term Financial Plan	Comprehensive asset management plans completed September 2010	Generation 2 plan development in progress. Anticipated completion August 2010.
	Provide industry best practice asset management services including: - identification and planning for new assets - provision / procurement of new assets and improvement works - operation of assets in accordance with agreed service standards - scheduled routine maintenance and timely breakdown and repair services	Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements <i>Optimal cost/benefit ratio over asset life cycle for all renewal works</i> Customer satisfaction / feedback Percentage complete / up-to-date of routine maintenance schedules (Target: 100%)	LCBH Sewer Treatment Plant augmentation works completed on as per project plan. Monthly review process in action and Gateway review on major projects. Community survey conducted Nov/Dec 2008. Community Plan forum held June 2009. Routine maintenance percentage complete for mechanical and electrical assets is 86% overall for this quarter.
	Develop and implement asset management tools to promote consistency in whole-of-life evaluation of community assets Provide specialist engineering support and advice to asset owners through concept, design, specification and construction for new / future assets to maximise service standards and minimise whole-of-life costs	Development of asset management evaluation tools Development of process for specialist input into design process	Awaiting Strategy implementation. Awaiting Strategy implementation.
	Provide asset management reporting in accordance with the Asset Management Policy to monitor and report on the performance of community assets	Provision of asset management reports in accordance with Asset Management Policy and statutory requirements	Reports provided as required.

Environment

To protect and enhance environmental values and provide for sustainable growth and development

Environment

Social

Economic

Governance

Strategic Urban and Rural Planning

Creating sustainable living for the current and future residents of the Hastings

Services

- ☐ Integrated land use planning
- ☐ Environmental and natural resource planning
- ☐ Urban design
- ☐ Development policy and strategies
- ☐ Developer contribution planning and administration
- ☐ Part 3A major project assessment

Key planning documents

- ☐ Hastings Local Environmental Plan 2001
- ☐ Hastings Urban Growth Strategy 2001
- ☐ Wauchope Urban Growth Strategy 2005-2019
- ☐ Camden Haven Urban Growth Strategy 2003
- ☐ Kew Kendall Urban Growth Strategy 1998
- ☐ Area 13 (Thrumster) Structure Plan 2006
- ☐ Area 14 (Lake Cathie & Bonny Hills) Master Plan 2004-2007
- ☐ Hastings Rural Residential Strategy 2004
- ☐ Hastings Retail Policy Plan 2004
- ☐ Hastings Industrial Land Use Strategy 1998
- ☐ Hastings Parking and Access Strategy 2003
- ☐ Development Control Plans, Contribution Plans and Servicing Plans

Strategies

Objectives	Strategies	Performance indicators	Comment on progress
To provide a strategic planning framework for sustainable land use to accommodate projected growth over the next 25 years	In accordance with the Mid-North Coast Regional Strategy, prepare and commence staged implementation of a Local Growth Management Strategy, addressing residential, rural residential, commercial and industrial development needs, to accommodate projected growth to 2031. The LGMS will provide a framework for sustainable growth, recognising environmental, coastal, agricultural, cultural heritage and landscape values, and land subject to natural hazards (SoE priority issue). It will identify preferred	Completion of LGMS in accordance with Project Plan.	Draft Strategy completed for internal review. Key internal stakeholder meetings held and document amended accordingly. Consultation undertaken with Department of Planning representatives. Emphasis in Strategy on Regional Planning Principles, including increased urban consolidation.

Objectives	Strategies	Performance indicators	Comment on progress
	options for urban consolidation, based on 'neighbourhood planning principles', desired character statements and will lead to the development of place-based policies for nominated areas.		
To protect and enhance koala habitat within the local government area (LGA)	Preparation of strategic planning for koala habitat management in the Port Macquarie-Hastings LGA. (SoE priority issue)	Complete vegetation mapping in 2009-2010	Vegetation mapping commenced. Due to increased project scope, project extended into 2010/11.
To implement preferred growth options for residential development in the local government area to ensure that adequate land is available to accommodate housing for projected population growth	Ongoing investigation of land and implementation of Council strategies for residential and rural residential development, including the Hastings, Wauchope, Kew-Kendall and Camden Haven Urban Growth Strategies. Implementation of revised strategies in relation to residential growth in Council's LGMS.	Projects on target in accordance with 2009-2010 Strategic Planning Program	Ongoing investigations of key areas in accordance with Council resolutions.
To provide adequate industrial land for future population growth and employment needs	Implementation of the recommendations of the Port Macquarie-Hastings Industrial Land Strategy 2007. Implementation of revised strategies in relation to employment needs in Council's LGMS.	Projects on target in accordance with 2009-2010 Strategic Planning Program	Planning investigations for the Sancroix Employment Precinct proceeding as a high priority.
To update Council planning legislation in accordance with NSW State Government requirements	Preparation and review of a new Local Environmental Plan for the Port Macquarie-Hastings LGA in accordance with the standard format for LEPs in NSW, tailored to circumstances in the Port Macquarie-Hastings.	Standard LEP gazetted during 2009-2010	Draft LEP exhibited.
To determine priorities for specific, isolated amendments and grouped amendments to Council's Local Environmental Plan and implement amendments accordingly	Undertake amendments to Hastings Local Environmental Plan (LEP) based on criteria identified in Council's policy for LEP amendments	LEP amendments in accordance with 2009-2010 Strategic Planning Program.	Site specific LEPs progressing independently to standard LEP where possible and subject to available resources, to avoid delays to the standard LEP.
To improve detailed planning controls to achieve better design outcomes	Staged review of Council's comprehensive Development Control Plan (DCP), including area specific and issue specific policy amendments	Council LEP and DCP policy development in accordance with 2009-10 Strategic Planning Program	Draft DCP exhibited.

Objectives	Strategies	Performance indicators	Comment on progress
To strategically and financially plan for infrastructure development to provide for sustainable growth and development	Prepare and review Development Contributions Plans and Development Servicing Plans to identify additional infrastructure works or services required as a consequence of additional demands created by new development and / or the increasing population Monitor contributions income received by Council to ensure that the cost estimates and associated infrastructure works program can be achieved Monitor the delivery of the infrastructure works program and population growth to ensure infrastructure delivery meets community needs Monitor contributions notices of payment prepared for development applications for compliance with contributions plans	Contributions plans reviewed and adopted by Council in accordance with annual program Percentage variation between 'actual' and 'budget estimate' (incl. contributions income received, delivery of infrastructure works program, and population growth)	Review of Development Servicing Plans for Water and Sewer expected to be finalised by December 2010. Review of Contributions Plans for Roads and Open Space on hold pending release of NSW Government Guidelines. Contribution income exceeded budget estimate.

Development Assessment

Providing a development and building assessment system where legislative requirements and council policies are applied in a consistent and efficient manner

Services

- ☐ Development Application (DA) assessment
- ☐ Development engineering
- ☐ Duty planner / customer service
- ☐ Pre-DA lodgement service
- ☐ Design Review Panel (SEPP 65)

Key planning documents

- ☐ Hastings Local Environmental Plan 2001
- ☐ Development Control Plans, Contribution Plans and Servicing Plans

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To provide a high quality customer enquiry and development application advice service to the community	Provide a Duty Planner as an initial point of contact for general planning enquiries Make available a Planner for more detailed and specialist advice upon appointment Conduct development application pre-lodgement meetings on a regular basis to assist proponents to meet the level of quality and detail required for development application assessment	Counter service provided 8.30am-1pm weekdays Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%) Compile and distribute meeting Minutes within 7 days of Meeting date.	Counter service provided 8.30am-1pm weekdays >80%of requests for service responded to within applicable service level agreement (SLA) standard 73 pre-lodgement proposals >95% of pre-lodgement Minutes issued within 7 days.
To provide a development assessment process that is efficient, consistent and professional	Comply with statutory assessment requirements Apply relevant Council planning instruments and policy to all assessments Provide consistency of approach for merit based assessment Provide a hierarchy of development assessment processes relative to the extent of proposal that includes: - Development Assessment Officer; - Development Assessment Panel; - Council. Provide a sufficient avenue for assessment call up through the hierarchy	Percentage of local development applications determined within 40 calendar days (average) Percentage of integrated development applications determined within 60 calendar days (average) Number of identified process errors in the development assessment process	Median DA processing time is 36 days Information not currently recorded Working on an audit process. Only anecdotal information captured at present.

Objectives	Strategies	Performance indicators	Comment on Progress
Optimise assessment outcomes that provide for a meaningful and transparent balance between aesthetics, functionality, community expectations and the environment.	Enable community and stakeholder consultation through notification and exhibition of relevant applications in accordance with Council policy Engage Government agencies for concurrence on applications where relevant and as required by legislation Notify relevant parties of outcome of assessment process Commission an Independent Design Review Panel to: - o facilitate pre-lodgement advice; - o provide expert advice on development applications; - o provide advice on the urban design content of Council's policies. Provide a Development Assessment Panel to: - facilitate a hearing for objectors to individual development applications - provide assessment of significant development applications or those that have been the subject of community concern - make recommendations to Council in regard to policy and procedures	Development Assessment Panel (DAP) agenda posted on Council's website 5 days prior to scheduled meeting date Notice of Determination generated within 7 days of DAP hearing	972 Applications were determined during this period (DAs and CDCs). Of these 933 were Approved, 21 Withdrawn, 5 Refused and 13 Rejected. 12 SEPP1 Applications were referred for concurrence. All stakeholders advised of development assessment outcomes. 3 proposals were presented to Design Review Panel 65 reports were submitted to the Development Assessment Panel for determination.

Environmental Management

Protecting and enhancing environmental values and monitoring and reporting on environmental trends

Services

- ☐ Environmental and natural resources monitoring
- ☐ Environmental rehabilitation and restoration
- ☐ Coastal, estuary and floodplain management
- ☐ Greenhouse gas abatement

Key planning documents

- ☐ Coastal Management Plans
Town Beach (currently in development)
Lake Cathie (being developed in 2008)
- ☐ Floodplain Risk Management Plans
Camden Haven Floodplain Risk Management Plan 2004
Hasting River Floodplain Risk Management Plan (currently in development)
- ☐ Northern Rivers Catchment Action Plan 2007
- ☐ Weed Management Plans
- ☐ Estuary Management Plans
Hastings Estuary Management Plan 2001
Lake Cathie / Lake Innes Estuary Management Plan 1994
Camden Haven Estuary Management Plan 2002
- ☐ Greenhouse Action Strategy 2003
- ☐ Hastings Urban Stormwater Management Plan 2000
- ☐ Various Plans of Management
Partridge Creek Acid Sulfate Soils Management Plan 2003
Kings Creek Koala Plan of Management 1999

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To protect and enhance environmental values	Protect and restore natural environmental values through:		
	- riparian zone restoration	Length of riparian vegetation restored per annum (Target: 6km)	Due to funding restrictions target reduced to 2km. 2.4km rehabilitated
	- public land native vegetation restoration programs	Number of reserves under ecological maintenance (Target one new site pa)	Target met (3ha)
	- noxious weed control program	Number of property inspections undertaken per annum (Target: 500)	Target exceeded (747)
	- implementation of Estuary Management Plans	Annual Works program completed on-time and within budget	All works completed and on time.
	Continue focus on riparian ecosystem rehabilitation work	Annual Works program completed on-time and within budget	All works completed and on time.
	Increased funding for terrestrial ecosystem rehabilitation projects (SoE priority issue)	Value of grants for weeds and ecosystem restoration	Jobs fund grant secured.
	Increased funding for weed control programs on private & public land (SoE priority issue)	Value of grants for weeds and ecosystem restoration	Jobs fund grant secured.

Objectives	Strategies	Performance indicators	Comment on Progress
	Development of a Biodiversity Strategy (SoE priority issue)	Detailed vegetation mapping completed during 2009-2010	Vegetation mapping commenced. Due to increased scope project extended into 2010- 2011.
	Increase of feral animal control activity (SoE priority issue)	Number of sites on public land where controls undertaken	Feral Animal Activity control continuing
	Promote the sustainable use of the area's natural resources:		
	☐ Implement Camden Haven River Floodplain Management Plan	Annual Works program completed on-time and within budget	North Haven levee completed
	☐ Complete updating of the Camden Haven River Flood Study	Update completed by December 2009	Delayed completion expected June 2011 due to increased scope
	☐ Complete Hastings River Floodplain Management Plan	Management Plan completed by June 2010	Delayed completion expected June 2011 due to increased scope
Reduce Council's corporate greenhouse gas emissions and adapt to climate change	Preparation of a revised Greenhouse Action Strategy including provisions for greenhouse gas emissions abatement responses and climate change adaptation.	Strategy prepared by June 2010	Delayed pending completion of climate change risk assessment
	Increase the use of renewable fuels in Council plant & vehicle fleet (SoE priority issue)	Routine use of alternative fuels being implemented in Council plant and fleet	Supply problems prevented purchase of renewable fuels.
Monitor and report environmental trends	Implement appropriate environmental monitoring programs	Prepare State of the Environment (SoE) Report annually in accordance with statutory reporting timeframes	Report completed November 2009
	Report on environmental trends and implemented responses	Incorporation of high priority actions from SoE into Corporate Plan	To be pursued as part of 2010/11 Corporate Plan
	Investigate more holistic water quality and riverine health assessment techniques (SoE priority issue)	Holistic water quality and riverine assessment techniques determined and ready for implementation	DECCW grant to yet to be announced

Development and Environmental Compliance

Maintaining acceptable levels of public health and safety within the community, ensuring compliance with development and building control regulations and local government law and providing building services

Services

- | | |
|---|--|
| ☐ Public health services (incl. food inspections) | ☐ Development and building compliance |
| ☐ Public health and safety monitoring | ☐ Building certification and inspections services |
| ☐ Ranger and law enforcement services (incl. parking management) | ☐ Fire safety audits/orders |
| | ☐ Environmental policy development |

Key planning documents

- ☐ n/a

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To maintain acceptable levels of public health and safety within the community	Implement a program of inspections of food and public health premises and development sites to promote and monitor compliance with relevant legislation and development application / environmental conditions	Percentage of premises / sites inspected complying with relevant legislation / conditions (Target: 80%)	This objective has been achieved with a higher-than-the-target percentage of compliance with public health standards maintained with 94% of premises passed on first inspection.
To ensure compliance with development consents and planning standards	Investigate and respond as necessary to contraventions of development consents and planning controls Increased enforcement of erosion and sediment controls on construction sites (SoE priority issue)	Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%) Percentage of sites complying with relevant legislative/approval terms and conditions (Target:100%)	This objective regarding the SLA has been achieved, the only exceptions being a number of protracted building complaints under investigation. The enforcement of this category has resulted in a number of infringements and warnings being issued during protracted wet weather in the LGA during the reporting period.
To ensure compliance with building standards and maintain inspection services in accordance with regulations	Provide a range of building certification and inspection services which meet customer requirements	Percentage of certificates issued / inspections undertaken within applicable service level agreement (SLA) standard (Target: 80%)	The 80% SLA target has been achieved during the reporting period.
To promote compliance with local government law	Provide ranger and law enforcement services including: - proactive general duty patrols - investigations / inspections in response to community requests - regular parking patrols	Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%)	The 80% SLA target has been exceeded during the reporting period. The trial of electronic parking overstay detectors will commence in September 2010.

Objectives	Strategies	Performance indicators	Comment on Progress
To provide for the effective and responsible care and management of companion animals	Provide companion animal services including: - companion animal and stock impounding facilities - records of registered animals - proactive patrols - timely responses to community requests	Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%)	The 80% SLA target has been exceeded during this reporting period.
To promote community awareness in relation to responsible ownership of companion animals	Develop and implement a community awareness and school education program. Increase proactive community awareness about the impacts of barking dog noise on amenity of life	Community awareness / education programs conducted in accordance with approved schedule	This objective was achieved with the Rangers conducting an extensive education program to schools and community groups. The Dog Show was successfully held again this year.
To ensure compliance with Council's Tree Preservation Order (TPO)	Provide Tree Preservation Order (TPO) services to: - assess applications for tree lopping and removal - investigate and respond as necessary to reported contraventions of the Tree Preservation Order Investigate transfer of private property tree management from tree preservation to development consent regulatory framework (SoE priority issue)	Percentage of approvals issued/inspections undertaken within applicable service level agreement (SLA) standard (Target: >80%) Percentage of requests for investigations of contraventions of the TPO responded to within applicable service level agreement (SLA) standard (Target: >80%) Best practice private property tree management regulatory framework implemented	This objective is being met. Additional staff have been trained in this area to assist in the delivery of this service as required. This objective is being met and several infringements have been issued for illegal tree works. This matter is currently being discussed with Council's Planning Section
Ensure On-site sewage systems comply with relevant environmental and building standards and conditions	Increase monitoring of On-site Sewage Management systems (SoE priority issue)	Percentage of OSM systems inspected complying with relevant environmental and building standards and conditions (Target: 100%)	100% compliance has not been achieved with a small number of systems found in breach of required standards, initiating prosecutions against the owners of those systems.

Water Cycle Management

Ensuring the sustainability of water resources to protect the natural environment

Services

- ☐ Water cycle planning
- ☐ Water supply services
- ☐ Sewerage services
- ☐ Stormwater drainage
- ☐ Water and sewerage approvals and compliance
- ☐ Laboratory services (Port Macquarie – Hastings Environmental Laboratory)

Key planning documents

- ☐ Integrated Water Cycle Management (IWCN)
Stage 1 Concept Study 2006
Stage 2 Strategy (to be developed in 2007-2008)
- ☐ Hastings Water Supply Strategy 1999
- ☐ Hastings District Water Supply Augmentation 2001
- ☐ Hastings Drought Management Plan 2004
- ☐ Hastings Water Demand Management Strategy 2005 - 2010
- ☐ Hastings Effluent Management Strategy 1998
- ☐ Hastings Urban Stormwater Management Plan 2000
- ☐ Koorie Island Operational Environmental Management Plan (OEMP) 2001

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To ensure the efficient use of water resources	Develop an integrated water cycle management (IWCN) strategy to integrate water supply, sewerage and stormwater management	Stage 2 strategy developed by June 2010	Brief for Stage 2 IWCN prepared. Stage 2 on hold pending outcome of the NSW Govt's Water Utilities Review.
	Develop specific integrated water management plans to guide development control plans for major urban release areas at Area 13 and 14	Integrated water management and water sensitive urban design principles incorporated into development in Area 13 and 14	Plans adopted by Council for both Areas 13 & 14. Detailed water supply design strategies now being progressively updated for each area as additional development information becomes available.
To provide reliable, safe water that is fit for purpose	Provide quality and quantity control upon the operations and maintenance of Council's water supply scheme	Actual performance compared to adopted Council service standards, NSW State Government Best Practice Guidelines and National Water Commission Guidelines for Local Water Utilities	Council service standards & Australian Drinking Water Quality Guideline targets being achieved & NWC performance data submitted as required to NSW Health and NSW Office of Water. MOU being developed with NSW Health.
To abstract river water in a sustainable manner	Continue to implement the Koorie Island Operational Environmental Management Plan (OEMP)	Compliance with OEMP targets and licence conditions set by State Government Regulators	Water abstraction being undertaken in accordance with OEMP targets & licence requirements. Revised secure yield studies currently underway

Objectives	Strategies	Performance indicators	Comment on Progress
			to determine future water abstraction rules & augmentation options.
To ensure a sustainable water supply scheme	Continue to implement the Water Supply Demand Management Strategy	Reduced potable water consumption per connection	2005/06 – 171 kL/property 2006/07 – 157 kL/property 2007/08 – 154 kL/property 2008/09 – 151 kL/property 2009/10 – 149 kL/property
To ensure that effluent released into the environment meets acceptable quality standards	Provide quality operational control and maintenance of Council's sewerage assets in accordance with Council's asset management policy (see Asset Management program area).	Actual performance compared to service standards imposed by Regulators within the Licenses held by Council (Target: exceed service standards)	Reporting undertaken for each STP as per license requirements. Improved results from Bonny Hills / Lake Cathie STP following plant augmentation.
To maximise the reuse of effluent	Continue to construct and develop opportunities identified in the Hastings Effluent Management Strategy	Increased number of reclaimed water and effluent reuse connections.	Effluent reuse opportunities expanding with additional usage categories being approved. User agreements now more simplified and user friendly. Grant funding obtained to extend reclaimed water reticulation network.
To ensure sewerage infrastructure will be available and adequate to meet future demand	Continue to develop Council's sewerage infrastructure to cater for growth in line with Capital Works program Ongoing hydraulic modelling of Council's sewerage schemes to determine adequacy of existing infrastructure and needs of future growth Implementation of village sewerage schemes (SoE priority issue)	Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements	Works program adopted for following year. Major project budgets include Herons Creek sewer scheme, PM SPS7 replacement and Dunbogan STP augmentation. Maintenance budgets approved for switchboard and pump replacements, as well as sewer rehabilitation.
To develop Port Macquarie-Hastings Environmental Laboratory as a 'Centre for Excellence' in analytical services	Provide sampling, analysis and reporting of water quality analysis outputs including technical and professional advice in accordance with the Laboratory NATA Quality Management System	Quality control performance (NATA audit performance)	NATA Corporate Accreditation granted (Key methodology in chemical, micro biology and phycology). Favourably Surveillance Audit 18 Feb 2010.

Waste Management

Engaging with the community to achieve sustainable waste management

Services

- ☐ Domestic waste collection – contract administration
- ☐ Waste disposal
- ☐ Litter and commercial waste collection

Key planning documents

- ☐ Resource Efficiency and Sustainability Strategy 2007-2010

Strategies

Objectives	Strategies	Performance indicators	Comment on Progress
To reduce waste going to landfill in line with NSW State Strategy targets	Implement resource recovery and waste minimisation strategies using source separation as the pivotal principal	Waste to landfill as a percentage of the total waste stream (Target: <50%)	Target achieved - 49% waste to landfill. Ongoing effort and innovation will be required to continue to reduce waste to landfill.
To manage, develop and maintain infrastructure to maximum effect	Provide adequate infrastructure to enable the delivery of waste management services in accordance with Council's asset management policy (see Asset Management program area)	Infrastructure developed in accordance with approved programme satisfying quality, OH&S and environmental requirements (Target: 100%)	Majority of infrastructure works completed. \$350,000 in grant and sustainability projects carried over to 2010/11 budget.
To attain elevated community engagement in sustainable waste management through awareness and education	Develop community awareness and understanding of waste minimisation and sustainability issues	Increase in recoverables per capita (Target: 1% per annum)	Data on per capita increase not available at time of reporting. Initiatives implemented include Waste Watchers program in schools, tours of sites with schools and community groups. Sustainability Garden partnership with TAFE.
To engage in regional cooperation in effective waste management and resource recovery	Act co-operatively in regional programs and partnerships as part of the Midwaste Regional Strategy to achieve sustainable waste management	Regional projects completed in accordance with adopted programs (Target: 100%)	100% completed. The Midwaste Group continues to produce results as a successful partnership, particularly through group contracts and education projects.
To ensure that all waste management operations and activities are undertaken in accordance with the principles of sustainability	Implement strategies consistent with intergenerational equity and environmental responsibility	Increase in recoverables (domestic, commercial and industrial, construction and demolition)	Data not available at time of reporting.

Attachment 1 - Payment of Expenses & Provision of Facilities to Councillors Policy

PAYMENT OF EXPENSES & PROVISION OF FACILITIES TO COUNCILLORS POLICY

Responsible Officer	Manager Governance & Executive Services
Contact Officer	Manager Governance and Executive Services
Authorisation	Council on 23 September 2009
Effective Date	07/02/94
Modifications	ORD 27/11/95, Policy 03/03/97, ORD 30/10/00, ORD 08/09/03, ORD 01/03/04, 22/08/05 (45), ORD 22/01/07 (20), ORD 23/09/09 (9)
Superseded Documents	Nil
Review	Manager Governance and Executive Services to review Policy in September each year.
File Number	All documents relating to the policy development, communication, implementation and review must be held on a PMHC registered file. Contact the Records Section.
Associated Documents	• Code of Conduct • Department of Local Government Guidelines for Payment of Expenses and provision of Facilities • ICAC Publications • Department of Local Government Circulars to Councils

1. INTRODUCTION

The Local Government Act 1993 requires Council to develop a policy for the Payment of Expenses and Provision of Facilities to the Mayor and Councillors.

The Act also requires Council to review the policy annually and provide a copy of the policy to the Department of Local Government by the end of November each year.

2. POLICY OBJECTIVE

In accordance with Section 439 of the Local Government Act 1993, Councillors must act lawfully, honestly and exercise a reasonable degree of care and diligence in carrying out their functions under the Act or any other Act.

To ensure that the fees paid, civic expenses reimbursed and facilities provided to Councillors are appropriate and reasonable and further that Councillors are not financially or otherwise disadvantaged in undertaking their civic responsibilities.

3. POLICY SCOPE

This policy applies to the Mayor and Councillors of the Port Macquarie-Hastings Council.

4. DEFINITIONS

Nil

5. LEGAL & POLICY FRAMEWORK

Division 5 of the Local Government Act 1993 and more particularly Sections 248 to 254A, provide Council with the ability to make policy on the payment of expenses and provision of facilities to the Mayor and Councillors.

6. POLICY STATEMENT

The Local Government Act requires Council to have a policy that provides guidelines for the payment of expenses and provision of facilities to Councillors.

In the course of carrying out their civic duties Councillors will incur expenses and they will also require access to training and facilities that will enable them to perform to a standard expected by the community and the Department of Local Government.

7. IMPLEMENTATION

7.1 Roles and Responsibilities

The General Manager is responsible for the implementation of this policy.

7.2 Support and Advice

The Manager Governance and Executive Services will provide advice and support in relation to the implementation of this policy.

7.3 Communication

The Policy will be publicly advertised following each amendment to this policy and the community will be afforded the opportunity to comment. Staff will be advised through Wilson (Intranet) on any amendment to this policy.

7.4 Procedures and Forms

All claims for reimbursement of expenses will require to be lodged on an Expenses Claim form and must be approved by the General Manager or his delegate.

8. REVIEW

This policy must be reviewed in August each year and reported to Council in September and a copy of the policy forwarded to the Department of Local Government in November. The Manager Governance and Executive Services is responsible for will conducting the review.

POLICY

PART 1 - INTRODUCTION

In accordance with the Local Government Act 1993, Council is required to adopt a policy concerning the payment of expenses and the provision of facilities to the Mayor and other Councillors in relation to their roles as elected persons and members of the governing body of Council.

In carrying out their civic responsibilities, Councillors are required to attend a variety of functions in their capacity as representatives of Council, eg. Council Meetings, Committee Meetings and as delegates.

Councillors are also expected to attend a variety of functions where they may not directly represent the Council, but attendance is relevant to their effectiveness as Councillors, eg. attendance at community functions.

Legislative Compliance

Local Government Act:

The Local Government Act 1993 has statutory requirements which describe the fees, expenses and facilities that may be paid or provided to Councillors.

Section 248 and Section 249 describe the payment of fees to Councillors. Section 252 describes the payment of fees and provision of facilities to Councillors.

Section 428(2)(f) requires Council to report the total amount of money expended during the year on Mayoral fees and Councillor fees, the Council's policy on the provision of facilities for use by Councillors and the payment of Councillors' expenses, together with a statement of the total amount of money expended during that year on the provision of such facilities and the payment of such expenses

There are a number of publications which provide assistance to Councillors in complying with the provisions of this policy.

DLG Circulars:

Circular 05-08	Legal Assistance for Councillors and Council Employees
Circular 06-57	Guidelines for the Payment of Expenses and the Provision of Facilities to Mayors and Councillors
Circular 06-64	Inappropriate Use of Council Resources

Model Code of Conduct:

This policy is consistent with the Model Code of Conduct for Local Councils in NSW, in particular, with the use of Council resources.

ICAC Publication:

"No Excuse for Misuse" preventing the misuse of Council resources.

Basis of Providing Facilities

Unless otherwise provided, the facilities that may be provided to the Mayor and Councillors under this policy, shall be provided without reduction of the annual fees payable to the Mayor and Councillors, as determined by the Council under Sections 248 - 254A inclusive of the Act.

PART 2 - PAYMENT OF EXPENSES

General Provisions

Allowances and Expenses:

No annual, monthly or daily allowance or expenses type allowance payment will be payable in any circumstances.

Reimbursement and Reconciliation of Expenses:

Reimbursement of expenses shall only be made upon the production of appropriate receipts and tax invoices and the completion of the required claim forms.

All reimbursement of expenses must be approved by the General Manager.

All expense being reimbursed must be in accordance with the provisions of this policy.

A Councillor seeking reimbursement of expenses must lodge a claim within 3 months of the expense being incurred.

Establishment of Monetary Limits and Standards:

Monetary limits applying to this policy include:

Payment of Telephone, Mobile Phone, Fax, Internet, Broadband and Wireless Connection Expenses

Council will meet the cost of a telephone installation, telephone rental, call costs, fax, internet, broadband connection, mobile phone and call costs and wireless connection for the Mayor up to a maximum of \$500 per month in the conduct of his/her civic duties.

Council will meet the cost of a telephone, telephone rental, call costs, fax, internet, broadband connection for Councillors up to a maximum of \$225 per month in the conduct of their civic duties.

Councillors must meet the cost of all non-business calls and any additional Council related calls above the limits.

Care and Other Related Expenses:

Council will meet the reasonable expenses for the care of:

- (a) a child of the Councillor; or

- (b) a dependant of the Councillor requiring full-time care, actually and necessarily incurred by a Councillor whilst attending Council and Committee meetings, and Council Workshops.

NOTE:

1. Child/dependant care expenses are not to be reimbursed if the care is provided by a relative of the Councillor who ordinarily resides with the Councillor. A "relative" is defined as a spouse, defacto partner, parent, son, daughter, brother, sister or grandparent.
2. That for any Councillor the amount payable in any one year be limited to \$3,500 (indexed to CPI) however any Councillor be entitled to approach the General Manager for special consideration to make a recommendation to Council.

Spouse and Partner Expenses:

There will be limited circumstances where costs are incurred by a Councillor on behalf of their spouse, partner or accompanying person in the performance of his / her civic functions are reimbursable to the Councillor.

Council will meet the reasonable costs of spouses, partners and accompanying persons for attendance at official Council functions that are of a formal or ceremonial nature, eg. civic receptions, citizenship ceremonies and Australia Day Award ceremonies.

Limited expenses of spouses, partners and accompanying persons will be met by Council in association with the Mayor or Councillors' attendance at the Local Government Associations Annual Conference. These expenses will be limited to registration costs and attendance at the conference dinner. Any additional travel and accommodation expenses and the cost of partner tours etc will be the personal responsibility of the individual Councillors.

Council will also give consideration to the payment of expenses for a spouse, partner or accompanying person of the Mayor, or a Councillor when they are representing the Mayor, at an official function of the Council or carry out an official ceremonial duty while accompanying the Mayor outside the Local Government area, but within the State.

In circumstances where a spouse, partner or accompanying person accompanies a Councillor outside the Local Government area, including interstate and overseas, the costs and expenses of the spouse, partner or accompanying person should not be paid by Council (with the exception of attendance at the Local Government Associations' Conference previously mentioned).

The payment of expenses for a spouse, partner or accompanying person when attending the abovementioned appropriate functions, will be limited to the ticket, meal or the direct cost of attending the function. Additional expenses such as grooming, special clothing and transport are not considered to be reimbursable expenses.

Specific Expenses for Mayors and Councillors

Attendance at Seminars and Conferences

Councillors may be nominated to attend conferences, seminars and similar functions by:

- the Council, through resolution duly taken
- the Mayor and General Manager acting under delegated authorities

This shall not preclude the Mayor from nominating a substitute attendee for functions on those occasions where the Mayor is unable to be in attendance.

What Conferences and Seminars May be Attended?

The conferences, seminars, workshops, courses and similar to which this policy applies shall generally be confined to:

- Local Government Association Annual Conferences (Federal and State),
- Special “one-off” Conferences called by the Local Government Association on important issues,
- Annual Conferences and Congresses of the major industry associations and professions in Local Government,
- Australian Sister Cities Conference,
- Any meetings or conferences of organisations or bodies on which a Councillor may be elected, or appointed to,
- Seminars which further the training and development efforts of the Council and of Councillors, or which relate to or impact upon the Council's functions.

Registration

The Council will pay all normal registration costs which are charged by organisers, including those relating to official luncheons, dinners and tours which are relevant to the interests of the Council.

Costs Incurred

Payment of reimbursement of costs incurred shall be subject to the requirements:

- (a) The travel is on Council business being to and from conference or seminars of the Local Government related organisations.
- (b) reasonable and necessary out-of-pocket expenses.
- (c) The travel is undertaken with all due expedition and by the shortest route.
- (d) Any time occupied in other than Council business is not included in the calculation of expenses to be paid.

- (e) The claim is made not later than three (3) months after the expenses were incurred, and upon a Council expense claim form.

Actual accommodation and subsistence expenses will be met by Council up to the limits prescribed in Council's Policy No. S21 or on the basis of reasonableness, as determined by the Mayor and General Manager. Council will not meet any expenses for alcohol or personal expenses.

Attendance at Dinners and other Non-Council Functions:

Consideration will be given to meeting the cost of Councillors' attendance at dinners and other non-Council functions which provide briefings to Councillors from key members of the community, politicians and business.

Approval to meet expenses will only be given when the function is relevant to Council's interest and attendance to the function is open to all Councillors.

No payment will be reimbursed for any component of the ticket that is additional to the service cost of the function, such as a donation to a political party or candidate electoral fund or some other private benefit.

Any additional payment to a registered charity may be acceptable as part of the cost of the function.

Councillors seeking reimbursement for this type of expense must have it approved by Council and not the General Manager.

Attendance at Training and Educational Courses:

Attendance at training and educational courses by Councillors should be authorised in advance by a Council resolution. In an exceptional situation, the Mayor and General Manager may authorise attendance. However, this exception will only apply to short term (one day) events and be held in the local region.

Council will meet the following expenses incurred by a Councillor in attending an approved training or educational course:

Registration Expenses:

Including official luncheons, dinners and tours relevant to the training or educational course.

Travel Expenses:

As detailed within this policy.

Accommodation Expenses:

Accommodation in conjunction with approved training or educational courses will only be authorised on the following basis:

- venue where the training or educational course is being held
- in cases where venue unavailable, an alternative nearby location
- night before or after depending on event and travel availability, such approval must be obtained in advance from the General Manager
- accommodation booking to be made by Council.

Meals:

Council will meet meal expenses up to the limits prescribed in Council's Policy No. S21 or on the basis of reasonableness, as determined by the Mayor and General Manager. Council will not meet any expenses for alcohol or personal expenses.

Reporting Requirements following Councillor Attendance at Conferences, Seminars and Training and Educational Courses

Councillors will be required to report in writing to an open session of Council on the outcome of the Conference, Seminar, Training and Education sessions. This report must be submitted to the General Manager within one month of the Councillor's attendance at the Conference etc.

Local Travel Arrangements and Expenses

Councillors will be entitled to be reimbursed for travel from their home whilst carrying out civic duties at the rate per kilometre as set out in the Notional Agreement Preserving the State Award, Local Government (State) Award 2004.

Civic duties are defined as:

- Council, Councillor Workshops, Inspections and Committee meetings,
- Community meetings approved by the Mayor and General Manager,
- Meetings with staff approved by the General Manager,
- Seminars, conferences, training courses, formal and social functions where representing Council and approved by Council, the Mayor and General Manager,
- Meeting with residents in the course of discharging duties as Mayor or Councillor.

Costs of traffic or parking fines incurred whilst travelling in private or Council vehicles on Council business are the responsibility of the driver.

Where a Councillor must use another form of transport other than their own vehicle for travel within the Local Government area, then such approval must be obtained in advance from the Mayor and General Manager.

Travel Outside Local Government Area, Including Interstate Travel

Councillors must obtain approval in advance from Council for any travel outside of the Local Government area, including interstate travel.

Councillors will be entitled to travel to official engagements at Council's expense by the most practical method, eg. airline, Council vehicle or private vehicle.

Councillors when travelling by airline will travel economy class or as determined by the General Manager. Any "Frequent Flyer" points accrued are to remain the property of the Council.

Where a Council travels in their own vehicle, they will be reimbursed at the appropriate per kilometre rate or airfare, whichever is the lower.

Upon request by Councillors, vehicles based at the Administration Building will be made available to enable Councillors to conduct inspections or attend meetings on Council related business.

Computer Facilities:

Councillors will be provided with computer facilities to assist in undertaking civic duties. Currently this consists of a lap top computer, printer, modem, software and consumables.

Postage of Official Councillor Correspondence

Councillors will be reimbursed for official postage, provided that expenses can be verified and where it is impractical to use Council's own mailing system.

Insurance Expenses and Obligations

Councillors shall receive the benefit of insurance cover for:

- personal injury/accident
- public liability
- professional indemnity
- travel insurance
- illness while travelling - travel, accident or sickness

Legal Expenses and Obligations

In the event of any enquiry, investigation or hearing by any of:

- Independent Commission Against Corruption
- The Office of the Ombudsman
- The Department of Local Government and Co-operatives
- The Police
- The Director of Public Prosecutions, or
- The Local Government Pecuniary Interest Tribunal into the conduct of a Councillor, or where

legal proceedings being taken against a Councillor arising out of or in connection with the Councillor's performance of his or her civic duties or exercise of his or her functions as a Councillor, Council shall reimburse such Councillor, after the conclusion of the enquiry, investigation, hearing or proceeding, for all legal expenses properly and reasonably incurred, given the nature of the enquiry, investigation, hearing or proceeding, on a solicitor/client basis, PROVIDED THAT:

- (a) The amount of such reimbursement shall be reduced by the amount of any moneys that may be or are recouped by the Councillor on any basis; and
- (b) That the enquiry, investigation, hearing or proceeding results in a finding substantially favourable to the Councillor.

Note:

Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her functions under the Act should be distinguished from expenses incurred in relation to proceedings arising merely from something which a Councillor has done during his or her term in office. An example of the latter is expenses arising from an investigation as to whether a Councillor acted corruptly by using knowledge of a proposed rezoning for private gain. This latter type of expense should not form part of a policy adopted under Section 252 of the Act.

Council may not meet the costs of an action in defamation taken by a Councillor as plaintiff in any circumstances.

Where doubt arises in relation to any of these points, Council should seek its own legal advice.

Additional Mayoral Expenses

Provision of a Motor Vehicle

A fully serviced motor vehicle will be provided for use by the Mayor. The vehicle is to be used for all official, executive and social duties connected with the Office of the Mayor and is provided to the Mayor for free and unrestricted use.

The type of vehicle that is provided is to be a Holden Caprice or equivalent.

Other Equipment, Facilities and Services

Other equipment, facilities and services that are to be provided by Council for the use of the Mayor are:

- suitably experienced and qualified person to provide executive assistance to support the Mayor
- assistance with the preparation of written material for publications, media releases, speeches and briefings for meetings and functions that the Mayor has been invited to attend
- a furnished office at the Council Administration building to enable the Mayor to undertake his/her civic duties
- a reserved car parking space provided at the Council administration building
- mayoral letterhead, envelopes and stationery
- light refreshments will be provided in the Mayoral office for entertaining and hosting purposes
- the provision of a Corporate Credit Card to be used on official Council business and for expenditure provided under the annual allocation for discretionary expenditure for the Office of the Mayor
- ceremonial clothing, including Mayoral robes and Chain of Office.

PART 3 - PROVISION OF FACILITIES

General Provisions:

Council will provide facilities and equipment to each Councillor to ensure that they can undertake their civic duties in an appropriate manner. The facilities and equipment include:

Councillor Uniform and Protective Clothing

Male Councillors are entitled to a Council blazer, trousers, shirts and tie. Female Councillors are entitled to a Council blazer, skirt or slacks, blouse and scarf. Councillors are also issued with a Council name badge.

Protective apparel, if required, including hard hat and safety footwear, to accord with the NSW Occupational Health and Safety Act, for on site inspections.

Business Cards

Councillors will be initially issued with 250 business cards with replacements provided on request.

Stationery

Councillors will be provided with personalised letterheads and envelopes for exclusive use on Council related business.

Furniture and Equipment

Councillors will be provided with a two drawer filing cabinet on request. Councillors will also be provided with a fax/phone answering machine installed at their residence or office.

Council will meet the capital cost of acquiring the equipment, initial cost of installation and any maintenance/servicing of the equipment and will also be responsible for the cost of all consumables.

The Councillor shall be responsible for the good care and proper use of such equipment and promptly report any faults, malfunctions or service needs.

The Councillors telephone and fax numbers are to be made available to the public.

Newspapers, Industry Journals and Magazines

Upon request by Councillors, Council will provide, at its expense, copies of newspapers, industry magazines and publications for information and research purposes.

Meals and Refreshments at Council Meetings

Provision of meals and refreshments associated with Councillor attendance at Council and Committee meetings and Councillor Workshops or at any other time deemed appropriate by the Mayor and General Manager whilst on Council business.

Meeting Rooms and Councillors' Room

Provision of meeting room facilities, including telephone, photocopying facilities, computer and library in the Administration Building for the purposes of Council, Committee and resident meetings.

Located in the Councillors' Room will be a subscription to Local Government Act and Planning and Environment Legislation and a subscription for the Local Government Regulations.

Secretarial Support

Limited secretarial support to assist in expense claims and organising attendance at conference, training and educational sessions and typing services for Council business only.

Car Parking Spaces

Provision of two (2) car parking spaces reserved for Councillors at the Council Administration Building in Port Macquarie while the Councillors are on Council business.

Private Use of Equipment and Facilities

A Councillor must not use any of the facilities allocated by Council for their own private use.

If a Councillor uses their Council provided fax or phone for their own private use, payment is to be made to Council for such use.

Under no circumstances will Council permit the use of Council resources, facilities and equipment for the initiation or issue of election material/letters. Such use is highly inappropriate and could represent a breach of the Model Code of Conduct for Local Councils in NSW. Councillors should refer to the DLG Circular 06-64 which relates to the Inappropriate Use of Council Resources.

PART 4 - OTHER MATTERS

Acquisition and Return of Facilities and Equipment by Councillors

Upon ceasing to be a Councillor or Mayor, all Council provided equipment must be returned to Council. A Councillor may purchase equipment at either trade in value or the price Council would obtain for its disposal or particular items may be purchased at its current written down value.

Annual Fees Payable to Councillors

Pursuant to Section 248 of the Local Government Act, Council shall, prior to 30 June each year, set by resolution, the annual fees to be paid to the Councillors for the following year commencing on 1 July provided that such fee shall be within the range for the Council determined annually by the Local Government Remuneration Tribunal. Such payment shall be subject to Section 254A of the Regulations and any specific resolution of the Council under Section 254A.

Annual Fees Payable to the Mayor

Pursuant to Section 249 of the Local Government Act, Council shall, prior to 30 June each year, set by resolution, the annual fees to be paid to the Mayor for the following year commencing on 1 July provided that such fee shall be within the range for the Council determined annually by the Local Government Remuneration Tribunal.

Status of the Policy

The provisions of the "Payment of Expenses and Provision of Facilities for Mayor and Councillors" policy shall remain valid until revoked or amended by Council.

Attachment 2 - Financial Statements



**PORT MACQUARIE
HASTINGS**

PORT MACQUARIE-HASTINGS COUNCIL

Financial Statements

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 2010-11-17**

Port Macquarie - Hastings Council

General purpose financial statements for the year ended 30 June 2010

Contents

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These financial statements are general purpose financial statements of Port Macquarie-Hastings Council and are presented in Australian currency.

Port Macquarie-Hastings Council is constituted under the Local Government Act (1993) and has its principal place of business at:

Port Macquarie-Hastings Council
Cnr Lord & Burrawan Streets
PORT MACQUARIE NSW 2444.

The financial statements are authorised for issue by the Council on 22 September 2010. Council has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our reporting is timely, complete, and available at minimum cost. All press releases, financial statements and other information are available on our website: www.pmhc.nsw.gov.au

Port Macquarie - Hastings Council

**General purpose financial statements
for the year ended 30 June 2010**

**Statement by Administrator and Management
made pursuant to Section 413(2)(c) of the Local Government Act
1993 (as amended)**

The attached General Purpose Financial Statements have been prepared in accordance with:

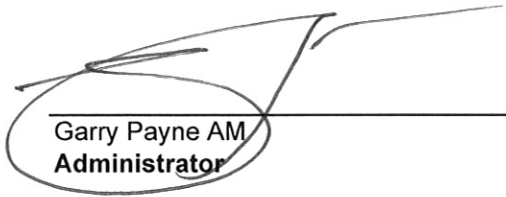
- * The Local Government Act 1993 (as amended) and the Regulations made thereunder.
- * The Australian Accounting Standards and professional pronouncements.
- * The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Statements:

- * presents fairly the Council's operating result and financial position for the year, and
- * accords with Council's accounting and other records.

We are not aware of any matter that would render this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 22nd September 2010.



Garry Payne AM
Administrator



Andrew Roach
General Manager



Tony Leahy
Responsible Accounting Officer

Port Macquarie - Hastings Council

Income statement

for the year ended 30 June 2010

Budget (1) 2010 \$'000		Notes	Actual 2010 \$'000	Actual 2009 \$'000
Income from continuing operations				
Revenue:				
61,260	Rates and annual charges	3a	62,275	58,768
22,118	User charges and fees	3b	25,381	21,552
1,872	Interest and investment revenue	3c	6,893	0
3,849	Other revenues	3d	5,027	3,927
11,178	Grants and contributions provided for operating purposes	3e,f	13,174	14,665
19,460	Grants and contributions provided for capital purposes	3e,f	23,844	22,957
Other Income:				
0	Net gain from the disposal of assets	5	1,866	0
0	Net share of interest in joint ventures and associates using the equity method		0	0
119,737	Total income from continuing operations		138,460	121,869
Expenses from continuing operations				
34,168	Employee benefits and on-costs	4a	34,281	35,392
7,048	Borrowing costs	4b	5,195	3,546
29,950	Materials and contracts	4c	28,151	28,723
34,567	Depreciation and amortisation	4d	36,798	33,653
7,607	Other expenses	4e	6,973	6,090
0	Interest and investment losses	3c	0	12,922
1,240	Net loss from disposal of assets	5	0	434
0	Share of interests in joint ventures and associates using the equity method		0	0
114,580	Total expenses from continuing operations		111,398	120,760
5,157	Operating result from continuing operations		27,062	1,109
	Operating result from discontinued operations	24	0	0
5,157	Net operating result for the year		27,062	1,109
Attributable to:				
5,157	- Council		27,062	1,109
5,157			27,062	1,109
-14,303	Net operating result for the year before grants and contributions provided for capital purposes		3,218	-21,848

Note:

(1) Original budget as approved by Council - refer Note 16.

The above income statement should be read in conjunction with the accompanying notes

Port Macquarie - Hastings Council

Statement of comprehensive income for the year ended 30 June 2010

		Actual 2010 \$'000	Actual 2009 \$'000
	Notes		
Net operating result for the year - from Income statement		27,062	1,109
Other comprehensive income			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20b	451,250	24,833
Gain (loss) on revaluation of available-for-sale investments	20b	1,117	7,171
Realised available-for-sale investment gains recognised in revenue	20b	572	0
De-recognition of land under roads	20b	0	-2,388
Adjustment to correct prior period depreciation errors	20b		0
Total other comprehensive income for the year		<u>452,939</u>	<u>29,616</u>
Total comprehensive income for the year		<u>480,001</u>	<u>30,725</u>
Attributable to - Council		<u>480,001</u>	<u>30,725</u>

The above Statement of comprehensive income should be read in conjunction with the accompanying notes

Port Macquarie - Hastings Council

Balance sheet

as at 30 June 2010

		Actual 2010 \$'000	Actual 2009 \$'000
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	6a	42,804	4,501
Investments	6b	7,016	11,626
Receivables	7	13,474	15,175
Inventories	8	1,141	1,205
Other	8	707	708
Non-current assets classified as held for sale	22	1,999	7,392
Total current assets		67,141	40,607
Non Current Assets			
Investments	6b	22,252	19,264
Receivables	7	6,844	1,989
Inventories	8	168	168
Infrastructure, property, plant and equipment	9	1,628,055	1,171,515
Investments accounted for using equity method	19	0	0
Investment property	14	0	0
Intangible assets	25	0	0
Other	8	0	0
Total non-current assets		1,657,319	1,192,936
Total assets		1,724,460	1,233,543
LIABILITIES			
Current liabilities			
Payables	10	10,799	11,312
Borrowings	10	7,783	6,501
Provisions	10	14,885	13,857
Total current liabilities		33,467	31,670
Non-current liabilities			
Payables	10	8,624	8,624
Borrowings	10	94,336	85,192
Provisions	10	543	568
Total non-current liabilities		103,503	94,384
Total liabilities		136,970	126,054
Net assets		1,587,490	1,107,489
EQUITY			
Retained earnings	20	880,826	853,764
Revaluation reserves	20	706,664	253,725
Total equity		1,587,490	1,107,489

Port Macquarie - Hastings Council

Statement of changes in equity

for the year ended 30 June 2010

		Actual 2010 \$'000				
	Notes Ref.	Retained earnings	Asset revaluation reserve	Other Reserves	Council equity interest	Total equity
Opening balance	20	853,764	255,942	-2,217	1,107,489	1,107,489
Correction of errors					0	0
Changes in Accounting Policies					0	0
Restated opening balance		853,764	255,942	-2,217	1,107,489	1,107,489
Total comprehensive income	20	27,062	451,250	1,689	480,001	480,001
Closing balance	20	880,826	707,192	-528	1,587,490	1,587,490

		Actual 2009 \$'000				
		Retained earnings	Asset revaluation reserve	Other Reserves	Council equity interest	Total equity
		855,043	231,109	-9,388	1,076,764	1,076,764
					0	0
					0	0
		855,043	231,109	-9,388	1,076,764	1,076,764
		-1,279	24,833	7,171	30,725	30,725
		853,764	255,942	-2,217	1,107,489	1,107,489

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Port Macquarie - Hastings Council

Statement of cash flows

for the year ended 30 June 2010

Budget			Actual	Actual
2010			2010	2009
\$'000		Notes	\$'000	\$'000
Cash flows from operating activities				
Receipts:				
61,272	Rates and annual charges		61,921	58,279
23,214	User charges and fees		26,426	21,974
2,066	Investment revenue and interest		2,540	3,192
21,708	Grants and contributions		33,323	27,164
6,812	Other		9,732	5,765
Payments:				
-34,272	Employee benefits and on-costs		-33,414	-34,647
-33,502	Materials and contracts		-34,921	-29,515
-6,703	Borrowing Costs		-4,998	-3,221
-9,390	Other		-10,446	-8,281
31,205	Net cash provided by operating activities	11 (b)	50,163	40,710
Cash flows from investing activities				
Receipts:				
8,410	Sale of Investments	6	12,230	10,761
1,000	Sale of real estate assets	5,8	6,983	0
10	Sale of infrastructure, property, plant and equipment	5	2,701	1,446
Payments:				
	Purchase of investments		-7,000	0
-44,567	Purchase of infrastructure, property, plant and equipment	9	-39,013	-66,490
	Other			
-35,147	Net cash used in investing activities		-24,099	-54,283
Cash flows from financing activities				
Receipts:				
10,000	Borrowings and advances		19,309	20,340
Payments:				
-7,241	Borrowings and advances		-7,070	-6,523
2,759	Net cash provided by financing activities		12,239	13,817
-1,183	Net increase/(decrease) in cash and cash equivalents		38,303	244
4,501	Cash and cash equivalents at beginning of reporting period	11(a)	4,501	4,257
3,318	Cash and cash equivalents at end of reporting period	11	42,804	4,501

The above Cash flow statement should be read in conjunction with the accompanying notes.

Port Macquarie - Hastings Council

Notes to the financial statements for the year ended 30 June 2010

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Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, The Local Government Act (1993) and Regulation and the Local Government Code of Accounting Practice and Financial Reporting.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the group's accounting policies.

Financial statement presentation

The Council has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Council had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User charges and fees

User charges and fees are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Sale of plant, property, infrastructure and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Note 1 Summary of significant accounting policies

Interest and rents

Interest and rents are recognised as revenue on proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(c) Principles of consolidation

(i) *The Consolidated Fund*

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated fund:

- * General purpose operations
- * Water supply
- * Sewerage service
- * Waste management service

Council controls a number of S355 Committees. The majority of the Committees financial figures were consolidated into Councils financial statements at year end, the results of the remainder were not known at balance date, however this is not considered material.

The committees controlled by Council are the following:

- * Beechwood School of Arts
- * Bonny Hills Community Hall
- * Friends of the Court House
- * Lake Cathie Community Hall
- * Lake Cathie Sports Council
- * Laurieton School of Arts
- * Lorne Recreation Centre
- * Mac Adams Music Centre
- * Port Macquarie Senior Citizens
- * Wauchope Rotary Youth Centre
- * Wauchope Community Arts Hall

(ii) *The Trust Fund*

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is not reasonable certainty that Council will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where Council is a lessor is recognised as income on a straight-line basis over the lease term.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured at the fair value of the assets given, plus costs directly attributable to the acquisition.

Note 1 Summary of significant accounting policies

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories**(i) Raw materials and stores, work in progress and finished goods.**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Note 1 Summary of significant accounting policies**(j) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(k) Investments and other financial assets**Classification**

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (note 8) and receivables (note 7) in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets - reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Note 1 Summary of significant accounting policies

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 1(l).

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less and impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and *S212 of the LG (General) Regulation 2005*. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed - for example managed funds, CDO's and equity linked notes - however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

Note 1 Summary of significant accounting policies**(l) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(m) Infrastructure, property, plant and equipment (IPPE)

Council's assets are being progressively revalued to fair value in accordance with a staged implementation advised by the Division of Local Government. At balance date the following classes of IPPE were stated at their fair value:

- * Operational Land (External Valuation).
- * Buildings - Specialised/Non Specialised (External Valuation).
- * Water/Sewerage Networks (Internal Valuation).
- * Plant and equipment (as approximated by depreciated historical cost).
- * Road assets - roads, bridges and footpaths (Internal Valuation)
- * Drainage assets - (Internal Valuation)
- * Bulk Earthworks - (Internal Valuation)

Other asset classes will be revalued to fair value as follows:

2010/11 - community land, land improvements, other structures and other assets.

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water - Rates Reference Manual. For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserve directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Note 1 Summary of significant accounting policies

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Office equipment	3 to 10 years
Office furniture	3 to 10 years
Vehicles and road making equipment	5 to 12 years
Other plant and equipment	5 to 12 years
Buildings - masonry	50 to 100 years
Buildings - other construction	20 to 40 years
Playground equipment	15 to 25 years
Benches, seats etc	10 to 20 years
Dams and reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation pipes - PVC	50 years
Reticulation pipes - other	80 years
Pumps and telemetry	15 years
Drains	80 to 100 years
Culverts	50 to 80 years
Flood control structures	80 to 100 years
Sealed roads	40 years
Unsealed roads	20 years
Bridges - Concrete	80 years
Bridges - Other	45 years
Bulk earthworks	infinite

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

(n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for an difference in the nature, location or condition of the specific assets. If this information is not available, Council uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the income statement as part of other income.

Investment property now also includes properties that are under construction for future use as investment properties. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete. This is different to previous years where properties under construction were accounted for at cost and presented under property, plant and equipment until construction was complete. The change in policy was necessary following changes made to AASB 140 Investment Property as a result of the IASB's 2008 Improvements standard.

(o) Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Note 1 Summary of significant accounting policies

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(r) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Employee benefits*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Vesting Sick leave

When an employee becomes deceased, or in the event of retirement, resignation or redundancy from the service of Council, and provided this separation is not a result of disciplinary action, the employee will be paid a proportion of untaken sick leave on the following basis:

10 - 15 years service	30%
15 years service and over	50%

provided that all new employees either commencing, or recommencing employment with Council, after 10 July 2008, are precluded from accessing payment for untaken sick leave on termination of employment.

The liability for vesting sick leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided up to the reporting date.

(iii) Other long-term employee benefits obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

(iv) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

Note 1 Summary of significant accounting policies

The Local Government Superannuation Scheme has advised member councils that as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result they have asked for significant increases in contributions from to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(u) Land under roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Any land under roads that was recognised before 1 July 2008 was been derecognised at 1 July 2008 against the opening balance of retained earnings.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 - Property, Plant and Equipment.

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

(v) Provisions for close down and restoration and for environmental clean up cost - Waste Management Facilities**(i) Restoration**

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of waste management facility operations, and the majority of the close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

(ii) Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These cost are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would effect future financial results.

Note 1 Summary of significant accounting policies

(continued)

(w) Allocation between current and non-current assets and liabilities

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the ensuing 12 months, being the Council's operational cycle. In the case of liabilities where council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2009-8 *Amendments to Australian Accounting Standards - Group Cash-Settled Share - based Payment Transactions* [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or cash-settled transaction. **No impact on Council.**

(ii) AASB 2009-10 *Amendments to Australian Accounting Standards - Classification of Rights Issue* [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 *Financial Instruments: Presentation* which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. **No impact on Council.**

(iii) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect Council's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. Council is yet to assess its full impact. **However, initial indications are that it may affect Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale investments, for example, will therefore have to be recognised directly in profit or loss.**

(iv) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. **No impact on Council.**

(v) AASB Interpretation 19 *Extinguishing financial liabilities with equity instruments* and AASB 2009-13 *Amendments to Australian Accounting Standards arising from Interpretation 19* (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. **No impact on Council.**

(vi) AASB 2009-14 *Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement* (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments. **The amendment is therefore not expected to have any impact on Council.**

Note 1 Summary of significant accounting policies**(y) Intangible assets***IT Development and software*

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs or materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(z) Crown Reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers for government.

(aa) Rural Fire Service assets

Under section 119 of the Rural Fire Services Act 1997, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land, buildings, plant & vehicles.

(bb) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset for as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows, arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities areas are provided in Note 2(b).													
Functions/Activities	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current and non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2010 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Governance		20	-20	5,315	4,465	5,259	-5,315	-4,445	-5,279				
Administration	193	391	334	1,372	2,590	2,589	-1,179	-2,199	-2,255	825	797	38,179	29,218
Public order & safety	1,419	2,842	3,131	3,064	3,306	3,225	-1,645	-464	-94	2,141	2,504	18,134	13,920
Health		80		1	29	30	-1	51	-30			34	88
Environment	15,232	18,065	16,729	16,808	16,556	22,316	-1,576	1,509	-5,587	1,222	1,444	104,331	62,151
Community services & education	85	1,427	331	1,728	1,352	1,563	-1,643	75	-1,232	1,644	206	3,290	2,020
Housing & community amenities	2,027	2,890	2,726	5,315	5,279	5,053	-3,288	-2,389	-2,327	121	217	24,078	1,264
Water supplies	20,813	26,923	23,790	17,379	15,700	20,453	3,434	11,223	3,337	831	367	374,453	361,274
Sewerage services	18,765	21,065	15,834	15,204	15,492	13,647	3,561	5,573	2,187	335	335	235,810	222,088
Recreation & culture	5,635	4,195	2,151	16,471	16,840	11,217	-10,836	-12,645	-9,066	1,031	1,763	111,165	117,841
Mining, manufacturing & construction	1,174	1,589	1,361	1,852	2,030	1,952	-678	-441	-591			250	235
Transport & communication	13,874	14,535	13,339	24,918	22,812	24,639	-11,044	-8,277	-11,300	3,293	3,048	798,442	407,897
Economic affairs	2,515	5,104	3,806	5,153	4,947	5,221	-2,638	157	-1,415			16,294	15,547
Total functions & activities	81,732	99,126	83,512	114,580	111,398	117,164	-32,848	-12,272	-33,652	11,443	10,681	1,724,460	1,233,543
General Purpose Income (1)	38,005	39,334	38,357			3,596	38,005	39,334	34,761	7,662	9,133		
Totals	119,737	138,460	121,869	114,580	111,398	120,760	5,157	27,062	1,109	19,105	19,814	1,724,460	1,233,543

Note (1) Includes :

Rates and annual charges

Non-capital general purpose grants

Interest and investment revenue

As reported on the income statement.

Note 2(b) Components of functions or activities

(continued)

Details of the functions or activities reported on in Note 2(a) are as follows:

Governance

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance, together with related administration costs.

Administration

Costs otherwise attributed to other functions.

Public order and safety

Fire protection, emergency services, animal control, beach control, enforcement of local government regulations, other.

Health

Administration and inspection, immunisations, food control, health centres, other.

Environment

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

Community services and education

Administration and education, social protection, aged persons and disabled, childrens services.

Housing and community amenities

Public cemeteries, public conveniences, street lighting, town planning, other community amenities.

Water Supplies

Sewerage Services

Recreation and culture

Public libraries, museums, art galleries, community centres and halls, performing arts venues, other performing arts, other cultural services, sporting grounds and venues, swimming pools, parks and gardens, other sport and recreation.

Mining, manufacturing and construction

Building control, other.

Transport and communications

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, water transport, RTA works, other.

Economic Affairs

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, real estate development, other business undertakings.

Note 3 Income from continuing operations

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
(a) Rates and annual charges		
Ordinary Rates		
Residential	23,944	22,979
Farmland	1,781	1,710
Business	5,363	5,212
Total ordinary rates	31,088	29,901
Special Rates		
Broadwater Special Rate	69	66
Newtons Special Rate	12	13
Total special rates	81	79
Annual Charges (pursuant to s.496 and s.501)		
Domestic waste management services	9,211	8,790
Water supply	4,818	4,365
Sewerage services	15,839	14,508
Waste management services (not domestic)	534	513
Stormwater Drainage	694	611
Reclaimed Water	10	1
Total annual charges	31,106	28,788
Total rates and annual charges	62,275	58,768

Council has used 2006 valuations provided by the NSW Valuer General in calculating its rates.

Note 3 Income from continuing operations (continued)

Notes to the financial statements
30 June 2010
(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
(b) User charges and fees		
User charges <i>(pursuant to s.502)</i>		
Water supply services	11,104	10,000
Sewerage services	811	723
Waste management services (not domestic)	3,243	2,684
Onsite Effluent	140	134
Reclaimed Water	27	10
Total user charges	15,325	13,551
Fees		
Administration	142	151
Animal registration	93	219
Beach permits	24	22
Building	1,014	886
Caravan parks	1,420	1,387
Certificate income	217	189
Crematorium/cemeteries	1,182	997
Health	50	48
Private Works	277	450
s.611	44	41
Section 68 permits	538	377
Sewerage Services	18	16
Transport & Communications	3,572	2,099
Town Planning	1,020	813
Water meter installations	355	236
Water supply fees	90	70
Total fees	10,056	8,001
Total user charges and fees	25,381	21,552

Note 3 Income from continuing operations (continued)

Notes to the financial statements

30 June 2010

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
(c) Interest and Investment revenue (losses)		
Interest and Dividends		
- Overdue rates and charges	485	361
- Cash and Investments	2,675	2,512
Fair value adjustments		
- Investments	669	-373
Impairment Losses		
- Investments	1,251	-15,422
Premiums recognised on financial instrument transactions		
- Interest free loan from State Government	1,813	
Total interest and investment revenue (losses)(1)	6,893	-12,922
(d) Other revenues		
Administration	225	217
Animal Control	25	25
Community services	26	36
Economic affairs	1,229	1,303
Fines	511	370
Health	0	1
Housing and community amenities	258	228
Information/document sales	60	61
Library charges	127	134
Public order and safety	24	10
Recreation and cultural facilities	61	190
Rental of council facilities	411	408
Sewerage services	20	29
Transport and communications	1	
The Glasshouse	882	
Waste management revenues	1,109	885
Water supplies	58	30
Total other revenues	5,027	3,927

Note:

(1) Where interest and investment revenue nets to an overall loss, this is carried to the interest and investment losses line on the Income Statement.

Note 3 Income from continuing operations (continued)

	Operating		Capital	
	Actual	Actual	Actual	Actual
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
(e) Grants				
General purpose (Untied)				
Financial assistance	7,662	9,133		
Pensioners' rates subsidies:				
- General	776	767		
Special purpose				
Pensioners' rate subsidies:				
- Water	205	351		
- Sewer	333	328		
- Domestic waste management	309	305		
Administration	20			
Community services and education	213	133	1,319	73
Economic affairs	206	258		200
Employment and training programmes	54	56		
Health	86	179		
Housing and community amenities	597	593	62	102
Library	180	152		
Public order and safety	375	334	1,706	2,170
The Glasshouse	38	36		
Recreation and culture	67	55	704	831
Roads and bridges	197	104	3,101	
Sewerage services				5
Street lighting	92	90		
Transport (3x3, Flood works, Roads to Recovery)				3,255
Waste management	180	304		
Water supplies			623	
Total grants	11,590	13,178	7,515	6,636
Comprising:				
- Commonwealth funding	504	78	3,140	3,623
- State funding	10,983	13,040	4,375	3,013
- Other funding	103	60		
	11,590	13,178	7,515	6,636
(f) Contributions				
Developer Contributions				
- Section 94	100	56	2,795	1,751
- Section 94A			80	94
- Planning agreements			0	265
RTA contributions (Regional/Local, Block Grant)	1,053	968		
Section 64:				
- Water			4,852	3,599
- Sewerage			1,259	693
Dedications			6,510	8,711
Administration		-72		
Community services and education	3	43		54
Economic affairs	112	68		
Housing and community amenities	140	207		
Public order and safety	18		102	50
Recreation and culture	112	51		44
The Glasshouse	43	91		
Transport and communications	3		204	123
Water supplies		75	527	937
Total contributions	1,584	1,487	16,329	16,321
Total grants and contributions	13,174	14,665	23,844	22,957

Note 3 Income from continuing operations (continued)

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
(g) Restrictions relating to grants and contributions		
Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner:		
Grants and contributions recognised in the current period which have not been spent	10,473	5,963
Less:		
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period	6,218	5,258
Net increase/(decrease) in restricted grants and contributions	4,255	705
(h) Significant Items		
The following items have impacted Council's operating result.		
Reduction in the value of investments.		
Council has designated a proportion of its investments portfolio as "at fair value through profit and loss". Any movement in the fair value of these investments is recognised as revenue or expense in the income statement. There has been an increase in the fair value of these investments during the financial year (Refer Note 3c).	711	-313
Impairment losses investments.		
Council has designated a proportion of its investments portfolio as "available for sale". In accordance with Australian Accounting Standard 139 the movement in the fair value of these investments is recognised in equity up until the point in time where Council considers them to be impaired. Once each investment is considered to be impaired the cumulative movement in fair value from the time of purchase to the date of impairment is required to be transferred to the Income Statement. The amount recognised in the Income Statement is the difference between the purchase price of the investment and the carrying value in the Balance Sheet as at the date of impairment. The amount recognised here is attributable to those investments Council considers, along with its Advisors, to be higher risk.	1,209	-15,482

Note 4 Expenses from continuing operations

	Actual 2010 \$'000	Actual 2009 \$'000
(a) Employee benefits and on costs		
Salaries and wages	25,784	26,711
Travelling	2,012	2,052
Employee leave entitlements	4,690	5,569
Superannuation	3,605	2,942
Workers' compensation insurance	854	763
Fringe Benefits Tax	219	227
Payroll Tax	468	529
Training costs (excluding Salaries)	269	143
Other	93	94
Less: Capitalised costs	-3,713	-3,638
Total employee costs expensed	34,281	35,392
Number of FTE employees	447	455
(b) Borrowing Costs		
Interest on Overdrafts		1
Interest on Loans	6,324	6,024
Amortisation of discounts and premiums:		
- Tip remediation	21	16
Less: Capitalised costs	-1,150	-2,495
Total borrowing costs expensed	5,195	3,546
(c) Materials and contracts		
Raw materials and consumables	16,811	17,127
Contractor and consultancy costs	6,367	6,742
- Domestic waste management contract	4,084	3,791
Audit Fees:		
- Audit services	63	53
Legal fees:		
- Planning and development	17	40
- Other	809	970
Total materials and contracts	28,151	28,723

Note 4 Expenses from continuing operations

(continued)

	Depn/Amor Actual 2010 \$'000	Depn/Amor Actual 2009 \$'000	Imp (1) Actual 2010 \$'000	Imp Actual 2009 \$'000
(d) Depreciation, amortisation and impairment				
Plant and equipment	2,045	2,177		
Office equipment	1,191	1,467		
Furniture & fittings	396	243		
Leased property, plant and equipment	3	3		
Land Improvements (depreciable)	829	809		
Buildings - Non Specialised	4,606	2,513		
Other Structures	471	454		
Infrastructure:				
- roads, bridges and footpaths	11,903	11,630		
- storm water drainage	864	859		
- water supply network	7,490	7,814		
- sewerage network	6,688	5,333		
Other Assets:				
- heritage collections	5	5		
- library books	233	268		
- other	60	65		
Tip asset	14	13		
Total depreciation	36,798	33,653	0	0
			Actual 2010 \$'000	Actual 2009 \$'000

(e) Other expenses

Other expenses for the year including the following:

Bad & Doubtful Debts	67	0
Administrator Expenses	154	188
Insurance	1,263	1,098
Street lighting	883	1,054
Electricity and heating	2,634	2,121
Telephones	402	437
Contributions and donations	166	587
Bank charges and fees	196	164
Valuation fees	141	115
Payment to other Levels of Government	1,067	326
Total Other Expenses	6,973	6,090

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Note 5 Gain or loss from disposal of assets

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
Gain (or loss) on disposal of Property		
Proceeds from disposal	1,768	640
Less: Carrying amount of assets sold	1,640	336
Gain (or loss) on disposal	<u>128</u>	<u>304</u>
Gain (or loss) on disposal of Plant and Equipment		
Proceeds from disposal	933	1,240
Less: Carrying amount of assets sold	1,139	1,619
Gain (or loss) on disposal	<u>-206</u>	<u>-379</u>
Gain (or loss) on disposal of Real Estate assets held for sale		
Proceeds from sales	6,983	0
Less: Cost of sales	5,003	0
Gain (or loss) on disposal	<u>1,980</u>	<u>0</u>
Gain (or loss) on disposal of Infrastructure Assets		
Proceeds from disposal	0	0
Less: Carrying amount of infrastructure assets	36	359
Gain (or loss) on disposal	<u>-36</u>	<u>-359</u>
Gain (or loss) on disposal of Financial Assets		
Proceeds from disposal	12,230	10,761
Less: Carrying value of financial assets	12,230	10,761
Gain (or loss) on disposal *	<u>0</u>	<u>0</u>
Net gain (or loss) from disposal of assets	<u>1,866</u>	<u>-434</u>

30 June 2010

Note 6(a) Cash and cash equivalents

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
Cash at bank and on hand	596	248
Deposits at call	42,208	4,253
	42,804	4,501

Note 6(b) Investments

(continued)

The following financial assets are held as investments

	Actual 2010		Actual 2009	
	Current	Non-Current	Current	Non-Current
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through Profit and Loss - Held for trading (1)	0	11,347	0	11,528
Held to maturity investments	3,000	4,000	0	0
Available for sale financial assets (1)	4,016	6,905	11,626	7,736
Total	7,016	22,252	11,626	19,264
Financial assets at fair value through Profit and Loss - Held for trading				
At beginning of year	0	11,528	4,108	11,841
Transfer b/w Current & Non-Current	0	0	0	0
Revaluation to Income statement	0	669	0	-313
Additions	0	0	0	0
Disposals	0	-850	-4,108	0
At end of year	0	11,347	0	11,528
Comprising of:				
- Equity Linked Notes	0	11,347	0	11,528
	0	11,347	0	11,528
Held to maturity investments				
At beginning of year	0	0	0	0
Additions	3,000	4,000	0	0
Disposals (Sale/Redemption)	0	0	0	0
At end of year	3,000	4,000	0	0
Comprising of:				
- Term Deposits	3,000	4,000	0	0
	3,000	4,000	0	0
Available for sale financial assets				
At beginning of year	11,626	7,736	6,629	27,695
Transfer b/w Current & Non-Current	1,565	-1,565	9,962	-9,962
Additions	0	0	0	0
Disposals	-10,500	-880	-4,713	-1,940
Revaluation to equity	1,325	363	-252	-8,057
Revaluation to income statement		1,251	0	0
At end of year	4,016	6,905	11,626	7,736
Comprising of:				
- Floating Rate Notes	1,000	5,456	6,494	4,352
- Collateralised Debt Obligations	3,016	1,449	5,132	3,384
	4,016	6,905	11,626	7,736

Note:

(1) Fair values for all investments in this Category are determined by quoted prices in active markets for identical investments.

Note 6(c) Restricted cash, cash equivalents and investments

(continued)

	Actual 2010		Actual 2009	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Total cash, cash equivalents and investments	49,820	22,252	16,127	19,264
External restrictions	35,327	22,252	13,893	19,264
Internal restrictions	13,897		1,986	0
Unrestricted	596		248	
	49,820	22,252	16,127	19,264

	Opening Balance \$'000	Transfers to restrictions \$'000	Transfers from restrictions \$'000	Closing balance \$'000
Notes				
External Restrictions				
Developer Contributions (A)	26,461	10,013	8,756	28,053
Unexpended Contributions (B)	461	723	307	877
Unexpended Grants (C)	4,088	4,522	2,275	6,335
Water (D)	-1,529	13,255	1,917	9,809
Sewerage (E)	347	15,978	8,945	7,380
Employee Leave Entitlements (Water, Sewerage, Waste)	888	789		1,677
Broadwater Special Rate (F)	352	120		472
Sanctuary Springs Special Rate (G)	25	16		41
Domestic Waste Management (H)	1,341	2,644	1,965	2,020
Caravan Parks (I)	255	228		483
Stormwater Management	468	116	152	432
Total external restrictions	33,157	48,404	24,317	57,579
Internal Restrictions				
Airport	-379	426		47
Canal Maintenance	200	44		244
CBD Townscape	1,309	1,102	291	2,120
Committed Works	1,536	2,200	230	3,506
Crematorium	208	239	33	414
Employee Leave Entitlements	1,939	418		2,357
Environmental Levy Reserve	301	579	479	401
Ferries Maintenance	128	267		395
Lake Cathie Dredging	55	12		67
Maintenance of 4WD Access Points	77	21		98
Major Buildings Renewals	686	197	30	853
Office Building & Equipment	1,002	1,355	920	1,437
Onsite Effluent	132	48		180
Plant Replacement	2,582	1,853	1,379	3,056
Pool Refurbishment		308		308
Public Halls	1	9		10
Surf Clubs		40		40
Tourism & Industry Promotion	121	66		187
Town Bands	21	7		28
Transport Infrastructure Renewal		499		499
Unrealised Profit/(Loss) on Investments	-6,541	1,755		-4,786
Working Capital	-1,392	3,828		2,436
Total Internal Restrictions	1,986	15,273	3,362	13,897
Total Restrictions	35,143	63,677	27,679	71,476

(A) Developer contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans.

(B) Contributions which are not yet expended for the purposes for which they were obtained.

(C) Grants which are not yet expended for the purposes for which they were obtained (see Note 1)

(D-H) Water, Sewerage, Broadwater Special Rate, Sanctuary Springs Special Rate and Domestic Waste Management (DWM) funds are externally restricted assets which must be applied for the purposes for which they were raised.

(I) Caravan parks funds are externally restricted assets and must be applied to the parks where the funds were raised.

Note 7 Receivables

(continued)

	Actual 2010		Actual 2009	
	Current	Non-Current	Current	Non-Current
	\$'000	\$'000	\$'000	\$'000
Purpose				
Rates and annual charges	3,809	1,169	3,663	961
Interest and extra charges	262	479	146	419
User charges and fees	3,886	561	3,866	557
Accrued revenues	583		139	
GST Receivable	816		961	
Government grants and subsidies	2,821		3,868	
Other	1,377	4,635	2,565	52
Total	13,554	6,844	15,208	1,989
Less: Provision for impairment:				
Rates and annual charges	22		22	
User charges and fees	58		11	
	80		33	
Total	13,474	6,844	15,175	1,989
Restricted receivables				
Externally restricted receivables				
Water Supply	3,989	4,925	6,590	308
Sewerage Services	3,264	1,539	2,927	1,916
Domestic waste management	844	339	979	336
Newton special rate	1	0	0	0
Broadwater special rate	5	0	3	0
Total externally restricted receivables	8,103	6,803	10,499	2,560
Unrestricted receivables	5,371	41	4,676	-571
Total receivables	13,474	6,844	15,175	1,989

30 June 2010

(continue)

Note 8 Inventories and other assets

	Actual 2010 Current \$'000	Non- Current \$'000	Actual 2009 Current \$'000	Non- Current \$'000
Inventories				
Real estate (refer below)	641	168	641	168
Stores and materials	500		564	
Total inventories	1,141	168	1,205	168
Inventories not expected to be realised within the next 12 months		168		168
Other assets				
Prepayments	707		708	
Total	707		708	
Real Estate Development				
Residential	91	20	91	20
Industrial/Commercial	550	148	550	148
Total real estate for resale	641	168	641	168
<i>(Valued at the lower of cost and net realisable value)</i>				
Represented by:				
Acquisition costs				
Development costs	641	168	641	168
Borrowing costs				
Total real estate for resale	641	168	641	168
Externally restricted inventories and other assets				
Water Supply				
Stores and materials	256		334	
Total Water Supply	256		334	
Sewerage				
Stores and materials	7		3	
Total Sewerage	7		3	
Total externally restricted inventories and other assets	263		337	
Unrestricted inventories and other assets	1,585	168	1,576	168
Total inventories and other assets	1,848	168	1,913	168

Note 9(a) Infrastructure, property, plant and equipment

By Asset Type	At 30 June 2009				Movements during year							At 30 June 2010			
	Cost/ Deemed cost \$'000	Fair Value \$'000	Accum depreciation and impairment \$'000	Written Down Value \$'000	Additions - Renewals \$'000	Additions - New Assets \$'000	WDV of Disposals \$'000	Depn and impairment \$'000	Transfers/ Adjustments \$'000	Prior Year Adjustments to Equity	Revaluation increments/(decrements) (2) \$'000	Cost/ Deemed cost \$'000	Fair Value \$'000	Accum depreciation and impairment \$'000	Written Down Value \$'000
WIP		107,571		107,571	2,744	19,652			-84,773				45,194		45,194
Plant and equipment		29,945	15,429	14,516		3,047	1,139	2,045	28				31,025	16,618	14,407
Office equipment		13,487	10,704	2,783		1,011		1,191	16				14,485	11,866	2,619
Furniture and fittings		3,281	1,745	1,536		570	55	396	1,998				5,758	2,105	3,653
Leased plant and equipment		286	34	252				3					286	37	249
Land															
- Operational Land		67,954		67,954		6	400		419				67,979		67,979
- Community Land	9,380			9,380								9,380			9,380
Land Under Roads:															
- Pre 1 July 2008															
- Post 1 July 2008	60			60					25			85			85
Non depreciable land improvements	4,125			4,125					35			4,160			4,160
Depreciable land improvements	28,546		13,942	14,604		716	10	829	780			30,018		14,757	15,261
Buildings		96,698	42,349	54,349	93	2,852	286	4,606	42,263		1,488		140,503	44,350	96,153
Other Structures	15,221		5,804	9,417		260	618	471	109			14,463		5,766	8,697
Infrastructure															
- Roads, bridges, footpaths	462,357		91,799	370,558	2,356	5,313	36	11,903	1,478		394,650		965,689	203,273	762,416
- Stormwater Drainage	43,993		8,611	35,382	527	1,232	2	864	813		38,048	6,714	111,061	42,639	75,136
- Water Supply Network		475,456	141,506	333,950	1,434	1,231	99	7,490	2,249		11,620		494,107	151,212	342,895
- Sewerage Network		248,180	104,872	143,308	168	1,656	5	6,688	34,271		5,443		294,768	116,615	178,153
Other Assets															
- Heritage Collections	515		140	375			111	5				345		86	259
- Library Books	3,865		3,549	316		248		233				4,113		3,782	331
- Other	1,520		599	921		77	54	60				1,524		640	884
Reinstatement, Rehabilitation, Restoration Assets (refer note 21)															
Tip Asset	223		65	158				14				223		79	144
Totals	569,805	1,042,858	441,148	1,171,515	7,322	37,871	2,815	36,798	-289		451,249	71,025	2,170,855	613,825	1,628,055

Notes: Excludes investment properties and non-current assets held for resale.

Additions to Buildings and Infrastructure are made up of Asset Renewals and New Assets. Renewals are defined as replacements of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets.

Note 9(b) Restricted infrastructure, property, plant and equipment

(continued)

By Asset Type	Actual 2010 \$'000				Actual 2009 \$'000			
	At Cost \$'000	Fair Value \$'000	Accum depreciation and impairment \$'000	Written Down Value \$'000	At Cost \$'000	Fair Value \$'000	Accum depreciation and impairment \$'000	Written Down Value \$'000
Water Supply								
Plant and equipment		244	51	193		221	31	190
Land								
- Operational Land		5,596		5,596		5,596		5,596
Buildings		7,238	1,955	5,283		7,019	1,858	5,161
Water Supply Infrastructure		494,458	151,563	342,895		475,456	141,506	333,950
Capital WIP		2,366		2,366		3,648		3,648
Total water supply		509,902	153,569	356,333		491,940	143,395	348,545
Sewerage Services								
Plant and equipment		339	371	-32		451	336	115
Office equipment		126	86	40		126	82	44
Land								
- Operational Land		6,361		6,361		6,333		6,333
Buildings		4,118	1,517	2,601		3,993	1,439	2,554
Sewerage Infrastructure		294,768	116,615	178,153		248,180	104,872	143,308
Capital WIP		34,157		34,157		53,316		53,316
Total sewerage services		339,869	118,589	221,280		312,399	106,729	205,670
Domestic Waste Management								
Plant and equipment		208	156	52		208	136	72
Office equipment		48	36	12		48	23	25
Furniture and fittings		35	30	5		35	26	9
Land								
- Operational Land		2,796		2,796		2,795		2,795
Land Improvements - non-depreciable	325			325	289			289
Land Improvements - depreciable	3,828		1,453	2,375	3,598		1,263	2,335
Buildings		1,939	771	1,168		1,881	729	1,152
Other Structures	1,007		207	800	1,007		178	829
Other	239		104	135	239		93	146
Cairncross Tip Asset	223		79	144	223		65	158
Capital WIP		1,798		1,798		144		144
Total Domestic Waste	5,622	6,824	2,836	9,610	5,356	5,111	2,513	7,954
Caravan Parks								
Plant and equipment		68	36	32		36	33	3
Office equipment		8	8			8	8	-
Furniture and fittings		51	34	17		51	25	26
Land								
- Operational Land		1,700		1,700		1,700		1,700
Land Improvements	667		342	325	667		326	341
Buildings		3,689	1,489	2,200		3,384	1,129	2,255
Other Structures	168		141	27	167		134	33
Other Assets	408		203	205	408		188	220
Capital WIP						28		28
Total Caravan Parks	1,243	5,516	2,253	4,506	1,242	5,207	1,843	4,606
Total Restrictions	6,865	862,111	277,247	591,729	6,598	814,657	254,480	566,775

Note 10(a) Payables, borrowings and provisions

(continued)

	Actual 2010		Actual 2009	
	Current	Non-Current	Current	Non-Current
	\$'000	\$'000	\$'000	\$'000
Payables				
Goods and services	5,602		7,324	
Accrued wages and salaries	133		137	
Accrued expenses - other	1,354		571	
Payments received in advance	1,041		939	
Accrued Interest	1,428		1,252	
S64 contributions due to PWD		8,624		8,624
Deposits and retentions	1,236		1,086	
Other payables	5		3	
Total payables	10,799	8,624	11,312	8,624
Current payables not expected to be settled within the next 12 months	548		476	
Borrowings				
Loans - Secured (1)	7,783	94,336	6,501	85,192
Total borrowings	7,783	94,336	6,501	85,192
Provisions (2)				
Annual leave	2,959		2,961	
Sick leave	4,787		4,274	
Long service leave	7,100	224	6,610	270
Maternity leave	39		12	
Asset remediation (Note 26)		319		298
Total provisions	14,885	543	13,857	568
Current provisions not expected to be settled within the next 12 months	10,296		10,105	
Liabilities relating to restricted assets				
Domestic waste management	1,203	740	1,221	939
Water	4,764	20,831	2,988	16,204
Sewer	3,608	29,479	3,017	21,326
Total	9,575	51,050	7,226	38,469

Notes:

(1) Loans are secured over the income of the Council.

(2) Vested ELE is all carried as a current provision.

Note 10(b) Description of and movements in provisions

(continued)

Class of provision	Opening balance \$'000	Increases in provisions \$'000	Payments \$'000	Re- measurement \$'000	Closing balance \$'000
Annual leave	2,961	2,090	2,092		2,959
Sick leave	4,274	1,592	1,079		4,787
Long service leave	6,880	994	550		7,324
Maternity leave	12	53	26		39
Asset remediation	298	18		3	319
Total	14,425	4,747	3,747	3	15,428

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Note 11 Reconciliation of cash flow movements

(continued)

	Notes	Actual 2010 \$'000	Actual 2009 \$'000
(a) Reconciliation of cash assets			
Total cash and cash equivalents	6a	42,804	4,501
Less: Bank overdraft	10	0	0
Balances as per cash flow statement		42,804	4,501
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income statement		27,062	1,109
Add:			
Depreciation and impairment		36,798	33,653
Increase in provision for doubtful debts		47	
Impairment Losses			15,422
Increase in provision for leave entitlements		982	829
Increase in other provisions		21	16
Decrease in inventories		64	85
Decrease in other current assets		1	23
Increase in payables			2,042
Increase in accrued interest payable		176	309
Loss on sale of assets			434
		65,151	53,922
Less:			
Decrease in provision for doubtful debts			22
Increase in receivables		3,201	4,364
Decrease in payables		689	
Reversal of previous valuation decrements		1,251	
Non cash capital grants and contributions		5,499	9,199
Gain on sale of assets		1,866	
Fair value adjustments to financial assets at fair value through profit and loss		669	-373
Premiums recognised on financial instrument transactions - Interest free loan from State Government		1,813	
Net cash provided by operating activities from Cash flow statement		50,163	40,710

Note 11 Reconciliation of cash flow movements (continued)

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
Notes		
(c) Non-cash financing and investing activities		
NSW Office of Water Construction	-1,297	5
Bushfire grants	286	483
S94 contributions in kind	219	
Dedications	6,510	8,711
Other		
	5,718	9,199

(d) Financing arrangements

Unrestricted access was available at balance date to the following:

Bank overdraft facility (1)	500	7,500
Purchase Cards	500	500
Corporate Credit Cards	110	110
	1,110	8,110

Notes:

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

(2) Interest rates on overdrafts are variable while the rates for loans can be set for the period of the loan.

Note 12 Commitments for Expenditure

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
- Buildings	1,083	174
- Infrastructure	7,671	11,738
- Land		0
- Plant and equipment	3,479	4,723
Total	12,233	16,635
These expenditures are payable as follows:		
- Not later than one year	12,132	16,329
- Later than one year and not later than 5 years	101	306
- Later than 5 years	0	0
Total	12,233	16,635
(b) Service commitments (exclusive of GST)		
Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include:		
- Audit Services	186	278
- Garbage and recycling services	15,165	18,058
- Cleaning and maintenance services	718	417
- Other	2,626	3,008
Total	18,695	21,761
These expenditures are payable as follows:		
- Not later than one year	8,173	7,242
- Later than one year and not later than 5 years	10,027	14,519
- Later than 5 years	495	0
Total	18,695	21,761

Note 12 Commitments for Expenditure (continued)

	Actual 2010 \$'000	Actual 2009 \$'000
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(c) Operating Lease commitments

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows

- Not later than one year	0	12
- Later than one year and not later than 5 years	0	0
- Later than 5 years	0	0
Total	0	12

(d) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

- Not later than one year	1,029	767
- Later than one year and not later than 5 years	2,845	2,115
- Later than 5 years	0	0
Total	3,874	2,882

Note 13 Statement of performance measures -
Consolidated results

	Amounts 2010	2010 indicators	2009	2008	2007
1. Unrestricted current ratio					
Current assets less all external restrictions ⁽¹⁾	23,448	1.41 :1	0.96:1	1.24:1	2.17:1
Current liabilities less specific purpose liabilities ^{(2) (3) (4)}	16,607				
2. Debt service ratio					
Debt Service Cost	13,394	12.18%	13.32%	12.05%	11.50%
Revenue from continuing operational excluding capital items and specific purpose grants/contributions	109,952				
3. Rate coverage ratio					
Rates and annual charges	62,275	44.98%	48.22%	49.91%	47.82%
Revenue from continuing operations	138,460				
4. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	5,697	8.39%	8.11%	7.81%	7.30%
Rates and annual charges collectible	67,927				
5. Building and infrastructure renewals ratio ⁽⁵⁾					
Asset renewals - building and infrastructure	7,322	23.21%	14.95%	83.89%	52.32%
Depreciation, amortisation, & impairment - building and infrastructure	31,551				

Notes:

(1) Refer to Notes 6-8 inclusive.

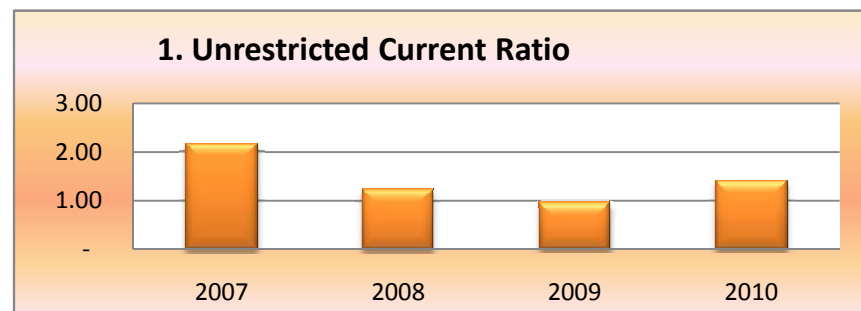
(2) Refer to note 10(a)

(3) \$6.7m provisions not expected to be settled deducted.

(4) \$548k payables not expected to be settled deducted.

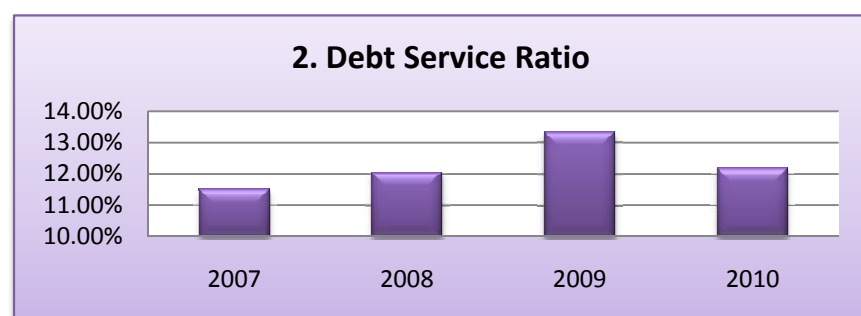
(5) Refer Note 9a

Note 13 Statement of performance measures - Consolidated results - Graphs



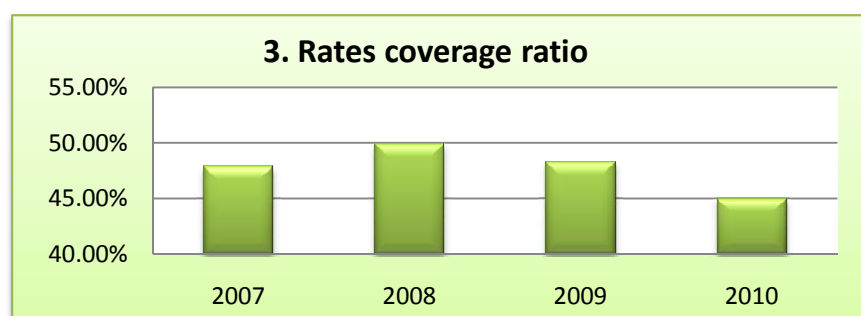
Purpose of unrestricted current ratio

To assess the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council.



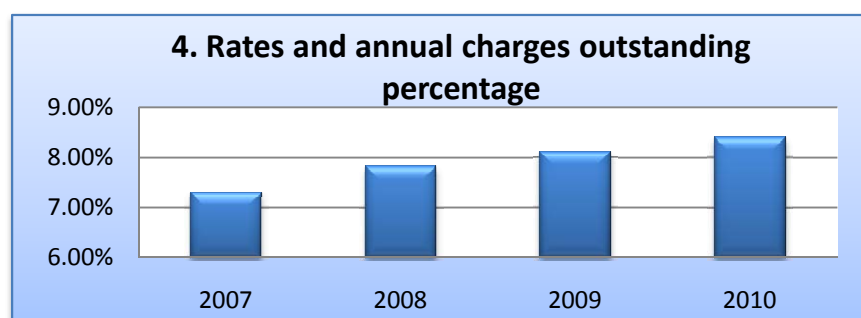
Purpose of debt service ratio

To assess the impact of loan principal and interest repayments on the discretionary revenue of Council.



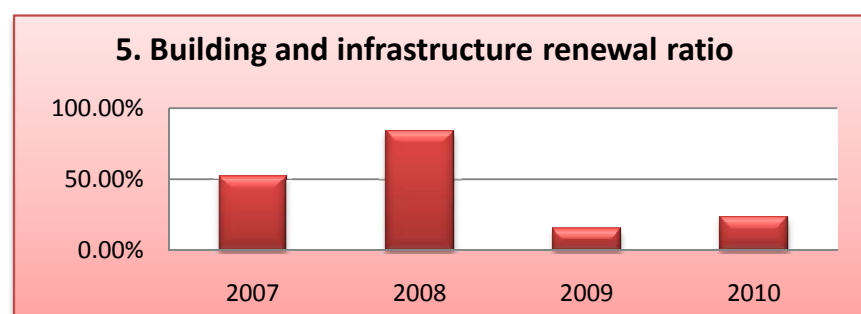
Purpose of rates and annual charges coverage ratio

To assess the degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income.



Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recover efforts.



Purpose of building and infrastructure renewal ratio

To assess the rate at which these assets are being renewed against the rate at which they are depreciating.

Note 13 Statement of performance measures - By
Fund

	Current year indicators		
	General ⁽¹⁾	Water	Sewer
1. Unrestricted current ratio			
Current assets less all external restrictions ⁽¹⁾	1.30:1	4.09:1	3.47:1
Current liabilities less specific purpose liabilities ⁽²⁾			
2. Debt service ratio			
Debt Service Cost	11.82%	8.08%	18.23%
Revenue from continuing operational excluding capital items and specific purpose grants/contributions			
3. Rate coverage ratio			
Rates and annual charges	45.59%	17.85%	77.84%
Revenue from continuing operations			
4. Rates and annual charges outstanding percentage			
Rates and annual charges outstanding	8.49%	12.61%	6.75%
Rates and annual charges collectible			
5. Building and infrastructure renewals ratio ⁽³⁾			
Asset renewals - building and infrastructure	27.67%	20.11%	15.48%
Depreciation, amortisation, & impairment - building and infrastructure			

Notes:

(1) Refer to Notes 6-8 inclusive.

(2) Refer to note 10(a)

(3) \$6.7m provisions not expected to be settled deducted.

Note 14 Investment properties

(continued)

This note is not applicable to Port Macquarie-Hastings Council

Note 15 Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the Finance Section under policies approved by the Council.

Council held the following financial instruments at balance date:

	Carrying Value		Fair value	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	42,804	4,501	42,804	4,501
Receivables	20,318	17,164	20,318	17,164
Financial assets at fair value through profit or loss - Held for trading	11,347	11,528	11,347	11,528
Available-for-sale financial assets	10,921	19,362	10,921	19,362
Held-to-maturity investments	7,000	0	7,000	0
Total	92,390	52,555	92,390	52,555
Financial Liabilities				
Payables	19,423	19,936	19,423	19,936
Borrowings	102,119	91,693	96,622	85,881
Total	121,542	111,629	116,045	105,817

Fair value is determined as follows:

* Cash and Cash Equivalents, Receivables, Payables - estimated to be the carrying value which approximates net market value.

* Borrowings, Held-to-Maturity Investments - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

* Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets - based on quoted market prices in active markets for identical investments.

Note 15 Financial risk management (continued)

(a) Cash and cash equivalents**Financial assets at fair value through profit and loss****Available-for-sale financial assets****Held-to-maturity investments**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Section manages the cash and investment portfolio, and in the future will do this with the assistance of independent advisors. Council has a investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report is provided to Council monthly setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees that comply with the Ministers' Investment Order. Council seeks advice from its independent advisors before placing any cash and investments.

	30.6.2010 \$'000	30.6.2009 \$'000
Impact of a 5% (1) movement in price of investments		
- Equity	546	968
- Income statement	567 (2)	576
Impact of a 1% (1) movement in interest rates on cash and investments		
- Equity		
- Income statement	531	236

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents, managed funds, and FRNs.) Recent market volatility has seen larger market movements for certain types of investments. Recent market volatility has seen larger market movements for certain types of investments.

(2) Maximum impact.

Note 15 Financial risk management (continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30.6.2010	30.6.2009
Percentage of Rates and Annual charges:		
- Current	30.45%	29.48%
- Overdue	69.55%	70.52%
Percentage of Other Receivables		
- Current	55.47%	67.50%
- Overdue	44.53%	32.50%

Note 15 Financial risk management (continued)

(continued)

**(c) Payables
Borrowings**

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payable and Borrowings are set out in the Liquidity Sensitivity Table below:

2010 \$'000	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total Contractual Cash flows	Carrying values
2010					
Payables	19,423			19,423	19,423
Borrowings	13,796	62,917	77,563	154,276	102,119
	33,219	62,917	77,563	173,699	121,542
2009					
Payables	19,460	476	0	19,936	19,936
Borrowings	12,685	54,562	75,912	143,159	91,693
	32,145	55,038	75,912	163,095	111,629

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council may manage this risk by borrowing long term and fixing the interest rate over the life of the loan. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2010		30 June 2009	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$'000	%	\$'000
Overdraft			0.00%	0
Bank Loans - Fixed	6.60%	78,855	6.72%	75,832
- Variable ⁽¹⁾	5.64%	23,264	5.36%	15,860
		102,119		91,692

Note:

(1) The interest rate risk applicable to Variable Rate Bank Loans is not considered significant.

Note 15 Financial risk management (continued)

(continued)

(d) Financial instruments measured at fair value

The financial instruments (other than cash and cash equivalents) recognised at fair value in the balance sheet have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists for the following levels:

Level 1

Quoted prices in active markets for identical assets or liabilities. Included within Level 1 of the hierarchy are Floating Rate Notes and Equity Linked Notes. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments. These ordinarily include Collateralised Debt Obligations that have evidence of recent trading.

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These include CDO's that do not have any evidence of recent trading or buy-back by the issuing financial institution.

	Level 1 \$,000	Level 2 \$,000	Level 3 \$,000	Total \$,000
2010				
Financial assets:				
Financial assets at fair value through profit or loss:				
- Equity Linked Notes	11,347			11,347
Held-to-maturity investments:				
- Fixed Interest Investments	7,000			7,000
Available-for-sale financial assets:				
- Floating Rate Notes	6,456			6,456
- Collateralised Debt Obligations		3,016	1,449	4,465
	24,803	3,016	1,449	29,268

Note 6 (b) provides details of movements relating to each of the above investment types.

Note 16 Budget Variations

(continued)

Council's original budget was incorporated as part of the Corporate Plan adopted by the Council on 24 June 2009. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by Council. Material variations of more than 10% are explained below.

Revenues**1. User charges and fees**

User charges and fees were over budget by \$3,263K (F) 14.75%. Variations in amounts received for user charges and fees are detailed below.

* Water user charges	\$1,063K (F)	
* Sewer user charges	\$165K (F)	
* Other waste user charges	\$1,036K (F)	
* Building and planning fees	\$411K (F)	Increase in building activity
* Airport fees	\$207K (F)	
* Crematorium fees	\$125K (F)	
* Section 68 permits	\$294K (F)	Increase in building activity

2. Interest and investment revenues

Interest and investment revenues were over budget by \$5,183K (F) 276.87%. This result was caused by a number of issues including:-

1. Interest estimates in the original budget were conservative due to the economic climate.
2. Interest and other investment revenues actually recognised for the 2010 financial year have been influenced by movements in the fair value of investments upwards by \$711K.
3. Council has reversed a previous impairment loss in the amount of \$1.3m in line with independent market valuations.
4. Council has received two interest free loans from the State Government and the recognition of the discount has improved the interest and investment revenues by \$1.8m.

2. Other revenues

Other revenues were over budget by some \$1,177K (F) 30.57%. Variations in amounts received for other revenues are detailed below.

* Economic Affairs Revenues	\$183K (F)	Increased income for tourism marketing
* Fine Revenue	\$185K (F)	Greater focus on parking by Council Rangers
* Insurance Rebate	\$66K (F)	
* Library Charges	\$26K (F)	
* Waste Management Revenues	\$606K (F)	Increased steel sales from waste management depots. Sale of Compost.

3. Grants and contributions provided for operating purposes

Actual amounts of grants and contributions received for operating purposes were over the original budget by some \$1,996K (F) 17.86%. Variations in the amounts received in grant funds are detailed below.

* Administration Grant	\$20K (F)	Grant received for Integrated planning project.
* Bushfire Control Grant	\$59K (F)	

Note 16 Budget Variations (continued)

* Community Services & Education Grants	\$125K (F)	Grants received for Move Well Eat Well along with Rural Halls.
* Economic Affairs Grant/Contributions	\$176K (F)	Start-up Pgmme, Economic Gardeners and University Project
* Employment/Training Grants	\$44K (F)	
* Financial Assistance Grants	\$275K (F)	Received pre-payment of 2010/11 Grant.
* Natural Resources Grants	\$588K (F)	Grants received for Urban Sustainability and Bush Regeneration Team
* Housing & Community Contribution	\$140K (F)	Contribution to planning studies by landowners
* Library Grants	\$45K (F)	
* Pensioner Rates Subsidy	\$110K (U)	Only one claim per year done.
* Recreation & Cultural Grants	\$57K (F)	
* Recreation & Cultural Contributions	\$62K (F)	Contribution received for Netball Clubhouse and Memorial Seats
* Roads & Bridges Grants	\$135K (F)	Grant for Flood Damage May 2009
* S94 Admin Levy	\$31K (F)	
* Waste Management Grant	\$180K (F)	Additional midwaste grant

4. Grants and contributions provided for capital purposes

Actual amounts of grants and contributions received for capital purposes were over the original budget by some \$5,576K (F) 28.65%. Variations in the amounts received in grant funds are detailed below.

* Water Supply Grant	\$1,920 (F)	Council received a grant for Fluoridation and the SCADA project
* Community Services Grant	\$1,319 (F)	HACC construction grant.
* Bonny Hills Surf Club Grant	\$1,350 (F)	
* S94/64 Contributions	\$646 (F)	Increased activity in development.
* Roads and Bridges Grants	\$589 (F)	Increased roads to recovery and flood damage grants.

5. Net gain on disposal of assets

Council budgeted for a loss on disposal of assets of \$1,240K but actually incurred a gain of \$1,704K. This is due to the fact that a parcel of land that budgeted to sell in 2009 was in fact sold in 2010. In addition, the write off of infrastructure assets was not as great as expected.

Expenses**6. Borrowing costs**

The variation of \$1,853K (26.29%) (F) is due to the fact that Council has capitalised \$1,150K of the interest on the sewerage loans in line with the Local Government Code of Accounting Practice. The budget has been transferred to the capital budget for these items to cover this interest capitalisation. Council also budgets conservatively for all variable loans to ensure sufficient funds are available in the event of an interest rate rise.

In addition to the above mentioned items, minor favourable and unfavourable variations occurred throughout the year in a number of revenue and expense items. All variations have been monitored and reported to Council on a regular basis.

Note 17 Statement of developer contributions

(a) Summary of developer contributions

	Opening Balance \$'000	Contributions received during year ⁽¹⁾		Interest & investment income earned during year \$'000	Expended during year \$'000	Balance before internal borrowings \$'000	Internal borrowings (to)/from ⁽³⁾ \$'000	Held as restricted asset ⁽²⁾ \$'000	Projected future contributions ⁽³⁾ \$'000	Projected cost of works still outstanding ⁽³⁾ \$'000	Projected over/under funding ⁽³⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non cash \$'000									
Roads	-1,891	1,179	219	-83	151	-727	727		58,769	69,931	-11,889	727
Parking	2,937	63		111		3,111	-727	2,384	9,831	12,942		-727
Open Space	-172	789		4	345	276		276	50,337	57,894	-7,281	
Community Facilities	1,047	448		46	1,031	510		510	41,858	46,654	-4,286	
Other	1,772	34		94	207	1,693		1,693	850	2,543		
Administration Levy		99			99				2,232	2,747	-515	
S94 under plans	3,693	2,612	219	172	1,833	4,863		4,863	163,877	192,711	-23,971	
S94 not under plans	264	282		12		558		558				
S94A levies	97	80		4	146	35		35				
Planning agreements	234			9	243							
Section 64	22,173	6,111	116	731	6,534	22,597		22,597				
Totals	26,461	9,085	335	928	8,756	28,053		28,053	163,877	192,711	-23,971	

Notes:

(1) Reconcilable with Note 3

(2) Reconcilable with Note 6 (Restricted assets excludes 'amounts expended in advance')

(3) Projections are not applicable to S94A levies, Planning agreements and Section 64. Projections are based on undiscounted numbers.

(4) Cumulative balance of borrowing within and between plans - Note: General Fund Expenditure in Advance of Contributions is not to be shown here.

Note 17 Statement of developer contributions (continued)

(b) Contributions under plans

	Opening Balance \$'000	Contributions received during year (1)		Interest & investment income earned during year \$'000	Expended during year \$'000	Balance before internal borrowings \$'000	Internal borrowings (to)/from (4) \$'000	Held as restricted asset (2) \$'000	Projected future contributions (3) \$'000	Projected cost of works still outstanding (3) \$'000	Projected over/under funding (3) \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non cash \$'000									
Roads	-1,891	1,179	219	-83	151	-727	727		58,769	69,931	-11,889	727
Parking	2,937	63		111		3,111	-727	2,384	9,831	12,942		-727
Open Space	-172	789		4	345	276		276	50,337	57,894	-7,281	
Community Facilities	1,047	448		46	1,031	510		510	41,858	46,654	-4,286	
Other	1,772	34		94	207	1,693		1,693	850	2,543		
Administration Levy		99			99				2,232	2,747	-515	
Section 94A	97	80		4	146	35		35				
Totals	3,790	2,692	219	176	1,979	4,898		4,898	163,877	192,711	-23,971	

(c) Contributions not under plans

	Opening Balance \$'000	Contributions received during year (1)		Interest & investment income earned during year \$'000	Expended during year \$'000	Balance before internal borrowings \$'000	Internal borrowings (to)/from (4) \$'000	Held as restricted asset (2) \$'000	Projected future contributions (3) \$'000	Projected cost of works still outstanding (3) \$'000	Projected over/under funding (3) \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non cash \$'000									
Roads	66	131		4		201		201				
Parking												
Open Space	38	151		2		191		191				
Community Facilities	160			6		166		166				
Other												
Totals	264	282		12		558		558				

Note 18 Contingencies

(continued)

Contingent liabilities

1 Land Sale

Council has been taken to Court over the sale of a parcel of land in Hayward Street, Port Macquarie. The judge dismissed the claim for damages and costs were awarded against the other party. The other party has appealed the judgement and the awarding of costs to Council. This has not be resolved at this stage.

2 Superannuation

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies available to pay out benefits as these members cease employment. The Scheme has a deficit of assets over liabilities and its administrators have advised Council that it will need to make significantly higher contributions to help reverse this deficit. However, they may call upon Council to make an immediate payment sufficient to offset this deficit at any time. As the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils, the amount of such a payment is not able to be reliably quantified.

Contingent Assets

1 Infringement Notices/Fines

The result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt. Accordingly, at year end, there is a potential asset due to Council representing issued but not received infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

2 Land Under Roads

As permitted under AASB 1045 and in accordance with DLG recommendations, Council has not brought to account in these Reports the value of Land Under Roads.

Note 19 Interests in joint ventures and associates

This note is not applicable to Port Macquarie - Hastings Council

Note 20 Revaluation reserves and retained earnings

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
Notes		
(a) Retained earnings		
Movements in retained earnings were as follows:		
At beginning of year	853,764	855,043
Adjustment due to error for prior year (20(d))		
Land under roads derecognised		-2,388
Net operating result for the year	27,062	1,109
At end of year	880,826	853,764
(b) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	707,192	255,942
Available-for-sale investments revaluation reserve	-528	-2,217
	706,664	253,725
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
At beginning of year	255,942	231,109
Revaluations (Note 9)	451,250	24,833
At end of year	707,192	255,942
<i>Available-for-sale investments revaluation reserve</i>		
At beginning of year	-2,217	-9,389
Revaluation - gross	1,117	-8,310
Transfer to net profit - gross	572	15,482
At end of year	-528	-2,217
(c) Nature and purpose of reserves		
(i) Infrastructure, property, plant and equipment revaluation reserve		

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets

(ii) Available-for-sale investments revaluation reserve

Changes in fair value are taken to the available-for-sale investments revaluation reserve, as described in note 1(k). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

Income Statement by Fund	Actual 2010 \$'000 General ⁽¹⁾	Actual 2010 \$'000 Water	Actual 2010 \$'000 Sewer
Income from continuing operations			
Revenue:			
Rates and annual charges	41,653	4,772	15,850
User charges and fees	12,697	12,434	250
Interest and investment revenue	2,457	2,899	1,699
Other revenues	4,801	72	154
Grants and contributions provided for operating purposes	12,604	235	335
Grants and contributions provided for capital purposes	15,260	6,454	2,130
Other Income:			
Net gain from the disposal of assets	1,897		
Total income from continuing operations	91,369	26,866	20,418
Expenses from continuing operations			
Employee benefits and on-costs	27,828	2,976	3,477
Borrowing costs	3,933	656	606
Materials and contracts	17,559	5,515	5,077
Depreciation and amortisation	22,270	7,694	6,834
Impairment			
Other expenses	4,886	800	1,287
Interest and investment losses			
Net Loss from the disposal of assets		139	54
Total expenses from continuing operations	76,476	17,780	17,335
Operating result from continuing operations	14,893	9,086	3,083
Net operating result for the year	14,893	9,086	3,083
Attributable to:			
- Council	14,893	9,086	3,083
Net operating result for the year before grants and contributions provided for capital purposes (2)	-367	2,632	953

Notes:

(1) General Fund refers to all Council activities except Water and Sewer

(2) The relevant operating result used for Water and Sewer is the 'Operating Result less Grants for Acquisition of Assets' as reported in Special Schedule 3. This result is respectively:

	\$'000
Water	7,937
Sewer	2,267

Balance Sheet by Fund	Actual 2010 \$'000 General	Actual 2010 \$'000 Water	Actual 2010 \$'000 Sewer
ASSETS			
Current assets			
Cash and cash equivalents	21,884	12,723	8,197
Investments	3,244	2,294	1,478
Receivables	6,221	3,989	3,264
Inventories	878	256	7
Other	707		
Non-current asset classified as held for sale	1,999		
Total current assets	34,933	19,262	12,946
Non-current assets			
Investments	4,328	10,984	6,940
Receivables	380	4,925	1,539
Inventories	168		
Infrastructure, property, plant & equipment	1,050,441	356,333	221,281
Total non-current assets	1,055,317	372,242	229,760
Total assets	1,090,250	391,504	242,706
LIABILITIES			
Current liabilities			
Payables	9,056	1,046	697
Borrowings	4,583	1,558	1,642
Provisions	11,456	2,160	1,269
Total current liabilities	25,095	4,764	3,608
Non-current liabilities			
Payables		5,287	3,337
Borrowings	52,721	15,500	26,115
Provisions	472	44	27
Total non-current liabilities	53,193	20,831	29,479
Total liabilities	78,288	25,595	33,087
Net assets	1,011,962	365,909	209,619
EQUITY			
Retained earnings	532,718	196,252	151,856
Revaluation reserves	479,244	169,657	57,763
Council equity interest	1,011,962	365,909	209,619
Total equity	1,011,962	365,909	209,619

Notes:

(1) General Fund refers to all Council activities except Water and Sewer

Note 22 Non-current assets classified as held for sale

(continued)

	Actual 2010 \$'000	Actual 2009 \$'000
Land		
Council has made the decision to dispose of surplus land. The land is currently available for sale and is actively being marketed.	1,999	7,392

Note 23 Events occurring after balance sheet date

(continued)

Events that occur after the reporting date of 30 June 2010, and up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report. Council has determined the date of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Events that occur after the Reporting Date represent one of two types:

- (i) Events that have provided evidence of conditions that existed at the Reporting Date. These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2010.
- (ii) Events that have provided evidence of conditions that arose after the Reporting Date. These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2010 and which are only indicative of conditions that arose after 30 June 2010.

Note 24 Reinstatement, rehabilitation and restoration liabilities

Tip Remediation

Council is required by law to restore the present tip site at Cairncross at the end of its useful life in 2021. The projected cost of this restoration in 2021 is \$600,000 based on a study conducted by independent consultants. This figure is based on Council maintaining its current management approach which involves each cell being capped as it is filled. This \$600,000 has been discounted to its present value at an interest rate equivalent to the risk-free cost of borrowing to Council.

	Actual 2010 \$'000	Actual 2009 \$'000
At Beginning of year	298	282
Amounts capitalised to Tip asset		
- New disturbance		
- Revised costs		
- Revised life		
- Revised discount rate	3	
Amortisation of discount - expensed to borrowing costs	18	16
At end of year	319	298

12 October 2010

Mr Garry Payne
Administrator
Port Macquarie-Hastings Council
PO Box 84
PORT MACQUARIE NSW 2444

Dear Administrator

We advise that we have completed our audit of the Council's general purpose and special purpose financial statements for the year ended 30th June 2010. In accordance with section 417 of the Local Government Act 1993 we now report on the conduct of the audit.

1. COUNCIL'S FINANCIAL REPORTING REQUIREMENTS

Council is required to prepare two financial reports ready for audit each year:

General Purpose Financial Report

This financial report presents the financial position and performance of the Council on a consolidated basis. The report includes all controlled Council operations such as general, water and sewer funds as well as domestic waste management activities. Council has prepared its general purpose financial report in accordance with the Division of Local Government Code of Accounting Practice Manual which adopts applicable Australian Accounting Standards as the framework for financial reporting.

Special Purpose Financial Report

This financial report provides an understanding of the financial position and performance of Council's declared business activities as required under National Competition Policy. Council's declared business activities for the 2010 financial year are:

- water fund operations
- sewer fund operations
- Glasshouse operations
- Commercial waste management operations

Council is not required to adopt Australian Accounting Standards when preparing this financial report however the financial position and performance have been calculated by adopting applicable Accounting Standard requirements.



2. AUDITORS' RESPONSIBILITIES

Council's annual financial audit engagement has been conducted in accordance with Australian Auditing Standards.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the organisation's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

Forming Our Audit Opinion

Our function as auditors is to examine the general purpose and special purpose financial reports presented to us by the Council to allow us to express an audit opinion. Our audit opinion does not cover:

- i) The original budget information included in:
 - The income statement;
 - The statement of cash flows; and
 - Note 2(a) to the financial statements in the general purpose financial statements;
- ii) Note 16 budget variation explanations in the general purpose financial statements;
- iii) Note 17 forecast information contained in the general purpose financial statements; and
- iv) The best practice disclosures in notes 2 & 3 to the special purpose financial statements.

As auditors of the Council we are not responsible for the preparation of the financial reports or for the maintenance of accounting records or the organisation's systems of internal control. These responsibilities, together with the requirement to present financial reports, which give a true and fair view of the state of the Council's affairs and of its results are imposed on the Administrator by the Local Government Act and Regulations 1993.

3. CONSOLIDATED OPERATING RESULT

Council's surplus from all activities for 2010 was \$27,062,000. This compares to a surplus in 2009 of \$1,109,000. This result can be summarised as follows:-

Consolidated Operating Result	2010	2009	2008
	\$'000	\$'000	\$'000
Revenues from continuing operations	109,017	98,912	95,146
Expenses from continuing operations	(74,600)	(70,878)	(72,087)
Result from continuing operations before depreciation	34,417	28,034	23,059
Less: depreciation expense	(36,798)	(33,653)	(30,669)
Result from continuing operations before capital amounts	(2,381)	(5,619)	(7,610)
Capital grants and contributions	23,844	22,957	17,363
Result from continuing operations after capital amounts	21,463	17,338	9,753
Fair value gains and losses on investments	1,920	(373)	(3,642)
Impairment of investments	-	(15,422)	-
Gain on recognition of interest-free loans	1,813	-	-
Profit/(Loss) on disposal of assets	1,866	(434)	(2,812)
Surplus from all activities	27,062	1,109	3,299

3.1 ANALYSIS OF RESULT FROM CONTINUING OPERATIONS BEFORE CAPITAL AMOUNTS

The deficit from continuing operations before capital amounts has reduced from \$5,619,000 in 2009 to \$2,381,000 in 2010. Some of the material components contributing to the reduction of this deficit include:

Account	Increase / (Decrease) \$'000	Reason for Increase / Decrease
Revenue		
General rates	1,187	General rates revenue has increased with a rate-pegged increment of 3.5% plus growth in the number of assessments.
Sewer Annual Charges	1,331	Revenue from sewer annual charges has increase in conjunction with the Council's annual review of fees and charges together with increases in the number of sewer connections.
Water User Charges	1,104	Tier 1 consumption charges have increase from \$1.84 in 2009 to \$1.97 per kilolitre in 2010 whilst Tier 2 consumption charges per kilolitre have increased by 26¢ on 2009.
Transport & Communication Fees	1,473	Revenue relating to this aspect of Council's operations is largely attributable to increased airport activity.

Account	Increase / (Decrease) \$'000	Reason for Increase / Decrease
Expenses		
Employee costs	(1,111)	Employee costs have reduced in conjunction with a slight decrease in employees and a lower cost of providing employee benefits.
Borrowing costs	1,649	Borrowing costs have increased as interest is recognised on loans drawn down toward the end of the 2009 financial year.
Depreciation Expense	3,145	Depreciation expense has increased in conjunction with the indexation of buildings, water and sewerage infrastructure at 30 June 2009.

3.2 OTHER MATERIAL ITEMS IMPACTING THE CONSOLIDATED OPERATING RESULT

Council's consolidated operating result can be influenced by transactions that may be unique or not related to core service delivery. The 2010 consolidated operating surplus has been impacted by the following significant revenue items.

Fair Value Movement of Investments

The majority of Council's investments are recognised in the financial report at their fair value. Any movements in the fair value of Council's investments are recognised as a revenue or expense in the income statement. Council receives independent valuations for each of its investments so that it may accurately report their fair value in the financial report. The value of Council's investment portfolio recognised at fair value has increased by \$1,920,000 during the 2010 financial year which has been recognised as revenue in the income statement.

Gain on Recognition of Interest-Free Loan

During the year Council successfully applied for interest free loans being offered by the NSW State Government. These loans were largely used to fund roads and water infrastructure improvements.

A gain has been recognised in Council's financial report on discounting the loan to its amortised value as required by Australian Accounting Standards. This gain represents the value of the benefit received by Council under interest-free terms and conditions.

Gain / (Loss) on Disposal of Assets

The gain on disposal of assets is largely represented by the sale of land assets during the financial year.

3.3 CAPITAL GRANTS & CONTRIBUTIONS

Council receives capital grants and contributions from various sources each financial year. The extent of revenue received each year is influenced by the nature and extent of Council's capital improvements programme and general economic activity.

Capital Grants

Capital grants received during the year amounted to \$7,515,000 and largely consisted of grant monies received for the Hastings district water supply fluoridation, HACC construction as well as road infrastructure improvements under the Roads to Recovery funding programme.

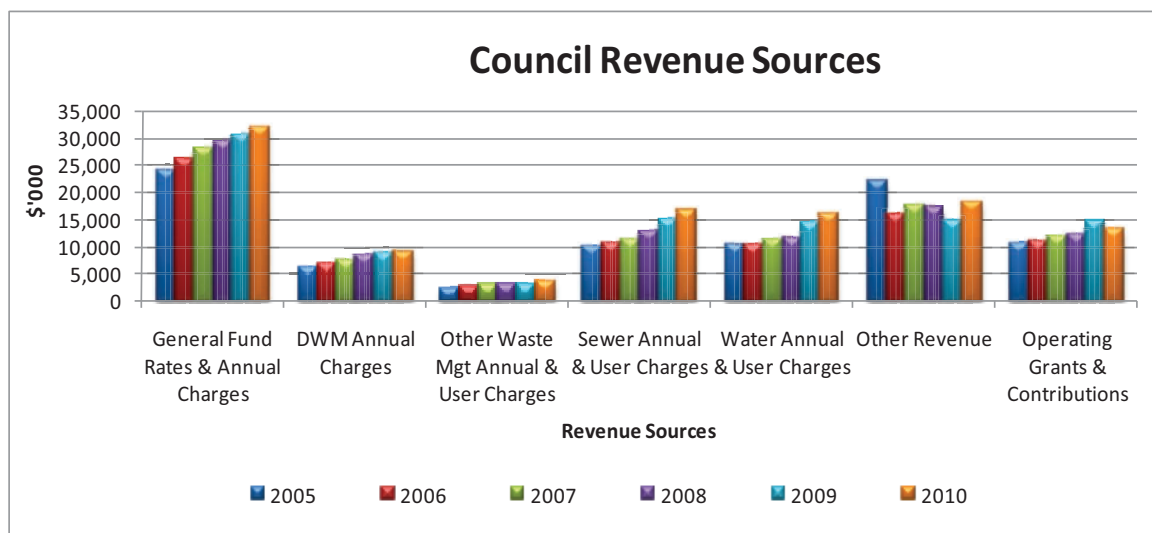
Capital Contributions

Capital contributions received during the period amounted to \$16,329,000. Capital contributions largely comprise section 94 and 64 developer contributions and dedications of infrastructure assets to Council upon the completion of residential and other developments.

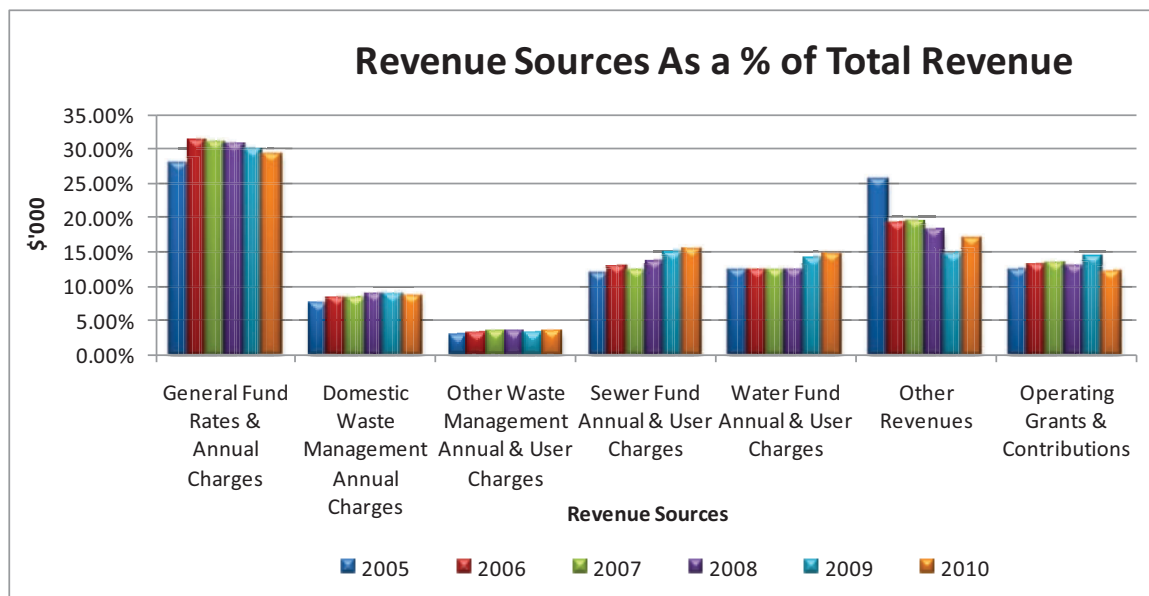
	2010 \$'000	2009 \$'000	2008 \$'000
Non-cash developer infrastructure dedications	6,510	8,711	8,116
Section 94 contributions - cash	2,875	1,845	2,102
Section 64 contributions - cash	6,111	4,292	2,166
Other contributions	833	1,473	1,148
Total	16,329	16,321	13,532

The use of cash contributions received during each year is restricted and accordingly they are not available for use in Council's general operations.

4. COUNCIL REVENUE SOURCES



The above graph illustrates the movement in Council's main revenue sources over the past six years. Council's revenue from rates and annual charges for all operations as a percentage of total revenue for the 2010 financial year is 45.59% and compares favourably with comparative data published by the NSW Division of Local Government for 2008/09.



The above graph illustrates the Council's main revenue streams as a percentage of total revenue. Other revenue has been influenced by the first year of the Glasshouse operations. The graph shows a proportionate decline in general fund rates and annual charges revenue over the last five years as other revenues grow at a greater rate than the annual rate-pegged increments.

5. DECLARED BUSINESS ACTIVITIES UNDER THE NATIONAL COMPETITION GUIDELINES

Under the National Competition guidelines Council is required to apply taxation equivalent principles to declared business activities similar to those that would apply if they were operating in the commercial sector. Council declared business activities have been reported with operating details and assets disclosed on a gross basis in Council's special purpose financial statements.

Each activity has a required rate of return on its activities that is calculated as the operating result plus interest expense divided by the written down value of property, plant and equipment. Where the return on investment is below the required rate of return, the difference is disclosed as a notional subsidy from Council's General Fund activities. Dividends represent funds provided by the relevant business activity for other functions of Council. A summary of the financial performance of Council's declared business activities is provided below:



Activity/Year	Revenue \$'000	Expenses \$'000	Result prior to capital amounts \$'000	Return on capital %	Notional Subsidy \$'000	Dividends Paid \$'000
2010						
Water	20,536	(18,430)	2,106	0.78	4,364	-
Sewer	19,199	(19,061)	138	0.39	3,573	-
Waste Management	15,669	(12,178)	3,491	37.13	-	1,150
The Glasshouse	964	(8,495)	(7,531)	(11.02)	6,186	-
2009						
Water	12,289	(19,872)	(7,583)	(1.92)	13,683	-
Sewer	11,068	(19,096)	(8,028)	(3.56)	11,438	-
Waste Management	13,974	(12,170)	1,804	24.05	-	-
The Glasshouse	263	(3,128)	(2,865)	(5.51)	3,835	-

Water and Sewer Services

Council's water and sewer operations have improved their financial performance when compared to 2009. This improvement is largely attributable to positive movements in the fair value of investments in 2010. Council has also maintained costs whilst improving operating revenue for each activity.

Water and sewer operations are recognised as monopolies under the National Competition Policy guidelines. As a provider of essential services water and sewer funds should generate enough profits to enable it to replace its infrastructure as required. Council has resolved that a desired rate of return of 2% should be sufficient to allow for the replacement of infrastructure in the future.

In 2010 Council's water and sewer operations have not achieved their desired rate of return. Under the current reporting framework Council is to recognise the difference between the actual rate of return and the required rate of return as a notional subsidy from General Fund operations. For 2010 the notional subsidy calculated is \$4,364 million and \$3,573 million for water and sewer funds respectively. We highlight that an actual subsidy has not been paid and is not payable by general fund to water or sewer funds as the calculated subsidy is notional in nature only.

Waste Management

Council's Waste Management Business Activity comprises commercial and domestic waste operations and has returned a profit of \$3,491,000 for the 2010 financial year. Council has adopted a desired rate of return on assets for its waste management operations of 15% and the actual rate of return for the 2010 year has exceeded this benchmark.

The Glasshouse Arts, Conference and Entertainment Centre

Council has nominated the Glasshouse Arts, Conference and Entertainment Centre a declared business activity to provide ratepayers with an understanding of its financial performance and position. It should be noted that Council is providing this information as a matter of governance and transparency as it does not necessarily qualify as a reportable activity under the National Competition Policy guidelines.



The 2010 year marked the commencement of operations at the Glasshouse. The deficit of \$7,531 million includes notional taxation equivalents of \$1,117 million and depreciation expense of \$1,838 million. We understand that Council is monitoring the Glasshouse operations so that expenses are maintained and revenues improved wherever possible.

8. BALANCE SHEET

8.1 CASH AND INVESTMENTS

At balance date Council had \$72,072,000 in cash and investments. Council's cash and investments consist of:

	2010 \$'000	2009 \$'000
Cash on hand and at bank	596	248
Deposits at call	49,208	4,253
Floating Rate Notes	6,456	10,846
Collateralised Debt Obligations	4,465	8,516
Equity Linked Notes	<u>11,347</u>	<u>11,528</u>
	<u>72,072</u>	<u>35,391</u>

Council's cash and investments are largely restricted in their use:

Externally restricted	57,579	33,157
Internally restricted	13,897	1,986
Unrestricted	<u>596</u>	<u>248</u>
	<u>72,072</u>	<u>35,391</u>

The above table illustrates that Council has approximately \$596,000 unrestricted cash at balance date. This money is used to conduct Council's day-to-day operations. Externally restricted cash consists of unspent monies such as developer contributions, grants and special rates as well as water and sewer funds. These funds are limited in their use under legislation or specific funding agreements and are not available for general Council operations.

Council has increased the level of internally restricted cash reserves. These reserves are tied to specific Council projects under Council resolution and are generally not available to fund day-to-day operations. The increase in the level of internally restricted reserves has been funded by general operations as well as the sale of excess land assets. We commend Council for improving the amount of internally restricted reserves and we encourage higher levels of funding so that Council may further secure its financial position and guard against any unforeseen financial impacts that may occur in the future.

Security of Investments

It is important to note that most of Council's investments are capital protected on their maturity.

Capital protected on maturity means that the investment's capital is protected to the extent that the financial institution or issuer has the capacity to repay the invested money at the time of maturity. Capital is not always protected if the investment is sold before its maturity.



Liquidity

Based on information provided by Council management, which has not been subject to audit, the maturity profile of investments held at balance date should not materially impact Council's budgeted operations for the 2010/11 financial year from a liquidity perspective.

8.2 PROPERTY, PLANT AND EQUIPMENT

During the year Council capitalised \$45.193 million on infrastructure and property, plant and equipment. Assets recognized in Council's balance sheet consist of:

	2010	2009
	\$'000	\$'000
<i>Developer Infrastructure Dedications</i>	6,510	8,711
<i>Non-cash Grants/contributions</i>		
Bush Fire, Subsidised Schemes etc.	-	483
<i>Council Constructed / Purchased Assets</i>		
Land and Buildings	3,927	6,145
Plant and Equipment	3,047	4,310
Roads and Drainage	9,428	8,305
Water & Sewerage Network	4,489	4,722
Other Assets	1,906	276
Work in Progress	22,396	51,448
	45,193	75,689

The work in progress as at the end of the reporting period, largely relates to the construction of sewer infrastructure.

Asset Revaluations 2010

The Division of Local Government has mandated that all infrastructure assets including land and buildings are to be recognised in Council's financial records at their fair value. Fair value represents the written-down replacement cost of each asset using modern day equivalent materials, design and capacity.

During the year Council revalued its roads and drainage infrastructure assets. The effect of the revaluation process was to increase the written-down replacement cost of roads and drainage assets by \$432,698,000 to \$837,552,000. As at 30 June 2010 Council controls plant, equipment, land, buildings and infrastructure with a written down replacement cost of \$1,628 billion.

Future Asset Revaluations

The following asset classes are required to be revalued by Council in 2011:

<i>Asset Type</i>	<i>Date of Revaluation</i>
Other Structures and other assets	30 June 2011
Community Land and land improvements	30 June 2011



The valuation of other structures and other assets includes a wide range of assets which may be managed by different Council personnel / departments. It is important that Council adopts a sound project management approach when recognising and valuing these assets so the process is as effective and efficient as possible.

The valuation of community land and land improvements will also be quite complex. We recommend that Council's valuation project team include a review of the "control" concept under Australian Accounting Standards when determining which assets to recognise on the balance sheet.

8.3 LOANS LIABILITY

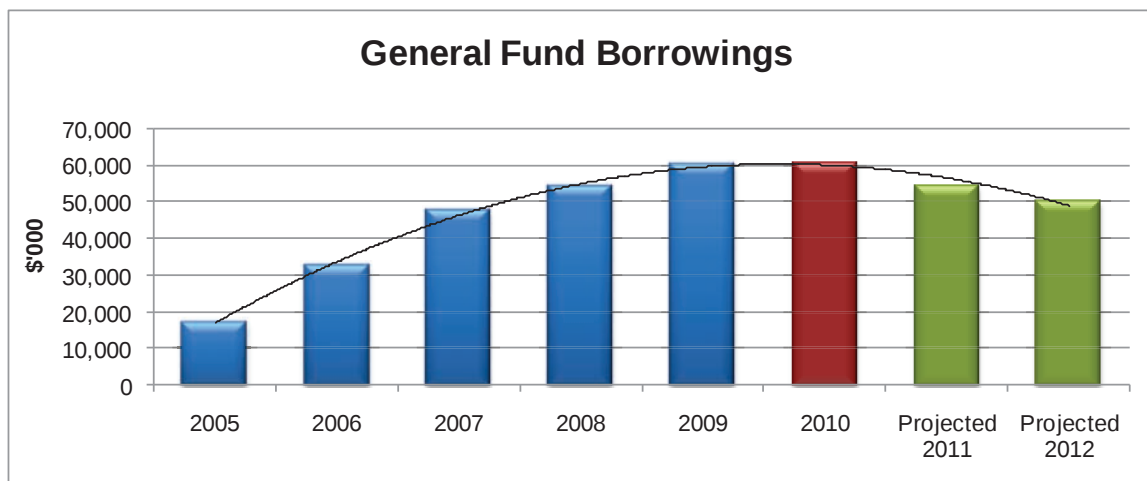
Council has total borrowings at balance date of \$102,119,000 increasing from \$91,693,000 in 2009. The total loan liability at balance date is attributable to the Council's operating funds as follows:

	2010 \$'000
General fund	60,671
Sewer fund	23,755
Water fund	17,058
Waste management	<u>635</u>
Total Loan Liability as at 30 June 2010	<u><u>102,119</u></u>

In addition to the above borrowings, Council's general fund has an internal loan liability to sewer fund of \$1,733,000 as at 30 June 2010. This borrowing is eliminated for financial reporting on a consolidated basis.

During the 2010 financial year Council repaid principal totaling \$7,070,000 and borrowed \$19,309,000 to fund the following projects:

	2010 \$'000
Sewerage treatment plant construction	10,000
Water infrastructure construction	7,959
Roads infrastructure improvements	<u>1,350</u>
Borrowings for 2010	<u><u>19,309</u></u>



The graph above illustrates the trending for the total general fund loan liability at each reporting period including borrowings for the construction of the Glasshouse Arts, Conference and Entertainment Centre. This graph illustrates the forecast loan liability to 2012 and illustrates a planned reduction in the level of debt for general fund.

9. KEY FINANCIAL PERFORMANCE INDICATORS

Council's performance can be measured using selected financial indicators. The local government sector utilises certain key performance indicators to measure some aspects of its financial position and performance. Note 13 to the general purpose financial statements provides details of local government sector key performance indicators. We provide an analysis of some of these key performance indicators on a fund-by-fund basis.

When interpreting the ratios below it is important to recognise that they represent a measure of certain aspects of Council's operations at a particular point in time and do not provide a complete assessment of Council's financial performance or position nor do they consider the plans Council has in place to manage its operations into the future.

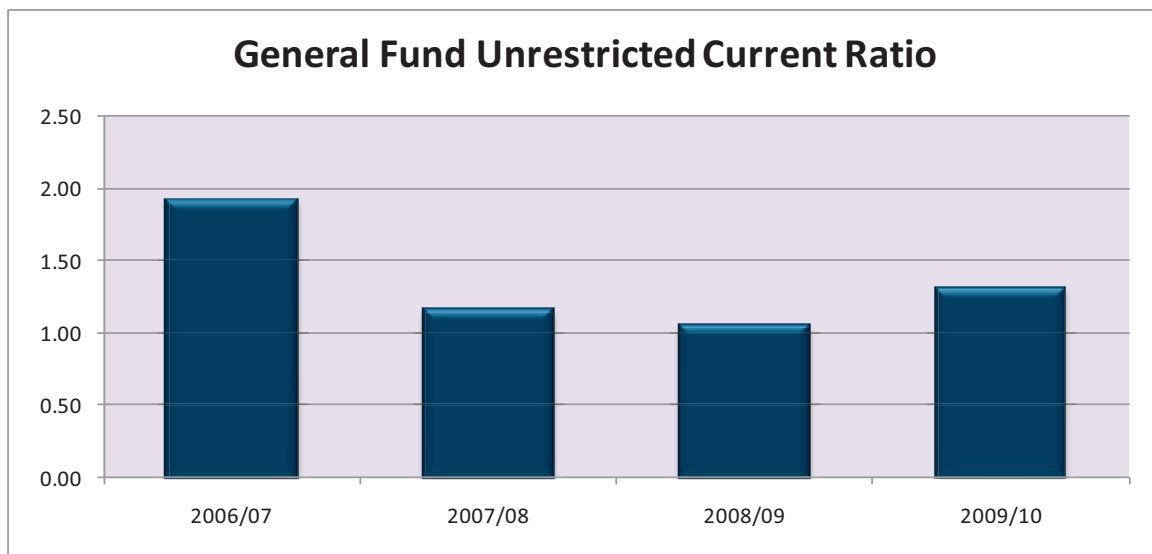
Unrestricted Current Ratio

The unrestricted current ratio represents Council's capacity to meet its commitments from current assets net of externally restricted cash, investments and receivables.

Factors influencing Council's unrestricted current assets ratio include:

- Planning and budgetary controls
- Cash management and the timing of cash flows
- The level of internally restricted assets
- Credit management policies and economic circumstances

General Fund Unrestricted Current Ratio



The general fund unrestricted current ratio has improved from 1.04 as at 30 June 2009 to 1.3 at balance date 2010. This means that Council has \$1.30 in liquid current assets for every \$1 of current liabilities. The improvement in the general fund unrestricted current ratio has arisen from Council replenishing its internal cash reserves as detailed at 8.1.

An unrestricted current ratio of at least 1.5 is considered to be an appropriate level to allow Council to satisfy its day-to-day commitments and absorb any unforeseen expenses or reductions in revenue. We recommend that Council continue to improve this ratio.

General Fund Long-Term Objectives

It is important to note that the unrestricted current ratio does not reflect Council's capacity to fund long term infrastructure needs nor the current state of the infrastructure itself. As part of its asset management processes Council needs to assess its infrastructure requirements and develop strategies to ensure the long-term viability (ability to provide services) of its assets.

Sewer and Water Fund Unrestricted Current Ratio



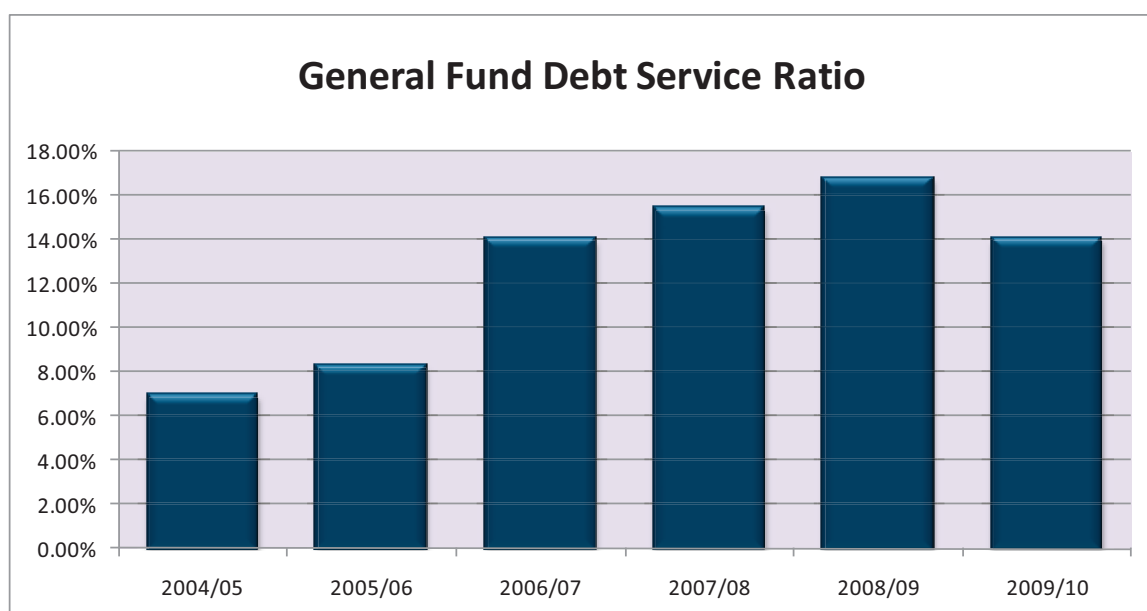
The unrestricted current ratio for water and sewer activities may fluctuate significantly. Yearly fluctuations may result from the accumulation of internal reserves and the impact of lower debt levels and will continue to fluctuate in the future as further funds are collected and expended on infrastructure improvements.

Debt Service Ratio

This indicator assesses the degree to which revenues from continuing operations are committed to the repayment of debt. Factors influencing a council's debt service ratio include:

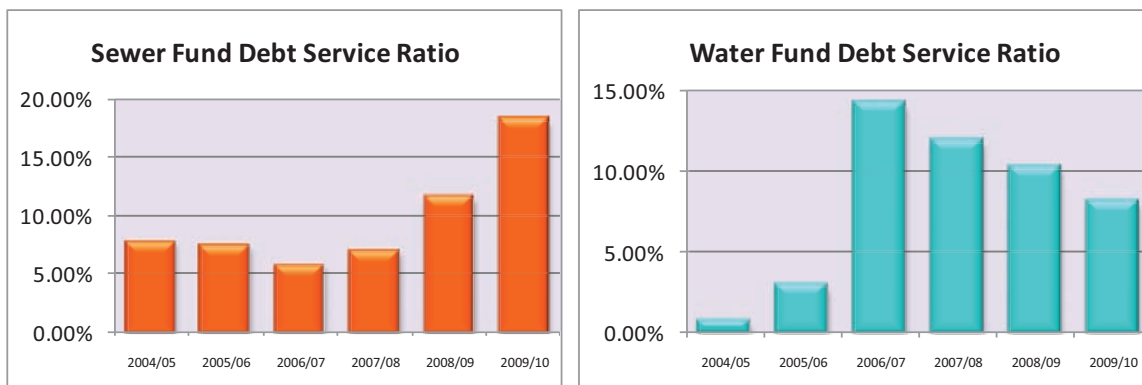
- The rate of new development in the Council area and the need to borrow to fund new infrastructure;
- Council's debt policy;
- Interest rate movements and loan terms;
- Capital investment strategies and capital contributions policies;
- The level of cash reserves available to reduce the level of borrowings; and
- The state of Council's infrastructure assets and the need to borrow to replace them.

General Fund Debt Service Ratio



The above graph illustrates the movement in Council's general fund (excluding domestic waste management operations) debt service levels over the past six years. Council's general fund debt service ratio has decreased from its 2009 level to 14%. Whilst the general fund loan repayments and interest has remained relatively static on 2009 the debt service ratio reduction has lowered as a function of increased revenue in 2010. A debt service ratio of this level for a developing coastal council such as Port Macquarie-Hastings is not considered to be abnormal under Local Government Managers Association performance measures.

Sewer and Water Fund Debt Service Ratio



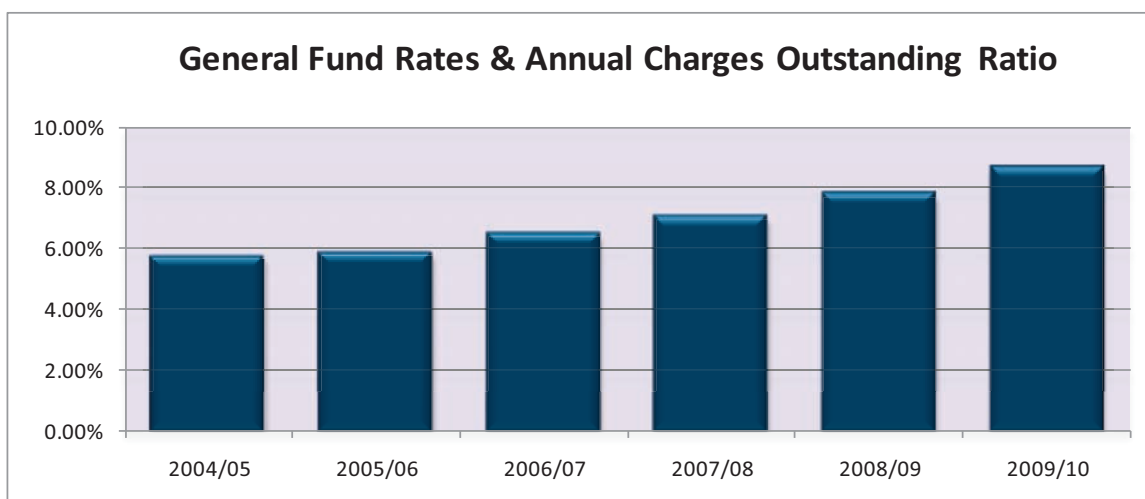
The above graphs illustrate the periodic borrowings to fund Council's capital works programmes for water and sewer funds. Sewer debt service ratio has increased as borrowings have been sourced to fund the construction of sewer treatment plants at Dunbogan and Camden Haven.

Rates and Annual Charges Outstanding Percentage

This indicator assesses the effectiveness of Council's revenue collection. Factors influencing Council's rates and annual charges outstanding ratio include:

- Council's rating policy;
- Credit management policies;
- The socioeconomic characteristics of the area; and
- Environmental factors influencing ratepayers ability to satisfy their obligations.

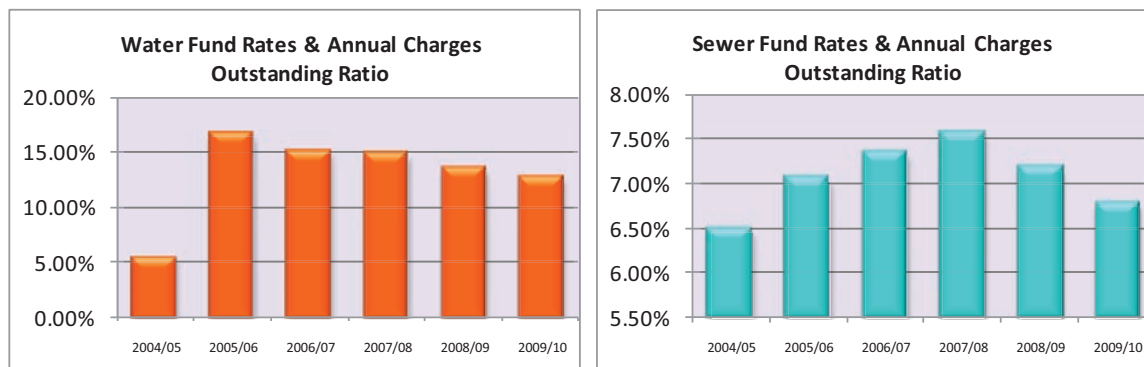
General Fund Rates & Annual Charges Outstanding Ratio





Council's general fund rates and annual charges outstanding percentage is gradually trending upwards and exceeds 8% as at 30 June 2010. We understand that Council has allocated resources to its debt collection area to ensure this ratio is maintained within established parameters.

Sewer and Water Funds Rates & Annual Charges Outstanding Ratio



The above graphs illustrate the rates and annual charges outstanding ratio for water and sewer funds. The ratio for water fund can often be influenced by the invoicing for user charges close to the end of the financial year.

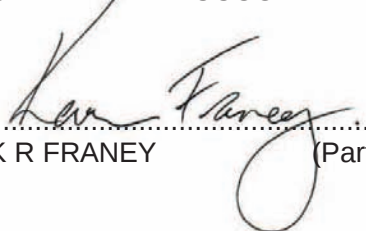
10. INTERNAL CONTROL ENVIRONMENT

No significant breakdowns of internal control were encountered during the course of our audit nor did we become aware of the existence of items comprising material error, sufficient to cause us to issue a qualified audit opinion in addition to our qualification relating to Council's investment portfolio.

Subject to the foregoing comments the books of account and records of the Council were maintained in good order and condition and the information and explanations required during the course of our work were readily supplied by the General Manager and his staff.

Yours faithfully

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**


K R FRANEY (Partner)



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

**COUNCIL OF PORT MACQUARIE-HASTINGS
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT**

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the general purpose financial statements of Port Macquarie-Hastings Council for the year ended 30 June 2010 included on Council's website. The Council is responsible for the integrity of its website. We have not been engaged to report on the integrity of the Council's website. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of these statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this website.

Report on the Financial Statements

We have audited the accompanying financial statements of Port Macquarie-Hastings Council (the Council), which comprises the balance sheet as at 30 June 2010, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the Administrator and Management.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

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Our audit responsibility does not extend to the original budget information included in the income statement, statement of cash flows, note 2(a), note 16 budget variation explanations and note 17 forecast information, and accordingly, we do not express an opinion on such. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

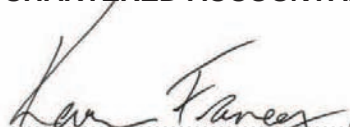
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion,

- (a) The Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) The financial statements:
 - i. Have been presented in accordance with the requirements of this Division;
 - ii. Are consistent with the Council's accounting records;
 - iii. Presents fairly the Council's financial position as at 30 June 2010, the results of its operations and its cash flows for the year then ended; and
 - iv. Are in accordance with applicable Accounting Standards, Interpretations and other mandatory professional reporting requirements in Australia.
- (c) All information relevant to the conduct of the audit has been obtained; and
- (d) There are no material deficiencies in the accounting records or financial report that have come to light during the course of the audit.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**


.....
K R FRANEY (Partner)
Registered Company Auditor

Dated at Lismore this 12th day of October 2010.

Port Macquarie - Hastings Council

Special Purpose Financial Statements for the year ended 30 June 2010

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Port Macquarie - Hastings Council

**Special purpose financial statements
for the year ended 30 June 2010**

**Statement by Administrator and Management
made pursuant to the Local Government Code of Accounting Practice and
Financial Reporting**

The attached Special Purpose Financial Statements have been prepared in accordance with:

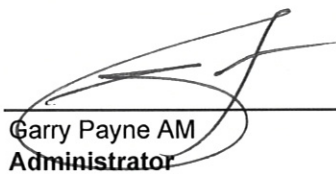
- * NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*.
- * Division of Local Government Guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"*.
- * The Local Government Code of Accounting Practice and Financial Reporting.
- * The NSW Office of Water, Department of Environment, Climate Change and Water Guidelines.

To the best of our knowledge and belief, these Reports:

- * present fairly the operating result and financial position for each of Council's declared Business Activities for the year, and
- * accord with Council's accounting and other records.

We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 22nd September 2010



Garry Payne AM
Administrator



Andrew Roach
General Manager



Tony Leahy
Responsible Accounting Officer

Port Macquarie - Hastings Council

Income Statement of Water Supply business activity for the year ended 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
Income from continuing operations			
Access charges	4,827	4,374	3,614
User charges	11,917	10,732	8,715
Fees	585	531	663
Interest	2,899	-3,842	159
Grants and contributions provided for non capital purposes	236	457	621
Other income	72	37	49
Total income from continuing operations	20,536	12,289	13,821
Expenses from continuing operations			
Employee benefits and on-costs	2,976	3,351	3,149
Borrowing costs	656	876	888
Materials and contracts	5,639	6,108	5,346
Depreciation & impairment	7,694	8,006	7,423
Water purchase charges			
Loss on sale of assets	139	357	740
Calculated taxation equivalents	97	97	41
Debt guarantee fee (if applicable)	429	359	380
Other expenses	800	718	667
Total expenses from continuing operations	18,430	19,872	18,634
Surplus (deficit) from continuing operations before capital amounts	2,106	-7,583	-4,813
Grants and contributions provided for capital purposes	6,454	5,269	3,034
Surplus (deficit) from continuing operations after capital amounts	8,560	-2,314	-1,779
Less Corporate Taxation Equivalent (30%) [based on result before capital]	632	0	0
Surplus (deficit) after tax	7,928	-2,314	-1,779
Opening retained profits	187,166	189,024	191,558
Adjustments for amounts unpaid			
Taxation equivalent payments	97	97	41
Debt guarantee fees	429	359	380
Corporate taxation equivalent	632	0	0
Adjustment for previous period error			-1,176
Closing retained profits and reserves	196,252	187,166	189,024
Return on Capital %	0.78%	-1.92%	-1.20%
Subsidy from Council	4,364	13,683	10,483
Calculation of Dividend Payable			
Surplus (deficit) after tax	7,928	-2,314	-1,779
Less: Capital grants and contributions (excluding developer contributions)	1,603	1,670	1,586
Surplus for dividend calculation purposes	6,325	-3,984	-3,365
Dividend calculated from surplus	0	0	0

Port Macquarie - Hastings Council

Income Statement of Sewerage business activity for the year ended 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
Income from continuing operations			
Access charges	15,948	14,599	12,526
User charges	838	733	688
Liquid trade waste charges			
Fees	117	153	64
Interest	1,807	-4,909	736
Grants and contributions provided for non capital purposes	335	330	330
Profit from the sale of assets			
Other income	154	162	154
Total income from continuing operations	19,199	11,068	14,498
Expenses from continuing operations			
Employee benefits and on-costs	3,477	3,886	4,063
Borrowing costs	714	703	293
Materials and contracts	5,880	7,429	6,556
Depreciation & impairment	6,834	5,478	4,964
Loss on sale of assets	54	29	90
Calculated taxation equivalents	112	112	90
Debt guarantee fee (if applicable)	704	428	180
Other expenses	1,286	1,031	980
Total expenses from continuing operations	19,061	19,096	17,216
Surplus (deficit) from continuing operations before capital amounts	138	-8,028	-2,718
Grants and contributions provided for capital purposes	2,130	3,176	1,525
Surplus (deficit) from continuing operations after capital amounts	2,268	-4,852	-1,193
Less Corporate Taxation Equivalent (30%) [based on result before capital]	41	0	0
Surplus (deficit) after tax	2,227	-4,852	-1,193
Opening retained profits	148,772	153,084	154,007
Taxation equivalent payments	112	112	90
Debt guarantee fees	704	428	180
Corporate taxation equivalent	41	0	0
Less: TER Dividend Paid			
Less: Surplus Dividend Paid			
Closing retained profits and reserves	151,856	148,772	153,084
Return on Capital %	0.39%	-3.56%	-1.35%
Subsidy from Council	3,573	11,438	6,018
Calculation of Dividend Payable			
Surplus (deficit) after tax	2,227	-4,852	-1,193
Less: Capital grants and contributions (excluding developer contributions)	870	2,483	6
Surplus for dividend calculation purposes	1,357	-7,335	-1,199
Dividend calculated from surplus	0	0	0

Port Macquarie - Hastings Council

Income Statement of Waste Management business activity for the year ended 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
Revenue from continuing operations			
Access charges	9,766	9,324	9,485
User charges	3,783	3,395	3,665
Fees			
Interest	363	-383	90
Grants and contributions provided for non capital purposes	508	609	468
Profit from the sale of assets		5	
Other income	1,249	1,024	397
Total income from continuing operations	15,669	13,974	14,105
Expenses from continuing operations			
Employee benefits and on-costs	1,147	1,543	1,463
Borrowing costs	77	109	162
Materials and contracts	10,091	10,084	10,506
Depreciation & impairment	322	307	263
Loss on sale of assets	8		7
Calculated taxation equivalents	26	41	40
Debt guarantee fee (if applicable)	41	50	57
Other expenses	466	36	54
Total expenses from continuing operations	12,178	12,170	12,552
Surplus (deficit) from continuing operations before capital amounts	3,491	1,804	1,553
Grants and contributions provided for capital purposes			
Surplus (deficit) from continuing operations after capital amounts	3,491	1,804	1,553
Less Corporate Taxation Equivalent (30%) [based on result before capital]	1,047	541	466
Surplus (deficit) after tax	2,444	1,263	1,087
Opening retained profits and reserves	8,153	6,258	5,152
Adjustments for amounts unpaid			
Taxation equivalent payments	26	41	40
Debt guarantee fees	41	50	57
Corporate taxation equivalent	1,047	541	466
Adjustment for previous period error			-44
Less: Dividend Paid	-1,150		-500
Closing retained profits and reserves	10,561	8,153	6,258
Return on Capital %	37.13%	24.05%	21.51%
Subsidy from Council	0	0	0
Calculation of Dividend Payable			
Surplus (deficit) after tax	2,444	1,263	1,087
Less: Capital grants and contributions (excluding developer contributions)	0	0	0
Surplus for dividend calculation purposes	2,444	1,263	1,087
Dividend calculated from surplus	1,150	0	500

Port Macquarie - Hastings Council

Income Statement of The Glasshouse business activity for the year ended 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000	Actual 2008 \$'000
Revenue from continuing operations			
Grants and contributions provided for non capital purposes	82	126	3
Other income	882	137	127
Total income from continuing operations	964	263	130
Expenses from continuing operations			
Employee benefits and on-costs	1,346	749	465
Borrowing costs	2,295	193	884
Materials and contracts	1,550	1,089	1,151
Depreciation & impairment	1,838	22	23
Calculated taxation equivalents	61	62	56
Debt guarantee fee (if applicable)	1,056	983	904
Other expenses	349	30	11
Total expenses from continuing operations	8,495	3,128	3,494
Surplus (deficit) from continuing operations before capital amounts	-7,531	-2,865	-3,364
Grants and contributions provided for capital purposes		44	100
Surplus (deficit) from continuing operations after capital amounts	-7,531	-2,821	-3,264
Surplus (deficit) from all operational before tax			
Less Corporate Taxation Equivalent (30%) [based on result before capital]	0	0	0
Surplus (deficit) after tax	-7,531	-2,821	-3,264
Opening retained profits	12,104	-691	1,613
Adjustments for amounts unpaid			
Taxation equivalent payments	61	62	56
Debt guarantee fees	1,056	983	904
Corporate taxation equivalent	0	0	0
Less: Contribution from General Fund	6,576	14,571	0
Closing retained profits	12,266	12,104	-691
Return on Capital %	-11.02%	-5.51%	-9.64%
Subsidy from Council	6,188	3,640	2,994

Port Macquarie - Hastings Council

Balance Sheet of Water Supply business activity as at 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	12,723	
Investments	2,294	1,363
Receivables	3,989	6,590
Inventories	256	334
Total current assets	19,262	8,287
Non Current Assets		
Investments	10,984	6,615
Receivables	4,925	308
Infrastructure, property, plant and equipment	356,333	348,545
Total non-current assets	372,242	355,468
Total assets	391,504	363,755
LIABILITIES		
Current liabilities		
Payables	1,046	324
Interest bearing liabilities	1,558	710
Provisions	2,160	1,954
Total current liabilities	4,764	2,988
Non-current liabilities		
Payables	5,287	5,287
Interest bearing liabilities	15,500	10,856
Provisions	44	61
Total non-current liabilities	20,831	16,204
Total liabilities	25,595	19,192
Net assets	365,909	344,563
EQUITY		
Retained earnings	196,252	187,166
Reserves	169,657	157,397
Council equity interest	365,909	344,563
Total equity	365,909	344,563

Port Macquarie - Hastings Council

Balance Sheet of Sewerage business activity as at 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	8,197	
Investments	1,478	4,187
Receivables	3,264	3,071
Inventories	7	3
Total current assets	12,946	7,261
Non Current Assets		
Investments	6,940	9,527
Receivables	1,539	2,066
Infrastructure, property, plant and equipment	221,281	205,670
Total non-current assets	229,760	217,263
Total assets	242,706	224,524
LIABILITIES		
Current liabilities		
Payables	697	444
Interest bearing liabilities	1,642	1,206
Provisions	1,269	1,367
Total current liabilities	3,608	3,017
Non-current liabilities		
Payables	3,337	3,337
Interest bearing liabilities	26,115	17,951
Provisions	27	38
Total non-current liabilities	29,479	21,326
Total liabilities	33,087	24,343
Net assets	209,619	200,181
EQUITY		
Retained earnings	151,856	148,772
Reserves	57,763	51,409
Council equity interest	209,619	200,181
Total equity	209,619	200,181

Port Macquarie - Hastings Council

Balance Sheet of Waste Management business activity as at 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000
ASSETS		
Current Assets		
Investments	2,608	1,820
Receivables	844	979
Total current assets	3,452	2,799
Non Current Assets		
Investments		
Receivables	339	336
Infrastructure, property, plant and equipment	9,610	7,954
Total non-current assets	9,949	8,290
Total assets	13,401	11,089
LIABILITIES		
Current liabilities		
Payables	265	4
Interest bearing liabilities	214	502
Provisions	724	715
Total current liabilities	1,203	1,221
Non-current liabilities		
Interest bearing liabilities	421	635
Provisions	319	304
Total non-current liabilities	740	939
Total liabilities	1,943	2,160
Net assets	11,458	8,929
EQUITY		
Retained earnings	10,561	8,153
Reserves	897	776
Council equity interest	11,458	8,929
Total equity	11,458	8,929

Port Macquarie - Hastings Council

Balance Sheet of The Glasshouse business activity as at 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents		
Investments	2	90
Receivables		
Total current assets	2	90
Non Current Assets		
Receivables		
Infrastructure, property, plant and equipment	47,517	48,452
Total non-current assets	47,517	48,452
Total assets	47,519	48,542
LIABILITIES		
Current liabilities		
Payables	481	472
Interest bearing liabilities	1,366	1,273
Provisions	197	115
Total current liabilities	2,044	1,860
Non-current liabilities		
Payables		
Interest bearing liabilities	33,196	34,567
Provisions	13	11
Total non-current liabilities	33,209	34,578
Total liabilities	35,253	36,438
Net assets	12,266	12,104
EQUITY		
Retained earnings	12,266	12,104
Reserves		
Council equity interest	12,266	12,104
Total equity	12,266	12,104

Port Macquarie - Hastings Council

Notes to the Special Purpose Financial Reports for the year ended 30 June 2010

Contents of the notes to the financial statements		Page
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Note 2	Water Supply Business best practice management disclosure requirements	SP14
Note 3	Sewerage Business best practice management disclosure requirements	SP16

Note 1 Significant accounting for the year ended 30 June 2010

A statement summarising the supplemental accounting policies adopted in the preparation of the SPFS for National Competition Policy reporting purposes follows.

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by the Council and Department of Local Government. For the purposes of these statements, the Council is not a reporting entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition criteria of applicable Australian Accounting Standards, other authoritative pronouncements of the AASB and Australian Accounting Interpretation. The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act and Regulation and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the 'Application of National Competition Policy to Local Government'. The 'Pricing & Costing for Council Businesses A Guide to Competitive Neutrality' issued by the Division of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; Council subsidies; return on investments (rate of return); and dividends paid.

Declared business activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1 - Where annual turnover is greater than \$2 million

Name	Brief description of Activity
Port Macquarie-Hastings Water Supply	Comprising the whole of the operations and assets of the water supply systems servicing the Port Macquarie-Hastings Council area, which is established as a separate Special Rate Fund. As the total annual operating revenues exceed \$2,000,000, it is defined as a "Category 1" Business activity.
Port Macquarie-Hastings Sewerage Services	Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems servicing the Port Macquarie-Hastings Council area, which is established as a separate Special Rate Fund. As the total annual operating revenues exceed \$2,000,000, it is defined as a "Category 1" Business activity.

Note 1 Significant accounting policies - continued

Port Macquarie-Hastings Waste Management Services	Comprising the whole of the operations and assets of the waste management service carried out by the Port Macquarie-Hastings Council, which is established as a separate Special Rate Fund. As the total annual operating revenues exceed \$2,000,000, it is defined as a "Category 1" Business activity.
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Category 2 - Where annual turnover is less than \$2 million

Name	Brief description of Activity
The Glasshouse	The Glasshouse is a multi-function community centre. It includes a 606 seat tiered theatre, Regional Gallery, Exhibition and performance studio, Meeting and conference rooms, Community workshop space, Café/Bar, Outdoor forecourt, Office space and retail space.

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of Note 2 (Water Supply Best Practice Management Disclosures A513) and Note 3 (Sewerage Best Practice Management Disclosures A514). As required by the NSW Office of Water, Department of Environment, Climate Change and Water, the amounts shown in Notes 2 and Note 3 are shown in whole dollars.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Statements) just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the SPFS. For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all Council nominated business activities (this does not include Council's non-business activities):

	Notional Rate Applied
Corporate Tax Rate	30%
Land Tax	\$100 plus 1.6cents for each \$ by which the taxable value exceeds \$359,000
Other Taxes for Charges	Adjusted accordingly
Payroll Tax	6% on salaries and wages in excess of \$600,000

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities. The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993. Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Note 1 Significant accounting policies - continued

Income Tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the “Council” as the owner of business operations, it represents an internal payment and has no effect on the operations of the council.

Accordingly, there is no need for disclosure of internal charges in the GPFR. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates and Charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face “true” commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council’s borrowing rate for its business activities.

Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community services obligations. The overall effect of subsidies is contained within the statement of financial performance by Business Activities.

Return on Investments (rate of return)

The Policy statement requires that Councils with category 1 businesses “would be expected to generate a rate of return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field”. Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council’s business activities on the Income Statement and Balance Sheet.

Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus. The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed 50% of this surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2009 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

Note 1 Significant accounting policies - continued

In accordance with the guidelines for Best Practice Management for Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, unqualified independent Financial Audit Report and Compliance Audit Report are submitted to the NSW Office of Water.

30 June 2010

(continued)

Note 2 Water Supply Business best practice management disclosure requirements**2010****Calculation and payment of tax-equivalents**

(i)	Calculated tax-equivalents	526,164
(ii)	No of assessments multiplied by \$3/assessment	91,362
(iii)	Amounts payable for tax-equivalents (lessor of (i) and (ii))	91,362
(iv)	Tax equivalents paid	0

Dividend from Surplus

(i)	50% of surplus before dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines)</i>	6,325,200
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	913,620
(iii)	Cumulative surplus before dividends for 3 years to 30 June 2010, less cumulative dividends paid for 2 years to 30 June 2009	-1,023,800
(iv)	Maximum dividend from surplus (least of (i), (ii) and (iii))	-1,023,800
(v)	Dividend paid from surplus	0

Required outcomes for 6 Criteria**Yes/No**

(i)	Comple current Strategic Business Plan (including Financial Plan)	Yes
(ii)	Full cost recovery, without significant cross subsidies <i>(Item 2(a) in Table 1 on page 22 of the Best Practice Management Guidelines)</i>	Yes
	Complying Charges <i>(Item 2(b) in Table 1)</i>	Yes
	DSP with Commercial Developer Charges <i>(Item 2(e) in Table 1)</i>	Yes
	If Dual Water Supplies, Complying Charges <i>(Item 2(g) in Table 1)</i>	Yes
(iii)	Sound Water Conservation & Demand Management Implemented	Yes
(iv)	Sound Drought Management Implemented	Yes
(v)	Complete Performance Reporting Form <i>(by 15 September each year)</i>	Yes
(vi)	a. Complete Integrated Water Cycle Management Evaluation	Yes

Note 2 Water Supply Business best practice management disclosure requirements

b. Complete and implement Integrated Water Cycle Management Strategy

Yes

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) = <i>Total Income (w13)</i> - <i>Grants for Acquisition of Assets (w11a) - Interest Income (w9)</i>	\$ ('000)	23,551
NWI F4	Revenue from Residential Usage Charges (Water) = <i>Income from residential Usage Charges (w6b) x 100 / (Income from residential usage charges (w6a) + Income from residential access charges (w6b)</i>	%	70.33
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) = <i>Written down current cost of system assets (w47)</i>	\$ ('000)	356,333
NWI F11	Operating Cost (OMA) (Water) = <i>Management Expenses (w1) + Operation and Maintenance Expenses (w2)</i>	\$ ('000)	8,911
NWI F14	Capital Expenditure (Water) = <i>Acquisition of fixed assets (w16)</i>	\$ ('000)	3,794
NWI F17	Economic Real Rate of Return (Water) = <i>[Total Income (w13) - Interest Income (w9) - Grants for acquisition of Assets (w11a) - Operating Cost(NWI F11) - Current cost depreciation (W3)] x 100 divided by Written Down Cost of system assets (w47) + Plant and Equipment (W33b)</i>	%	1.9493
NWI F26	Capital Works Grants (Water) = <i>Grants for Acquisition of Assets (w11a)</i>	\$ ('000)	623

Notes

- References to w (eg. W12) refer to item numbers in Special Schedules Nos. 3 and 4 of each of Council's Annual Financial Statements.
- The NWI performance indicators are based on the National Performance Framework handbook for Urban Performance Reporting Indicators and Definitions.
The NWI indicators are to be calculated using the formulae shown above.

Note 3 Sewerage Business best practice management disclosure requirements

Calculation and payment of tax-equivalents

(i)	Calculated tax-equivalents	815,830
(ii)	No of assessments multiplied by \$3/assessment	88,434
(iii)	Amounts payable for tax-equivalents (<i>lessor of (i) and (ii)</i>)	88,434
(iv)	Tax equivalents paid	0

Dividend from Surplus

(i)	50% of surplus before dividends (<i>Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines</i>)	0
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	795,906
(iii)	Cumulative surplus before dividends for 3 years to 30 June 2010, less cumulative dividends paid for 2 years to 30 June 2009	-7,177,400
(iv)	Maximum dividend from surplus (<i>least of (i), (ii) and (iii)</i>)	-7,177,400
(v)	Dividend paid from surplus	0

Required outcomes for 4 Criteria

	Yes/No
(i) Complete current Strategic Business Plan (including Financial Plan)	Yes
(ii) Pricing with full cost-recovery, without significant cross subsidies (<i>Item 2(a) in Table 1 on page 18 of the Best Practice Guidelines</i>)	Yes
Complying Charges (a) Residential (<i>Item 2(b) in Table 1</i>)	Yes
(b) Non-residential (<i>Item 2(b) in Table 1</i>)	Yes
(c) Trade Waste (<i>Item 2(d) in Table 1</i>)	Yes
DSP with Commerical Developer Charges (<i>Item 2(e) in Table 1</i>)	Yes
Liquid Trade Waste Approvals and Policy (<i>Item 2(f) in Table 1</i>)	Yes
(iii) Complete performance Reporting Form by (<i>15 September each year</i>)	Yes
(iv) a. Complete Integrated Water Cycle Management Evaluation	Yes

Note 3 Sewerage Business best practice management disclosure requirements

b. Complete and implement Integrated Water Cycle Management Strategy

Yes

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) = Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)	\$ ('000)	19,618
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) = Written down current cost of system assets (s48)	\$ ('000)	221,201
NWI F12	Operating Cost (OMA) (Sewerage) = Management Expenses (s1) + Operation and Maintenance Expenses (s2)	\$ ('000)	9,693
NWI F15	Capital Expenditure (Sewerage) = Acquisition of fixed assets (s17)	\$ ('000)	17,074
NWI F18	Economic Real Rate of Return (Sewerage) = [Total Income (s14) - Interest Income (s10) - Grants for acquisition of assets (s12a) - Operating Cost(NWI F12) - Current cost depreciation (s3)] x 100 divided by Written Down current cost (WDCC) of system assets (s48) + Plant and Equipment (s34b)	%	1.397
NWI F27	Capital Works Grants (Sewerage) = Grants for Acquisition of Assets (s12a)	\$ ('000)	0
NWI F3	Total Income (Water & Sewerage) = Total income (w13 +s14) + Gain/loss on disposal of assets (W14+S15) - Grants for acquisition of assets (w11a + s12a) - Interest income (w9 + s10)	\$ ('000)	42,977
NWI F8	Revenue from Community Service Obligations (Water and Sewerage) = Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.2518
NWI F16	Capital Expenditure (Water & Sewerage) = Acquisition of fixed assets (w16 + s17)	\$ ('000)	20,868
NWI F19	Economic Real Rate of Return (Water and Sewerage)	%	1.738

Note 3 Sewerage Business best practice management disclosure requirements

= $[Total\ Income\ (w13 + s14) - Interest\ Income\ (w9 + s10) - Grants\ for\ Assets\ (w11a + s12a) - Operating\ Cost(NWI\ F11 + NWI\ F12) - current\ cost\ depreciation\ (w3 + s3)] \times 100$ divided by $Written\ Down\ Replacement\ Cost\ of\ fixed\ assets\ (NWIF9 + NWIF10) + Plant\ \&\ Equipment\ (w33b + s34b)$

National Water Initiative (NWI) Financial Performance Indicators - continued

NWI F20	Dividend (Water & Sewerage) = Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$ ('000)	0
NWI F21	Dividend Payout Ratio (Water & Sewerage) = Dividend (NWI F20) *100	%	0.000
NWI F22	Net Debt to Equity (Water and Sewerage) = $[Overdraft\ (w36 + s37) + Borrowings\ (w38 + s39) - Cash\ and\ investments\ (w30 + s31)] \times 100$ divided by $[Total\ Assets\ (w35 + s36) - Total\ Liabilities\ (w40 + s41)]$	%	0.382
NWI F23	Interest Cover (Water and Sewerage) = EBIT /NI Earnings before Interest and Tax (EBIT) = Operating result (w15a+s16a) + Interest expense (W4a +s4a) - Interest income (w9 + s10) - Gain/loss on disposal of assets (w14 +s15) + Miscellaneous expenses (W4b+w4c+s4b+s4c) Net Interest (NI) = Interest expense (w4a + s4a) - Interest income (w9 + s10) Note: If EBIT>0 AND Net interest <=0 THEN Interest cover is to be reported as ">100" If EBIT <0 THEN interest Cover = 0		>100
NWI F24	Net Profit After Tax (Water and Sewerage) = $[Surplus\ before\ Dividends\ (w15a + s16a) - Tax\ Paid\ (1(iv)\ of\ Note\ 2 + 1(iv)\ of\ Note\ 3)]$	\$ ('000)	10,204
NWI F25	Community Service Obligations (Water and Sewerage) = Grants for pensioner rebates (w11b + s12b)	\$ ('000)	538

Notes

- References to s (eg. s12) refer to item numbers in Special Schedules Nos. 5 and 6 of each of Council's Annual Financial Statements.
- The NWI performance indicators are based on the National Performance Framework handbook for Urban Performance Reporting Indicators and Definitions
The NWI indicators are to be calculated using the formulae shown above.



Thomas Noble & Russell
Accountants | Auditors | Business Advisers

**COUNCIL OF PORT MACQUARIE-HASTINGS
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT**

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the special purpose financial statements of Port Macquarie-Hastings Council for the year ended 30 June 2010 included on Council's website. The Council is responsible for the integrity of its website. We have not been engaged to report on the integrity of the Council's website. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of these statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this website.

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of Port Macquarie-Hastings Council (the Council), which comprises the balance sheet as at 30 June 2010, income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the Administrator and Management.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and has determined that the accounting policies described in note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of Division of Local Government. The Council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the Council's financial reporting obligations. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the best practice management disclosures in note 2 and note 3, and accordingly, we do not express an opinion on such.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

The financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government, or for any purpose other than that for which it was prepared.

Our audit did not include an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

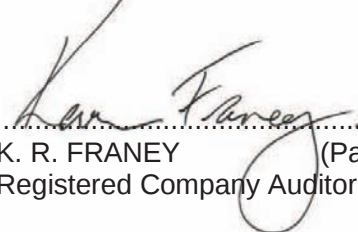
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion, the special purpose financial statements of Port Macquarie-Hastings Council:

- (a) Have been prepared in accordance with the requirements of those applicable Australian Accounting Standards detailed in note 1 and the Local Government Code of Accounting Practice and Financial Reporting;
- (b) Are consistent with the Council's accounting records; and
- (c) Present fairly, in all material respects, the financial position of Council's nominated Business Activities as at 30 June 2010 and the results of their operations for the year then ended.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**


K. R. FRANEY (Partner)
Registered Company Auditor

Dated at Lismore this 12th day of October 2010.

Port Macquarie - Hastings Council

Special Schedules for the year ended 30 June 2010

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Port Macquarie - Hastings Council

Special Schedule No. 1

Net cost of services

for the year ended 30 June 2010

Function or Activity	Expenses from continuing operations '000	Income from continuing operations (non capital) \$'000	Income from continuing operations (capital) \$'000	Net cost of services \$'000
Governance	4,465	20		4,445
Adminstration	2,590	337	54	2,199
Public Order and Safety				
Fire Service Levy, Fire protection, Emergency services	1,659	457	389	813
Animal Control	192	117		75
Beach Control	116	14		102
Enforcement of Local Govt Regs	843	435		408
Other	496	0	1,430	-934
Total Public Order and Safety	3,306	1,023	1,819	464
Health	29	80		-51
Environment				
Noxious Plants and Insect/Vermin control	370	83		287
Other Environmental Protection	2,180	1,734	94	352
Solid Waste Management	11,919	15,396		-3,477
Street Cleaning	356	50		306
Drainage	1,433	708		725
Stormwater Management	298	0		298
Total Environment	16,556	17,971	94	-1,509
Community Services and Education				
Administration & Education	778	0		778
Social Protection (welfare)	336	2		334
Aged Persons and Disabled	126	69	1,318	-1,261
Childrens Services	112	38		74
Total Community Services and Education	1,352	109	1,318	-75
Housing and Community Amenities				
Public Cemeteries	922	1,181		-259
Public Conveniences	607	0		607
Street Lighting	918	95		823
Town Planning	2,814	1,340	274	1,200
Other Community Amenities	18	0		18
Total Housing & Community Amenities	5,279	2,616	274	2,389

Net cost of services (continued)

Function or Activity	Expenses from continuing operations '000	Income from continuing operations (non capital) \$'000	Income from continuing operations (capital) \$'000	Net cost of services \$'000
Water Supplies	15,700	19,598	7,325	-11,223
Sewerage Services	15,492	18,878	2,187	-5,573
Recreation and Culture				
Public Libraries	2,489	307	56	2,126
Museums	164	0		164
Art Galleries	180	6		174
Community Centres & Halls	267	151	315	-199
Performing Arts Venues	7,176	884		6,292
Other Performing Arts	0	0		0
Other Cultural Services	1,384	620	65	699
Sporting Grounds & Venues	769	0	537	232
Swimming Pools	751	0		751
Parks and Gardens (Lakes)	3,083	133	997	1,953
Other Sport and Recreation	577	97	27	453
Total Recreation and Culture	16,840	2,198	1,997	12,645
Mining, Manufacturing and Construction				
Building Control	2,030	1,589		441
	2,030	1,589	0	441
Transport and Communication				
Urban Roads (UR) - Local	9,176	1,024	6,317	1,835
Urban Roads - Regional	303	1,053		-750
Sealed Rural Roads (SRR) - Local	1,204	-10	1,659	-445
Sealed Rural Roads (SRR) - Regional	2,256	0		2,256
Unsealed Rural Roads (URR) - Local	1,755	-7		1,762
Unsealed Rural Roads (URR) - Regional	35	0		35
Bridges Urban Roads - Local	12	0	34	-22
Bridges on Sealed Rural Roads - Local	971	0	702	269
Bridges on Unsealed Rural Roads - Local	189	1		188
Bridges on Regional Roads	18	0		18
Parking Areas	188	0	64	124
Footpaths	283	65		218
Aerodromes	3,499	3,475		24
Other Transport & Communication	2,923	158		2,765
Total Transport and Communication	22,812	5,759	8,776	8,277

Net cost of services (continued)

Function or Activity	Expenses from continuing operations '000	Income from continuing operations (non capital) \$'000	Income from continuing operations (capital) \$'000	Net cost of services \$'000
Economic Affairs				
Camping Areas & Caravan Parks	1,104	1,374		-270
Other Economic Affairs	3,843	3,730		113
Total Economic Affairs	4,947	5,104	0	-157
Totals - Functions	111,398	75,282	23,844	12,272
General Purpose Revenues (1)				-39,334
Net operating result for the year (2)				-27,062

Note:

(1) As reported on the Income statement

Port Macquarie - Hastings Council

Special Schedule No. 2(a)

Statement of long-term debt (all purpose)

for the year ended 30 June 2010

Classification of Debt	Principal outstanding at beginning of year			New loans raised during the year	Debt redemption during the year		Transfer to Sinking Funds	Interest applicable for year	Principal outstanding at end of year		
	Current	Non-current	Total		From revenue	Sinking Funds			Current	Non-current	Total
Loans (by source)											
Financial Institutions	6,392	84,851	91,243	10,000	6,951	0	0	6,300	6,239	88,053	94,292
State Government	0	0	0	9,309	0	0	0	0	1,135	8,174	9,309
Department of Lands	109	341	450	0	119	0	0	24	93	238	331
Total Loans	6,501	85,192	91,693	19,309	7,070	0	0	6,324	7,467	96,465	103,932
Total long term debt	6,501	85,192	91,693	19,309	7,070	0	0	6,324	7,467	96,465	103,932

Port Macquarie - Hastings Council

Special Schedule No. 2(b)

Statement of internal loans (Section 410(3) LGA 1993)

for the year ended 30 June 2010

Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year Principal and interest	Principal outstanding at end of year
General			
Totals	2,739	641	1,733
Total long term debt	2,739	641	1,733

The summary of internal loans (see above) represents the total of Councils' internal loans categorised according to the purpose of the borrower. Details of individual loans are set out below.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's approval	Date raised	Term Years	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during the year Principal and interest	Principal outstanding at end of year
Property (Land purchase Flynn Street, Port Macquarie)	Sewer Fund	5/07/2003	2/07/2003	10	2/07/2013	3.54%	2,008	267	734
Property (Land purchase Toorak Circuit, Port Macquarie) - Deposit	Sewer Fund	5/07/2003	3/05/2003	10	3/05/2013	3.92%	302	40	110
Property (Land purchase Toorak Circuit, Port Macquarie)	Sewer Fund	5/07/2003	30/06/2003	10	30/06/2013	4.09%	2,427	334	889
							4,737	641	1,733

Port Macquarie - Hastings Council

**Special Schedule No. 3
Water Supply Income Statement
(Gross including Internal Transactions)
for the year ended 30 June 2010**

	Actual 2010 \$'000	Actual 2009 \$'000
A Expenses and Income		
Expenses		
1 Management Expenses		
a. Administration	2,523	2,285
b. Engineering and Supervision	1,076	967
2 Operation and Maintenance		
Dams and Weirs		
a. Operation expenses	265	168
b. Maintenance expenses	233	71
Mains		
c. Operation expenses	798	467
d. Maintenance expenses	510	498
Reservoirs		
e. Operation expenses	94	28
f. Maintenance expenses	139	46
Pumping Stations		
g. Operation expenses (excluding energy costs)	41	315
h. Energy Costs	526	599
i. Maintenance expenses	431	559
Treatment		
j. Operation expenses (excluding chemical costs)	352	3
k. Chemical Costs	143	132
l. Maintenance expenses	226	124
Other		
m. Operation expenses	1,082	1,369
n. Maintenance expenses	390	278
o. Purchase of Water	82	
3 Depreciation		
a. System assets	7,694	8,006
b. Plant and equipment		
4 Miscellaneous Expenses		
a. Interest expenses	656	876
b. Other expenses	505	1,610
NCP Tax & Other Equivalents	526	1,115
5 Total expenses	<u>18,292</u>	<u>19,516</u>
Income		
6 Residential charges		
a. Access (including rates)	3,596	3,324
b. Usage charges	8,523	9,702
7 Non-residential charges		
a. Access (including rates)	1,231	1,050
b. Usage charges	3,394	1,030
8 Extra charges	98	68
9 Interest income	2,816	-3,909
10 Other income	642	568
11 Grants		
a. Grants for the acquisition of assets	623	
b. Grants for pensioner rebates	205	351
c. Other grants	4	16
12 Contributions		
a. Developer charges	4,879	3,599
b. Developer provided assets	453	733
c. Other contributions	526	1,027
13 Total Income	<u>26,990</u>	<u>17,559</u>
14 Gain or (loss) on disposal of assets	-138	-357
15 Operating result	<u>8,560</u>	<u>-2,314</u>
15a Operating result (less grants for acquisition of assets)	<u>7,937</u>	<u>-2,314</u>

Port Macquarie - Hastings Council

Special Schedule No. 3 (continued) Water Supply Income Statement (Gross including Internal Transactions) for the year ended 30 June 2010

		Actual 2010 \$'000	Actual 2009 \$'000
B	Capital transactions		
	Non-operating expenditures		
16	Acquisition of Fixed Assets		
a.	Subsidised Scheme		
b.	Other new system assets	2,251	2,067
c.	Renewals	1,543	1,885
d.	Plant and equipment		
17	Repayment of Debt		
a.	Loans	963	773
18	Transfer to sinking fund		
19	Totals	4,757	4,725
	Non-operating funds employed		
20	Proceeds from the disposal of assets		
21	Borrowings utilised		
a.	Loans	0	0
22	Transfer from sinking fund		
23	Totals	0	0
C	Rates and charges		
24	Number of assessments		
a.	Residential (occupied)	26,907	26,257
b.	Residential (unoccupied ie vacant lot)	882	1,175
c.	Non-residential (occupied)	2,469	2,536
d.	Non-residential (unoccupied ie vacant lot)	196	173
		30,454	30,141
25	Number of ET's for which developer charges were received	319	438
26	Total amount of pensioner rebates	639	604

Port Macquarie - Hastings Council

Special Schedule No. 3 (continued)

Water Supply - Cross-subsidies

for the year ended 30 June 2010

	Yes/No	Amount
D Best practice annual charges and developer charges		
27 Annual Charges		
a. Does Council have best-practice water supply annual charges and usage charges*?	Yes	
If yes go to 28a.		
If no, has Council removed land value from access charges (ie rates)		
* Such charges for both residential customers and non-residential customers comply with 3.2 of <i>Water Supply, Sewerage and Trade Waste Pricing Guidelines</i>, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies. b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines) c. Cross-subsidy to non-residential customers using less than allowance (page 25 of Guidelines) d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)		
28 Developer charges		
a. Has council completed a water supply Development Servicing Plan? **	Yes	
b. Total cross-subsidy in water supply developer charges for 2007/08 (page 47 of Guidelines)		<u>1,728</u>
**In accordance with page 9 of <i>Developer Charges Guidelines for Water Supply, Sewerage and Stormwater</i>, NSW Office of Water, December 2002		
29 Disclosure of cross-subsidies		
Total of cross-subsidies (27b+27c+27d+28b)		<u>1,728</u>

Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above

However, disclosure of cross-subsidies is not required where a Council has implemented best practice pricing and is phasing in such pricing over a period of three years.

Port Macquarie - Hastings Council

Special Schedule No. 4

Water Supply - Balance Sheet

(Gross including Internal Transactions)
for the year ended 30 June 2010

	Current \$'000	Non current \$'000	Total \$'000
Assets			
30 Cash and investments			
a. Developer charges	2,863	10,984	13,847
b. Specific purpose grants	1,430		1,430
c. Accrued leave	810		810
d. Unexpended loans	7,959		7,959
e. Other	1,955		1,955
31 Receivables			
a. Specific purpose grants	146		146
b. Rates and charges	629	70	699
c. Other	3,214	4,855	8,069
32 Inventories	256		256
33 Property, plant and equipment			
a. System assets		356,333	356,333
b. Plant and equipment		0	0
34 Other Assets			
35 Total assets	19,262	372,242	391,504
Liabilities			
36 Bank overdraft			
37 Creditors	1,046	5,287	6,333
38 Borrowings			
a. Loans	1,558	15,500	17,058
39 Provisions			
c. Other	2,160	44	2,204
40 Total Liabilities	4,764	20,831	25,595
41 Net assets committed	14,498	351,411	365,909
Equity			
42 Accumulated Surplus			196,252
Asset revaluation reserve			169,657
44 Total equity			365,909
Note to system assets:			
45 Current replacement cost of system assets			509,551
46 Accumulated current cost depreciation of system assets			153,218
47 Written down current cost of system assets			356,333

Port Macquarie - Hastings Council

Special Schedule No. 5

Sewerage Income Statement

(Gross including Internal Transactions)
for the year ended 30 June 2010

	Actual 2010 \$'000	Actual 2009 \$'000
A Expenses and Income		
Expenses		
1 Management Expenses		
a. Administration	1,719	1,963
b. Engineering and Supervision	867	974
2 Operation and Maintenance		
Mains		
a. Operation expenses	129	322
b. Maintenance expenses	506	271
Pumping Stations		
c. Operation expenses (excluding energy costs)	326	587
d. Energy Costs	414	367
e. Maintenance expenses	1,329	992
Treatment		
Operation expenses (excluding chemical , energy, effluent and		
biosolids management costs)	377	978
g. Chemical Costs	79	66
h. Energy Costs	758	584
i. Effluent management	286	0
j. Biosolids management	733	858
k. Maintenance expenses	1,221	926
Other		
l. Operation Expenses	905	765
m. Maintenance expenses	44	19
3 Depreciation		
a. System assets	6,799	5,437
b. Plant and equipment	35	41
4 Miscellaneous Expenses		
a. Interest expenses	713	703
b. Other expenses	951	2,674
NCP Tax & Other Equivalents	816	540
5 Total expenses	19,007	19,067
Income		
6 Residential charges (including rates)	14,698	13,468
7 Non-residential charges		
a. Access (including rates)	1,250	1,131
b. Usage charges	838	733
8 Trade Waste Charges	18	16
9 Extra charges	97	84
10 Interest income	1,710	-4,988
11 Other income	253	299
12 Grants		
a. Grants for the acquisition of assets		5
b. Grants for pensioner rebates	333	328
c. Other grants	1	
13 Contributions		
a. Developer charges	1,259	693
b. Developer provided assets	871	2,478
c. Other contributions		2
14 Total Income	21,328	14,249
15 Gain or loss on disposal of assets	-54	-29
16 Operating result	2,267	-4,847
16a Operating result (less grants for acquisition of assets)	2,267	-4,852

Port Macquarie - Hastings Council

Special Schedule No. 5 (continued)

Sewerage Income Statement

(Gross including Internal Transactions)
for the year ended 30 June 2010

		Actual 2010 \$'000	Actual 2009 \$'000
B	Capital transactions		
	Non-operating expenditures		
17	Acquisition of Fixed Assets		
a.	Subsidised Scheme		8
b.	Other new system assets	15,719	25,847
c.	Renewals	1,052	415
d.	Plant and equipment	303	0
18	Repayment of Debt		
a.	Loans	1,399	921
19	Transfer to sinking fund		
20	Totals	18,473	27,191
	Non-operating funds employed		
21	Proceeds from the disposal of assets		
22	Borrowings utilised		
a.	Loans	6,886	13,400
23	Transfer from sinking fund		
24	Totals	6,886	13,400
C	Rates and Charges		
25	Number of assessments		
a.	Residential (occupied)	26,578	24,646
b.	Residential (unoccupied ie vacant lot)	902	903
c.	Non-residential (occupied)	1,831	1,818
d.	Non-residential (unoccupied ie vacant lot)	167	173
		29,478	27,540
26	Number of ET's for which developer charges were received	346	193
27	Total amount of pensioner rebates	606	577

Port Macquarie - Hastings Council

Special Schedule No. 5 (continued)

Sewerage - Cross-subsidies

for the year ended 30 June 2010

	Yes/No	Amount
D Best practice annual charges and developer charges		
28 Annual Charges		
a. Does Council have best-practice sewerage annual charges and usage charges and trade waste fees and charges*?	Yes	
If yes go to 28a.		
If no, has Council removed land value from access charges (ie rates)		
 * Such charges for both residential customers and non-residential customers comply with 3.2 of <i>Water Supply, Sewerage and Trade Waste Pricing Guidelines</i> , NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidises.		
b. Cross-subsidy to non-residential customers using less than allowance (page 25 of Guidelines)		
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)		
29 Developer charges		
a. Has council completed a sewerage Development Servicing Plan? **	Yes	
b. Total cross-subsidy in sewerage developer charges for 2008/09 (page 47 of Guidelines)		5,945
 ** In accordance with page 9 of <i>Developer Charges Guidelines for Water Supply, Sewerage and Stormwater</i> , NSW Office of Water , December 2002		
30 Disclosure of cross-subsidies		
Total of cross-subsidies (27b+27c+27d+28b)		5,945

Councils which have not yet implemented best practice sewerage pricing should disclose cross-subsidies in items 27b, 27c and 27d above

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid trade waste pricing and is phasing in such pricing over a period of three years.

Port Macquarie - Hastings Council

Special Schedule No. 6

Sewerage services - Balance Sheet

(Gross including Internal Transactions)

for the year ended 30 June 2010

	Current \$'000	Non current \$'000	Total \$'000
Assets			
31 Cash and investments			
a. Developer charges	1,810	6,940	8,750
b. Specific purpose grants			
c. Accrued leave	485		485
d. Unexpended loans	3,114		3,114
e. Sinking fund	100		100
f. Other	4,166		4,166
32 Receivables			
a. Specific purpose grants	1,743		1,743
b. Rates and charges	808	356	1,164
c. Other	713	1,183	1,896
33 Inventories	7		7
34 Property, plant and equipment			
a. System assets		221,201	221,201
b. Plant and equipment		80	80
35 Other Assets			
36 Total assets	12,946	229,760	242,706
Liabilities			
38 Creditors	697	3,337	4,034
39 Borrowings			
a. Loans	1,642	26,115	27,757
40 Provisions			
c. Other	1,269	27	1,296
41 Total Liabilities	3,608	29,479	33,087
42 Net assets committed	9,338	200,281	209,619
Equity			
43 Accumulated Surplus			151,856
44 Asset revaluation reserve			57,763
45 Total equity			209,619
Note to system assets:			
46 Current replacement cost of system assets			339,419
47 Accumulated current cost depreciation of system assets			118,218
48 Written down current cost of system assets			221,201

Notes to Special Schedules 3 and 5

Administration⁽¹⁾ (item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision⁽¹⁾ (item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operation expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) include all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when infrastructure assets have decreased in fair value.

Residential charges⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b User Charges. Exclude non-residential charges.

Non-residential charges⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b User Charges. Exclude residential charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) include capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Port Macquarie - Hastings Council

Special Schedule No. 7 Condition of Public works as at 30 June 2010 \$'000

Asset class	Asset category (as determined by Council)	Depn Expense % (sepcific rate or range of rates)	Depn expense \$'000	Cost \$'000	Valuation \$'000	Accum Depreciation and Impairment \$'000	WDV \$'000	Asset Condition (refer to details attached)	Estimated cost to bring to a satisfactory standard \$'000	Required annual maintenance \$'000	Current annual maintenance \$'000
		Per Note 1	Per Note 4	Per Note 9				Per Section 428(2d)			
Public Buildings	Infrastructure	1% to 10%	4,606	0	140,503	44,350	96,153	3	3,219	1,596	1,596
Public Roads	Infrastructure	1.25% to 10%	11,903		965,689	203,273	762,416	3	92,469	10,139	5,155
Water	Infrastructure	1.25% to 10%	7,490	0	494,107	151,212	342,895	3	785	7,270	4,891
Sewerage	Infrastructure	1.25% to 10%	6,688	0	294,768	116,615	178,153	3	0	3,100	3,100
Stormwater Drainage	Infrastructure	1.25% to 10%	750		111,061	41,769	69,292	3	10,500	1,400	530
Flood Mitigation	Infrastructure	1.25% to 10%	114	6,714		870	5,844	3	0	147	54
Total classes	Total – all assets		31,551	6,714	2,006,128	558,089	1,454,753		106,973	23,652	15,326

Notes:

Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned 'enhancement(s)' to the existing asset.

Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.

Current Annual Maintenance is what has been spent in the current year to maintain assets.

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Notes to Special Schedule 7

"SATISFACTORY" CONDITION OF PUBLIC ASSETS

each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have been ignored (Code p A702). Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of "satisfactory" may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be "satisfactory" may be different from that adopted by other Councils.

The information contained in this Schedule comprises accounting estimates formulated in accordance with the NSW Local Government Code of Accounting Practice and Financial Reporting. Nothing contained within this Schedule may be taken to be an admission of any liability to any person under any circumstance.

ASSET CONDITION

The following condition codes have been used in this Schedule.

1. Newly Constructed
2. Over 5 years old but fully maintained in "as new" condition
3. Good condition
4. Average condition
5. Partly worn - beyond 50% of economic life
6. Worn but servicable
7. Poor - replacement required

Port Macquarie - Hastings Council

Special Schedule No. 8 Financial projections for the year ended 30 June 2010

	2010 (1) \$'000	2011 \$'000	2012 \$'000	2013 \$'000
Recurrent budget				
Income from continuing operations	138,460	127,820	134,434	143,648
Expenses from continuing operations	111,398	120,640	124,355	129,286
Operating result from continuing operations	27,062	7,180	10,079	14,362
Capital budget				
New capital works (2)	45,193	49,838	39,005	44,561
Funded by:				
- Loans	7,115	1,000	1,000	4,000
- Asset sales	1,146			
- Reserves	7,974	22,264	14,232	13,459
- Grants/Contributions	23,044	24,217	21,863	24,221
- Recurrent revenue	5,914	2,357	1,910	2,881
- Other				
	45,193	49,838	39,005	44,561

Notes:

(1) From income statement

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc