



**Port Macquarie-Hastings Council**

# **Annual Report**

**2010-2011**

**PART A**



**PORT MACQUARIE  
HASTINGS**



PORT MACQUARIE  
HASTINGS

**Phone:** 02 6581 8111

**Fax:** 02 6581 8123

**Email:** [council@pmhc.nsw.gov.au](mailto:council@pmhc.nsw.gov.au)

**Website:** [www.pmhc.nsw.gov.au](http://www.pmhc.nsw.gov.au)

**Address:** PO Box 84, Port Macquarie NSW 2444  
Cnr Lord & Burrawan Streets

## Table of Contents

|                                                                                                                                                             |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>SNAPSHOT OF THE REGION .....</b>                                                                                                                         | <b>4</b>   |
| <b>A MESSAGE FROM THE ADMINISTRATOR.....</b>                                                                                                                | <b>5</b>   |
| <b>A MESSAGE FROM THE GENERAL MANAGER.....</b>                                                                                                              | <b>6</b>   |
| <b>INTRODUCTION .....</b>                                                                                                                                   | <b>7</b>   |
| <b>ACHIEVEMENTS AND AWARDS 2010/2011 .....</b>                                                                                                              | <b>9</b>   |
| <b>STATEMENT OF HUMAN RESOURCES ACTIVITIES UNDERTAKEN .....</b>                                                                                             | <b>10</b>  |
| <b>STATEMENT OF ACTIVITIES TO IMPLEMENT EQUAL EMPLOYMENT OPPORTUNITY (EEO)<br/>MANAGEMENT PLAN.....</b>                                                     | <b>16</b>  |
| <b>MEETINGS .....</b>                                                                                                                                       | <b>17</b>  |
| <b>FACILITIES AND EXPENSES POLICY FOR MAYOR AND COUNCILLORS.....</b>                                                                                        | <b>17</b>  |
| <b>ADMINISTRATOR FEES .....</b>                                                                                                                             | <b>18</b>  |
| <b>STATEMENT OF EXTERNAL BODIES EXERCISING DELEGATED FUNCTION.....</b>                                                                                      | <b>19</b>  |
| <b>STATEMENT OF ALL PARTNERSHIPS, COOPERATIVES OR OTHER JOINT VENTURES TO<br/>WHICH COUNCIL WAS A PARTY .....</b>                                           | <b>19</b>  |
| <b>REPORT ON BUSH FIRE HAZARD REDUCTION ACTIVITIES .....</b>                                                                                                | <b>21</b>  |
| <b>ACCESS AND EQUITY .....</b>                                                                                                                              | <b>22</b>  |
| <b>SUMMARY OF THE AMOUNTS INCURRED BY COUNCIL DURING THE YEAR IN RELATION TO<br/>LEGAL PROCEEDING TAKEN BY OR AGAINST COUNCIL .....</b>                     | <b>41</b>  |
| <b>CONDITION OF PUBLIC BUILDINGS, PUBLIC ROADS, STORMWATER DRAINAGE, FLOOD<br/>MITIGATION, WATER SUPPLY AND WASTE WATER .....</b>                           | <b>42</b>  |
| <b>GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009.....</b>                                                                                                 | <b>48</b>  |
| <b>COMPETITIVE NEUTRALITY .....</b>                                                                                                                         | <b>55</b>  |
| <b>ENVIRONMENTAL PLANNING &amp; ASSESSMENT ACT 1979 PARTICULARS OF COMPLIANCE<br/>WITH AND EFFECT OF PLANNING AGREEMENTS IN FORCE DURING THE YEAR. ....</b> | <b>57</b>  |
| <b>COMPANION ANIMALS ACT 1998 AND REGULATION .....</b>                                                                                                      | <b>67</b>  |
| <b>FINANCIAL REPORTS.....</b>                                                                                                                               | <b>69</b>  |
| <b>DETAILS OF CONTRACTS AWARDED AND AMOUNTS GREATER THAN \$150,000.....</b>                                                                                 | <b>71</b>  |
| <b>SENIOR STAFF REMUNERATION PACKAGES .....</b>                                                                                                             | <b>72</b>  |
| <b>REGISTER OF OVERSEAS TRAVEL.....</b>                                                                                                                     | <b>72</b>  |
| <b>SPECIAL VARIATIONS OF RATING INCOME .....</b>                                                                                                            | <b>73</b>  |
| <b>AREAS OF STRATEGIC FOCUS REPORT .....</b>                                                                                                                | <b>80</b>  |
| <b>ATTACHMENT 1 - PAYMENT OF EXPENSES &amp; PROVISION OF FACILITIES TO COUNCILLORS<br/>POLICY .....</b>                                                     | <b>139</b> |
| <b>ATTACHMENT 2 - GLASSHOUSE INCOME STATEMENT .....</b>                                                                                                     | <b>154</b> |
| <b>ATTACHMENT 3 - FINANCIAL STATEMENTS .....</b>                                                                                                            | <b>155</b> |

## Snapshot of the Region

### Community Profile

|                                                                                 |          |
|---------------------------------------------------------------------------------|----------|
| Estimated population 30 June 2011 (Source: Snapshots)                           | 76,323   |
| Population growth rate pa 2006-2011 (Source: Snapshots)                         | 1.6%     |
| Projected population growth rate pa (med proj) 2008-31 (Source: Snapshots)      | 1.3%     |
| Number of households 30 June 2006 (Source: Community ID)                        | 31,957   |
| Population median age 2006 (years)                                              | 45       |
| Value (GDP) of the Regional economy March 2008 (Source: Remplan data)           | \$2,93B  |
| Value of building approvals for 9 months of 2011 to March Quarter – Residential | \$106,9M |
| Non-Residential (Source: ABS 1368.1)                                            | \$41,6M  |

### Financial Profile

|                                                             |                 |
|-------------------------------------------------------------|-----------------|
| Total Assets                                                | \$1,895,153,000 |
| Total Liabilities                                           | \$129,775,000   |
| Total Grants and Subsidies                                  | \$42,775,000    |
| Total Rates and Annual Charges Revenue                      | \$67,041,000    |
| Total Other Revenue                                         | \$36,700,000    |
| Total Infrastructure, property, plant & equipment additions | \$48,796,000    |

## **A Message from the Administrator**



One of the main priorities for Council throughout 2010/11 was working towards the implementation of the Integrated Planning and Reporting Framework. The State Government legislation guides the way all Council's need to conduct their corporate planning and importantly, the level of community engagement they must undertake in setting the organisations priorities.

Council developed and undertook a diverse and multifaceted community engagement program using a combination of face to face surveys, innovative online budgeting tools and specific Community Reference Groups workshops to reach thousands of local residents. The focus of this work was to ascertain what Council services the community value most and what level of rates the community felt would meet their expectation of services.

This engagement work lead to the development of Council's suite of planning documents that went on public exhibition following the November 2010 Council meeting. The documents, including the Community Strategic Plan, Resourcing Strategy, 2011-2015 Delivery Program and the 2011-2012 Operational Plan for the financial year were adopted prior to the start of the new financial year.

In addition to this community engagement project, Council also continued to host Rural Consultation meetings to create an opportunity for people in outlying areas to meet with Council staff and conduct relevant inspections. Council Meetings were also held in Wauchope and Laurieton as part of the annual program of building stronger relationships outside of Port Macquarie.

Implementing a works program that focuses on delivering high quality essential services allowed Council to invest the \$2.45 million generated through a 7.36% Special Rate Variation into essential road and parks maintenance works.

Port Macquarie-Hastings Council continues to be recognised for our work across many of our focus areas, winning awards for destination marketing, youth and health orientated events and our cultural programs. These award winning programs are part of Council's commitment to being positive corporate leaders in building capacity in the community and advocating for appropriate health and social services.

Please read Council's Annual Report to give you a better understanding of all the programs undertaken during the past year.

The year ahead will continue to present Council with the challenge of meeting the community's service level expectations on a restricted budget. I am confident by using the community engagement processes in place and following stringent financial management practices, Council will continue to meet this challenge.

Neil Porter  
Administrator

## A Message from the General Manager



The Corporate Plan adopted for 2010/11 reflected the organisation's processes to meet community expectations and focus on delivering essential services to the highest possible quality within the budget framework.

In applying the 7.36% Special Rate Variation (SRV) determined by the State Government, additional \$2.45 million revenue was generated. Even with this increase a \$1.11 million deficit was forecast for the financial year. Stringent financial management throughout the year including the active management of a number of staff vacancies resulted in that deficit becoming a \$2.38 million surplus by year end.

The SRV allowed Council to concentrate on delivering a roads maintenance schedule that focused on maintenance and repairs to sealed roads together with grading and resheeting of rural unsealed roads.

Major capital works on King Creek Road, Lorne Road and Major Innes Drive have also complemented the maintenance works to deliver an improved road network.

Council also increased the allocations for roadside vegetation management and roadside furnishing programs as well as bridges and drainage works. The additional funding for these essential services along with an increased frequency in maintenance and repairs to our parks and reserves reflect the expectations of the community that were gathered through the Integrated Planning community engagement program.

The implementation of the Integrated Planning and Reporting Framework continues to be a major focus for Port Macquarie-Hastings Council. By adopting the principles of working with the community to set priorities and reporting back on how they are being achieved our corporate planning will continue to become far more inclusive and reflective of the community's desires.

Completion of the Camden Haven Sewage Treatment Plant augmentation was another multi-million dollar project that will deliver long term benefits to our community.

Like many other Council areas with high population growth, Port Macquarie-Hastings Council continues to face financial challenges in addressing a significant infrastructure backlog. This is not just about building new facilities like aquatic centres and transport networks, it is about reinvesting in bringing the existing infrastructure assets to an acceptable standard.

This challenge will continue to drive our prudent financial management and dialogue with the community.

Tony Hayward  
General Manager

## Introduction

This is a comprehensive Annual Report of Port Macquarie-Hastings Council for the twelve month period from 1 July 2010 to 30 June 2011. 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 2010/2011 Annual Report 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 three (3) months through the quarterly Corporate Plan review.

This will be Council's final annual report based on an adopted Corporate Plan. Council has determined to be in the second group of local councils to implement the new Integrated Planning and Reporting Framework recently introduced to the Local Government Act. Future Annual Reports will be based on the adopted Community Strategic Plan, Four Year Delivery Program and Annual Operational Plan.

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

Council welcomes enquiries concerning any area covered in this Report. Council staff will endeavour to assist you in providing responses to all enquiries received.



Photo: Port Macquarie CBD

# 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 effective 30 January 2009.

Mr Garry Payne AM was appointed as the Administrator effective 31 January 2009 however he also resigned from this position effective 29 April 2011.

Mr Neil Porter was subsequently appointed as Administrator of the Council on 30 April 2011 until the ordinary Local Government elections in September 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 ordinary Local Government elections will be held on 8 September 2012.

## Achievements and Awards 2010/2011

| Date Awarded  | Award Name                                               | Awarding Authority                                                 | Description                                                                                                                                                                                                                |
|---------------|----------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 2010   | NSW Health - North Coast Area Health Services Awards     | North Coast Area Health Services                                   | Finalist and Highly Commended "Partnerships for Health Award". Rural Health Outreach program in partnership with the North Coast Area Health Service (Rural Health Outreach Program).                                      |
| October 2010  | 2010 NSW Health BAXTER Awards                            | NSW Health                                                         | Finalist and Highly Commended 'Building Partnerships for Health" - Rural Health Outreach Program and Move, Eat, Live Well program in partnership with the North Coast Area Health Service (Rural Health Outreach Program). |
| April 2010    | National Youth Week Awards                               | NSW Government                                                     | Best On-Going Commitment to Local Youth Week Programs 2010                                                                                                                                                                 |
| August 2010   | Gold Winner Destination Marketing                        | North Coast Regional Tourism Awards (North Coast Regional Tourism) | Greater Port Macquarie Tourism won this award for its destination marketing plan and outcomes                                                                                                                              |
| November 2010 | Gold Winner Destination Marketing                        | NSW State Tourism Awards (Destination NSW)                         | Greater Port Macquarie Tourism won this award for its destination marketing plan and outcomes (best in State).                                                                                                             |
| March 2011    | Bronze award Destination Marketing                       | National Tourism Awards (Tourism Australia)                        | Greater Port Macquarie Tourism won the bronze award for its destination marketing plan and outcomes (Australia wide).                                                                                                      |
| October 2010  | IMAGinE Judge's Award for Excellence for 7 or less staff | Museums & Galleries NSW                                            | IMAGinE Collection Management Award – Volunteer and the IMAGinE Judge's Award for Excellence– Volunteer.                                                                                                                   |
| July 2010     | Marketing Awards                                         | NSW Public Libraries                                               | Highly Commended for "Books in Flight" initiative.                                                                                                                                                                         |

# **Local Government Act and General Regulation Requirement**

## **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.

There have been a number of employment conditions introduced which have provided increased flexibility and improved work/life balance for staff. The initiatives have included a transition to retirement framework, purchased leave and options to access long service leave at either half or double pay.

The Consultative Committee met on seven (7) occasions, to provide a forum for management /staff collaboration and communication throughout the year.

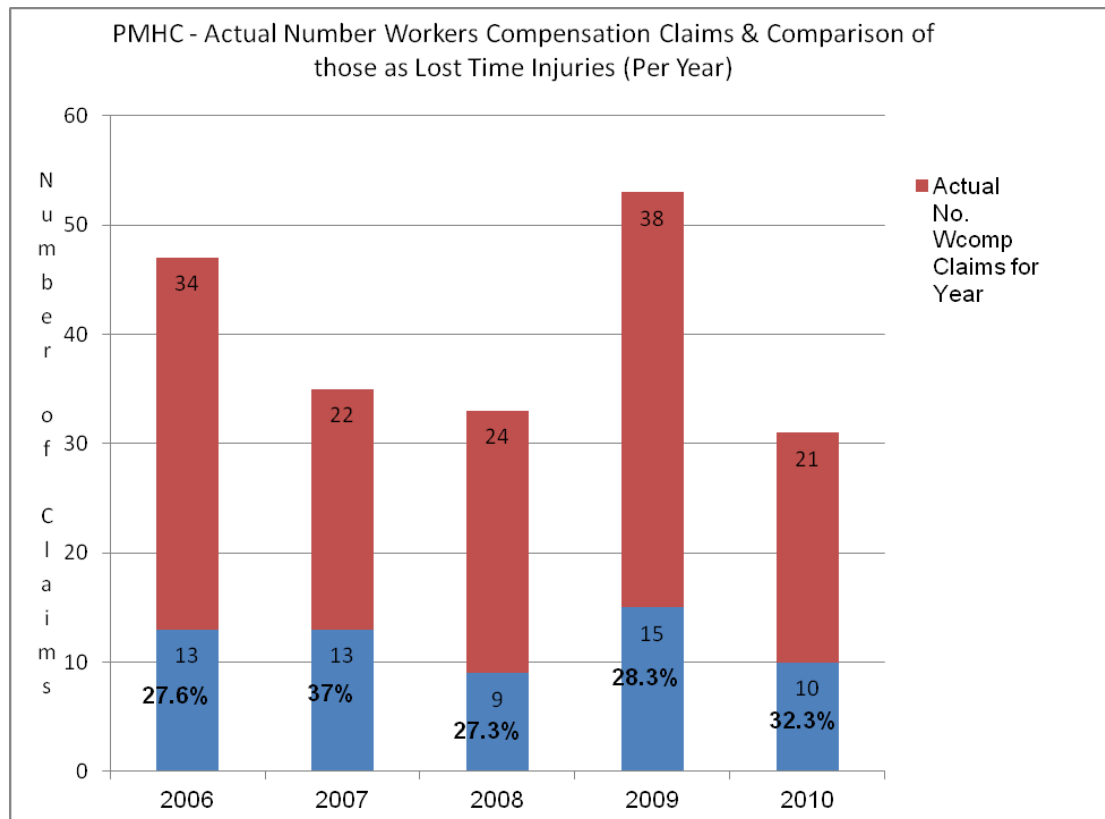
### **Recruitment**

The 2010/11 year saw a significant increase in advertised vacancies in comparison to recent years. During the 2010/11 year, a total of 82 vacancies were advertised, up from 39 vacancies advertised in 2009/10 and 55 advertised in 2008/09.

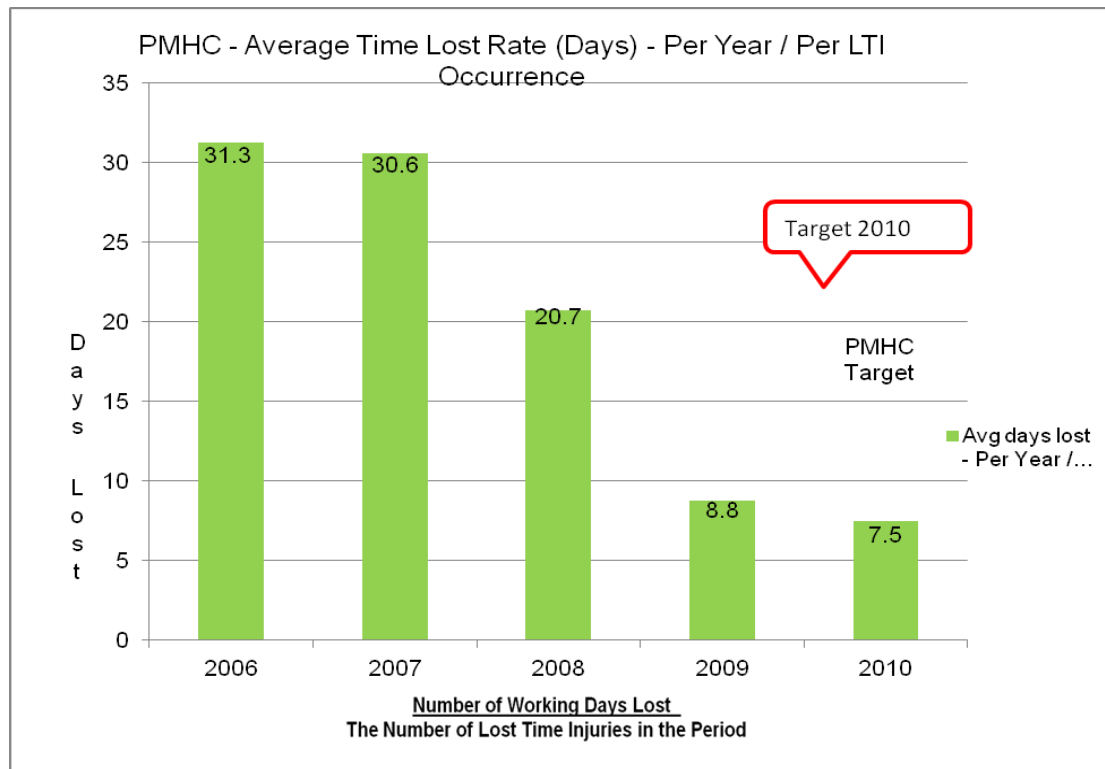
From the 82 positions advertised in 2010/11, 81 appointments were made, of which 32 were existing staff and 49 were new employees. Of the advertised positions, 13 were not filled and some of these 13 positions were subsequently readvertised, adding to the total number of recruitment events during the year. As in previous years, certain professional and managerial roles continued to be difficult to recruit.

The recruitment of a number of senior management and executive roles took place in 2010/11, including appointments to the roles of Manager Financial Services, Manager Assets & Systems, Manager Business Services, Manager Executive Services, and the appointment of the General Manager, who commenced in July 2011.

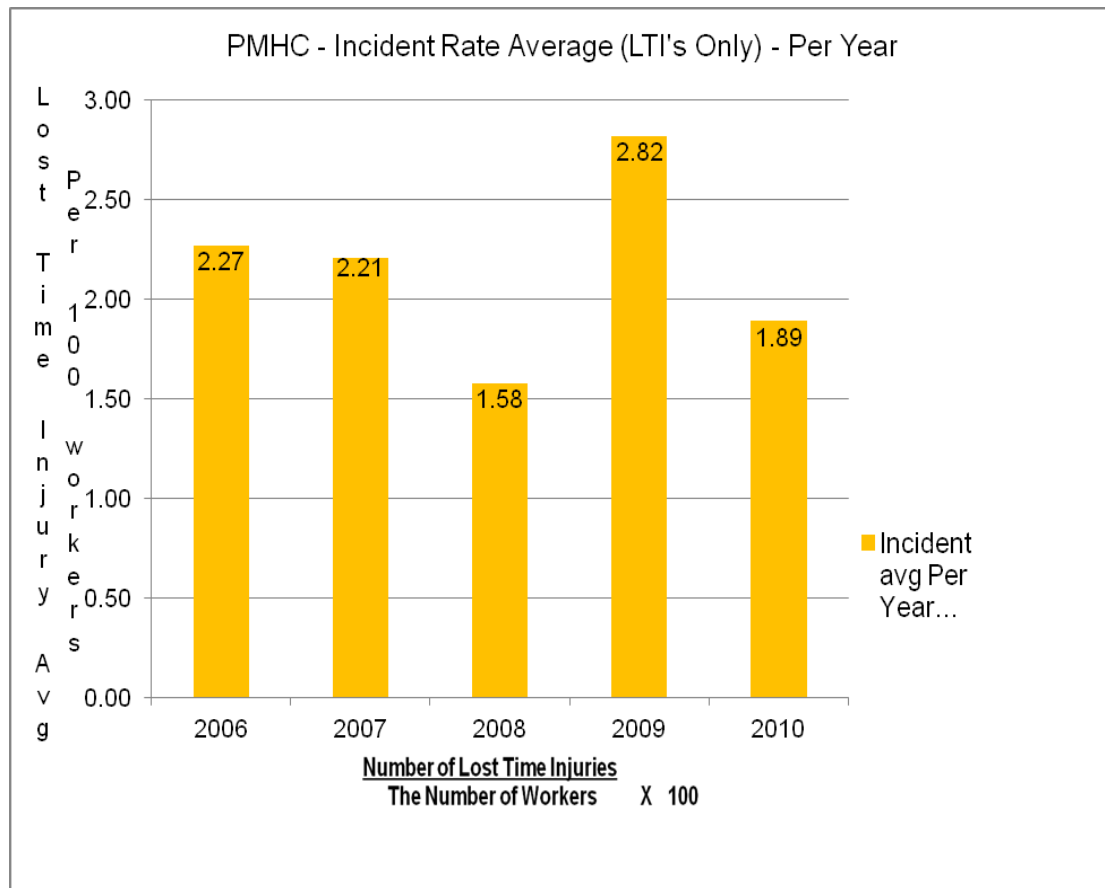
## Workers Compensation



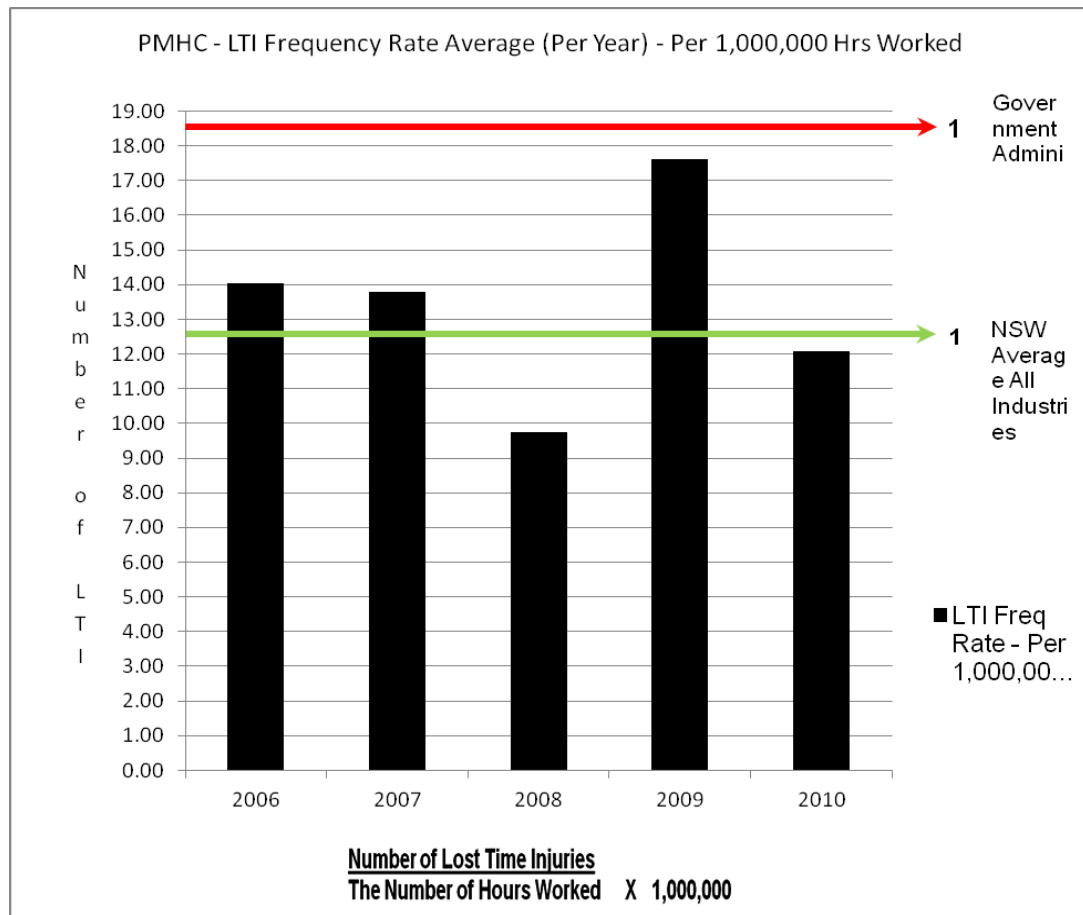
**Graph above** - shows the total number of workers compensation claims lodged each year. The **blue portion** indicates the percentage of the total claims that resulted in Lost Time.



**Graph above** - Shows Council's Average Time Lost Rate in days lost per each LTI occurrence. The graph formula is calculated as per *AS 1885.1 Workplace Injury & Disease Recording Standard*. The PMHC Target is calculated based on an average of the past 5 years presented, LESS 4 % reduction going forward for 2011. The rate of 4% is derived from a 4% reduction per year, which links to the National OHS Strategy 2002-2012 target of 40% incident reduction over 10 years. This graph also highlights the Severity of incidents occurring, which is a downward trend.



Graph above - Shows Council's Incident Rate Average. Incidents are Lost Time Injuries only and the graph formula is calculated as per *AS 1885.1 Workplace Injury & Disease Recording Standard*. The PMHC Target is calculated based on an average of the past 5 years presented, LESS 4 % reduction going forward for 2011. The rate of 4% is derived from a 4% reduction per year, which links to the National OH&S Strategy 2002-2012 target of 40% incident reduction over 10 years.



**Graph above** - Shows Council's Lost Time Injury Frequency Rate per year. The frequency rate is the number of lost time occurrences for each one million hours worked. The **RED** arrow represents the current industry frequency rate average for Government Administration & Defence, which includes Local Government history. The **GREEN** arrow represents the current frequency rate average for ALL industries within NSW. These two averages were derived from Workcover NSW Statistics Bulletin (08/09). The graph formula is calculated as per AS 1885.1 *Workplace Injury & Disease Recording Standard*.

## **Safety**

Council's OH&S Management System is under review and will be updated to reflect changes from the New Model Work Health Safety (WHS) Legislation.

Council's Safety Review Committee continues to meet and provides advocacy for safety consultation. The Work Group structure of the committee will be reviewed in line with the new legislation.

Safety Training requirements are continually being monitored and carried out with set legislative type courses and new courses identified as a requirement where a high risk of injury is prevalent.

Council's Noise Management package has been successfully rolled out and the package was also submitted in the Workcover NSW Safe Work Awards 2011 and was successful in making the Finals of the Category entered.

Council currently has nine (9) Dangerous Goods sites notifiable to Workcover for Dangerous Goods chemical storage. Council's Safety Coordinator is constantly reviewing these and ensuring changes to old sites & set up of new sites are compliant with storage requirements and emergency procedures.

With upgrades to Council's Authority software programs, safety records will now be recorded within Authority and will be linked to other HR modules. Reporting safety data will be more streamlined and efficient in the future.

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, there has been considerable activity within the Learning and Development area.



Photo: Kindee Bridge

## **Statement of Activities to implement Equal Employment Opportunity (EEO) Management Plan s428(n)**

### **EEO**

Council's Equal Employment Opportunity (EEO) Management Plan 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, key achievements during 2010/11 have been:

- Council's Purchased Leave policy was adopted and implemented, assisting employees to attain their desired life balance. The Purchased Leave policy enables eligible employees to purchase up to 4 weeks of additional recreational leave. Purchased Leave is particularly of benefit to employees with carer responsibilities or those transitioning to retirement.
- Aboriginal Cultural Awareness Training was conducted, with attendance being compulsory for all Council employees. The training program included differing levels of training according to employees' positions within Council. The majority of employees attended a half-day conference, whilst intensive certificate based training 'Working Effectively with Aboriginal of Torres Strait Islander People' was undertaken by front line staff. Employees at manager level attended another session, tailored around organisational EEO responsibility.
- An Equal Employment Opportunity training program was developed in conjunction with the NSW Anti Discrimination Board, to be delivered to all Council employees in the first quarter of 2011/12.
- Accidental Counsellor Training was attended by front line staff to provide skills for addressing situations in which customers or co workers experience crisis or distress.
- A Mental Health awareness workshop was developed for senior management, to be delivered in the first half of 2011/12. This training aims to equip managers with the skills to assist employees experiencing mental illness.
- Promoting local government as a desirable career choice for young people through various Council delivered training and guest speaker activities within local schools.
- EEO training and Aboriginal Awareness training included in Council's two day staff induction programs for new starters.
- Developing and implementing 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.
- Providing work placement opportunities for People with a Disability to assist in developing their work skills.

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](http://www.pmhc.nsw.gov.au) on the Friday prior to the Meeting.

Council's Public Forum provides residents with the opportunity to address the Council 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 is applied.

To obtain the date and time of the next Council Meeting you may contact Port Macquarie-Hastings Council on ☎(02) 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)

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 2011**  
**s428(2)(f)**

The total amount of money expended during the 2010/11 financial year on Administrator's fees was as follows:

|                       |                 |
|-----------------------|-----------------|
| 1. Mayoral Allowance  | 0.00            |
| 2. Councillor Fees    | 0.00            |
| 3. Administrator Fees | \$162,641       |
|                       | <hr/> \$162,641 |

The total of other costs associated with the Administrator for 2010/11 was:

**Administrator Expenses**

|                        |                |
|------------------------|----------------|
| Phones                 | \$462          |
| Phones – Mobile        | \$2,940        |
| Travelling             | \$27,581       |
| Out of Pocket Expenses | \$33,002       |
|                        | <hr/> \$63,985 |

**Other**

|                  |         |
|------------------|---------|
| Meeting Catering | \$1,957 |
|                  | <hr/>   |

|                |                |
|----------------|----------------|
| Total Expenses | <hr/> \$65,942 |
|----------------|----------------|

**Provision of Dedicated Office Equipment**  
**cl 217(1)(1a)(i)**

**Provision of Facilities**

|                                  |          |
|----------------------------------|----------|
| Refurbishment of Councillor Room | \$49,080 |
|----------------------------------|----------|

## **Statement of External Bodies Exercising Delegated Function s428(2)(o)**

No external bodies exercised functions delegated by Council in the period 1 July 2010 to 30 June 2011.

## **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 2010 to 30 June 2011.

## **Statement of All Partnerships, Cooperatives or Other Joint Ventures to which Council was a Party s428(2)(q)**

Arts Mid North Coast is a regional non-profit, incorporated organisation and is the peak body for Arts and Cultural Development across the Mid North Coast region. Arts Mid North Coast works within the following seven Local Government Areas: Great Lakes, Greater Taree, Port Macquarie-Hastings, Kempsey, Nambucca, Bellingen and Coffs Harbour.

The organisation has been in existence for over ten years and is part of a state network of 13 Regional Arts Boards that provide the framework for Arts and Cultural Development across regional and rural NSW. Each Council contributes financially to the running of the organisation, and has a representative member on the Board.

The Executive Officer works across all seven Local Government Areas, and aims to engage with all relevant sectors of the regional community to promote, facilitate and advocate for excellence in arts and cultural development across the Mid North Coast region, by assisting with grant applications, project plans, implementation and support to Cultural Development in the areas through strengthening local cultural groups.

### **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 \$200,000 for Radio Frequency Identification (RFID) implementation as well as \$10,500 from the Department of Environment & Climate Change for 30 Save Power Kits.

### **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**

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**

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.

## **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 NSW Rural Fire Service, National Parks & Wildlife Services, State Forests, and Department of Lands.

- Six (6) hazard reduction burns were planned for 2010/11 but were postponed due to ongoing wet weather.
- Six (6) new Asset Protection Zones were constructed during the 2010/11 financial year. Cost of construction was \$56,046
- Maintenance of 21 Asset Protection Zones was undertaken in October 2010 and some were again maintained in May 2011. Cost of Asset Protection Zones maintenance for 2010/11 was \$51,089

### **NSW Rural Fire Service**

NSW Rural Fire Service, Port Macquarie-Hastings District, assisted residents with 13 pile burns, one windrow and two hazard reduction burns totalling one (1) hectare. The NSW Rural Fire Service issued 264 permits to light fires for purposes including hazard reduction, agricultural purposes and pile burns during the Bush Fire Danger period.

### **National Parks and Wildlife Service (NPWS)**

NPWS carried out a total of 220 hectares of hazard reduction activities and undertook approximately 60 hectares of mechanical fuel reduction in forty two Asset Protection Zones.

### **Forests NSW**

Forests NSW carried out a total of 600 hectares of hazard reduction activity.

### **Department of Primary Industries Catchment and Lands Division**

Department of Lands carried out 18.93 hectares mechanical hazard reduction activities and 1.3 km of fire trail.

### **Summary of Hazard Reduction Works**

Council maintains 93,466m<sup>2</sup> of Asset Protection Zones.

### **Fire Calls and Other Incidents (Rural Fire Service)**

Rural Fire Services attended a total of 348 incidents during the 2010/11 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 programs undertaken by Council during the year to promote Services & Access to Services for:**

- **People with diverse cultural and linguistic backgrounds consistent with principles of multiculturalism - s428(2)(i1)**
- **Programs that promote and provide the needs of children - s428(2)(r) cl217(1)(c)**
- **Council's performance in relation to access and equity activities to meet residents needs - s428(2)(r) cl217(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 2004-2007
- 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 Council has achieved in 2010/2011 reporting year are highlighted in the following table:



Photo: Bain Park Wauchope

| Strategy                                                                                                                                                                                                                          | Outcomes                                                                                                                                 | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                                                                                                                |                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 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                                                                                                     | <p>Strategy achieved &amp; ongoing.</p> <p>Strategies identified for 2008/09 in Crime Prevention Plan achieved.</p> <p>The 2010-2015 Crime Prevention Strategy has been developed and is lodged with the Attorney Generals Dept.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 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                                           | <p>Strategy achieved &amp; ongoing.</p> <p>Council actively advocating for improvements as required.</p> <ul style="list-style-type: none"> <li>• Medical service outreach provided to rural and isolated communities.</li> <li>• Engagement of Aboriginal children in early education programs.</li> <li>• Supported the implementation of programs of state and non government organisations that engage with Aboriginal persons with a mental illness.</li> <li>• Supported and encouraged Aboriginal specific positions and traineeships, which seek to build self determination and resilience with the Aboriginal community.</li> <li>• Move Well Eat Well Live Well program – Aboriginal Specific HeartMoves and Circus Mooves programs over 2010/11.</li> </ul> |
| 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 | The Port Macquarie Hastings Council's Road Safety Strategic Plan developed and ongoing strategies being implemented.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Strategy                                                                                                                                                                                                                                      | Outcomes                                                         | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                                                                                                                            |                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| H1.1.1 Ensure that:<br>All Council divisions are aware of social issues relevant to their sections.<br>Other Council divisions consulting with Community Development regarding social needs.<br>Social issues considered in Council documents | Achievement of a "whole of Council approach" to Social Planning  | <p>Council has adopted the "Towards 2030 Community Strategic Plan" suite of documents. 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.</p> <p>Ancillary to the Integrated Planning and Reporting framework is a social strategy currently under development. This will underpin our social agenda.</p> <p>Council also adopted during 2010/11 an Urban Growth Management Strategy which includes social infrastructure needs of the LGA.</p>                                                                                                                                                                           |
| 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. | <p>Throughout 2010 /11 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 Ministers and departments seeking an increase in funding for essential community facilities or for 'one off' grant applications.</p> <p>Ongoing lobbying and advocacy for a Community Legal Centre has resulted in funding being allocated and Disability Advocacy (Advocacy Law Alliance) launching the service – referrals are being taken</p> |

| Strategy                                                                                                                                                                      | Outcomes                                                    | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                                                            |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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. | <p>Strategy achieved &amp; ongoing.</p> <p>In 2010/11 the rural network program continued. Through the development of this network Council has promoted and supported the halls management committees to access alternative funding streams.</p> <p>\$103,000 of State funding received to upgrade 7 non-Council Owned Halls. (Hollisdale, Comboyne, Byabarra, Telegraph Point, Ellenborough, Kendall Community Centre and Kendall War Memorial Hall)</p> <p>Funding application submitted through the State Government for four halls – currently waiting announcement.</p> |
| 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. | <p>Strategy achieved &amp; ongoing.</p> <p>In accordance with the strategy Council continued to promote the positive representation of specific target groups within the local media.</p> <p>International Day of People with a Disability celebrations in Hay Street Forecourt was highlighted in the local press</p>                                                                                                                                                                                                                                                       |
| H3.2.1 Support intergenerational activities such as Intergenerational Support Day & Grandparents' Day.                                                                        | Improved relationships between older and younger people.    | <p>Strategy achieved &amp; ongoing.</p> <p>Council's Community Development team designed and facilitated intergenerational workshops throughout 2010/ 2011. 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.</p>                                                                                                                                                                                                                              |
| 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. | <p>Strategy achieved &amp; ongoing.</p> <p>Community engagement programs developed and implemented by Community and Cultural Development teams through targeted programs operated and promoted through The Glasshouse (Arts, Conference &amp; Entertainment Centre), which have engaged with all levels of the community to increase community participation in arts and culture.</p>                                                                                                                                                                                        |

| Strategy                                                                                                                                   | Outcomes                                                                      | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                         |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| H3.3.1 Develop an improved consultation (engagement/participation) process between Council and the community.                              | A higher level of positive interaction between Council and the Community      | <p>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.</p> <p>A broad range of community engagement activities have been held over the 2010-2011 year including: Wauchope Riverwalk, Kendall Tennis Courts, Parking Strategy, and Bonny Hills Masterplan.</p> |
| H4.1.4 Implement strategies identified in the <i>"Economic Development Review"</i> .                                                       | Increased employment and business opportunities available in the Hastings.    | <p>Strategy achieved &amp; ongoing.</p> <p>Peer solution program providing assistance to businesses<br/>Start Up program established to assist businesses.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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. | <p>Strategy achieved &amp; ongoing.<br/>Achievements include:</p> <ul style="list-style-type: none"> <li>Assistance with lobbying and submission writing to community groups and community members.</li> <li>The Community &amp; Cultural Development teams provided assistance to community organisations in sourcing alternative funding.</li> </ul>                                                                                                                                                                                                                                                                                           |
| H5.1.6 Support existing mental health service providers by:<br>Identifying funding opportunities;<br>Promoting existing services           | Improve the well-being of the community through increased community services. | <p>Strategy achieved &amp; ongoing.</p> <ul style="list-style-type: none"> <li>Mental Health First Aid training provided to Council staff and community.</li> <li>Council staff involved in mental health network.</li> <li>Lobbying of State and Federal Government for increased funding and support for Mental Health Services in Port Macquarie Hastings.</li> </ul>                                                                                                                                                                                                                                                                         |

| Strategy                                                                                                                                                                                                                                                                                                                                                                    | Outcomes                                                                      | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                                                                                                                                                                                                                                                          |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| H6.1.2 Provide signage at local beaches regarding safety of personal belongings.                                                                                                                                                                                                                                                                                            | Beaches in the Hastings are safe and accessible.                              | <p>Strategy Completed.</p> <ul style="list-style-type: none"> <li>Annual program implemented over summer 2010/11.</li> <li>Alcohol prohibitions at popular beaches to reduce anti social behaviour.</li> <li>The acquisition and supply of beach wheel chairs to surf life saving clubs.</li> </ul>                                                                                                                                                                                                                                                                                                                                   |
| 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 Scooting Kit" and conducting workshops on safe use of scooters.                                                                                                                                                                                                             | Improve the road safety for residents of the Hastings.                        | <p>Strategy achieved &amp; ongoing.</p> <ul style="list-style-type: none"> <li>Ongoing education sessions conducted during Seniors Week.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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. | <p>Strategy achieved &amp; ongoing.</p> <ul style="list-style-type: none"> <li>Information relating to mental health has been made available on Councils website.</li> <li>Mental health awareness training provided in six monthly cycles.</li> <li>Funding to Lifeline and New Horizons provided for the printing of mental health assistance cards and brochures and to conduct community training.</li> </ul>                                                                                                                                                                                                                     |
| 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.                                        | <p>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.</p> <p>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.</p> |

| Strategy                                                                                                                                                                                         | Outcomes                                                                                      | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                                                                                               |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                           |
| 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.<br>Council has established 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 is ongoing.<br>Council continues to work 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                                                                                                                                                                                                                                                                                                                                                                                     |
| 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.<br><br>2010/2011 Council developed a comprehensive parking strategy following extensive community participation which noted the needs of an ageing population.                                                                                                                                                                                                               |
| 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 has established a standalone position with the specific task of developing a Higher Education Industry Plan. The Plan was finalised in July 2010. As a result of the Industry Plan, Council was awarded funding to undertake a Feasibility Study which was completed in April 2011. A further round of funding was awarded to Council to implement the recommendations of the study. |

| Strategy                                                                                                                 | Outcomes                                                                         | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Generic Hastings Strategies</b>                                                                                       |                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 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. | <p>The Hastings Education Fund was established in March 2011 to provide scholarships to assist young people with education expenses. The Fund received a \$4,000 grant through Council's Community Grants Program. The Fund has raised in excess of \$20,000 in its first year of operation.</p> <p>Council also provides funding for two scholarships for university students studying at the Port Macquarie Campus at the University of Newcastle and a medical scholarship for a second year student at the UNSW Rural Clinical School located adjacent to the Port Base Hospital.</p> |



Photo: Lake Cathie

| Strategy                                                                                                                                                                               | Outcomes                                                            | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Children &amp; their families</b>                                                                                                                                                   |                                                                     |                                                                                                                                                                                                                                                                                                                                                                               |
| 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. Council is planning to install an 'All Abilities' playground at Bain Park Wauchope (grant funded).                                   |
| 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.                       | Executive Services staff continued to promote sporting scholarships for this target group. Scholarships continue to be granted throughout the year.                                                                                                                                                                                                                           |
| 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. | Funding provided through the Community Grants Program provided to the Port Macquarie Neighbourhood Centre (Holiday activities), St Josephs Preschool (Bounce House), Wauchope Community Preschool (Capital Upgrade), Port Macquarie Community Preschool (Capital upgrade)<br><br>Circus Mooves programs run with two rural primary schools and the Aboriginal Lands Councils. |
| 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.<br><br>GAPA outreach program funded through the Community Grants Program. GAPA Christmas camp funded.                                                                                                                                                                                                                                          |
| 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 projects for funding in Community Development Support Expenditure (CDSE) & Community Grants Program (CGP) 2010/2011 funding round.<br><br>Community activities and events promoted through networks and the Google group.<br><br>Auriel Steiner Playgroup supported to set up in the Beechwood Community Hall.          |

| 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.<br><br>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.<br>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.<br><br>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.<br><br>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.                                                                                                       |
| <b>Young People</b>                                                                                                                                                      |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 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.<br><br>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.<br><br>Council developed and facilitated 4 major events specifically targeted toward young people. These included:<br><br>Youth Week, Waves and Melodies and events for young people throughout the year occurred in 2010/11.<br><br>Community Grants Program funding provided to support Youth Homeless Matters Day, Big Red Bus, Kendall Party with Friends and Holiday programs. |

| 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 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.<br><br>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.<br><br>Youth Development Officer and Community Development Officer worked together to promote affordable youth cultural events. Including: <ul style="list-style-type: none"> <li>• Youth Week Events</li> <li>• Music events</li> <li>• Ensuring young people included in intergenerational opportunities</li> </ul> |
| 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.<br><br>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. | YAC continues to attract new members. YAC website and facebook provides information to young people about volunteering opportunities                                                                                                                                                                                                                     |
| 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 relationships 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.<br><br>Training in schools as part of school drug education programs and in conjunction with community health program continues. Council supports CDAT activities.                                                                                                                                                        |
| 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.                                                                                                                                                                                                                        |

| 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.                         | Strategy completed.                                                                                                                                                                                                                                                                                               |
| 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.                                                                                                                                                                                                                                                                                      |
| <b>Women</b>                                                                                                                                                                                        |                                                               |                                                                                                                                                                                                                                                                                                                   |
| 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.<br><br>Council supports and facilitates 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 courses 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.                       | Port Macquarie Neighbourhood Centre produce the directory. Directories are provided through Council offices and on the website.                                                                                                                                                                                   |
| 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                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Men</b>                                                                                                                                                 |                                                                                               |                                                                                                                                                                                                                                 |
| 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.                                               | Support provided for Aboriginal men's group.                                                                                                                                                                                    |
| 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.                                           | Supported through Aboriginal men's group.                                                                                                                                                                                       |
| 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.<br><br>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.<br><br>Funding provided in 2010 to contribute to Project Officer costs.                                                                                                                            |
| <b>Aboriginal People &amp; Torres Strait Islanders</b>                                                                                                     |                                                                                               |                                                                                                                                                                                                                                 |
| A1.1.3 Implement the strategies identified in the Reconciliation Action Plan                                                                               | Increased awareness of Aboriginal heritage and culture in the community                       | Strategy achieved.<br><br>Strategies continue to be implemented                                                                                                                                                                 |
| 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.                | Aboriginal Cultural Awareness training provided to all Council staff during 2010/11.                                                                                                                                            |

| 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.<br><br>Council continues active involvement in planning and running NAIDOC week celebrations 10/11 and commemorated Sorry Day and Reconciliation Week. A Q and A session was facilitated at the Glasshouse during Reconciliation Week (2011).                                                                                 |
| 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.                                                                                                                                                                                                                                                 |
| 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)2010/11.                                                                                                                                                                                                                                               |
| 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 2010/11.<br><br>ACDO continued involvement in local and regional Aboriginal Education Advisory Committees (AECG).                                                                                     |
| <b>Older People</b>                                                                                                                                                                                         |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                            |
| 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<br><br>Intergenerational activities held within the Hastings during Seniors and Youth Week 10/11.<br><br>Perceptions of crime education program undertaken by Crime Prevention Officer to highlight true incidences of crime relating to young people. A crime forum was held in Wauchope.                                     |
| 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 though the access committee. Specific programs conducted through the Move Well, Eat Well, Live Well program (i.e.: 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.                                 | <p>Strategy achieved &amp; ongoing.</p> <p>A highlight of Seniors &amp; Youth Week was the Hastings Complaints Choir. This project brought seniors and young people together to address negative perceptions and build positive relationships while composing and performing as an intergenerational choir</p> <p>Seniors Week included the Postcard Project, grants and program publication</p>                                                                             |
| O2.1.6 Provide options and information regarding volunteering opportunities available in Hastings.                                                                                      | Information distributed.                                                                      | <p>Strategy achieved &amp; ongoing.</p> <p>Hastings Volunteer Network promoted Councils website. Volunteers acknowledged though Council funded PMHC Volunteer Awards and Australia Day Awards</p>                                                                                                                                                                                                                                                                            |
| 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.                                                                     | Mid Coast Work Placement Plan and Forest Industry Workforce Development Plan facilitated by Port Macquarie-Hastings Council during 2010/11.                                                                                                                                                                                                                                                                                                                                  |
| O5.1.1 Develop and promote a "Safe Scooter Kit".                                                                                                                                        | A safer environment for older people.                                                         | Training sessions continue 10/11.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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.                                   | <p>Strategy achieved.</p> <p>Council is committed to implementing the Disability Discrimination Act Action Plan (DDA) to improve access to Council facilities, recreation areas and parks.</p> <p>Implementation of DDA is ongoing and is coordinated by Council's Aged &amp; Disability Development Officer &amp; group of community representatives (Access Committee) to identify access and circulation opportunities for older people and people with a disability.</p> |
| <b>People from Culturally &amp; Linguistically Diverse Backgrounds</b>                                                                                                                  |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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. | <p>Strategy achieved</p> <p>Multicultural Directory updated in 2010 and also made available on the website.</p>                                                                                                                                                                                                                                                                                                                                                              |

| 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. | <p>Strategy achieved &amp; ongoing.</p> <p>Customer Services area have implemented telephone interpreter services across LGA. Staff have also received training in the TIS telephone program – continued and have access to Language cards</p> <p>Multicultural Directories have been provided to improve communication and referrals.</p>                                                                    |
| 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 2010/11.                                                                                                                                                                                                                                                                                                                                    |
| L2.1.7 Promote funding opportunities for CALD projects.                                                                                                                                                                              | More participation in the community from CALD people.                                       | <p>Strategy achieved &amp; ongoing.</p> <p>Community Development Officer provides assistance to CALD projects in writing submissions and sourcing and securing funding for CALD projects- continued support 10/11</p> <p>Funding made available through the Community Grants Program for the Multicultural Support group.</p> <p>Funding provided for Harmony Day events (Wauchope Neighbourhood Centre).</p> |
| 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                                        | <p>Strategy achieved &amp; ongoing.</p> <p>Councils Community Development Officer attends the Mid North Coast Multicultural Network meetings.</p>                                                                                                                                                                                                                                                             |
| <b>People with a Disability</b>                                                                                                                                                                                                      |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |
| 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.                  | <p>Strategy achieved &amp; ongoing.</p> <p>Disability Discrimination Act Action Plan 2009/2018 implementation ongoing 10/11.</p>                                                                                                                                                                                                                                                                              |
| 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.                  | <p>Strategy achieved &amp; ongoing.</p> <p>Disability Friendly Awards integrated with Port Macquarie Chamber of Commerce annual Small Business Awards 10/11.</p> <p>Council continues to be involved with the delivering of the IDPWD celebrations to raise awareness and plan recognition 10/11.</p>                                                                                                         |

| Strategy                                                                                                                               | Outcomes                                                                   | Achievements/Progress                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support and promote World AIDS day.                                                                                                    | Number of initiatives/events supported or promoted.                        | Strategy not achieved in 10/11 constraints on resources impacted on program delivery.                                                                                                                                                                                                                                                                                                                                                               |
| 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 10/11.<br><br>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<br><br>Launch of the new HACC Dementia Day Care Centre for Port Macquarie 10/11.                                                                                                                                                                                                                                                                                                                                        |
| 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 10/11.<br><br>Non-Council Owned Halls capital upgrades through State funding has improved access to Ellenborough hall and Hollisdale hall.<br><br>Support provided to the Camden Haven Sea Scouts to improve access to the facility through the Area Assistance Scheme (Community Development Officer) |
| 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 ongoing.<br><br>Mobility maps widely distributed throughout Hastings for the 09/10 year with next maps scheduled for publication 11/12                                                                                                                                                                                                                                                                                                     |
| 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.                                                                                                                                                                                                                                                                                           |
| <b>People identifying as Gay, Lesbian, Bi-sexual &amp; Transgender</b>                                                                 |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 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. | Funded the ACON Pride Ride – Car Rally<br><br>Support provided to OutnHastings in funding submission.<br><br>Councils website updated with the link to the Outnhastings website.<br><br>Encouraged funding applications from ACON and the GLBT community to the Community Grants Program                                                                                                                                                            |

| Strategy                                                                                                      | Outcomes                                                                   | Achievements/Progress                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.<br><br>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.<br><br>Funded the ACON Pride Ride – Car Rally<br><br>Support provided to OutnHastings in funding submission.<br><br>Councils website updated with the link to the Outnhastings website.<br><br>Encouraged funding applications from ACON and the GLBT community to the Community Grants Program |
| 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 09/10.                                                                                                                                                                                                                       |
| G2.1.10 Update the Hastings Pride Booklet.                                                                    | To increase the awareness and acceptance of GLBT members of the community. | Strategy achieved & ongoing.<br><br>The Hastings Pride Booklet has been distributed to the relevant community organisations and places of interest and is available on Councils 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 the year  
in Relation to Legal Proceeding Taken By or Against Council  
s428(2)(e)**

| <b>Matter</b>                                         | <b>Cost</b> | <b>Summary/Result</b>                                                                                                                 |
|-------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------|
| PMHC vs Waite<br>Mortgage deed recovery               | \$13,508    | Legal fees relating to enforcement of mortgage deed obligations. Recovery sought in 2011/12.                                          |
| PMHC ats Fabcot Pty Ltd<br>Property Matter            | \$143,965   | Applicants appeal dismissed. Assessment underway.                                                                                     |
| PMHC vs Pisioneri<br>Unlawful clearing on public land | \$1,161     | Prosecution on unlawful clearing on public land Port Macquarie local court 14/9/10. Plea of guilty entered, costs awarded to Council. |
| PMHC ats Roach<br>Employment Contract Matter          | \$5,837     | Ongoing.                                                                                                                              |
| PMHC ats Capuano<br>Development Application Matter    | \$87,530    | Appeal of refusal of development consent (DA 2009/0194) by PMHC. The appeal was dismissed and the refusal upheld.                     |
| PMHC vs Currie<br>Damage to Council property          | \$943       | Plea of guilty, cost awarded.                                                                                                         |

**Condition of Public Buildings, Public Roads, Stormwater  
Drainage, Flood Mitigation, Water Supply and Waste Water  
s428(2)(d)(i)(ii)(iii)**

**Condition of Public Buildings**

| <b>Area</b>                    | <b>Spent</b>          | <b>Condition</b> |
|--------------------------------|-----------------------|------------------|
| Amenities & Toilets            | \$298,547.73          | Satisfactory     |
| Visitor Information Centres    | \$5,402.75            | Satisfactory     |
| Community/Youth Centres        | \$14,504.80           | Satisfactory     |
| Surfing Clubs                  | \$81,905.29           | Satisfactory     |
| Residences                     | \$21,410.26           | Satisfactory     |
| Music Centre                   | \$11,524.76           | Satisfactory     |
| Public Halls                   | \$76,089.44           | Satisfactory     |
| Senior Citizen Centres         | \$21,057.41           | Satisfactory     |
| Libraries                      | \$145,745.80          | Satisfactory     |
| Sports Stadiums                | \$99,215.71           | Satisfactory     |
| Historic Court House           | \$24,866.03           | Satisfactory     |
| HQ, Laurieton & Wauchope Admin | \$593,908.77          | Satisfactory     |
| Coach/Transit Station          | \$33,819.88           | Satisfactory     |
| Community Clocks               | \$2,138.06            | Satisfactory     |
| Sea Rescue                     | \$14,029.11           | Satisfactory     |
| SES & Fire Control             | \$67,931.85           | Satisfactory     |
| Tennis Clubs                   | \$1,648.15            | Satisfactory     |
| HAAC Centre                    | \$6,349.65            | Satisfactory     |
|                                |                       |                  |
| <b>Total</b>                   | <b>\$1,545,711.06</b> |                  |

## Condition of Public Roads 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 Pubic Roads                                                                                                                                                                                                                                                    |           |                               |                           |                                                                                                    |                                                                                           |                                                                                      |                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------|---------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------|
| Asset Category                                                                                                                                                                                                                                                              | Quantity  | Condition Rating at 30/6/2011 | 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 2010/11 Financial Year ( x \$1,000) |
| Sealed Local Roads                                                                                                                                                                                                                                                          | 768.026km | 3                             | \$662,433.68              | \$58,220.55                                                                                        | \$14,033.06                                                                               | \$12,587.00                                                                          | \$4,919.89                                                 |
| Unsealed Local Roads                                                                                                                                                                                                                                                        | 460.063km | 4                             | \$165,970.61              | \$23,858.44                                                                                        | \$7,037.34                                                                                | \$3,320.00                                                                           | \$1,232.66                                                 |
| Bridges on Local Roads                                                                                                                                                                                                                                                      | 100       | 3                             | \$70,499.18               | \$5,784.01                                                                                         | \$793.12                                                                                  | \$705.00                                                                             | \$523.60                                                   |
| Bridges / Culverts on Regional Roads                                                                                                                                                                                                                                        | 25        | 4                             | \$17,624.80               | \$1,446.00                                                                                         | \$198.28                                                                                  | \$177.00                                                                             | \$130.90                                                   |
| Sealed Regional Roads                                                                                                                                                                                                                                                       | 86.548km  | 3                             | \$83,776.37               | \$7,250.95                                                                                         | \$1,772.54                                                                                | \$1,592.00                                                                           | \$622.21                                                   |
| Street Lighting                                                                                                                                                                                                                                                             | -         | 3                             | -                         | \$610.00                                                                                           | \$1,580.00                                                                                | \$1,200.00                                                                           | \$1,000.74                                                 |
| <b>Note:</b> 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 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 Stormwater Drainage and Flood Mitigation                                                            |                                        |                         |                                                          |                                                                        |                                     |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|----------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------|
| Asset Category                                                                                                   | Estimated Condition Rating at 30/06/11 | 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 2010/11 |
| Urban Stormwater Drainage<br>268km pipes<br>10,360 pits<br>86 detention ponds/basins<br>65 gross pollutant traps | 3                                      | \$116,464               | \$10,512                                                 | \$1,560,000                                                            | \$538,000                           |
| Flood Mitigation<br>285,534m3 drainage                                                                           | 3                                      | \$27,078                | \$0                                                      | \$76,000                                                               | \$76,000                            |

## Condition of Water Supply 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 Water Supply          |                              |                                              |                                                       |                                   |
|------------------------------------|------------------------------|----------------------------------------------|-------------------------------------------------------|-----------------------------------|
| Category                           | Condition at end of 30/07/11 | Cost estimate to reach Satisfactory standard | Cost estimate to maintain standard (current \$ value) | Maintenance Programme 2010/11(\$) |
| <b>Collection</b>                  |                              |                                              |                                                       |                                   |
| 6 river intakes, 1 borewell        | 2                            | N/A                                          | \$300,000                                             | \$224,000                         |
| <b>Treatment</b>                   |                              |                                              |                                                       |                                   |
| 4 water treatment plants           | 1                            | N/A                                          | \$400,000                                             | \$300,000                         |
| 10 chlorination sites              | 3                            | N/A                                          | \$135,000                                             | \$75,000                          |
| <b>Storage</b>                     |                              |                                              |                                                       |                                   |
| 2 OCS Dams                         | 2                            | N/A                                          | \$800,000                                             | \$780,000                         |
| 35 Reservoirs                      | 2                            | \$100,000                                    | \$420,000                                             | \$210,000                         |
| <b>Reticulation</b>                |                              |                                              |                                                       |                                   |
| 19 pump stations                   | 2                            | \$100,000                                    | \$900,000                                             | \$820,000                         |
| 780km mains                        | 2                            | \$600,000                                    | \$1,100,000                                           | \$856,000                         |
| 28,500 connections                 | 2                            | N/A                                          | \$670,000                                             | \$522,000                         |
| 1 SCADA system, includes 185 sites | 3                            | \$90,000                                     | \$350,000                                             | \$246,000                         |

## Condition of 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 Waste Water  |                                |                                              |                                                       |                                    |
|---------------------------|--------------------------------|----------------------------------------------|-------------------------------------------------------|------------------------------------|
| Category                  | Condition at end of 30/06/2011 | Cost estimate to reach Satisfactory standard | Cost estimate to maintain standard (current \$ value) | Maintenance Programme 2010/11 (\$) |
| <b>Collection</b>         |                                |                                              |                                                       |                                    |
| 27,553 connections        | 2                              | N/A                                          | \$489,600                                             | \$489,600                          |
| 549.5km gravity mains     | 2                              | N/A                                          |                                                       |                                    |
| 100.4km rising mains      | 2                              | N/A                                          | \$2,062,809                                           | \$2,062,809                        |
| 157 pump stations         | 2                              | N/A                                          |                                                       |                                    |
| <b>Treatment Disposal</b> |                                |                                              |                                                       |                                    |
| 6 plants                  | 2                              |                                              | \$2,619,009                                           | \$2,619,009                        |

## 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 Management Plan cl217(1)(e)

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

A dedicated stormwater works crew provides a specific focus on the delivery of stormwater maintenance services to the community, to improve actual stormwater service levels, environmental health and customer response times.

## Freedom of Information Act 1989 & Regulation s68 cl10

There were no outstanding Freedom of Information activities to report for the  
2009-2010 period.

## **Government Information (Public Access) Act 2009 s125(1) cl 13**

The Government Information (Public Access) Act (GIPA Act) replaced the Freedom of Information Act 1989 on 1 July 2010. The GIPA Act provided widespread reform for the public sector in the way community members access Government Information.

Port Macquarie-Hastings Council holds information, in various formats, in respect of the wide range of functions undertaken by it and information which is pertinent to different issues relating to the Port Macquarie-Hastings local government area. Under the provisions of the GIPA Act there is a right of access to certain information held by Council unless there is an overriding public interest against its disclosure.

### **Mandatory Proactive Release**

Council must make information classified as *open access information*, under the GIPA Act, publicly available unless there is an overriding public interest against disclosure.

Open access information is required to be published on Council's website (unless to do so would impose an unreasonable additional cost on Council). In instances where unreasonable additional cost would be incurred, Council's website will indicate where and how the information can be obtained.

#### *Open Access Information*

- Publication Guide (this document)
- Documents tabled in Parliament by or on behalf of Council
- Council's Policy Documents
- Disclosure Log of Access Applications
- Register of Government Contracts
- Council's Record of open access information that it has not made publicly due to an overriding public interest against disclosure

Other information can be prescribed under the Government Information (Public Access) Regulation as open access information. Currently Schedule 1 of the regulation prescribes the following documents as open access:

#### **Information about Council**

- Model Code of Conduct (Local Government Act 1993, s440(1))
- Council's Code of Conduct (Local Government Act 1993, s440(3))
- Council's Code of Meeting Practice
- Annual Report
- Annual Financial Reports
- Auditor's Report
- Management Plan
- Integrated Planning Documents
- EEO Management Plan
- Annual Reports of bodies exercising functions delegated by Council (for example Section 355 Committees)
- Any Codes referred to in the Local Government Act 1993
- Returns of the Interests of Councillors, Designated Persons and Delegates
- Business Papers, agendas and minutes of Council/Committee meetings (except meetings that are closed to the public)
- Departmental representative reports presented at a meeting of Council (Local Government Act 1993, s433)
- Land Register

- Register of Investments
- Register of Delegations
- Register of Graffiti Removal Works (Graffiti Control Act 2008, s13)
- Register of current Declarations of Disclosures of political donations (Local Government Act 1993, s328A)
- Register of Voting on Planning Matters (Local Government Act 1993, s375A)

### **Plans and Policies**

- Local policies adopted by the Council concerning approvals and orders
- Plans of management for Community Land
- Environmental Planning Instruments, Development Control Plans and Contributions Plans

### **Information about Development Applications**

- Development applications (within the meaning of the Environmental Planning and Assessment Act 1979) and associated documents
- Records of decisions on Development Applications including decisions of appeals
- Records describing general nature of documents that Council decides to exclude from public view including internal specifications/configurations and commercially sensitive information.

### **Approvals, Orders and Other Documents**

- Applications for approvals under Part 7 of the Local Government Act 1993
- Applications for approvals under any other Act and any associated documents received
- Records of approvals granted or refused, any variation from Council Policies with reasons for the variation, and decisions made on appeals concerning approvals
- Orders given under Part 2 of Chapter 2 of the Local Government Act 1993, and any reasons given under Section 136 of the Local Government Act 1993
- Orders given under the Authority of any other Act
- Records of Building Certificates under the Environmental Planning and Assessment Act 1979
- Plans of land proposed to be compulsorily acquired by Council
- Compulsory Acquisition Notices
- Leases and Licenses for use of Public Land classified as Community Land

### **Authorised Proactive Release**

Council is authorised to make any information held publicly available unless there is an overriding public interest against disclosure.

Every twelve (12) months Council will review the current release of information and endeavour to identify the kinds of information we hold that should, in the public interest, be made publicly available and that can be released without imposing unreasonable additional costs on Council.

### **Informal Release**

Access to information which is not available as Mandatory Proactive Release or Authorised Proactive Release information may be provided through Informal Release. Applicants can request informal release of information by submitting an informal access application to Council.

Under informal release, again, Council is authorised to release information unless there is an overriding public interest against disclosure. To enable the release of as much information as possible, Council is also authorised to redact content from a copy of information to be released, if inclusion of the redacted information would otherwise result in an overriding public interest against disclosure.

Under informal release, Council has the right to decide by what means information is to be released and can release information subject to any reasonable conditions deemed fit.

Council in response to an informal access application cannot be required to disclose the information requested or cannot be required to consider the application.

### **Formal Access Applications**

Initially, a person seeking information from Council should check if the information being sought is already available or could easily be made available by Council.

If the information:

- is not made available through mandatory, proactive or informal release, or
- is of a sensitive nature that requires careful weighing of the considerations in favour of and against disclosure, or
- contains personal or confidential information about a third party that requires consultation, or
- would involve an unreasonable amount of time and resources to produce

A formal access application will need to be made.

Applicants can request formal access by submitting a formal access application along with the formal access application fee. Please note that additional costs may also be incurred for formal applications, where processing time exceeds the allocated uncharged allowance. For further detail please refer to Councils adopted Schedule of Fees and Charges.

An applicant making a formal access application has a legally enforceable right to be provided with access to the information, unless there is an overriding public interest against disclosure.

Copies of documents provided are given for information purposes only and are provided by Council to meet its requirements under relevant legislation. Copyright laws still apply to each document. The copyright-owner's consent is required if any part of the document is used for any other purpose.

Where information is released to an applicant under a formal access application and Council considers that it will be of interest to other members of the public, Council will provide details of the information in a disclosure log for inspection by the public.

### **Port Macquarie-Hastings Council Government Information (Public Access) Obligations**

Port Macquarie-Hastings Council has completed a desktop review of the current information available and has determined the release to sufficient at this time.

Council has embarked on an ambitious program to replace its current electronic document management system. Compliance with the GIPA Act has been identified and is being progressively addressed through the development of an implementation plan.

Throughout this process access to Council Business Papers and Policies should still be available from the Council's website.

The implementation of the new electronic document management system will better enable Council to proactively release information to the public and provide mechanisms to accomplish this in a more timely fashion.

Post implementation, Council will be in a position to make available a wider range of information that would be of interest to the public. A thorough review, under Section 7(3) will take place after implementation of the new electronic document management system.

The total number of access applications received by Council during the reporting year (including withdrawn applications but not including invalid applications) was seventeen (17).

The total number of access applications received by Council during the reporting year that Council refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act was 1. (Information for which there is conclusive presumption of overriding public interest against disclosure) was one (1).

| <b>Table A: Number of applications by type of applicant and outcome*</b> |                               |                               |                               |                             |                                      |                                        |                                                            |                              |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------------|----------------------------------------|------------------------------------------------------------|------------------------------|
|                                                                          | <b>Access granted in full</b> | <b>Access granted in part</b> | <b>Access refused in full</b> | <b>Information not held</b> | <b>Information already available</b> | <b>Refuse to deal with application</b> | <b>Refuse to confirm/ deny whether information is held</b> | <b>Application withdrawn</b> |
| Media                                                                    | 0                             | 0                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                          | 0                            |
| Members of Parliament                                                    | 0                             | 0                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                          | 0                            |
| Private sector business                                                  | 6                             | 0                             | 0                             | 0                           | 0                                    | 1                                      | 0                                                          | 0                            |
| Not for profit organisations or community groups                         | 0                             | 0                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                          | 0                            |
| Members of the public (application by legal representative)              | 2                             | 0                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                          | 0                            |
| Members of the public (other)                                            | 5                             | 4                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                          | 0                            |

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

| <b>Table B: Number of applications by type of application and outcome</b>              |                               |                               |                               |                             |                                      |                                        |                                                           |                              |
|----------------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------------|----------------------------------------|-----------------------------------------------------------|------------------------------|
|                                                                                        | <b>Access granted in full</b> | <b>Access granted in part</b> | <b>Access refused in full</b> | <b>Information not held</b> | <b>Information already available</b> | <b>Refuse to deal with application</b> | <b>Refuse to confirm/deny whether information is held</b> | <b>Application withdrawn</b> |
| Personal information applications #                                                    | 1                             | 3                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                         | 0                            |
| Access applications (other than personal information applications)                     | 12                            | 3                             | 0                             | 0                           | 0                                    | 1                                      | 0                                                         | 0                            |
| Access applications that are partly personal information applications and partly other | 0                             | 2                             | 0                             | 0                           | 0                                    | 0                                      | 0                                                         | 0                            |

# A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

| <b>Table C: Invalid applications</b>                                          |                           |
|-------------------------------------------------------------------------------|---------------------------|
| <b>Reason for invalidity</b>                                                  | <b>No of applications</b> |
| Application does not comply with formal requirements (section 41 of the Act)  | 1                         |
| Application is for excluded information of the agency (section 43 of the Act) | 0                         |
| Application contravenes restraint order (section 110 of the Act)              | 0                         |
|                                                                               |                           |
| Total number of invalid applications received                                 | 1                         |
| Invalid applications that subsequently became valid applications              | 1                         |

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act**

|                                                       | Number of times consideration used* |
|-------------------------------------------------------|-------------------------------------|
| Overriding secrecy laws                               | 0                                   |
| Cabinet information                                   | 0                                   |
| Executive Council information                         | 0                                   |
| Contempt                                              | 0                                   |
| Legal professional privilege                          | 1                                   |
| Excluded information                                  | 0                                   |
| Documents affecting law enforcement and public safety | 0                                   |
| Transport safety                                      | 0                                   |
| Adoption                                              | 0                                   |
| Care and protection of children                       | 0                                   |
| Ministerial code of conduct                           | 0                                   |
| Aboriginal and environmental heritage                 | 0                                   |

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act**

|                                                                      | Number of occasions when application not successful |
|----------------------------------------------------------------------|-----------------------------------------------------|
| Responsible and effective government                                 | 0                                                   |
| Law enforcement and security                                         | 0                                                   |
| Individual rights, judicial processes and natural justice            | 1                                                   |
| Business interests of agencies and other persons                     | 2                                                   |
| Environment, culture, economy and general matters                    | 0                                                   |
| Secrecy provisions                                                   | 0                                                   |
| Exempt documents under interstate Freedom of Information legislation | 0                                                   |

**Table F: Timeliness**

|                                                                      | Number of applications |
|----------------------------------------------------------------------|------------------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 17                     |
| Decided after 35 days (by agreement with applicant)                  | 0                      |
| Not decided within time (deemed refusal)                             | 0                      |
| Total                                                                | 17                     |

| <b>Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)</b> |                        |                        |              |
|---------------------------------------------------------------------------------------------------------|------------------------|------------------------|--------------|
|                                                                                                         | <b>Decision varied</b> | <b>Decision upheld</b> | <b>Total</b> |
| Internal review                                                                                         | 1                      | 0                      | 1            |
| Review by Information Commissioner*                                                                     | 0                      | 0                      | 0            |
| Internal review following recommendation under section 93 of Act                                        | 0                      | 0                      | 0            |
| Review by ADT                                                                                           | 0                      | 0                      | 0            |
| <b>Total</b>                                                                                            | <b>1</b>               | <b>0</b>               | <b>1</b>     |

\* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

| <b>Table H: Applications for review under Part 5 of the Act (by type of applicant)</b>                            |                                          |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------|
|                                                                                                                   | <b>Number of applications for review</b> |
| Applications by access applicants                                                                                 | 1                                        |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0                                        |



Photo: Cowarra Dam

## **Competitive Neutrality**

### **Progress in Implementing the Principles of Competitive Neutrality s428(2)(r)**

#### **National Competition Policy**

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.

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 (Commercial 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.

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 are 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
- Commercial 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 2011, 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 |



Photo: Bold Street Laurieton

**Environmental Planning & Assessment Act 1979 Particulars of  
compliance with and effect of planning agreements in force  
during the year.  
s93G(5)**

| <b>Title</b>                                            | <b>Date Entered Into</b> | <b>Land to which agreement applies</b>                                                                                                                                          | <b>Description of Agreement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Parties</b>                                                                                                                                                                                                                                                                       | <b>Status</b>                                                                 |
|---------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 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 bare the full cost of the proposed works with offsets to development contributions being received overtime as development within the structure plan area proceeds. | Port Macquarie Hastings Council<br>Sovereign Hills Project Pty Ltd<br>NT Australia Pty Ltd<br>Taisei Oncho Australia Pty Ltd,<br>MMTR Pty Ltd<br>Almaty Pty Ltd                                                                                                                      | The highway upgrading was completed during the previous 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 bare the full cost of the proposed works with offsets to development contributions being received overtime as development within the LEP area proceeds.                                                           | Port Macquarie Hastings Council<br>Sovereign Hills Project Pty Ltd (Developer)<br>NT Australia Pty Ltd, Taisei Oncho Australia Pty Ltd,<br>MMTR Pty Ltd,<br>Almaty Pty Ltd,<br>The Gateway (Port Macquarie) Pty Ltd,<br>K M Gleeson and C A Gleeson, MEL Properties Pty Ltd (Owners) | Development commenced during the financial year. Part contributions received. |
| Area 13 Environmental Land Management Planning          | 18 June 2008             | Lot 1 DP 603648, Lot 32 DP 792453, Lot 4 DP 588214,                                                                                                                             | The planning agreement provides for payment of a contribution for management of                                                                                                                                                                                                                                                                                                                                                                                  | Port Macquarie Hastings Council<br>Sovereign Hills Project Pty Ltd                                                                                                                                                                                                                   | Development commenced during the financial year. Part                         |

| <b>Title</b>                                             | <b>Date Entered Into</b> | <b>Land to which agreement applies</b>                                                                                      | <b>Description of Agreement</b>                                                                                                                                  | <b>Parties</b>                                                                                                                                                                                     | <b>Status</b>                                                |
|----------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Agreement                                                |                          | 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. | environmental areas following establishment, dedication and initial maintenance.                                                                                 | (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) | contributions received.                                      |
| 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. |
| Area 13 Environmental Land Management Planning Agreement | 18 June 2008             | Lot 35 DP 1157283, Lindfield Park Road Port Macquarie                                                                       | The planning agreement provides for payment of a contribution for management of environmental areas following                                                    | Port Macquarie Hastings Council D L Fanning                                                                                                                                                        | The development had not commenced during the financial year. |

| Title                                                    | Date Entered Into | Land to which agreement applies                  | Description of Agreement                                                                                                                                         | Parties                                                                 | Status                                                       |
|----------------------------------------------------------|-------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|
|                                                          |                   |                                                  | establishment, dedication and initial maintenance.                                                                                                               |                                                                         |                                                              |
| 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<br>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<br>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<br>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<br>Lankester Investments Pty Ltd        | The development had not commenced during the financial year. |
| 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<br>R L Maloney                          | The development had not commenced during the financial year. |
| Area 13                                                  | 18 June           | Lot 6 DP                                         | The planning                                                                                                                                                     | Port Macquarie                                                          | The                                                          |

| <b>Title</b>                                             | <b>Date Entered Into</b> | <b>Land to which agreement applies</b>                                     | <b>Description of Agreement</b>                                                                                                                                  | <b>Parties</b>                                                      | <b>Status</b>                                                |
|----------------------------------------------------------|--------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------|
| Environmental Land Management Planning Agreement         | 2008                     | 809161 Thrumster St Thrumster                                              | agreement provides for payment of a contribution for management of environmental areas following establishment, dedication and initial maintenance.              | Hastings Council<br>G R & M P Murcott                               | 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<br>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<br>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<br>N Panos                          | The development had not commenced during the financial year. |
| 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<br>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                                                              | Port Macquarie Hastings Council<br>N L Ramm                         | The development had not commenced during the financial       |

| Title                                                    | Date Entered Into | Land to which agreement applies                       | Description of Agreement                                                                                                                                         | Parties                                                 | Status                                                       |
|----------------------------------------------------------|-------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------|
|                                                          |                   |                                                       | following establishment, dedication and initial maintenance.                                                                                                     |                                                         | 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<br>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<br>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 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<br>G R & G J Teasdel    | 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<br>P J & A J Willoughby | The development had not commenced during the financial year. |
| 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<br>A D Witchard         | The development had not commenced during the financial year. |

| <b>Title</b>                                             | <b>Date Entered Into</b>              | <b>Land to which agreement applies</b>                                                                                           | <b>Description of Agreement</b>                                                                                                                                                                                                                                                       | <b>Parties</b>                                                                 | <b>Status</b>                                                                                                                                                 |
|----------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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<br>E C & D Witchard                            | The development had not commenced during the financial year.                                                                                                  |
| Macquarie Park Planning Agreement                        | 18 June 2008<br>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<br>Macquarie Park Developments Pty Ltd         | Development completed. Contribution received.                                                                                                                 |
| 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<br>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 6133304 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<br>G E & S J Vaughan                           | The development had not commenced during the financial year.                                                                                                  |
| 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 contributions 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, | Port Macquarie Hastings Council<br>Gwynvill Trading Pty Ltd                    | The development commenced during the financial year. Draft Ocean Club Residential Community Planning Agreement exhibited will revoke this planning agreement. |

| Title                                                                      | Date Entered Into | Land to which agreement applies                                                                                                    | Description of Agreement                                                                                                                                                                                                                                                                                                                                                                      | Parties                                                                                                                     | Status                                                       |
|----------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
|                                                                            |                   |                                                                                                                                    | dedication and maintenance of environmental open space.                                                                                                                                                                                                                                                                                                                                       |                                                                                                                             |                                                              |
| 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<br>Tebran Pty Ltd                                                                           | Development 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<br>Cheryn Annette Maxwell and C A Maxwell as Executor of the Estate of the Late J M Maxwell | The development had not commenced during the financial year. |
| 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                                                                                                                                                                                                      | Port Macquarie Hastings Council<br>Robert G Willcox                                                                         | The development had not commenced during the financial year. |

| Title                                                                      | Date Entered Into | Land to which agreement applies           | Description of Agreement                                                                                                                                                                                                                                            | Parties                                                          | Status                                                       |
|----------------------------------------------------------------------------|-------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------|
|                                                                            |                   |                                           | contribution offsets and dedication of a link road to adjoining property.                                                                                                                                                                                           |                                                                  |                                                              |
| 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 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<br>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 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<br>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 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<br>W T & D C Bowen               | The development had not commenced during the financial year. |
| King Creek Road Planning Agreement                                         | 18 August 2010    | Lot 65 DP 250978                          | The planning agreement provides for payment of a contribution towards the cost of constructing an intersection on King Creek Road to serve the development                                                                                                          | Port Macquarie Hastings Council<br>PL & LA Dever                 | The development commenced during the financial year.         |

| <b>Title</b>                                         | <b>Date Entered Into</b> | <b>Land to which agreement applies</b> | <b>Description of Agreement</b>                                                                                                                                                                                    | <b>Parties</b>                                                        | <b>Status</b>                                                |
|------------------------------------------------------|--------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|
| King Creek Road Planning Agreement                   | 18 August 2010           | Lot 23 DP 248284 & Crown Road          | The planning agreement provides for payment of a contribution towards the cost of constructing an intersection on King Creek Road to serve the development                                                         | Port Macquarie Hastings Council<br>DJ & C Liddle                      | The development had not commenced during the financial year. |
| King Creek Road Planning Agreement                   | 18 August 2010           | Lot 22 DP 248284                       | The planning agreement provides for payment of a contribution towards the cost of constructing an intersection on King Creek Road to serve the development                                                         | Port Macquarie Hastings Council<br>PJ & BA Kemp                       | The development had not commenced during the financial year. |
| King Creek Road Planning Agreement                   | 18 August 2010           | Lot 64 DP 250978                       | The planning agreement provides for payment of a contribution towards the cost of constructing an intersection on King Creek Road to serve the development                                                         | Port Macquarie Hastings Council<br>T & B Sinclair                     | The development had not commenced during the financial year. |
| Beechwood Residential Development Planning Agreement | 18 August 2010           | Lot 3 DP 831325                        | The planning agreement provides for payment of a contribution for local water supply and local roads, construction of intersections with Beechwood Road and construction of a watermain with contribution offsets. | Port Macquarie Hastings Council<br>WL & RM Lane                       | The development had not commenced during the financial year. |
| Beechwood Residential Development Planning Agreement | 18 August 2010           | Lot 5 DP 21925                         | The planning agreement provides for payment of a contribution for local water supply and local roads, construction of intersections with Beechwood Road and construction of a watermain with contribution offsets. | Port Macquarie Hastings Council<br>ANR Investments Pty Ltd            | The development had not commenced during the financial year. |
| Walters Street Planning Agreement                    | 21 Feb 2011              | Lot 108 DP 1083464                     | The planning agreement provides for restrictions on retail floor space. Refer to Clauses 6.1 & 6.2 of the                                                                                                          | Port Macquarie Hastings Council<br>The Trustees of the Roman Catholic | The development had not commenced during the financial       |

| Title                                  | Date Entered Into | Land to which agreement applies          | Description of Agreement                                                                   | Parties                                                                        | Status                              |
|----------------------------------------|-------------------|------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------|
|                                        |                   |                                          | Agreement.                                                                                 | Church of the Diocese of Lismore                                               | year.                               |
| Newport Resort Park Planning Agreement | 21 Feb 2011       | Lot 2 DP 1095632, Lots 11 & 12 DP 792325 | The planning agreement provides for payment of a contribution for local sewerage services. | Port Macquarie Hastings Council<br>Papuka Holdings Pty Ltd and Trevnor Pty Ltd | The contribution has not been paid. |



Photo: Camden Haven River

## **Companion Animals Act 1998 and Regulation**

### **Statement on activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation cl 217(1)(f)**

23 reported dog attacks took place in the Port Macquarie-Hastings Local Government area during the 2010/2011 period.

Council funding (expenditure) for Companion Animal Management was approximately \$525,000.

Port Macquarie-Hastings Council conducts a School Education Program targeting Year 3 & 4 students. This program is run in Term three (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 days 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 newly adopted "Dogs in Public Open Spaces" policy. As part of the new policy Council has identified three public reserve areas, in addition to the existing beach areas, within the Local Government Area (LGA) which have been nominated and approved for the establishment of dog leash-free areas. Funding from the Companion Animals fund will be utilised to establish and furnish the three areas.

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 |                                   |                                        |                                    |                                              |
|------------------------------|-----------------------------------|----------------------------------------|------------------------------------|----------------------------------------------|
|                              | 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                         | 90                                | 5                                      | 87                                 | 8                                            |
| August                       | 51                                | 8                                      | 56                                 | 3                                            |
| September                    | 42                                | 3                                      | 41                                 | 4                                            |
| October                      | 59                                | 4                                      | 53                                 | 10                                           |
| November                     | 44                                | 10                                     | 42                                 | 12                                           |
| December                     | 51                                | 12                                     | 50                                 | 13                                           |
| January                      | 58                                | 13                                     | 60                                 | 11                                           |
| February                     | 51                                | 11                                     | 53                                 | 9                                            |
| March                        | 81                                | 9                                      | 84                                 | 6                                            |
| April                        | 57                                | 6                                      | 60                                 | 3                                            |
| May                          | 59                                | 3                                      | 57                                 | 5                                            |
| June                         | 69                                | 5                                      | 68                                 | 6                                            |
| <b>Total</b>                 | <b>712</b>                        | <b>89</b>                              | <b>711</b>                         | <b>90</b>                                    |

## Financial Reports

Included in this report are the following:

- Summary of Rates and Charges written off during 2010/11 s428(2)(a) cl 132
- The total amount granted under Section 356 of the Local Government Act 1993 s428(2)(l)
- Details of Contracts awarded and amounts greater than \$150,000 s428(2)(h)
- Senior Staff remuneration packages s428(2)(g) cl 217(b)
- Details of overseas visits undertaken during the year by Councillors, Council Staff or other persons representing the Council s428(2)(r) cl 217(1)(a)
- Special variations of rating income

A full copy of Council's Financial Statements for the financial year ending 30 June 2011 can be found as an attachment to this report. (Refer to Attachments 2 & 3)

| <b>Summary of Rates and Charges written off during 2010/11</b> |                     |
|----------------------------------------------------------------|---------------------|
| <b>Abandoned Pensioners</b>                                    |                     |
| General Fund Rates                                             | 1,463,585.99        |
| Sewerage Services Annual Charges                               | 611,765.03          |
| Domestic Waste Annual Charges                                  | 539,969.16          |
| Other Waste Annual Charges                                     | 445.58              |
| Water Supply Usage Charges                                     | 108,699.68          |
| Water Supply Annual Charges                                    | 541,408.13          |
|                                                                | 3,265,873.57        |
| <b>Abandoned Other</b>                                         |                     |
| General Fund Rates                                             | 13,831.05           |
| Water Supply Annual Charges                                    | -9,201.99           |
| Sewerage Services Annual Charges                               | 617.00              |
| Domestic Waste Annual Charges                                  | 0.00                |
| Other Waste Annual Charges                                     | 55.59               |
| Water Supply Usage Charges                                     | 60,784.37           |
| Sewerage Services Usage Charges                                | 303.12              |
| Onsite Effluent Annual Charges                                 | 29.36               |
|                                                                | 66,418.50           |
| <b>Abandoned Interest</b>                                      |                     |
| General Fund                                                   | 8,044.97            |
| Water Supply                                                   | -1,127.97           |
| Sewerage Services                                              | 0.32                |
| Domestic Waste Management                                      | 0.03                |
| Other Waste Management                                         | 0.00                |
|                                                                | 6,917.35            |
| <b>Total Rates and Charges written off in 2010/11</b>          | <b>3,339,209.42</b> |

**THE TOTAL AMOUNT GRANTED UNDER SECTION 356 OF THE LOCAL  
GOVERNMENT ACT 1993**

For the year ended 30 June 2011

|                                              |            |
|----------------------------------------------|------------|
| Arts Mid North Coast                         | 12,300.00  |
| Blokes Notes                                 | 500.00     |
| Camden Haven Chamber of Commerce             | 2,500.00   |
| Camden Haven Concert Band                    | 7,224.00   |
| Camden Haven Marine Radio Base               | 3,900.00   |
| Camden Haven Sea Rescue                      | 3,900.00   |
| Donation of Rates                            | 24,816.77  |
| Donation of Waste Depot Tipping Fees         | 9,445.29   |
| Donations - Other Community Grants Programme | 1,199.70   |
| Donations for DA/BA fees                     | 8,118.63   |
| Hastings Cancer Trust                        | 200.00     |
| Hastings District Pipe Band                  | 7,224.00   |
| Kickstart                                    | 10,000.00  |
| Koala Orchestra                              | 5,676.00   |
| Lorne Recreational Centre                    | 500.00     |
| M Broderick                                  | 300.00     |
| Maritime Museum – Rates                      | 23,113.52  |
| Motor Neurone Disease Society                | 250.00     |
| Pappinbarra Progress Association             | 1,000.00   |
| PMHC Sporting Fund                           | 26,050.55  |
| Port Macquarie City Church                   | 1,500.00   |
| Port Macquarie Marine Radio Base             | 25,200.00  |
| Port Macquarie Ministers Association         | 4,000.00   |
| Port Macquarie Neighbourhood Centre          | 1,500.00   |
| Port Macquarie Sea Rescue                    | 3,900.00   |
| Port Macquarie Town Band                     | 10,320.00  |
| Regional Development Australia               | 1,000.00   |
| Sporting Grants Programme                    | 43,498.56  |
| Tacking Point Lions Club                     | 1,000.00   |
| Wauchope Info & Neighbourhood Centre         | 2,400.00   |
|                                              | 242,537.02 |

**Details of Contracts awarded and amounts greater than  
\$150,000  
For the year ended 30 June 2011  
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.

| <b>Supplier</b>                      | <b>Project</b>                                | <b>Cost \$ (excl GST)</b> |
|--------------------------------------|-----------------------------------------------|---------------------------|
| Musco Lighting Australia Pty Ltd     | Wayne Richards Park Lighting                  | \$229,000                 |
| GCM Environmental Pty Ltd            | Replacement Landfill Compactor                | \$200,000                 |
| NSW Public Works                     | Glasshouse Air-conditioning                   | \$524,000                 |
| All Swiss Tractors Pty Ltd           | Tractor Based Out front Mowers                | \$362,400                 |
| GHD Pty Ltd                          | Planning and Design P.M Airport Upgrade       | \$243,610                 |
| Mid Coast Trucks                     | Purchase of Plant                             | \$654,809                 |
| SNP Security                         | Aviation Screening Services                   | \$460,222 (per annum)     |
| Coffey Projects                      | Project Management P.M Airport Upgrade        | \$291,040                 |
| Komatsu Australia                    | Purchase of Excavator                         | \$183,943                 |
| All Diesel Equipment Sales & Service | Skidsteer Loader                              | \$138,883                 |
| Hitachi Construction Machinery       | Backhoe Loaders                               | \$195,936                 |
| Bridle Group                         | Riverbank Stabilisation (Rocks Ferry Reserve) | \$165,555                 |
| Roadcom Pty Ltd                      | Milton Circuit Drainage Upgrade               | \$162,746                 |
| Ferryman Pty Ltd                     | Operation of PMHC Ferry Services              | \$142,416 (per annum)     |
| Haslin Constructions Pty Ltd         | No.7 Sewage Pumping Station                   | \$1,629,580               |

## Senior Staff Remuneration Packages

For the year ended 30 June 2011

**s428(2)(g) cl 217(1)(b)(i)(ii)(iii)(iv)(v)**

Council employed five (5) Senior Staff during the 2010/11 year.

| <b>Title</b>                                     | <b>Total Amount</b> |
|--------------------------------------------------|---------------------|
| General Manager                                  | \$336,290           |
| Director of Community and Cultural Development   | \$223,270           |
| Director of Corporate and Business Services      | \$254,640           |
| Director of Development and Environment Services | \$232,445           |
| Director of Infrastructure Services              | \$253,423           |
|                                                  | <b>\$1,300,069</b>  |

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

## Register of Overseas Travel

For the year ended 30 June 2011

**s428(2)(r) cl 217(1)(a1)**

| <b>Name</b>                             | <b>Name of Conference</b> | <b>Location</b> | <b>Date/s</b>                                                          | <b>Resolved</b>           |
|-----------------------------------------|---------------------------|-----------------|------------------------------------------------------------------------|---------------------------|
| Cliff Toms (Technical Services Manager) | IPWEA Overseas Study Tour | USA & UK        | 8-28 August 2010                                                       | ORD<br>23/06/10           |
| Andrew Roach (General Manager)          | LGMA Exchange             | USA             | 29 January-<br>13 February 2011<br>(private travel -<br>30-31 January) | Administrator<br>approved |

## Special Variations of Rating Income s508(2) s508(a)

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 2011.

|         | <b>Special Variation</b> | <b>Amount</b> |                                                                                         |
|---------|--------------------------|---------------|-----------------------------------------------------------------------------------------|
| 2000/01 | 3.18%                    | 505,000       | <i>Increased road maintenance</i>                                                       |
|         | 1.57%                    | 250,000       | <i>Kerb, gutter and footpaths</i>                                                       |
| 2004/05 | 19.16%                   | 3,902,058     | <i>Road works, parks, environmental management and increased community expectations</i> |
| 2005/06 | 4.00%                    | 1,034,823     | <i>Road works, parks, environmental management and increased community expectations</i> |
| 2010/11 | 7.36%                    | 2,441,953     | <i>Infrastructure maintenance/renewal</i>                                               |

*The 2010/11 approval was originally approved for a period of one year only. As part of the 2011/12 special variation application it was approved for a second year.*

| Current Value of Special Variation Approvals |                    |                  |                   |                  |                  |
|----------------------------------------------|--------------------|------------------|-------------------|------------------|------------------|
|                                              | Rate Pegging Limit | 2000/01 Approval | 2004/05 Approval  | 2005/06 Approval | 2010/11 Approval |
| Amount of Original Approval                  |                    | 755,000          | 3,902,058         | 1,034,823        | 2,441,953        |
| 2000/01                                      |                    | 755,000          |                   |                  |                  |
| 2001/02                                      | 2.8%               | 776,140          |                   |                  |                  |
| 2002/03                                      | 3.3%               | 801,753          |                   |                  |                  |
| 2003/04                                      | 3.6%               | 830,616          |                   |                  |                  |
| 2004/05                                      | 3.5%               | 859,687          | 3,902,058         |                  |                  |
| 2005/06                                      | 3.5%               | 889,776          | 4,038,630         | 1,034,823        |                  |
| 2006/07                                      | 3.6%               | 921,808          | 4,184,021         | 1,072,077        |                  |
| 2007/08                                      | 3.4%               | 953,150          | 4,326,277         | 1,108,527        |                  |
| 2008/09                                      | 3.2%               | 983,651          | 4,464,718         | 1,144,000        |                  |
| 2009/10                                      | 3.5%               | 1,018,078        | 4,620,983         | 1,184,040        |                  |
| 2010/11                                      | 2.6%               | 1,044,548        | 4,741,129         | 1,214,825        | 2,441,953        |
| <b>Total</b>                                 |                    | <b>9,834,207</b> | <b>30,277,817</b> | <b>6,758,292</b> | <b>2,441,953</b> |

|                                |                  |
|--------------------------------|------------------|
| <b>2000/01 Approval</b>        | <b>Total</b>     |
| Kerb & Guttering and Footpaths | 2,845,309        |
| Increase in Road Maintenance   | 6,988,898        |
|                                | <u>9,834,207</u> |

|                                                                                           |                   |
|-------------------------------------------------------------------------------------------|-------------------|
| <b>2004/05 Approval</b>                                                                   |                   |
| <b>Maintenance Items</b>                                                                  |                   |
| Increase in road maintenance                                                              | 4,270,800         |
| Increase in parks maintenance                                                             | 4,038,793         |
| Increase in library operations                                                            | 924,150           |
| Increase in Community Services Funding                                                    | 3,078,173         |
| <b>Works Programme Items</b>                                                              |                   |
| 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             |
| <b>Loan Repayments</b>                                                                    |                   |
| Provide new major regional facilities (Wayne Richards Park) - Loan Repayments - \$209,890 | 75,714            |
| Provide new major regional facilities (Wayne Richards Park) - Loan Repayments - \$205,000 | 140,488           |
| Regional Stadium - Covered Grandstand - Loan Repayments - \$904,675                       | 889,983           |
| Ring road construction - Loan Repayments - \$1,630,000                                    | 1,267,750         |
| Ring road construction - Loan Repayments - \$4,705,280                                    | 2,903,553         |
| Performing Arts Facility - Loan Repayments                                                | <u>8,383,394</u>  |
|                                                                                           | <u>30,277,817</u> |

|                                       |                  |
|---------------------------------------|------------------|
| <b>2005/06 Approval</b>               |                  |
| <b>Maintenance Items</b>              |                  |
| Increase in road maintenance          | 2,214,577        |
| Increase in parks maintenance         | 1,771,824        |
| Increase in library operations        | 691,501          |
| Increase in lifeguard funding         | 524,020          |
| Operational budget for The Glasshouse | 1,407,627        |
| <b>Works Programme Items</b>          |                  |
| 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           |
|                                       | <u>6,758,292</u> |

|                                              |                  |
|----------------------------------------------|------------------|
| <b>2010/11 Approval</b>                      |                  |
| Beach Safety                                 | 9,768            |
| Bushfire Management                          | 19,535           |
| Parks, Reserves & Sporting Field Maintenance | 410,245          |
| Tree Maintenance                             | 48,839           |
| Road Maintenance – Heavy Patching            | 488,387          |
| Road Maintenance – Resealing Programme       | 1,123,309        |
| Unsealed Road Maintenance Programme          | 341,870          |
|                                              | <u>2,441,953</u> |

## 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 riverbank 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 – 2004/05 and 2005/06 Approvals**

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. Car parking adjacent to Boundary Street has been completed as part of stage 2 works. A future car park on the western extremities of the site is proposed in the future.

## **Aquatic Facilities**

Port Macquarie-Hastings Council 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
- Recreation pool/children's play area
- Foyer/reception area
- Retail space
- 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.

It is being 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 – 2000/01, 2004/05 and 2005/06 Approvals**

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 very ten years. Prior to these funds being applied the resealing and resheeting cycle was much longer.

Increases in heavy patching, jet patching, 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.

### **2010/11 Approval Outcomes**

#### **Parks & Reserves**

This additional funding has allowed Council to increase maintenance levels of service, particularly mowing maintenance, which has resulted in a significant reduction in the number of customer requests that have been generated this financial year. High use areas such as Bain Park and Port Macquarie's Town Green have been particularly targeted for higher levels of service.

### **Lifeguard Funding**

School Education Programmes delivered on 22 occasions to over 1,250 children across the LGA in the 2010/11 financial year.

### **Tree Management**

The additional funding provided for tree management has significantly improved Council's position in relation to management of high risk trees. The number of jobs included in Council's Tree Works list has reduced from 701 in June 2009 to 520 in June 2011 despite 180 new jobs being added to the list following the significant storm event of 17 March 2011.

### **Bushfire Management**

The additional funding provided for Bushfire Management has allowed Council to construct additional Asset Protection Zones in the local government area which has reduced Council's risk in this area and provided improved bushfire protection for people and properties adjacent to these areas.

### **Road Funding**

Council has allocated \$1.95 million from the 2010/11 Special Rate Variation to improving the condition of our roads. Prior to the Special Rate Variation there was community discussion on the state of the road network, the levels of maintenance expected and the difference between the community's expectations and the maintenance levels actually being delivered.

As part of Council's "back to basics" program, a plan was adopted to attempt to bring local roads back to an appropriate standard for both sealed and unsealed roads. In the Port Macquarie-Hastings Local Government Area, we have 850 kilometres of sealed and 450 kilometres of unsealed roads.

As part of the Special Rate Variation, funding has been reallocated to roads maintenance including heavy patching and rehabilitation works on several high traffic roads including Hastings River Drive, Ocean Drive, Bago Road, King Creek Road, Kennedy Drive, Blackbutt Road and Belah Road.

A revised resealing program has been undertaken based on condition data, roads hierarchy and traffic volumes. Resealing works have been undertaken for high traffic arterial roads and the industrial area of Port Macquarie, including Ocean Drive, Hastings River Drive and Jindalee Road.

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

## Areas of Strategic Focus Report

### Governance

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

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

Environment

Social

Economic

Governance

### Leadership

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

### Services

- ☐ Administrator's office
- ☐ General Manager's office
- ☐ MMM
- ☐ Corporate governance (Council and Committee meetings, statutory compliance, internal audit and public officer)
- ☐ Executive Group

### Key planning / policy documents

- ☐ Council Towards 2030 Strategic Plan (currently under development)
- ☐ Statement of Business Ethics
- ☐ Council policies
- ☐ Code of Conduct
- ☐ Annual internal Audit Plan
- ☐ Code of Meeting Practice
- ☐ Statutory compliance register

### Strategies

| Objectives                                                                                         | Strategies                                                                                                                                                                                                                                                                     | Performance indicators                                                                                                    | Comment                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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<br>Council's decisions<br><br>Effectiveness of advocacy approaches | Continued to meet with all levels of Government and industry groups on regional and community issues. Monthly meetings with State Member for Port Macquarie and Federal Member for Lyne.                                                                          |
|                                                                                                    | 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                     | Council is a member of the Mid North Coast Group of Councils (MIDGOC) which advocates on six key priority areas:<br>1. Financial Sustainability<br>2. Timber Bridges<br>3. Coastal Erosion<br>4. Flood Mitigation<br>5. Waste Management<br>6. Emergency Services |

|                                                                                                                                                                  |                                                                                                                                                              |                                                                                                                                                                           |                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                  |                                                                                                                                                              |                                                                                                                                                                           | <p>Council has worked on collaborative projects through this alliance on GIS, Procurement, IT and OH&amp;S.</p> <p>Agreement reached on tele-conferencing joint venture, equipment ordered, on arrival will be installed.</p> |
|                                                                                                                                                                  | 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                                               | <p>Employee survey conducted in early 2011 and currently being analysed.</p> <p>Corruption training program to be developed.</p>                                                                                              |
| Develop and Implement the Towards 2030 Strategic Plan in line with the vision determined by the Port Macquarie Hastings community.                               | Draft Community Vision document including goals and objectives to be developed and circulated for community comment.                                         | Community comment considered and 2030 Community Strategic Plan adopted by Council in June 2011                                                                            | Towards 2030 suite of documents adopted by Council in June 2011. Community comments were included in the report to Council.                                                                                                   |
| <p>To ensure compliance with legislation, Council policies and standards</p> <p>To assist Council to comply with legislation, Council policies and standards</p> | <p>Develop annual internal audit plan</p> <p>Develop and implement compliance register and measure corporate compliance.</p>                                 | <p>Percentage of Internal Audit plan achieved (Target: 100%)</p> <p>Register developed Percentage of compliance with statutory and policy requirements (Target: 100%)</p> | <p>100%, with one (1) item - Review of Stores &amp; Procurement processes being deferred to 2011/12.</p> <p>Register currently under development. Requires additional resources.</p>                                          |

## 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 in decision making
- ☐ 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 and Framework
- ☐ Marketing and Communications Manual
- ☐ Customer Service Charter

## Strategies

| Objectives                                                                                                                                               | Strategies                                                                                                                                                                           | Performance indicators                                                                                                                           | Comment                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                | Council to continue use of online discussion forums.<br><br>Administrator consultation panels established.                                                      |
| 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<br><br>Increase in number of people participating in community enabling activities | The overall community response to community consultation undertaken has been positive.<br><br>Current membership of the Community Reference Group (CRG) is 253. |
| 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 utilisation of a variety of communication channels.                                                            | Communications / updates published in accordance with applicable service level agreement (SLA) standard                                          | Council is actively releasing proactive media releases and alerts.<br><br>Council has established a Social Media Policy.                                        |
| 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                                                                               | Social Media Policy developed.<br><br>Communication Strategy to be reviewed in 2011/12.                                                                         |
| To provide consistent, high quality front line counter and call centre customer services to respond to community needs in terms of:<br>- responsiveness, | Provide front line counter and call centre services to the community in accordance with agreed service standards<br><br>Maintain a complaints management procedure to                | Customer satisfaction with standard of Customer Service (Target: >75%)                                                                           | Customer satisfaction with front line customer service remains consistently very high as evidenced through customer feedback channels.                          |

| Objectives                                                                                                                                                                             | Strategies                                                                                                                                                                                                                                                                    | Performance indicators                                                                                                                                                                                                                                                               | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>inclusiveness and accessibility</p> <ul style="list-style-type: none"> <li>- efficiency and effectiveness</li> <li>- consistency, simplicity and transparency of service</li> </ul> | <p>improve the management, monitoring and reporting of customer complaints</p> <p>Maintain 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</p> | <p>Grade of service percentage (Target: 75% of calls answered within applicable service level agreement (SLA) standard; Abandoned calls less than 3% of total calls)</p> <p>Compliance with complaints management procedure (Target: 100%)</p> <p>Ongoing staff training program</p> | <p>Grade of Service (GOS) maintained and in some months increased as the training and development of new and existing staff continued. Abandoned call rate remains steady. A reduction of over 20% in complaints lodged in this reporting year with an average of seven (7) complaints per month.</p> <p>Consistent focus on provision of service excellence and staff development through identified training.</p> <p>Customer Service Centre (CSC) was a finalist in the Customer Care Excellence Award program.</p> <p>Customer service charter review scheduled for completion early 2011.</p> |

## 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
- ☐ 10-year Plant Replacement Programme
- ☐ Risk Management Policy and Framework 2007
- ☐ Tendering Guidelines for NSW Local Government 2009

### Strategies

| Objectives                                                                                                                                            | Strategies                                                                                                                                                                                                                                                                               | Performance indicators                                                                                                                              | Comment                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                       | Delivery program directly cascades from and supports the overarching Community Strategic Planning Document for the Port Macquarie – Hastings region | Towards 2030 Community Strategic Plan suite of documents adopted by Council in June 2011. Wide community engagement occurred over previous 2 years to feed into this process.                                                                                                                                                                                     |
|                                                                                                                                                       | Review, update and publish a refined Council management plan aligned to the NSW Department Local Government's integrated planning legislation to better communicate with the community Council's proposed services and facilities, financial statements and schedule of fees and charges | Transition from Corporate Plan reporting to reporting council's delivery program in a revised format within statutory timeframes                    | The new Integrated Planning Framework, comprised a full suite of documents which included the Towards 2030 Community Strategic Plan, Resourcing Strategy, 2011–2015 Delivery Program, 2011-2012 Operational Plan. They were adopted by Council in June 2011 ready for implementation on 1 <sup>st</sup> July 2011. This meets Council's legislative requirements. |
|                                                                                                                                                       | Facilitate annual business planning process to translate strategic direction into                                                                                                                                                                                                        | Business planning process to be satisfactorily completed in accordance with statutory                                                               | Ongoing monitoring                                                                                                                                                                                                                                                                                                                                                |

| Objectives                                                                                                                      | Strategies                                                                                                                                                                                                                                                                                                                                                   | Performance indicators                                                                                                                                                                                                                                                                                                                                                 | Comment                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                 | operational business plans                                                                                                                                                                                                                                                                                                                                   | timeframes                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                    |
| To facilitate strategic financial planning to ensure the long-term financial sustainability of Council                          | <p>Maintain Council's liquidity and solvency to ensure continued financial viability of Council</p> <p>Actively enforce Council's debt recovery policy</p> <p>Optimise Council's investment returns whilst complying with the policy and statutory framework</p> <p>Ensure long term financial plans are available to facilitate Council decision making</p> | <p>Comparison of various year end financial performance ratios to Department of Local Government Benchmarks</p> <p>- Current ratio (unrestricted)<br/>- Debt service ratio<br/>- Rates outstanding %<br/>- Rates coverage ratio</p> <p>Investment performance above benchmark</p> <p>Adoption of Corporate Plan by Council in accordance with statutory timeframes</p> | <p>Current ratio 1.89:1<br/>Debt serv. ratio 11.65%<br/>Rates O/S 8.89%<br/>Rates cov.ratio 46.12%<br/>All ratios better than benchmark except Rates o/s percentage.</p> <p>On average Council's investments achieved 1% over the benchmark rate.</p> <p>Long Term Financial Plan adopted by Council in June as part of the Corporate Plan suite of documents.</p> |
| To provide a comprehensive range of financial services to support Council operations                                            | <p>Comply with various statutory requirements</p> <p>Provide and monitor financial services internally</p>                                                                                                                                                                                                                                                   | <p>Timely submission of audited Financial Statements</p> <p>Preparation of monthly Review reports</p> <p>Preparation and timely lodgement of BAS, Payroll Tax, ABS returns and other financial returns as required</p> <p>Satisfaction with provision of internal monitoring, support, financial data and reports</p>                                                  | <p>Audited Financial Statements lodged with Division of Local Government before due date.</p> <p>Monthly budget review report submitted to Executive and Council each month.</p> <p>All taxation and other statutory financial returns lodged on time.</p> <p>Financial results monitored each month and timely reports issued.</p>                                |
| 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.                                                                                                                                                                                                                                                                                          | 23 Tenders advertised and evaluated in 2010/11.                                                                                                                                                                                                                                                                                                                    |

| Objectives                                                                                                 | Strategies                                                                                                                                                    | Performance indicators                                                                                                    | Comment                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                            | Continue to streamline the Procure-to-Pay processes within Council to drive cost-savings                                                                      | Percentage of Council purchases (by value) made via Purchase Card<br><br>Percentage of requisitions placed electronically | Emphasis continues to be placed on using purchase cards for low value items.<br><br>Percentage of purchases made via Purchase Card for the financial year was 44.2% - up from 42% on prior year.<br>Following programming issues, on line requisitions will now be implemented in the first few months of the new financial year. |
|                                                                                                            | Develop an organisation-wide Risk Management Plan as a way to implement the Risk Management Policy & Framework across the organisation                        | Risk Management Plan implemented                                                                                          | Risk Management Policy and Framework is an ongoing process.                                                                                                                                                                                                                                                                       |
|                                                                                                            | 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 in accordance with Policy.                                                                                                                                                                                                                        |
|                                                                                                            | 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%)                                        | Plant utilisation is 89.6% for the year.                                                                                                                                                                                                                                                                                          |
| 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 an 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

- |                                                            |                                                            |
|------------------------------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> Employee well-being               | <input type="checkbox"/> Occupational health and safety    |
| <input type="checkbox"/> Employee learning and development | <input type="checkbox"/> Staff recognition and award       |
| <input type="checkbox"/> Employment, equity and diversity  | <input type="checkbox"/> Employee attraction and retention |
| <input type="checkbox"/> Communication                     |                                                            |

### Key planning documents

- ☐ EEO Management Plan 2008-2012
- ☐ Business Excellence Framework (BEF)
- ☐ Organisational Development Plan (in development)

### Strategies

| Objectives                                                    | Strategies                                                                                                                                                                                                                                                   | Performance indicators                                                                                                                                                       | Comment                                                                                                 |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Increase the use and value of performance management. systems | Facilitate a performance focussed workplace through:<br><br>Continued utilisation of 'on-line' Performance Management Plans (PMPs) for relevant staff<br><br>Implementation of formal review annually for all other employees.                               | High quality performance reviews with benchmarks established for goal achievement                                                                                            | Online PMP process complete<br><br>Pilot program with Infrastructure staff complete                     |
| Build organisational leadership capability.                   | Develop proactive and visionary leadership through:<br><br>Implementation of a leadership capability framework<br><br>Continued delivery of a supervisory program for new and aspiring supervisors<br><br>Development and implementation of a workforce plan | Number of employees attending appropriate training courses<br><br>Ongoing<br><br>Plan developed by May 2010<br>Plan Piloted by Sept 2010<br>Plan Implemented by January 2011 | Training budget expended – all planned training completed<br><br>Workforce planning continues - ongoing |
| Contribute to organisational change and improvement.          | Listen to our employees and communicate the BEF message by:                                                                                                                                                                                                  | Business Excellence Framework                                                                                                                                                | BEF on hold                                                                                             |

| Objectives                                                   | Strategies                                                                                                                                                                                                                                                                  | Performance indicators                                                                                                                                                                         | Comment                                                                                         |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|                                                              | Conduct an Employee Opinion Survey on a bi annual basis:<br>The employee survey process is a continual cycle of survey, analysis and feedback with action plans developed and implemented<br><br>Support organisational implementation of the Business Excellence Framework | Movement in agreed areas is tracked year on year with comparison to the municipal sector.<br><br>Integrate BEF into an induction program for new employees<br><br>Utilise BEF tools to deliver | Survey complete<br><br>Induction includes segment on continuous improvement which aligns to BEF |
| Deliver high quality Occupational Health and Safety training | Use of pre qualified OH&S training providers<br><br>Workers Compensation organisational improvement<br><br>Return to work                                                                                                                                                   | Formal review & evaluation of training outcomes                                                                                                                                                | OH&S training complete                                                                          |

## Staff profile

|                               | 2006/07          | 2007/08          | 2008/09 | 2009/10 | 2010/11         |
|-------------------------------|------------------|------------------|---------|---------|-----------------|
| Community Development         | 52               | 54               | 47.4    | 40      | 65 <sup>1</sup> |
| Development & Environment     | 46               | 42               | 63.8    | 56.8    | 81 <sup>2</sup> |
| Executive Services            | 28               | 30               | 33.5    | 28.5    | 10 <sup>1</sup> |
| Corporate & Business Services | 83               | 86               | 103.5   | 87      | 82              |
| Infrastructure Services       | 162              | 154              | 304.39  | 266.4   | 242             |
| Water & Natural Resources     | 147              | 147              | *       |         |                 |
|                               | 518 <sup>^</sup> | 513 <sup>^</sup> | 552.7   | 478.7   | 476             |

\* Due to changes to council and senior management an interim structure that resulted in some redistribution of work groups occurred in late 2008. This has impacted predominantly on the Water Natural Resources division.

<sup>1</sup> Movement of Customer Services and Visitor Information Services to Community Development.

<sup>2</sup> Movement of Waste Services to Development & Environment

<sup>^</sup> Employee numbers prior to 2008/09 were actual staff not including vacancies.

## Equal Employment Opportunity (EEO) Management Plan

| Objectives                                                                                                                                                                                                                                                                                                                                                                                   | Strategies                                                                                                                                                                                                                                                                                                                                                                                      | Performance indicators                                                                                                                                                                                                                                           | Comment                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <i>Sound information base:</i><br>Ensure that Equal Employment Opportunity (EEO) statistical data is comprehensive and accurate                                                                                                                                                                                                                                                              | Encourage new staff to complete EEO surveys at commencement of employment<br>Analyse data for EEO planning and action                                                                                                                                                                                                                                                                           | Data analysed and statistics calculated and analysed against current trends<br><br>An understanding of the break-down of our EEO target group demographics, compared to PMH & National/State ABS data                                                            | Ongoing                                                                |
| <i>Communication and Awareness:</i><br>Ensure that all employees are aware of:<br>EEO principles, Anti-discrimination and Council's EEO policy;<br>Their responsibilities in relation to EEO and Anti-discrimination;<br>The existence of the EEO Management Plan and where it is located;<br>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<br>Communicate information on EEO, anti-discrimination and harassment to all new employees as part of the Corporate Orientation program<br>Promote EEO, anti-discrimination and intolerance of bullying & harassment<br>Promote the EEO Contact Officer/s | All staff trained on their rights and responsibilities<br><br>Managers/Supervisors conduct retraining sessions for their supervisors when legislative changes occur<br><br>Employees made aware of, understand role and know how to access the Contact Officer/s | All of Council training arranged and booked for September/October 2011 |
| <i>Participation:</i><br>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                                                                                                                                                                                                                            | Complete                                                               |
| <i>Recruitment:</i><br>Ensure that those who convene interview panels are aware of, and implement, EEO principles throughout the recruitment process.<br><br>To ensure that those who convene interview panels comply with Recruitment and Selection Policy.<br>To include knowledge and 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<br><br>Develop a diversity statement to be used in recruitment<br><br>Consider the needs of identified EEO groups in work re-organisation or structural changes                                                                                                                                                            | Staff appropriately trained in merit selection techniques<br><br>Diversity statement appears on our positions vacant advertisements on our website<br><br>Structural changes and work re-organisation consider EEO and diversity principles                      | Complete<br><br>Complete<br><br>Ongoing                                |

| Objectives                                                                                                                                                                                                                                                                                                                                                                       | Strategies                                                                                                                                                              | Performance indicators                                                                                                                                                                 | Comment        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Ensure that conditions of employment comply with EEO principles                                                                                                                                                                                                                                                                                                                  | HR policies and procedures are developed and reviewed to ensure compliance with EEO principles<br>Flexible working practices are supported through policy and procedure | Nil substantiated complaints about illegal discrimination relating to the policy                                                                                                       | Nil complaints |
| <i>Learning &amp; Development:</i><br>To ensure that training complies with EEO, access and 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<br><br>Courses are accessible by all<br><br>Flexible learning options are available for those who require them | Complete       |
| <i>Identified Target Groups:</i><br>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).<br>To improve understanding of the needs and capabilities of people in EEO target groups. | Workforce planning incorporates EEO principles<br>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                                      | Ongoing        |

## **Occupational health and safety (OHS) policy**

Port Macquarie – Hastings Council is committed to providing a safe working environment for all persons, including contractors, volunteers and visitors by adopting the following principles:

- ☐ Compliance with relevant safety legislation
- ☐ Establishing clear levels of responsibility, accountability and authority for the management of OH & S within Council
- ☐ Developing a corporate approach to risk management in all areas of work
- ☐ Establishing measurable objectives and targets for safety within Council
- ☐ Ensuring the consultation process is applied at all times
- ☐ Providing appropriate OH & S training
- ☐ Providing and disseminating information regarding safety
- ☐ Ensuring the implementation of Council's OH & S Policy and Program at all levels.

It is paramount that all levels of management and staff recognise the importance of developing and maintaining healthy and safe working conditions in all work places. To enable this to be achieved our Occupational Health and Safety policies, practices and systems will be continually monitored and reviewed to ensure the achievement of the highest safety standards possible. Only through working together, with a commitment to preventing injury and illness, will we be able to create a safe and healthy working environment.

## Information and Knowledge

Providing and maintaining effective information management systems to meet customer requirements

### Services

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

### Key planning documents

- ☐ Information Services Strategic Plan 2003-2008

### Strategies

| Objectives                                                                                            | Strategies                                                                                                                                                                                         | Performance indicators                                                                                                                                                                                                     | Comment                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide and maintain effective information management systems to meet customer requirements        | Provide information management systems that provide corporate information in an accessible and useable format (incl. software, hardware, communications, data and information management services) | User satisfaction survey (Target: >80%)<br><br>System downtime (Target: <1% of service level agreement (SLA) working hours)<br><br>Percentage of capital works projects completed on-time and within budget (Target: 100%) | User satisfaction 87%. Achieved.<br><br>System downtime was 0.3% which is less than the performance measure. Achieved<br><br>93% of projects were completed on time and within budget. The balance will be completed in 2011/12. |
|                                                                                                       | 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: >75%)                                                                                                                              | An SLA of 78% was provided during the period. 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: >75%)                                                                                                                              | Service standard for the period was 67%. The GIS section was down to 60% for a 6 month period.                                                                                                                                   |
| 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                                                       | Annual State Records Act compliance audit (Target: >80%)                                                                                                                                                                   | Audit completed and a target of 91% was 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: >80%)                                                                                                                              | Service standard for the period was 87%. Achieved                                                                                                                                                                                |

## Quality, Improvement and 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                                                                                          |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| To ensure Council has a structured and systematic approach to improving and achieving best practice and excellence | The Business Excellence Principles and associated toolkit underpin and drive Council's organisational performance                                                                                                                   | Number of PDSA process improvement teams in operation.<br><br>Continuous improvement in Council's leadership and management systems                                                                                                                                                                                                                                                                                                                  | BEF on hold                                                                                      |
| 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.<br><br>Improved project management protocols, processes and reporting implemented by 30 June 2011 | Percentage improvement in Customer Satisfaction with delivery of the majority of Council services, by 30 June 2011<br><br>Percentage of Works program projects completing Project Stage Gate Reviews.<br><br>Percentage of Works program projects utilising consistent, standardised project management tools and techniques.<br><br>Number of project staff acquiring and /or possessing formal project management qualifications or accreditation. | To be measured in the Community Satisfaction Survey to be undertaken in the second half of 2011. |
| To promote innovation in service delivery                                                                          | Develop a structured framework to promote, identify, assess and capture innovative ideas                                                                                                                                            | Innovation framework, aligned with BEF principles, developed by 30 June 2012                                                                                                                                                                                                                                                                                                                                                                         | BEF on hold                                                                                      |
| 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                                                                                                                                                                                                                                                                                                                                                                                | 100%, with one item - Review of Stores and Procurement processes being deferred to 2011/12.      |

## Success and 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                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. | Resource Strategy and Delivery Program developed by 30 December 2010                                             | Resourcing Strategy and Delivery Program were drafted by 30 December 2011.<br>The full suite of Integrated Planning documents including, 2030 Community Strategic Plan, 2011-2021 Resourcing Strategy, 2011-2015 Delivery Program and 2011-2012 Operational Plan were adopted at the Council meeting in June 2011. |
|                                                                                                                                                                                                                                                                 | 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 (SoE)<br><br>Integrate identified actions into budgets | 2010/11 SoE report is included in the Annual Report, it will be lodged with the Minister for Local Government in November 2011.                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                 | 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<br><br>Integrate identified actions into budgets   | 2010/11 Access & Equity activities report is included in the Annual Report which will be lodged with the Minister of Local Government in November 2011.                                                                                                                                                            |
|                                                                                                                                                                                                                                                                 | 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                                                             | Latest edition of <i>Snapshots</i> printed in June 2011 and placed on Council's website.<br>Website has also been substantially upgraded.<br>The annual Business Focus Magazine released in June 2011.                                                                                                             |

# 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

Increase the level of sustainable business activity in the Port Macquarie Hastings region

### Services

- ☐ Industry development
- ☐ Business development
- ☐ Resource Development
- ☐ Fore-sighting

### Key planning documents

- ☐ Economic Development section Business Plan 2009-2012
- ☐ Retail Policy Plan 2004
- ☐ Hastings Food and Agricultural Opportunities Plan 2005
- ☐ Creative Industries Development Plan 2008 (currently in development)
- ☐ Food / Wine / Tourism (FWT) Industry Development Plan 2007
- ☐ Blueprint for Enhancing Higher Education Delivery in the Extended Hastings Region
- ☐ Key Business Development Plan 2007
- ☐ Customer Care Program Handbook 2006

### Strategies

| Objectives                                                                                   | Strategies                                                                                                                                                                                                | Performance indicators                                                                                                                                                                                          | Comment on Progress                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To increase the level of sustainable business activity in the Port Macquarie Hastings region | 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 | <p>Greater than 80% of participating firms implementing action plans</p> <p>Greater than 80 businesses visited on-site per annum</p> <p>Greater than 20 prospective start-ups matched with suitable mentors</p> | <p>Achieved 81% to December. Restructure Jan 2012 resulting in emphasis on PeerSolutions</p> <p>Achieved (153 visitations)</p> <p>Achieved. 25 businesses matched and commenced</p> |
|                                                                                              | 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); Food, Wine and Tourism and tertiary education                                                               | Achieved, all tasks substantially implemented including review of Customer Care Journey of Flavour programs                                                                         |

| Objectives | Strategies                                                                                                                                                                                                                       | Performance indicators                                                                                                              | Comment on Progress                                                                                                                                                                          |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <p>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</p> <p>Resource Development Program</p> | <p>Implementation of Futures Board's strategic priorities</p> <p>Use of Resource Database by business (&gt; 60 times per annum)</p> | <p>While this Board has been discontinued by Council, its priorities remain part of the Economic Development business plan with implementation well underway</p> <p>Achieved. Usage = 66</p> |

## Tourism 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
- ☐ Tourism marketing and promotions
- ☐ Industry liaison and development
- ☐ Provision and management of visitor information services
- ☐ Identifying and securing sport tourism events

### Key planning documents

- ☐ Tourism Development Plan 2006
- ☐ Sport and Major Events Strategy Document
- ☐ Tourism Marketing Plan 2008-2009

### Strategies

| Objectives                                                | Strategies                                                              | Performance indicators                                                                                                                                                                                                                                                                                                                               | Comment                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To grow unaided brand awareness of Greater Port Macquarie | 2010/11 Tourism Marketing Plan.                                         | <p>All strategies and actions implemented, as outlined in the Marketing Plan.</p> <p>2% Increase share in visitor numbers and nights as measured through the National Visitor Survey (NVS) by June 2011. Any increase or decrease to also be measured against our competitor set. eg. Other LGAs in Mid North Coast, South Coast and Gold Coast.</p> | <p>Completed.</p> <p>By year end June 2011 Greater Port Macquarie (GPM) experienced a 6% increase in overnight domestic visitor numbers and 4% increase in domestic visitor nights. The overnight visitor estimate is one of the better estimates of the past 4 years.</p>                                                                                             |
|                                                           | Work with PR Consultant to develop a Public Relations plan for 2010/11. | <p>PR Plan completed and all actions implemented by 30 June 2011.</p> <p>Increase in number of media releases and visits in 2010/11 compared to previous year.</p>                                                                                                                                                                                   | <p>Achieved.</p> <p>In 2010/11 we generated over 152 articles promoting GPM in wide-ranging local and national media:</p> <ul style="list-style-type: none"> <li>• PR Value of approximately \$3.6 million</li> <li>• 15 media visits secured with state and national media</li> <li>• 21 press releases</li> <li>• 5 targeted specialist media PR projects</li> </ul> |

| Objectives                                                              | Strategies                                                                                                                          | Performance indicators                                                                                                                                                                                                                                       | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To build and convert destination awareness and demand in target markets | Undertake destination advertising and promotions to build brand profile and increase destination awareness in target markets.       | <p>10% increase in the number of bookings and visitor nights through the VIC.<br/>10% Increase in visitation to the GPM website.</p> <p>Increase return on investment for industry partners. i.e. number of bookings, visitor numbers, nights and yield.</p> | <p><b>Easter Campaign – 21 March to 15 May:</b></p> <ul style="list-style-type: none"> <li>• Bookings: 3,224</li> <li>• Room nights: 5,481</li> <li>• Average advertised rate: \$152</li> <li>• Average length of stay: 2.10 days</li> <li>• Average booking lead time: 13.11 days</li> <li>• Year on year bookings growth: 38%</li> <li>• Year on year room night's growth: 46%</li> </ul> <p><b>Winter campaign (1 July to 30 Sept, 2010):</b></p> <p>*23 participating operators. As a direct result of this campaign these operators received 861 bookings, 1,842 room nights and a total ROI of \$239,049. This result represented an increase of 254% for bookings, a 259% increase in room nights and a 227% increase in booking revenue, compared to the 2009 winter hot deals campaign.</p> |
|                                                                         | Commission research and provide access to tourism data which is relevant to the local industry and is of value to key stakeholders. | <p>By 30 June 2011 the next stage of Visitor research be completed and reported to Council and industry.</p> <p>Tourism data is reported to Council and industry on a quarterly basis.</p>                                                                   | National Visitor Survey data was reported quarterly to Council and Industry.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                         | Partner with industry to increase marketing spend / reach                                                                           | <p>By 30 June 2011, 5% Increase in joint venture marketing income compared to 2009/10.</p> <p>By 30 June 2011, 5% Increase in Tourism Partnership Program</p>                                                                                                | <p>GPM Tourism partnered with accommodation properties to achieve 3 major campaigns in the last 12 months. The total value of the joint venture contribution from industry was \$75,000, over and above membership fees. This represents an increase of over 5% on last year.</p> <p>By year end June 2011, GPM tourism received \$118,000 in membership fees from 155 partners. This figure is on par with last year.</p>                                                                                                                                                                                                                                                                                                                                                                           |

| Objectives                                                                   | Strategies                                                                             | Performance indicators                                                                                                                                            | Comment                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                              | Develop federal, state and regional alliances to maximise funding opportunities        | % increase in the number of joint marketing initiatives that Greater Port Macquarie participates in                                                               | By year end June 2011 Council received \$154,000 from Demand Building dollars from State Govt, matched \$ for \$ to implement campaigns.<br>The new Wotif.com strategic partnership has also increased our marketing reach and scope and the results in 2010/11 have already shown significant increases in bookings (refer results above). |
| To develop private and public sector partnerships to grow and manage tourism | Develop a revised Tourism Development Plan for 2010-2013                               | Number of actions implemented as a percentage of the overall plan                                                                                                 | In progress. Project to be completed by 30 June 2012.                                                                                                                                                                                                                                                                                       |
| To develop and strengthen visitor services                                   | Provide information and booking services through Accredited Visitor Information Centre | Maintain accreditation requirements as per Visitor Information Centre accreditation program                                                                       | Refer Glasshouse performance indicators for the Visitor Information Centre.                                                                                                                                                                                                                                                                 |
|                                                                              | Provide exceptional customer service standards in the delivery of Visitor Services     | Customer survey >90 % satisfaction rate. Surveys conducted 364 days of the year and reported quarterly.                                                           | Refer Glasshouse performance indicators for the Visitor Information Centre.                                                                                                                                                                                                                                                                 |
| To increase the economic impact of meeting & events in the region            | Develop a Business Tourism brand and promote GPM as a Business Tourism destination.    | Attract a minimum of 6 (200+ delegates) Association/Government conferences per annum.<br><br>Attract a min of 5 (150+ delegates) corporate conferences per annum. | Three major conferences – Zonta, APSCON and Legacy conferences were secured during this period.<br>6 referrals for Corporate business from Business Events Sydney were also sent to Industry partners, but still not confirmed.                                                                                                             |
|                                                                              | Develop sports & major events strategy for 2010-2012                                   | Strategy document produced and approved by Council by September 2010                                                                                              | In progress – to be completed by 31 December 2012.                                                                                                                                                                                                                                                                                          |
|                                                                              | Maintain existing events and identify and attract new event products for the region    | Increase in the overall economic impact of events in the region to be measured annually through the National Visitor Survey, Tourism Research Australia           | We staged 22 major events. The estimated economic impact of these events has conservatively generated over \$37.5 million directly into the GPM economy in the last financial year. During this period we also secured six major national events (one international).<br>They are as follows:<br>• Australian Formula                       |

| Objectives                                                                | Strategies                                                                                        | Performance indicators                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           |                                                                                                   |                                                           | Powerboat Grand Prix - July 2011 and 2012.<br>• Australian Surf Festival - August 2011 to 2013 (additional three years).<br>• Port Macquarie Ironman 70.3 Australian Age Group Championship - November 2011 to 2013.<br>• NSW Women's Bowling Association 83rd State Carnival - May 2012.<br>• NSW Longboard Titles - June 2011 to 2013.<br>• Port Macquarie Festival of Bodyboarding – April 2012 then annually. |
| To develop commercial partnerships to mitigate the cost of hosting events | Identify and implement partnerships, funding and sponsorships at local, state and national levels | Number of events with industry joint venture contribution | Currently implementing a Platinum level (major events sponsor) membership as part of the Tourism Partnership Programme for 2011/12 financial year.                                                                                                                                                                                                                                                                |

## Business Enterprises

Managing facilities effectively to meet a range of community requirements

### Services

- ☐ Port Macquarie Airport 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
- ☐ Caravan parks master plans
- ☐ Crematorium and cemetery master plans

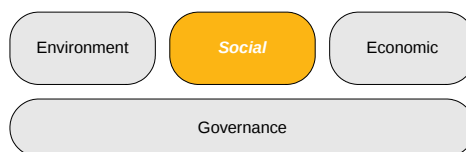
### Strategies

| Objectives                                                                                                                                                                                                          | Strategies                                                                                                                                                                                                         | Performance indicators                                                                                        | Comment                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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               | 216,681 pax. recorded in financial year – a 3.1% increase over the previous financial year.                                                                                                                      |
| 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 | Infrastructure improvements completed by June 2011 in accordance with Port Macquarie Airport Master Plan 2010 | Detail design continuing on Stage 1 implementation of Master Plan - subject to planning and funding approval the Stage 1 works are due to be undertaken during 2012.                                             |
| 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 2011, improve visitation by 5%<br><br>By 30 June 2011, improve operating profit by 2%              | Management of Beachfront, North Haven and Bonny Hills Caravan Parks reverted to Land Management & Property Authority (LPMA) on 1 October 2010. Port Macquarie Holiday Cabins continue to be operated by Council. |
| To provide high quality, cost-effective accommodation in a financially sustainable manner                                                                                                                           | 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)     | Refer above comment.                                                                                                                                                                                             |

| Objectives                                                                                      | Strategies                                                                                                                                                                                     | Performance indicators                                                                                                                                                                       | Comment                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 2011 infrastructure stage completed as required by the Crematorium & Cemetery Master Plans                                                                                           | Capital works completed include the following:-<br><br>Acquisition of land at Wauchope for future cemetery expansion.<br><br>Upgrade of Chapel interior including replacement of carpets and curtains and replacement of existing catafalque with trolley system. |
|                                                                                                 | Develop a detailed Management Plan to support long-term crematorium and cemetery needs of the Port Macquarie-Hastings Local Govt Area.                                                         | By 31 <sup>st</sup> December 2010 develop a Business Strategy Review Management Plan to support the long-term crematorium and cemetery needs of the Port Macquarie-Hastings Local Govt Area. | Full asset identification, rating and revaluation for not only Innes Gardens but all cemeteries are complete.<br><br>A business strategy review has been completed and is under consideration.                                                                    |

## 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

- |                                                        |                                                                                       |
|--------------------------------------------------------|---------------------------------------------------------------------------------------|
| <input type="checkbox"/> Social planning               | <input type="checkbox"/> Crime prevention                                             |
| <input type="checkbox"/> Community facilities planning | <input type="checkbox"/> Youth development                                            |
| <input type="checkbox"/> Community grant assistance    | <input type="checkbox"/> Aged and disability development                              |
|                                                        | <input type="checkbox"/> Aboriginal and Torres Strait Islanders community development |

#### Key planning documents

- |                                                                                    |                                                                                     |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <input type="checkbox"/> Hastings Social Plan 2005-2010                            | <input type="checkbox"/> Hastings Youth Strategic Plan                              |
| <input type="checkbox"/> Hastings Crime Prevention Plan 2006-2009                  | <input type="checkbox"/> Port Macquarie – Hastings Affordable Housing Strategy 2008 |
| <input type="checkbox"/> Disability Discrimination Act (DDA) Action Plan 2009-2018 | <input type="checkbox"/> Aboriginal Reconciliation Action Plan 2008-2012            |

#### Strategies

| Objectives                                                                                     | Strategies                                                                                | Performance indicators                                                                                                                                         | Comment                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To achieve a 'whole of Council approach' to social planning across the Port Macquarie-Hastings | Implement actions specified in the Social Plan within the required timeframe              | The number of actions and activities implemented with a whole of Council approach.<br><br>An increase in the number of joint activities undertaken by Council. | Joint actions include a range of community engagement activities to develop Council's parking strategy, Master Plans for reserves across LGA and community events including NAIDOC, Reconciliation Week, Youth Week and Seniors Week.               |
| To increase people's safety                                                                    | Work with Police and community to improve safety in accordance with Crime Prevention Plan | Overall improvement in the crime statistics for the Hastings as outlined in the Plan                                                                           | Draft Crime Prevention Strategy developed based on current crime statistics. Strategy submitted to Attorney Generals Dept. for endorsement.<br>Crime Prevention Forum held in Wauchope with further two (2) planned for Laurieton & Port Macquarie. |

| Objectives                                                              | Strategies                                                                                                                                                           | Performance indicators                                                              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         |                                                                                                                                                                      |                                                                                     | <p>Promotional items developed and distributed to assist community to report crime.</p> <p>Crime risk assessment undertaken on Hay Street Forecourt.</p> <p>Implemented alcohol free zones on Australia Day supported with advertising and leaflets.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| To improve relationships between older and younger people               | Work with youth and older people through joint community forums                                                                                                      | The number of projects/activities held that promote intergenerational relationships | <p>Complaints Choir</p> <p>Intergenerational project with seniors and young people for Seniors Week and Youth Week.</p> <p>Stage 2 Intergenerational events facilitated in Wauchope, Laurieton and Port Macquarie.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| To promote positive relationships between the Council and the community | Maintaining and developing a range of activities, events and networks in the community that promotes the relationship and opportunities for community participation. | Number of events;<br>Number of activities; and<br>Number of networks maintained.    | <p>Community Engagement activities held between Council and the community including: Kendall Tennis Courts, Bonny Hills Reserve Master plan, Tacking Point Lighthouse Reserve Plan, Car Parking Strategy.</p> <p>Community events:<br/>NAIDOC Family Day, Port Macquarie Neighbourhood Centre Family Fun Day, Emergency Services forum, Green Day Out to establish interest in a PMQ Community Garden, International Day of People with a Disability event, Launch of Seniors Week including Postcard Project, Complaints Choir and Seniors Week program.</p> <p>Provided funding for PMQ Community Connect event, Networks maintained with Medical Services Network, Hastings Community network, Community Legal Centre network, Mi-North Coast Multicultural network, Hastings Rural Network, Community Connect working group attendee.</p> <p>Participate in the Northern Region Community Projects Officer network (CPO)</p> <p>Move, Eat, Live Well program delivered in Port Macquarie, Wauchope, Laurieton, Birpai Lands</p> |

| Objectives                                                            | Strategies                                                                                                                                                                                                                                                                        | Performance indicators                                                                                          | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       |                                                                                                                                                                                                                                                                                   |                                                                                                                 | <p>Council, Bunyah Lands Council, Rollands Primary Plains school, Telegraph Point Primary School, Comboyne Primary School, Long Flat Primary School, Hollisdale Hall, Telegraph Point hall, Rollands Plains hall, Ellenborough hall, Comboyne War memorial hall, Byabarra hall, Kendall community hall. Pedometer loan scheme launched through the libraries. Programs included Heart Moves, Circus Mooves, Tai Chi and "Losing it in the Bush" (partnership with North Coast Area Health Service – Rural Health Outreach program). 4 x Falls Prevention talks at Port Macquarie Base Hospital. Aged &amp; Disability presentations to Probus Wauchope, Probus Ladies of Oxley and Lungs for Life Council subsidised Mental Health First Aid training offered to 80 community workers and volunteers</p> |
| To increase community access to services in the Local Government area | <p>Maintaining current access to services and seeking opportunities to increase awareness of these services to residents and visitors.</p> <p>Provide up to-date information to the community through website, electronic media, community guides/directories and newsletters</p> | <p>Identify number of current access to service arrangements; List new access arrangements during the year.</p> | <p>Regular information provided through the Google group, rural newsletters and networks. Emergency Services forum held in partnership with the Kendall Community Centre and local emergency service providers. Successful working arrangement resulting in the opening of a new Community Legal Centre in Port Macquarie. Funding application submitted for PMQ community garden through Community Builders Program 2010. COAG funding submitted Phase 2 – Healthy Communities. Launch and formal opening of the HACC Greenmeadows Dr. Dementia Day Care Centre. Revise and launch PMH Multicultural Directory. Launch Red Cross Rediplan kits - made available through Council offices and libraries.</p>                                                                                              |

| Objectives                                                                                                       | Strategies                                                                                                                                                                  | Performance indicators                                                                                                                                                 | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To ensure public spaces are safe and accessible                                                                  | Work with Police, community and relevant areas of Council to incorporate appropriate access and safety arrangements in existing and future work programs for public spaces. | The number of strategies developed and/or implemented to improve safety and access in public spaces                                                                    | Development of policy in relation to Alcohol Prohibitions on council owned & managed reserves.<br>36 hour Alcohol Prohibition on Australia Day 2011 to reduce alcohol fuelled anti-social behaviour.<br>Reinstating Alcohol Free Zone in Port Macquarie CBD for a further four (4) year period.<br>Significant Community engagement to develop Master plan for Bonny Hills & Tacking Point Lighthouse Reserves.<br>Seven (7) Non-Council Owned rural halls upgraded through Councils auspice of Office of Rural Affairs Funding.<br>Hastings Access Sub-Committee monthly meetings to review and prioritise access works |
| To improve road safety, transport and pedestrian/cycle in the Hastings                                           | As the current and future work programs for road pathways and transport are developed ensure safety and access improvements are incorporated.                               | The number of cross Council strategies implemented to reduce road safety incidents<br>100% of delivered and future work program includes safety and access perspective | Hastings Access Sub-Committee monthly meetings to review and prioritise access works including installation of kerb ramp and hand rail at Long Flat Post Office, new accessible car park at High St Wauchope, extended pedestrian crossing time at Horton St lights, new kerb ramp and extension of accessible car parking zone at Wauchope Primary School, Bold Street Laurieton tactiles for seeing impaired, Hay St Forecourt Tactiles.                                                                                                                                                                               |
| To increase community's access to community facilities to adequately service the needs of residents and visitors | Undertake a review of community facilities and identify the ongoing needs of residents and visitors. Proactively promote usage of community facilities                      | Community Facilities needs are identified and incorporated in future development programs<br><br>Usage of community facilities are monitored                           | Operation of community halls is being reviewed. Streamlining Financial Operating Procedures - Community Halls s355 Committees is being progressed in consultation with s355 committees.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| To work with key stakeholders to increase affordable housing stock                                               | Undertake consultation with stakeholders in relation to affordable housing development                                                                                      | An increased number of affordable dwellings                                                                                                                            | Affordable Housing discussions have taken place with a number of groups – limited progress has been made in relation to increasing affordable housing stock.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Objectives                                                                                                                  | Strategies                                                                                                                                                                                                         | Performance indicators                                                                                                                      | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To work with young people and community groups to provide a range of opportunities for personal development and safe events | Work with schools, youth groups and the community to establish programs/ activities that foster personal development and provide safe events for young people. Undertake a number of safe events for young people. | Number of activities and events undertaken.<br>Number of personal development workshops held<br>Number of safe places identified            | Funding provided through the Community Grants Program for youth projects. Including Kendall Tennis Club (Party with Friends), Port Macquarie Neighbourhood Centre (Holiday activities), Birpai (Aboriginal Youth Leadership camps), Alive Youth (Big Red Bus), Wauchope Arts Council (Youth Music Workshops), Port Macquarie Boxing Club (Equipment).                                                                                                                                                                                                                          |
| To implement strategies identified in the Aboriginal Reconciliation Action Plan                                             | Undertake the priority strategies identified by the Aboriginal Advisory Committee                                                                                                                                  | Number of strategies implemented across Council                                                                                             | A range of strategies have been implemented including Aboriginal awareness training provided to all Council staff, Reconciliation week Q and A activity undertaken at the Glasshouse, NAIDOC event supported, Aboriginal Advisory committee met quarterly.                                                                                                                                                                                                                                                                                                                     |
| To facilitate community access to external funding sources and programs                                                     | Maintain and expand funding opportunities to community groups by building knowledge in the community of availability to funding                                                                                    | The number of funding sources and information provided to the community through the Google group, Website, network meetings and discussions | Broad range of funding opportunities provided through the networks and groups including (but not limited to) CDSE, Councils Funding , FAHCSIA small grants program, Community Builders program, Community Building Partnerships funding, Regional Development Australian Fund, Sport and Recreation funding, Arts funding, Aboriginal and Torres Strait Islander grants, Telstra Seniors funding, Credit Union funding, and other State and Federal funding sources. Community information sessions held for Community Builders, Community Grants Program and the CDSE scheme. |
| To deliver Council grants programs in line with Best Practice Principles                                                    | Benchmark business processes for grants administration and deliver programs in accordance with best practice                                                                                                       | The proportion of grants programs implemented in line with Best Practice Principles                                                         | Community Grants Program streamlined process to include Christmas/New Years; Environmental Levy, Non-Council Owned Halls and Community Development grants. New on-line grants management system implemented (Smartygrants). Grants                                                                                                                                                                                                                                                                                                                                             |

| Objectives | Strategies | Performance indicators | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------|------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |            |                        | <p>Business Excellent working group formed and recommendations presented to Council.</p> <p>72 applications in total with 35 groups receiving funding totalling \$172,000.</p> <p>Breakdown was</p> <p>10 projects from PMQ</p> <p>3 projects from Camden Haven</p> <p>1 project from Lake Cathie</p> <p>10 projects from Wauchope and the rural areas and</p> <p>11 projects that benefit the whole LGA</p> <p>Seniors Week Grants with 3 Projects funded \$250 Pappinbarra, \$500 Long Flat, and \$500 Laurieton</p> |

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

### 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                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To support and cultivate cultural diversity and heritage in the Hastings | Finalise and implement strategies identified in the Cultural Plan 2010/11-2013  | Implementation of Cultural Plan priorities for 2010/11-2013        | Cultural Plan not finalised, however a key strategy within the plan (increase attendances and events) was implemented. The range of target groups included young people, children, older people, and Aboriginal groups. Events included Heritage Festival, Aboriginal festival, FreshArt, Morning Musicals, Childrens theatre program and a School holiday program. |
|                                                                          | Providing advice in conserving and managing our heritage for future generations | Number of responses to community requests                          | Council's Heritage Advisor dealt with 22 requests for information & advice from the community.                                                                                                                                                                                                                                                                      |
|                                                                          | Acknowledging ongoing Aboriginal culture and heritage in the area               | All appropriate Council projects recognise our Aboriginal heritage | The employment of a new Aboriginal Liaison and community development officer has ensured internal consultation regarding appropriate recognition                                                                                                                                                                                                                    |

|                                                                                                     |                                                                               |                                                                               |                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                     |                                                                               |                                                                               | of Aboriginal heritage and culture in Council projects. All community meetings commence with an acknowledgment of country.             |
|                                                                                                     | To formalise relationships between the Aboriginal community and Council       | Number of partnerships developed between Council and the Aboriginal community | 3 new partnerships developed between Council and the Aboriginal community.                                                             |
| To conserve and interpret the region's heritage through the development of exhibitions and programs | Implement Heritage Plan from the Public Art and Design Policy and Master Plan | Number of strategies implemented                                              | 2 Exhibitions held                                                                                                                     |
| To enhance public environments through implementing a diverse range of quality public artworks      | Implement Public Art and Design Policy.                                       | Number of initiatives developed                                               | 2 Public Art initiatives as part of other major infrastructure projects (Highway realignment and new shop in prominent street in town) |

## The Glasshouse Arts, Conference & Entertainment Centre

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

### Services

- ☐ "The Glasshouse' Arts, Conference and Entertainment Centre
- ☐ High quality Performing and visual arts
- ☐ Regional art gallery
- ☐ Commercial venue hire services (including conferences, seminars, meetings and events)
- ☐ Community access
- ☐ Education programs
- ☐ Community Cultural Development
- ☐ Creative Industry Development

### Key planning documents

- ☐ Glasshouse Arts, Conference and Entertainment Centre Business Plan 2009
- ☐ Glasshouse Arts, Conference and Entertainment Centre Education plan 2010-2011

### Strategies

| Objectives                                                                                                                                                  | Strategies                                                                                                                                                                                                                              | Performance indicators                                                                                                                                                                                                                                           | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 with programming activities in Theatre, Gallery and Conference venues                                                                            | 85% average customer satisfaction through event and feedback surveys                                                                                                                                                                                             | 2010/11 Customer Satisfaction Survey results<br><br>Regional Galley 98%<br>Visitor Information Centre 97%<br>Glasshouse Ontour 94%<br>Glasshouse Morning Music 91%                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 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 programs<br><br>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 | No. Public Programs - 155, No of Disability Programs - 50, No. of Education/kids Spots Programs - 117, No. Gallery Coffee Mornings & Arts Chats -15, No. of Gallery openings - 10, No. of community events (eisteddfod,dance, Concerts etc) - 35, No. of Commercial events - 49, No. of Internal Council events- 27, Total number of events 458.<br><br>Total number of visitations 330,925 (a 39% increase year on year 2009/10 visitor numbers)<br>Tickets allocations have included Cancer Trusts, Indigenous groups, Surf Clubs, Schools, Social groups and the companion card program. |

|                                                                                                         |                                                                                                                                               |                                                                 |                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To operate the Glasshouse 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<br><br>Number of commercial hires; | No. of community events (Schools/Universities/TAFE, Council, Concerts, Eisteddfod, Conferences, Seminars, Media Launches , Meetings, etc) <b>57</b><br><br>No. of Commercial events (Conferences, Concert, seminars, talks, trainings, lectures, Media Launches , Meetings, etc) <b>49</b> |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Library Services

*Providing quality information and recreational services*

### Services

- |                                                           |                                                     |
|-----------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> Library operations               | <input type="checkbox"/> Public internet access     |
| <input type="checkbox"/> Special needs library facilities | <input type="checkbox"/> Targeted learning programs |

### Key planning documents

- ☐ n/a

### Strategies

| Objectives                                                                                                                                                                     | Strategies                                                                                                                                                           | Performance indicators                                                                                                                                                                               | Comment                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | Provided library service statistics to State Library. Introduced eBooks service, 10 Minutes-a-day program and Save Power Kits Program                                                                  |
| 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                                                                                                                                                                                             | Introduced Wi-Fi hotspot at the Glasshouse. Digitised local newspapers up to 1955 Free online computer course. New database subscription. Find my Past.                                                |
|                                                                                                                                                                                | 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 to reflect new services.                                                                                                                                                                       |
|                                                                                                                                                                                | Maximise external funding to supplement library resources                                                                                                            | Level of external funding received particularly via State Government Library Development Grants                                                                                                      | \$200,000 Cooperative grant for the introduction of RID technology. \$5,250 worth of devices for the Save Power Kits \$15,000 worth of resources from Newcastle Permanent for 10 Minutes-a-day program |
|                                                                                                                                                                                | Continue to actively support and participate as a member of the Mid-North Coast Co-operative (with Kempsey Council) to ensure the efficient use of library resources | Regular meetings to discuss joint ventures.                                                                                                                                                          | Successful joint grant application as above. EBook service as above.                                                                                                                                   |

## Parks, Recreational and Sport Services

Providing, maintaining and enhancing a range of active and passive recreational facilities and environmental open space. Providing a range of services to improve the capacity of local sporting organisations

### Services

- ☐ Parks, reserves and recreational planning
- ☐ Design and construction of public open space capital improvement works
- ☐ Parks, reserves and open space management
- ☐ Sporting field management
- ☐ Lifeguard and beach management
- ☐ Aquatic (swimming pool) facilities management
- ☐ Sport development
- ☐ Development support to sporting organisations

### Key planning documents

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

### Strategies

| Objectives                                                  | Strategies                                                                                                                                         | Performance indicators                                                                                                                                                                                                                  | Comment                                                                                                                                                                                                       |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To develop new and enhance existing recreational facilities | Plan for and provide a range of facilities that meet the needs of a growing community                                                              | Strategic project delivered in accordance with timeframes identified in the Corporate Plan (Part B).<br><br>Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements | Projects are being delivered in accordance with Corporate Plan.<br><br>Capital works projects are being completed on-time, within budget and in accordance with quality, OH&S and environmental requirements. |
|                                                             | 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) | Service delivered in accordance with Parks and Recreation Maintenance Specification                                                                                                                                                     | Parks and Recreation Maintenance Specification is currently under review, however it has been noted that mowing related complaints have reduced from 2009/10.                                                 |
| To improve the administrative capacities of local sporting  | Provide support to NSW Sport & Recreation in the delivery of capacity building                                                                     | Number of NSW Sport & Recreation programs held locally                                                                                                                                                                                  | Council provided opportunities for 'Running your club' and Child                                                                                                                                              |

| Objectives                                                                              | Strategies                                                                                                                                    | Performance indicators                                                                                      | Comment                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| organisations                                                                           | programs                                                                                                                                      |                                                                                                             | Protection seminars to be held in Port Macquarie. However lack of local interest resulted in these seminars being cancelled.                                                                                                                               |
| To promote community awareness in relation to safety on our beaches                     | Develop and implement a beach safety awareness and school education program                                                                   | Number of community awareness/education programs undertaken                                                 | School Education Programs delivered on 22 occasions to over 1,250 children across the LGA in 2010/11 financial year.                                                                                                                                       |
| To meet Council's Bushfire obligations under the Rural Fires Act 1997                   | Develop fire mitigation measures in accordance with the Bushfire Risk Management Plan 2010 and the RFS Bushfire Environmental Assessment Code | Maintenance and construction works are conducted in accordance with Council's Bushfire Management Programme | 6 hazard reduction burns were planned for 2010/11 but were postponed due to ongoing wet weather. 6 new Asset Protection Zones were constructed during the 2010/11 financial year. Maintenance of APZ being undertaken in accordance with service standard. |
| To provide strategic direction to Council regarding the needs of the sporting community | Develop a Sports Council                                                                                                                      | Sports Council to be in place by 30 June 2011                                                               | Sports federation being formed by Mingara Recreation Group. Council assisting in the formation of the federation in its infancy.                                                                                                                           |

## Emergency Management

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

### Services

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

### Key planning documents

- ☐ Emergency Disaster Plan (DISPLAN)
- ☐ Bushfire Risk Management Plan
- ☐ Emergency Risk Management (ERM) Plan

### Strategies

| Objectives                                                                                                                   | Strategies                                                                                                                               | Performance indicators                                  | Comment                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 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 (LEMC)                                                       | Arrange quarterly meetings of the LEMC                  | Meetings held as scheduled:<br>12 August 2010<br>25 November 2010<br>10 February 2011<br>12 May 2011 |
|                                                                                                                              | Co-ordinate the Emergency Disaster Plan (DISPLAN) to ensure that the roles and responsibilities of emergency service personnel are clear | Review DISPLAN annually                                 | Annual review continuing                                                                             |
|                                                                                                                              | Emergency Risk Management (ERM) Plan to mitigate risks associated with all hazards                                                       | Monitor risks identified in ERM Plan and report to LEMC | ERM currently under review with LEMC sub committee                                                   |
|                                                                                                                              | Mitigate risks associated with bushfires through the ongoing review of the Bushfire Risk Management Plan                                 | Annually review the Bushfire Risk Management Plan       | Review commenced                                                                                     |

## 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 Asset Management
- ☐ Engineering survey and design
- ☐ Transport capital works programme development
- ☐ Traffic management and safety (incl. street lighting)

### Key planning documents

- ☐ Hastings Major Roads and Traffic Study
- ☐ Port Macquarie Town Centre Traffic Study
- ☐ Wauchope Traffic Study 1997 & 2008
- ☐ Pedestrian Access and Mobility Plan 2001-2011
- ☐ Road Safety Strategic Plan 2004-2007
- ☐ Bridge Upgrade and Replacement Strategy
- ☐ Regional and Local Bike Plans 1998
- ☐ Transport Asset Management Plan
- ☐ Stormwater Asset Management Plan
- ☐ Stormwater Management Plan

### Strategies

| Objectives                                                                               | Strategies                                                                       | Performance indicators                                                                                                                    | Comment                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide a safe and functional road network                                            | Hastings Major Roads Improvement Strategy<br><br>Transport Asset Management Plan | Road network safety and functional improvements implemented in accordance with approved Transport Infrastructure Works programme 2010/11. | Completed Lorne Road rehabilitations, Top Crossing bridge replacement, Major Innes Drive reconstruction. Limited road safety and functional capital improvement works undertaken due to program focus on core maintenance activities                                           |
| To improve driver and pedestrian behaviour to reduce accidents and road related offences | Road Safety Strategic Plan 2009                                                  | A reduction in road accidents and road related offences                                                                                   | In progress in accordance with approved Road Safety Action Plan including the Night Rider, Waking School Bus and Speed Awareness initiatives. Additional cyclist safety campaigns implemented during Ironman event May 2011. Speed awareness program commenced on local roads. |

| Objectives                                                                                                      | Strategies                                                                                                                                                                               | Performance indicators                                                                                                                                          | Comment                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide improved mobility and access facilities                                                              | Pedestrian Access and Mobility Plan 2001-2011                                                                                                                                            | Improved access and mobility through the implementation of works approved as part of the Transport Infrastructure Works Programme or through customer requests. | Completed Grant Street footpath & access ramps, Owen Street pedestrian refuges                                                                                                                                                                                                                                                                                                                          |
| To provide safe and functional cycleways                                                                        | Regional and Local Bike Plans 1998                                                                                                                                                       | Provision of safe and functional cycleways approved as part of the Transport Infrastructure Works Programme                                                     | Completed Beechwood Road off road cycleway/walkway. The Parade North Haven off road cycleway/walkway.                                                                                                                                                                                                                                                                                                   |
| To ensure the safe and functional movement of vehicular traffic                                                 | Local area traffic management schemes (LATMS), including:<br>Lighthouse Beach LATMS<br>North Haven LATMS<br>Bold St Laurieton LATMS<br>Wauchope Traffic Study<br>Town Centre Master Plan | Provision of safe and functional traffic facilities approved as part of the Transport Infrastructure Works Programme                                            | Completed the Owen Street 40kmh High Pedestrian Speed Zone, Hastings Street Figs traffic controls, Albert/Comboyne Streets traffic flow controls and Ocean Drive speed zone review and modifications.                                                                                                                                                                                                   |
| To provide street lighting to meet road user and pedestrian safety requirements                                 | Street lighting upgrade and replacement program                                                                                                                                          | Implemented as scheduled in Council's Street lighting programme to industry quality and energy efficiency standards                                             | In progress in accordance with approved street lighting schedules. Completed for various spot locations throughout the Local Government Area.                                                                                                                                                                                                                                                           |
| To ensure the timely delivery of cost effective and quality engineering survey & design services                | Three (3) year Engineering Survey & Design Programme                                                                                                                                     | Implemented as scheduled in the Survey & Design Program in accordance with client briefs to appropriate quality standards and within approved budgets.          | Completed major designs for;<br>- Pacific Drive /Tuppenany Lane landslips, comprehensive airport runway engineering surveys,<br>- Hastings River Drive , Tuffins Lane to Humpty Back Creek road rehabilitation ,<br>- Lorne Road road rehabilitation (2km) design,<br>- Lighthouse Road Kerb & Gutter east of Matthew Flinders Drive.<br>- The Binnacle Drainage and localised flood improvement works. |
| 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.                  | Completed major designs for;<br>- Pacific Drive /Tuppenany Lane landslips, comprehensive airport runway engineering surveys,<br>- Hastings River Drive , Tuffins Lane to Humpty                                                                                                                                                                                                                         |

| Objectives                                                | Strategies                                                                 | Performance indicators                                                                                                                                               | Comment                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           |                                                                            |                                                                                                                                                                      | Back Creek road rehabilitation ,<br>- Lorne Road road rehabilitation (2km) design,<br>- Lighthouse Road K&G east of Matthew Flinders Drive.<br>- The Binnacle Drainage and localised flood improvement works.<br>Bonny Hills – Barton Ridge subdivision Area 13 |
| To minimise transport system impacts on urban air quality | Strategically plan for alternative modes of transport (SoE priority issue) | Complete Cycling Survey by December 2010.<br><br>Review Regional & Local Bike plans by June 2011<br><br>Review Hastings Pedestrian Access Mobility Plan by June 2012 | Behind schedule, due to commence Sept 2011<br><br>Not commenced.<br><br>Not commenced.                                                                                                                                                                          |

## 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide and maintain a safe transport network | Complete projects identified in the Annual Works Program in accordance with Council's asset management policy (see Asset Management program area)<br>(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 | <p>The transport infrastructure capital works program has been successfully delivered with the exception of:</p> <ol style="list-style-type: none"> <li>1) the King Creek Road upgrade</li> <li>2) the Lorne Road Urban rehabilitation which both remain 'works in progress' at financial year end and</li> <li>3) Hastings River Drive upgrade whose commencement was delayed to late Aug 2011 due to the adverse weather conditions throughout the year delaying the construction program overall.</li> </ol> <p>The total costs of each completed project has been monitored/finalised and reported through the major projects reports attached to the monthly financial report to each Council meeting throughout the year.</p> <p>All OH&amp;S, quality and environmental requirements have been successfully implemented with no significant non compliances or incidents being apparent.</p> |

| Objectives | Strategies                                                                                                                                                                                                                 | Performance indicators                                                                                                                                                         | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | Refocus the General Works Section onto maintenance works, with initial priority given to addressing current outstanding maintenance items and transition to preventative works culture through remainder of financial year | <p>Utilisation of all maintenance staff on maintenance works.</p> <p>Maintenance budgets with sufficient capacity for staff to conduct maintenance for full financial year</p> | <p>All identified General Works maintenance staff have successfully delivered Roads and Transport Maintenance works during the reporting period.</p> <p>In accordance with the Back to Basics service delivery focus for PMHC, Road and Transport Asset Maintenance budgets have successfully remained sufficient for all maintenance staff to continue with this focus for the entire reporting period.</p> <p>Roads and Transport asset maintenance works completed across the following service areas in accordance with agreed budgets and Roads Maintenance Hierarchy.</p> <p>"Sealed Road Maintenance (Jet patching, pothole repairs etc)</p> <p>"Unsealed Road maintenance (maintenance grading, gravel resheeting etc)</p> <p>"Sealed road and other repairs (Heavy patches, footpath repairs, Kerb and gutter repairs)</p> <p>"Roads vegetations management (slashing, medians mowing, weed control)</p> <p>"Roadside furnishings (signs, line marking, barriers etc.)</p> <p>"Roads Drainage (cleaning and clearing and repairs)</p> <p>"Bridges and Culvert maintenance and repair.</p> <p>The Operational Maintenance budgets have been demonstrated as having sufficient capacity to ensure roads maintenance staff undertake roads maintenance for the whole financial year.</p> |

| Objectives | Strategies                                                                                                                                                                                                                                                  | Performance indicators                                                                                                                                                                                                                                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | Undertake routine and reactive maintenance activities for road, bridge, stormwater drainage and associated infrastructure assets in accordance with Council's asset management plans including complete unsealed roads grading program (see SoE activities) | <p>Services provided to suit community requirements and be completed in a timely manner, within budget and in accordance with quality, OH&amp;S and environmental requirements</p> <p>Roads graded in accordance with 6/12 month grading program and quality, OH&amp;S and environmental requirements</p> | <p>Routine and reactive maintenance activities for road, bridge, stormwater drainage and associated infrastructure assets has been completed in accordance with agreed programs and the Roads Maintenance Hierarchy during this reporting period.</p> <p>The top 10 and top 150 roads across the Local Govt Area have been the focus of maintenance activities in accordance with the Back to Basics service delivery focus for PMHC.</p> <p>The unsealed roads 6 monthly maintenance grading program remains on track to maintain the desired periodicity.</p>                                                                                                                            |
|            | Complete resealing preventative maintenance program in accordance with Council's Asset Management Plan (see Asset Management program area) (Works undertaken by day labour and sub contract)                                                                | Roads resealed in accordance with approved program, budget and quality, OH&S and environmental requirements                                                                                                                                                                                               | <p>Outstanding resealing works on Hastings River Drive and Ocean Drive south of Mathew Flinders Drive (from 2009/10 FY) are complete.</p> <p>Extreme wet weather across the State delayed contractors from completing these works until March 2011.</p> <p>The asphalt resealing works program has been successfully completed including Lake Road intersections, central road, Jindalee Road, Uralla Road, Ocean Drive South of Gordon Street, Horton Street and William Street.</p> <p>Preliminary kerb and gutter and drainage works have been completed ahead of planned asphalt resealing works on the northern section of Clifton Drive, which is scheduled for early Sept 2011.</p> |

## 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 Policy 2009
- ☐ Water Supply Infrastructure Assets Policy Manual 2006
- ☐ Transport Asset Management Plan 2008
- ☐ Corporate Risk Register
- ☐ 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide best practice in the management of community assets to optimise service standards and minimise whole-of-life costs | <p>Develop and implement a comprehensive, structured and consistent approach to asset management across Council consistent with the Integrated Planning &amp; Reporting Framework including:</p> <ul style="list-style-type: none"> <li>- integration of risk management into asset management processes</li> <li>- inclusion of service level standards for all asset categories</li> <li>- develop and implement asset management tools to promote consistency in whole-of-life evaluation of community assets</li> <li>- incorporating community</li> </ul> | Completion of all the required milestones under the State Government's Integrated Planning & Reporting Framework inclusive of a comprehensive Asset Management Plan by June 2011 | <p>Review of Asset Management Practices in line with requirements of Integrated Planning &amp; Reporting Framework, including Asset Management Flow Process within the organisation.</p> <p>Core Risk Management Plan incorporated with Generation 2 Transport &amp; Stormwater Asset Management Plans.</p> <p>Service levels discussion being held in conjunction with Community Planning process.</p> <p>CIVICA AIMS software development for all asset classes</p> <p>Held in conjunction with Community Planning</p> |

|  |                                                                                                                                                |                                                                                                             |                                                                                                                                             |
|--|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
|  | - feedback consistent with the Long Term Financial Plan                                                                                        |                                                                                                             | process. 10 year long term financial plans incorporated into Asset Management Plans for Transport, Stormwater, Water & Sewer asset classes. |
|  | 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

### 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
- ☐ Mid North Coast Regional Strategy 2006-2031
- ☐ 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                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide a strategic planning framework for sustainable land use to accommodate projected growth over the next 25 years | <p>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.</p> <p>The LGMS will provide a framework for sustainable growth, recognising environmental, coastal, agricultural, cultural heritage and landscape values, and land subject to natural hazards</p> | Completion of an Urban Growth Strategy (UGS) in consultation with the NSW Department of Planning, in accordance with State requirements and the UGS Project Plan. | Strategy completed, covering all urban land use types, in accordance with the Mid North Coast Regional Strategy. Strategy endorsed by NSW Department of Planning & Infrastructure in May 2011. |

| Objectives                                                                                                                                                                                      | Strategies                                                                                                                                                                                                                                                                                                  | Performance indicators                                                                           | Comment                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                 | (SoE priority issue).<br>It will identify preferred 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, including Koala Habitat mapping in 2010-2011                        | Vegetation and Koala Habitat mapping completed for Urban Growth Management Strategy Area in August 2011.                                                                                                                                       |
| 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 2010-2011 Strategic Planning Program.                      | Draft Local Environmental Plan (LEP) and Development Control Plan (DCP) provisions prepared and exhibited for land near Kew. Investigations and draft LEPs prepared + input to State government planning for land at Bonny Hills/ Lake Cathie. |
| 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.<br><br>Implementation of revised strategies in relation to employment needs in Council's LGMS.                                                                                                          | Projects on target in accordance with 2010-2011 Strategic Planning Program                       | Investigations undertaken at Sancrox and draft LEP finalised in August 2011. Investigations at Fernbank Creek Road commenced.                                                                                                                  |
| 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 2010-2011                                                           | Comprehensive LEP for PMH Local Government Area completed by Council and endorsed by NSW Dept of Planning & Infrastructure in February 2011.                                                                                                   |
| 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 and strategic planning program for 2010-2011                                                                                                                            | LEP amendments in accordance with 2010-2011 Strategic Planning Program                           | Site specific amendments progressed where possible in consultation with affected landowners.                                                                                                                                                   |
| 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                                                                                                                                                                       | Completion of Stage 2 review of DCP 2006 in accordance with 2010-2011 Strategic Planning Program | First stage comprehensive review of DCP completed in May 2011.                                                                                                                                                                                 |

| Objectives                                                                                                             | Strategies                                                                                                                                                                                                                                                | Performance indicators                                                                                                                 | Comment                                        |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| 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. | Contribution plans reviewed and adopted by Council in accordance with annual program to ensure appropriate delivery of infrastructure. | Review commenced.                              |
|                                                                                                                        | Monitor contributions income received by Council to ensure that the cost estimates and associated infrastructure works program can be achieved.                                                                                                           |                                                                                                                                        | Income exceeded target.                        |
|                                                                                                                        | Monitor the delivery of the infrastructure works program and population growth to ensure infrastructure delivery meets community needs.                                                                                                                   |                                                                                                                                        | Works program undertaken in accordance budget. |

## Development Assessment

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

### Services

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

### Key planning documents

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

### Strategies

| Objectives                                                                                  | Strategies                                                                                                                                                                                                                                                                                                                                                                                     | Performance indicators                                                                                                                                                                                                                                               | Comment                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide a high quality customer enquiry and application advice service to the community. | <p>Provide a duty officer as an initial point of contact for general building planning enquiries.</p> <p>Make available a planner for more detailed and specialist advice upon appointment.</p> <p>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.</p> | <p>Counter service provided 8.30am-1pm weekdays.</p> <p>Percentage of requests for service responded to within applicable service level agreement (SLA) standard. (Target: &gt;80%)</p> <p>Compile and distribute meeting minutes within 7 days of meeting date.</p> | <p>Counter service provided 8.30am to 1pm Monday – Thursday.</p> <p>Date currently unavailable.</p> <p>46 Pre-lodgement meetings were conducted this year.</p> <p>82% of pre-lodgement minutes issued within 7 days.</p> |
| To provide a development assessment process that is efficient, consistent and professional. | <p>Comply with statutory assessment requirements</p> <p>Apply relevant Council planning instruments and policy to all assessments</p> <p>Auditing of Complying Development Certifications</p>                                                                                                                                                                                                  | <p>Local development applications determined within 40 calendar days (median)</p> <p>Integrated development applications determined within 60 calendar days (average)</p> <p>Complying Development Applications determined within 10 calendar days</p>               | <p>Median DA processing time is 38 days.</p> <p>Information not currently recorded.</p> <p>Average determination time of 5 days.</p>                                                                                     |

| Objectives                                                                                                                                                        | Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Performance indicators                                                                                                                                                                      | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of identified process errors in Complying Development Certifications.                                                                                                                | Audit process developed. Only anecdotal information captured at present.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Optimise assessment outcomes that provide for a meaningful and transparent balance between aesthetics, functionality, community expectations and the environment. | <p>Enable community and stakeholder consultation through notification and exhibition of relevant applications in accordance with Council policy.</p> <p>Engage government agencies for concurrence on applications where relevant and as required by legislation.</p> <p>Independent Design Review Panel for SEPP 65 development :</p> <ul style="list-style-type: none"> <li>- facilitate pre-lodgement advice</li> <li>- provide expert advice on development applications</li> <li>- provide advice on the urban design content of Council's policies</li> <li>- in relation to residential fit buildings</li> </ul> <p>Provide a Development Assessment Panel to:</p> <ul style="list-style-type: none"> <li>- facilitate a hearing for objectors to individual development applications</li> <li>- provide assessment of significant development applications or those that have been the subject of community concern</li> <li>- make recommendations to Council in regard to policy and procedures</li> </ul> <p>Notify relevant parties of outcome of assessment process.</p> | <p>Comply with statutory and policy provisions relating to stakeholder consultation.</p> <p>Ongoing Design Review Panel services.</p> <p>Ongoing Development Assessment Panel services.</p> | <p>1141 Applications were determined during this period of these :</p> <p>1079 were approved.<br/>32 withdrawn<br/>30 refused/rejected.</p> <p>501 applications were notified/advertised.</p> <p>21 SEPP 1 applications were referred for concurrence.</p> <p>There have been no applications to the Design Review Panel during this period.</p> <p>DAP agenda posted on Council's website 5 days prior to schedule meeting date.</p> <p>70 reports were submitted to the Development Assessment Panel (DAP) for determination.</p> <p>Determinations generated within 7 days of DAP meeting.</p> |

| Objectives                                                                                         | Strategies                                       | Performance indicators                                                                                                                                                      | Comment                                                                                                                                   |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Provide a building certification and approval service that is efficient, consistent & professional | Compliance with Statutory and Policy Provisions. | <p>Construction Certificates processed within 21 days.</p> <p>S68 Applications processed within 21 days.</p> <p>Next day delivery on Building Construction Inspections.</p> | <p>42 current average processing days.</p> <p>Data currently unavailable</p> <p>Inspections conducted within 24 hours of application.</p> |

## Environmental Management

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

### Services

- ☐ Environmental and natural resources monitoring
- ☐ Environmental rehabilitation and restoration
- ☐ Tree Preservation Order (TPO) services
- ☐ Coastal, estuary and floodplain management
- ☐ Greenhouse gas abatement and climate change adaptation

### Key planning documents

- ☐ Coastal Management Plans  
Town Beach 2006  
Lake Cathie (in preparation)
- ☐ Floodplain Risk Management Plans  
Camden Haven Floodplain Risk Management Plan 2004 Hasting River Floodplain Risk Management Plan (in preparation)
- ☐ Northern Rivers Catchment Action Plan 2007
- ☐ Weed Management Plans
- ☐ Port Macquarie-Hastings Public Bushland Management Plans
- ☐ Various Plans of Management including Acid Partridge Creek Acid Sulfate Soils Management Plan 2003
- ☐ Estuary Management Plans  
Hastings Estuary Management Plan 2001  
Lake Cathie / Lake Innes Estuary Management Plan 1994  
Camden Haven Estuary Management Plan 2002

### Strategies

| Objectives                                  | Strategies                                                                                                                                                                                        | Performance indicators                                                           | Comment                                                                        |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| To protect and enhance environmental values | Protect and restore natural environmental values through:                                                                                                                                         | Annual Works program completed on-time and within budget                         | Works program completed on time and budget                                     |
|                                             | <ul style="list-style-type: none"> <li>- riparian zone restoration</li> <li>- public land native vegetation restoration programs</li> <li>- implementation of Estuary Management Plans</li> </ul> | Number of reserves under ecological maintenance (Target one new site per annum). | Target Exceeded (Shelly Beach and North Cathie Headland)                       |
|                                             | Increased funding for weed control programs on private & public land (SoE priority issue)                                                                                                         | Implementation of 5 year Invasive Plant Species Strategy                         | On target                                                                      |
|                                             | Development of a Biodiversity Strategy (SoE priority issue)                                                                                                                                       | Detailed vegetation mapping completed by July 2011                               | Revised completion date of Dec 2011 (LGMS area completed August 2011)          |
|                                             | Increase of feral animal control activity (SoE priority issue)                                                                                                                                    | Number of sites on public land where controls undertaken                         | Programs being undertaken. Kew STP land to be included in 10-11 control season |
|                                             | Promote the sustainable use of the area's natural resources:                                                                                                                                      | Annual Works program completed on-time and within                                | Annual works program due for finalisation August                               |

| Objectives                                                                      | Strategies                                                                                                                                                                                                                                                               | Performance indicators                                                                                                                                                                                                                                                                                          | Comment                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                 | <ul style="list-style-type: none"> <li>- Actions undertaken in accordance with Floodplain Management Plans</li> <li>- Preparation of revised Flood Policy</li> <li>- Preparation of Lake Cathie Coastline Management Plan</li> </ul>                                     | <p>budget</p> <p>Flood Policy adopted by Council by 30 June 2011</p> <p>Management Plan adopted by Council by 30 June 2011</p>                                                                                                                                                                                  | <p>2011</p> <p>Flood policy has yet to commence due to delays in management study.</p> <p>Stage 2 Management Study delayed due to funding. Stage 2 underway and completion expected by 31 December 2011.</p>                                     |
| Reduce Council's Corporate greenhouse gas emissions and adapt to climate change | <p>Actions undertaken in accordance with revised Climate Change Action Strategy including provisions mitigation and adaption responses.</p> <p>Increase the use of renewable fuels in Council plant &amp; vehicle fleet (SoE priority issue)</p>                         | <p>Identified actions progressively implemented in accordance with adopted timelines.</p> <p>Routine use of alternative fuels being implemented in Council plant and fleet</p>                                                                                                                                  | <p>Climate change risk assessment completed</p> <p>Not achieved.</p>                                                                                                                                                                             |
| Monitor and report on environmental trends                                      | <p>Implement appropriate environmental monitoring and reporting programs including investigation of Regional SoE Reporting</p> <p>Investigate more holistic water quality and riverine health assessment techniques (SoE priority issue)</p>                             | <p>Monitoring and reporting programs commenced for State of the Environment (SoE) Report due 2012.</p> <p>Holistic water quality and riverine assessment techniques commenced (Subject to grant funding)</p>                                                                                                    | <p>Both programs on target, Vegetation mapping and Eco Health riparian monitoring commenced.</p>                                                                                                                                                 |
| To ensure compliance with Council's Tree Preservation Order (TPO)               | <p>Provide Tree Preservation Order (TPO) services to:</p> <ul style="list-style-type: none"> <li>- assess applications for tree lopping and removal</li> <li>- investigate and respond as necessary to reported contraventions of the Tree Preservation Order</li> </ul> | <p>Percentage of approvals issued / inspections undertaken within applicable service level agreement (SLA) standard (Target: &gt;80%)</p> <p>Percentage of requests for investigations of contraventions of the TPO responded to within applicable service level agreement (SLA) standard (Target: &gt;80%)</p> | <p>This objective is being met. Additional staff have been trained in this area to assist in the delivery of this service as required.</p> <p>This objective is being met and several infringements have been issued for illegal tree works.</p> |

## 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

### Services

- |                                                                                            |                                                              |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <input type="checkbox"/> Public health and safety monitoring                               | <input type="checkbox"/> Development and building compliance |
| <input type="checkbox"/> Ranger and law enforcement services<br>(incl. parking management) | <input type="checkbox"/> Fire safety audits/orders           |
| <input type="checkbox"/> Companion Animals                                                 | <input type="checkbox"/> Environmental policy development    |

### Key planning documents

- ☐ n/a

### Strategies

| Objectives                                                                     | Strategies                                                                                                                                                                                                     | Performance indicators                                                                                                  | Comment                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | Number of inspections of Public Health premises in accordance with adopted Risk Matrix.                                 | An additional part-time Environmental Health Officer has been appointed to carry out a proactive risk-based public health inspection regime which has been on-going during the reporting year.                                                     |
| To ensure compliance with development consents and planning standards          | Investigate and respond as necessary to contraventions of development consents and planning controls                                                                                                           | Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%) | Most responses to building complaints have been within the set customer service standard but a large number of storm water related complaints, due to the extended wet weather, has put response times under pressure during the reporting period. |
|                                                                                | Increased enforcement of erosion and sediment controls on construction sites (SoE priority issue)                                                                                                              | Number of inspections undertaken within applicable service level agreement (SLA) standard (Target: 80%)                 | This objective has been achieved. In addition, the Rangers have been tasked to patrol for sediment offences during non-tasking time.                                                                                                               |
| To promote compliance with local government law                                | Provide ranger and law enforcement services including:                                                                                                                                                         | Percentage of requests for service responded to within applicable service level                                         | This objective has been achieved. Rangers staff have consistently                                                                                                                                                                                  |

| Objectives                                                                                                                       | Strategies                                                                                                                                                                                                                                                                       | Performance indicators                                                                                                  | Comment                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                  | <ul style="list-style-type: none"> <li>- proactive general duty patrols</li> <li>- investigations / inspections in response to community requests</li> <li>- regular parking patrols</li> </ul>                                                                                  | agreement (SLA) standard (Target: >80%)                                                                                 | achieved or exceeded the set customer service standards for enforcement related tasks.                                                                                                                                                                                                                                                                                           |
| To provide for the effective and responsible care and management of companion animals                                            | <p>Provide companion animal services including:</p> <ul style="list-style-type: none"> <li>- companion animal and stock impounding facilities</li> <li>- records of registered animals</li> <li>- proactive patrols</li> <li>- timely responses to community requests</li> </ul> | Percentage of requests for service responded to within applicable service level agreement (SLA) standard (Target: >80%) | This objective has been achieved. Ranger staff have consistently met or exceeded the set customer service standards for companion animal related tasks.                                                                                                                                                                                                                          |
| To promote community awareness in relation to responsible ownership of companion animals                                         | <p>Develop and implement a community awareness and school education program.</p> <p>Increase proactive community awareness about the impacts of barking dog noise on amenity of life</p>                                                                                         | Community awareness / education programs conducted in accordance with adopted schedule.                                 | <p>These objectives have been achieved.</p> <ol style="list-style-type: none"> <li>1. School education visits have continued.</li> <li>2. Information about responsible companion animal ownership is continually made available to the public.</li> <li>3. The annual Mongrel Dog Show has again been successfully conducted.</li> </ol>                                        |
| Ensure on-site sewage management systems (OSMS) comply with relevant environmental and building standards and health provisions. | <p>Undertake pro-active inspections of on-site sewage management systems (SoE priority issue)</p> <p>Implement enforcement action to rectify unsatisfactory systems.</p>                                                                                                         | Number of proactive OSMS inspections undertaken. (Target : 400 per annum)                                               | <p>Meeting this objective has been problematic due to a number of complex investigations on hand and other requirements such as responding to development assessment referrals.</p> <p>An administrative assistant will commence early in the new reporting year and this is expected to enable the Onsite Sewer Officer to devote more on-road time completing inspections.</p> |

## Water Cycle Management

Ensuring the sustainability of water resources to protect the natural environment

### Services

- |                                                |                                                                                                 |
|------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Water cycle planning  | <input type="checkbox"/> Stormwater drainage                                                    |
| <input type="checkbox"/> Water supply services | <input type="checkbox"/> Water and sewerage approvals and compliance                            |
| <input type="checkbox"/> Sewerage services     | <input type="checkbox"/> Laboratory services (Port Macquarie-Hastings Environmental Laboratory) |
| <input type="checkbox"/> Water Cycle Education |                                                                                                 |

### Key planning documents

- |                                                                                                                                       |                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <input type="checkbox"/> Integrated Water Cycle Management (IWCN)<br>Stage 1 Concept Study 2006<br>Stage 2 Strategy (to be developed) | <input type="checkbox"/> Hastings Water Demand Management Strategy<br>2005-2010 |
| <input type="checkbox"/> PMHC Water Supply Policy 2010                                                                                | <input type="checkbox"/> Hastings Effluent Management Strategy 1998             |
| <input type="checkbox"/> Hastings Secure Yield Study 2009                                                                             | <input type="checkbox"/> Hastings Urban Stormwater Management Plan 2000         |
| <input type="checkbox"/> Hastings Drought Management Plan 2004                                                                        |                                                                                 |

### Strategies

| Objectives                                                                          | Strategies                                                                                                                              | Performance indicators                                                                                                                                                                               | Comment                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To ensure the efficient use of water resources                                      | Develop specific integrated water management plans to guide development control plans for major urban release areas at Area 13, 14 & 15 | Integrated water management and water sensitive urban design principles incorporated into development Areas 13,14 & 15                                                                               | Integrated Water Management included in DCP and servicing strategies for new release areas.                                                                                                        |
| 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 and ADWG health targets being achieved. NWC performance data submitted as required to NSW Health and NSW Office of Water. MOU with NSW Health completed and operational. |
| To ensure an environmentally sustainable and financially viable water supply scheme | Investigate predicted climate change and population growth impacts                                                                      | <ul style="list-style-type: none"> <li>Secure Yield Study completed.</li> <li>Adapt water supply scheme to manage impacts &amp; changes.</li> <li>Water Supply Capital Works Plan updated</li> </ul> | Draft Water Supply Secure Yield Study to be completed by end of December 2011. Updating of Capital Works Plan to be completed by June 2012.                                                        |
|                                                                                     | Abstract river water in a sustainable manner                                                                                            | Compliance with Koree Island Operational Environmental Management Plan (OEMP) targets and licence conditions set by State Government Regulators                                                      | Water abstraction being undertaken in accordance with OEMP targets and license requirements.                                                                                                       |

| Objectives                                                                               | Strategies                                                                                                                                                                | Performance indicators                                                                                                                                                                                                            | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                          | Continue to implement the Water Supply Demand Management Strategy                                                                                                         | Compliance with NSW State Government Best Practice Guidelines <ul style="list-style-type: none"> <li>Reduced potable water consumption per connection</li> <li>Community Environmental Education Target met</li> </ul>            | As per State of Environment Report Potable water usage per property (KL)<br>2003-2004 = 230<br>2008-2009 = 181<br>2010-2011 = 173<br>WaterWise community education programme continuing with focus on School education activities.                                                                                                                                                                                                     |
|                                                                                          | Manage operational and asset life costs                                                                                                                                   | Compliance with NSW State Government Best Practice Guidelines <ul style="list-style-type: none"> <li>Strategic Business Plan</li> <li>Price path for water charges</li> <li>Developer contribution charges cover costs</li> </ul> | Water Supply SBP updated.<br>Water pricing path reviewed and adopted by council.<br>Water Supply S64 DSP currently under review.                                                                                                                                                                                                                                                                                                       |
| 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 continuing for each STP.<br>Significant improvement in effluent results for Camden Haven STP have been achieved through the augmentation completed in July 2011.<br>Computer software modelling of STP's has commenced with Bonny Hills now complete.<br>These models will provide a valuable tool to improve effluent quality.                                                                                              |
| To maximise the reuse of effluent                                                        | Continue to construct and develop opportunities identified in the Hastings Effluent Management Strategy                                                                   | Reuse of effluent compared to previous reporting periods (Target: increased reuse)                                                                                                                                                | Reclaimed water main construction along the Oxley Highway completed, this will provide reuse water for the Race Club and the Douglas Vale Winery.<br>Extension of reclaimed water main to settlement city precinct to be constructed in 2011/12.<br>HEMS line from Bonny Hills to Port Macquarie Golf Club due to be completed by the end of 2011. Negotiations to provide reuse water to the Port Macquarie Golf Club have commenced. |
| To ensure sewerage infrastructure will be available and adequate to meet future demand   | Continue to develop Council's sewerage infrastructure to cater for growth                                                                                                 | Capital works projects completed on-time, within budget and in accordance with quality, OH&S and environmental requirements                                                                                                       | Works program being completed.<br><br>Construction of Herons                                                                                                                                                                                                                                                                                                                                                                           |

| Objectives                                                                                                      | Strategies                                                                                                                                                                              | Performance indicators                                                                             | Comment                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                 |                                                                                                                                                                                         |                                                                                                    | <p>Creek and Beechwood schemes are due to commence in 2011/12.</p> <p>Haslin have commenced construction of the PM SPS#7 replacement. Completion due by May 2012.</p>  |
| 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)                                               | Biological Reassessment conducted October 2010. Accreditation continued. Additional methods included under scope of Accreditation. Chemical reassessment due Nov 2011. |
| Renewal and maintenance of stormwater assets                                                                    | Stormwater Asset Management Plan                                                                                                                                                        | Implemented as scheduled in Council's Corporate Plan – Stormwater Drainage 3 year works programme. | Capital works programme being completed to schedule.                                                                                                                   |
| To provide an efficient and cost effective stormwater drainage network                                          | Stormwater Management Plan                                                                                                                                                              | Review of the current Stormwater Management Plan by June 2011                                      | Review of Stormwater Management Plan deferred to future schedule.                                                                                                      |

## 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                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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<br>(Target: <50%)                                                            | The result for the year was 50.3% which is slightly above the target figure. Council will target Commercial and Industrial waste in an attempt to improve the figure in 2011/12.                   |
| 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<br>(Target: 100%) | Cairncross sediment basin construction delayed due to wet weather. Completed July 2011.                                                                                                            |
| 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<br>(Target: 1% per annum)                                                                            | The rate of recovery was 60.4% an increase of 0.7% which is slightly below the target. Community awareness campaigns will continue in 2011/12 in attempt to continue to improve the recovery rate. |
| To engage in regional cooperation in effective waste management and resource recovery                                            | Act cooperatively 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<br>(Target: 100%)                                                        | Regional waste audit and plasterboard composting trial completed.                                                                                                                                  |
| 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)                                              | Refer increase in recoverables per capita rate above. Commercial and Industrial recovery trial to commence Oct 2011.                                                                               |

## ATTACHMENT 1 - PAYMENT OF EXPENSES & PROVISION OF FACILITIES TO COUNCILLORS POLICY

|                             |                                                                                                                                                                 |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Responsible Officer</b>  | Manager Governance and Executive Services                                                                                                                       |
| <b>Contact Officer</b>      | Manager Governance and Executive Services                                                                                                                       |
| <b>Authorisation</b>        | Council on 23 September 2009                                                                                                                                    |
| <b>Effective Date</b>       | 22/09/10                                                                                                                                                        |
| <b>Modifications</b>        | Record of all amendments and modifications to this policy, including dates that amendments were approved, and/or came into effect                               |
| <b>Superseded Documents</b> |                                                                                                                                                                 |
| <b>Review</b>               | Manager Governance and Executive Services to review Policy in September each year.                                                                              |
| <b>File Number</b>          | All documents relating to the policy development, communication, implementation and review must be held on a PMHC registered file. Contact the Records Section. |
| <b>Associated Documents</b> |                                                                                                                                                                 |

### 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, Councillors and Administrator of the Port Macquarie-Hastings Council.

## 4. DEFINITIONS

**The Act:** Local Government Act, 1993

**Councillor expenses and facilities policy:** a policy prepared under the Department of Local Government's Guidelines, as amended from time to time.

**Expenses:** Payments made by the Council to reimburse Councillors for reasonable costs or Charges incurred or to be incurred for discharging their civic functions. Expenses are separate and additional to annual fees.

**Facilities:** Equipment and services that are provided by Council to Councillors to enable them to perform their civic functions with relative ease and at a standard appropriate to their professional role as Councillors.

**Functions of civic office/civic functions:** Functions that Councillors are required to undertake to fulfil their legislative role and responsibilities for the Council that should result in a direct benefit for the Council and /or the local government area.

## 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, e.g. 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, e.g. 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 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                                                                   |
| Circular 08-24 | Misuse of Council Resources                                                                              |
| Circular 08-37 | Council decision making prior to ordinary elections                                                      |
| Circular 09-36 | Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW |

***Model Code of Conduct:*** This policy is consistent with the Model Code of Conduct for Local Councils in NSW, June 2008 particularly, the Use of Council Resources.

***ICAC Publication:*** "No Excuse for Misuse" preventing the misuse of Council resources. Nov 2002

## **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.

### **Dispute Resolution Process**

In the event of a dispute regarding the reimbursement of expenses or provision of facilities, the matter will be referred to the full Council for review and determination.

### **Payments in Advance**

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home, as well as any other service or facility covered by this policy.

Following attendance at the conference etc, an expense claim form is required to be completed, showing the advance payment less actual expenses (supported by receipts) and any excess to be repaid or deficit to be reimbursed. Where an excess of advance over actual expenses is recorded, cash or cheque repaying the excess advance must accompany the claim when it is submitted.

### **Specific Expenses for Mayor and Councillors including 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, e.g. 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 Association's Annual Conference
- The Australian Local Government Association Conference
- The National Assembly of Local Government 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.

## **Attendance at Seminars and Conferences**

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

- the Council, through resolution duly passed in an Open session of the Council meeting
- the Mayor and General Manager acting under delegated authorities

This shall not preclude the Mayor from nominating a substitute attendee for functions etc 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 of NSW, Australian Local Government Association, National Assembly of Local Government and the Local Government Women’s Association on important issues,
- Annual Conferences and Congresses of the major industry associations and professions in Local Government,
- Australian Sister Cities Conference,
- Regional Organisation of Councils Conference, Summit or Seminar
- 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**

Where the Mayor or Councillor has been authorized to attend a conference 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 HR Policy "Attendance at Conferences, Seminars, Workshops & Deputations Representing Council" 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.

The fundraising activities of political parties, including political fundraising events, are considered to be personal interests. Council will not pay expenses or provide facilities to Councillors in relation to supporting and /or attending such activities or events.

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 Development and Educational Courses:**

Council will develop, fund and implement a Councillor training and development program based on a systematic skills analysis and assessment of the professional development needs of the Councillors.. However, it is essential that where Council is paying these expenses, the training or educational course is directly related to the Councillor's civic functions and responsibilities.

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. If the Mayor requires approval, it should be given jointly by the Deputy Mayor or another Councillor and the General Manager.

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 HR Policy "Attendance at Conferences, Seminars, Workshops & Deputations Representing Council" 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.

Where a group of Councillors attend the same event, the report may be submitted by the group, but must be signed by all Councillors.

The report to Council should be in writing and include the following:

- The purpose/subject matter of the conference, including the reason for the attendance of the delegate,
- The agenda of the conference,
- Any items of interest to Council discussed at the conference,
- Recommendations for further areas of action or investigation.

**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 Local Government (State) Award

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, e.g. 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 conferences, seminars, workshops or meetings on Council related business.

### **Overseas Travel**

Overseas travel should generally be avoided unless direct and tangible benefits can be demonstrated for Council.

Detailed proposals for overseas travel should be developed and included in a report to Council. These proposals shall include the nomination of the Councillor(s) undertaking the trip, the purpose of the trip and expected benefits. The duration, itinerary and approximate total cost of the trip should also be provided.

Overseas travel must be approved at an Open Council meeting prior to a Councillor undertaking the trip.

After returning from overseas, Councillors will provide a detailed written report to Council on the aspects of the trip relevant to Council business and/ or the local community. Councillors are also required to report back on their overseas travel to an Open meeting of the Council.

### **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.

## **Gifts and Benefits**

Where it is appropriate for the Councillors to give a gift or benefit (for example, on a Council business related trip or when receiving visitors), these gifts and benefits should be of a token value.

## **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, Department of Premier and Cabinet
- NSW Police Force
- The Director of Public Prosecutions, or
- The Local Government Pecuniary Interest and Disciplinary Tribunal into the conduct of a Councillor,
- Council's Conduct Review Committee/ Reviewer, 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 Mayor or Councillor, Council shall by resolution 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 favorable 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 will not meet the legal costs of legal proceedings initiated by a Councillor under any circumstance.

Council will not meet the legal costs of a Councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation. Legal costs will not be met for legal proceedings that do not involve a Councillor performing their role as a Councillor.

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 at a standard in accordance with Council's Replacement of Council Motor Vehicle Policy (P3).

#### **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.

## **Security Fob**

Councillors will be provided with a security fob for restricted access to the Administration building and the Councillors' room.

## **Private Use of Equipment and Facilities**

The Model Code of Conduct provides that Council resources must be used ethically, effectively, efficiently and carefully. Council property, including intellectual property, official services and facilities must also not be misused by any person or body for private benefit or gain. Councillors must also avoid any action or situation that could create the appearance that Council resources are being used inappropriately.

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.

### **Fees Payable to the Deputy Mayor**

The Deputy Mayor shall be paid a daily pro-rata fee equivalent to the daily Mayoral fee for the periods of time when the Mayor advises that he/she is prevented by absence, illness or otherwise from acting in, or when the Mayor requests the Deputy Mayor to act in, the office of Mayor. The amount of the fee so paid to the Deputy Mayor shall be deducted from the Mayor's annual fee. This clause is applicable only where the Deputy Mayor is required to fulfil the Mayoral role for a period of three days or more.

### **No Deduction under this Policy from Mayoral or Councillor Fees**

Unless otherwise provided, the payment of , or reimbursement of expenses and the facilities that may be provided under this policy, shall be provided without reduction from the annual fees payable to the Mayor and Councillors, as determined by the Council under sections 248 to 254 inclusive of the Local Government Act, 1993.

### **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 - Glasshouse Income Statement

### Port Macquarie - Hastings Council

#### Income Statement of The Glasshouse business activity for the year ended 30 June 2011

|                                                                            | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Income from continuing operations</b>                                   |                          |                          |
| Grants and contributions provided for non capital purposes                 | 121                      | 82                       |
| Other income (Including hire charges)                                      | 1,096                    | 882                      |
| <b>Total income from continuing operations</b>                             | <b>1,217</b>             | <b>964</b>               |
| <b>Expenses from continuing operations</b>                                 |                          |                          |
| Employee benefits and on-costs                                             | 1,982                    | 1,346                    |
| Borrowing costs                                                            | 1,598                    | 2,295                    |
| Materials and contracts                                                    | 1,795                    | 1,550                    |
| Depreciation & impairment                                                  | 1,848                    | 1,838                    |
| Other expenses                                                             | 346                      | 349                      |
| <b>Total expenses from continuing operations</b>                           | <b>7,569</b>             | <b>7,378</b>             |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>-6,352</b>            | <b>-6,414</b>            |
| Grants and contributions provided for capital purposes                     |                          | 0                        |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>-6,352</b>            | <b>-6,414</b>            |
| <b>Surplus (deficit) from all operations before tax</b>                    | <b>-6,352</b>            | <b>-6,414</b>            |
| Less Corporate Taxation Equivalent (30%) [based on result before capital]  | 0                        | 0                        |
| <b>Surplus (deficit) after tax</b>                                         | <b>-6,352</b>            | <b>-6,414</b>            |

## **Attachment 3 - Financial Statements**

# **STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011**



**PORT MACQUARIE  
HASTINGS**

**PORT MACQUARIE-HASTINGS COUNCIL**

**Financial Statements**

**STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED  
30 JUNE 2011**

Port Macquarie-Hastings Council

General Purpose Financial Statements

for the year ended 30 June 2011

## **Port Macquarie - Hastings Council**

### **General purpose financial statements for the year ended 30 June 2011**

#### **Contents**

|                                             | Page |
|---------------------------------------------|------|
| <b>General purpose financial statements</b> |      |
| Statement by Administrator and Management   | 1    |
| Income statement                            | 2    |
| Statement of comprehensive income           | 3    |
| Balance sheet                               | 4    |
| Statement of changes in equity              | 5    |
| Statement of cash flows                     | 6    |
| Notes to the financial statements           | 7    |
| Auditors' reports                           |      |

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 26 October 2011. 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](http://www.pmhc.nsw.gov.au)

**Port Macquarie - Hastings Council**

**General purpose financial statements  
for the year ended 30 June 2011**

**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:

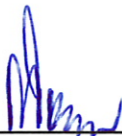
- \* The Local Government Act 1993 (as amended) and the Regulations made thereunder.
- \* The Australian Accounting Standards and professional pronouncements.
- \* The Local Government Code of Accounting Practice and Financial Reporting.

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

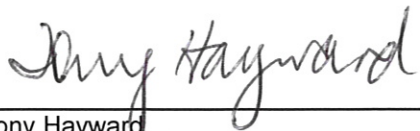
- \* presents fairly the Council's operating result and financial position for the year, and
- \* accords with Council's accounting and other records.

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 24 August 2011



\_\_\_\_\_  
Neil Porter  
Administrator



\_\_\_\_\_  
Tony Hayward  
General Manager



\_\_\_\_\_  
Kristian Enevoldson  
Responsible Accounting Officer

# Port Macquarie - Hastings Council

## Income statement

for the year ended 30 June 2011

| Budget (1)<br>2011<br>\$'000               |                                                                                                        | Notes | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------|-------|--------------------------|--------------------------|
| <b>Income from continuing operations</b>   |                                                                                                        |       |                          |                          |
| <b>Revenue:</b>                            |                                                                                                        |       |                          |                          |
| 65,620                                     | Rates and annual charges                                                                               | 3a    | 67,041                   | 62,299                   |
| 23,908                                     | User charges and fees                                                                                  | 3b    | 22,849                   | 24,245                   |
| 1,937                                      | Interest and investment revenue                                                                        | 3c    | 8,248                    | 6,893                    |
| 3,385                                      | Other revenues                                                                                         | 3d    | 5,603                    | 5,027                    |
| 11,670                                     | Grants and contributions provided for operating purposes                                               | 3e,f  | 13,862                   | 13,174                   |
| 22,069                                     | Grants and contributions provided for capital purposes                                                 | 3e,f  | 28,913                   | 23,844                   |
| <b>Other Income:</b>                       |                                                                                                        |       |                          |                          |
| 0                                          | Net gain from the disposal of assets                                                                   | 5     | 0                        | 1,866                    |
| 0                                          | Net share of interest in joint ventures and associates using the equity method                         |       | 0                        | 0                        |
| 128,589                                    | <b>Total income from continuing operations</b>                                                         |       | 146,516                  | 137,348                  |
| <b>Expenses from continuing operations</b> |                                                                                                        |       |                          |                          |
| 37,161                                     | Employee benefits and on-costs                                                                         | 4a    | 35,139                   | 34,205                   |
| 6,444                                      | Borrowing costs                                                                                        | 4b    | 5,679                    | 5,171                    |
| 31,637                                     | Materials and contracts                                                                                | 4c    | 31,088                   | 27,565                   |
| 36,671                                     | Depreciation and amortisation                                                                          | 4d    | 41,032                   | 36,633                   |
| 8,727                                      | Other expenses                                                                                         | 4e    | 7,819                    | 6,893                    |
| 0                                          | Interest and investment losses                                                                         | 3c    | 0                        | 0                        |
| 769                                        | Net loss from disposal of assets                                                                       | 5     | 6,176                    | 0                        |
| 0                                          | Share of interests in joint ventures and associates using the equity method                            |       | 0                        | 0                        |
| 121,409                                    | <b>Total expenses from continuing operations</b>                                                       |       | 126,933                  | 110,467                  |
| 7,180                                      | <b>Operating result from continuing operations</b>                                                     |       | 19,583                   | 26,881                   |
| 0                                          | <b>Operating result from discontinued operations</b>                                                   | 24    | -2,511                   | 181                      |
| 7,180                                      | <b>Net operating result for the year</b>                                                               |       | 17,072                   | 27,062                   |
| Attributable to:                           |                                                                                                        |       |                          |                          |
| 7,180                                      | - Council                                                                                              |       | 17,072                   | 27,062                   |
| 7,180                                      |                                                                                                        |       | 17,072                   | 27,062                   |
| -14,889                                    | <b>Net operating result for the year before grants and contributions provided for capital purposes</b> |       | -11,841                  | 3,218                    |

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 2011

|                                                                             |       | <b>Actual<br/>2011<br/>\$'000</b> | <b>Actual<br/>2010<br/>\$'000</b> |
|-----------------------------------------------------------------------------|-------|-----------------------------------|-----------------------------------|
|                                                                             | Notes |                                   |                                   |
| <b>Net operating result for the year - from Income statement</b>            |       | 17,072                            | 27,062                            |
| <b>Other comprehensive income</b>                                           |       |                                   |                                   |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | 20b   | 112,333                           | 451,250                           |
| Gain (loss) on revaluation of available-for-sale investments                | 20b   | 517                               | 1,117                             |
| Realised available-for-sale investment gains recognised in revenue          | 20b   | -16                               | 572                               |
| Adjustment to correct prior period depreciation errors                      | 20b   | 0                                 | 0                                 |
| <b>Total other comprehensive income for the year</b>                        |       | <u>112,834</u>                    | <u>452,939</u>                    |
| <b>Total comprehensive income for the year</b>                              |       | <u>129,906</u>                    | <u>480,001</u>                    |
| <b>Attributable to - Council</b>                                            |       | <u>129,906</u>                    | <u>480,001</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 2011

|                                                |       | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|------------------------------------------------|-------|--------------------------|--------------------------|
|                                                | Notes |                          |                          |
| <b>ASSETS</b>                                  |       |                          |                          |
| <b>Current Assets</b>                          |       |                          |                          |
| Cash and cash equivalents                      | 6a    | 9,024                    | 24,804                   |
| Investments                                    | 6b    | 45,975                   | 25,016                   |
| Receivables                                    | 7     | 14,499                   | 13,474                   |
| Inventories                                    | 8     | 1,011                    | 1,141                    |
| Other                                          | 8     | 706                      | 707                      |
| Non-current assets classified as held for sale | 22    | 1,999                    | 1,999                    |
| <b>Total current assets</b>                    |       | <b>73,214</b>            | <b>67,141</b>            |
| <b>Non Current Assets</b>                      |       |                          |                          |
| Investments                                    | 6b    | 29,681                   | 22,252                   |
| Receivables                                    | 7     | 7,491                    | 6,844                    |
| Inventories                                    | 8     | 168                      | 168                      |
| Infrastructure, property, plant and equipment  | 9     | 1,784,599                | 1,628,055                |
| Investments accounted for using equity method  | 19    | 0                        | 0                        |
| Investment property                            | 14    | 0                        | 0                        |
| Intangible assets                              |       | 0                        | 0                        |
| Other                                          | 8     | 0                        | 0                        |
| <b>Total non-current assets</b>                |       | <b>1,821,939</b>         | <b>1,657,319</b>         |
| <b>Total assets</b>                            |       | <b>1,895,153</b>         | <b>1,724,460</b>         |
| <b>LIABILITIES</b>                             |       |                          |                          |
| <b>Current liabilities</b>                     |       |                          |                          |
| Payables                                       | 10    | 9,979                    | 10,799                   |
| Borrowings                                     | 10    | 8,076                    | 7,783                    |
| Provisions                                     | 10    | 13,791                   | 13,929                   |
| <b>Total current liabilities</b>               |       | <b>31,846</b>            | <b>32,511</b>            |
| <b>Non-current liabilities</b>                 |       |                          |                          |
| Payables                                       | 10    | 8,624                    | 8,624                    |
| Borrowings                                     | 10    | 87,843                   | 94,336                   |
| Provisions                                     | 10    | 1,462                    | 1,499                    |
| <b>Total non-current liabilities</b>           |       | <b>97,929</b>            | <b>104,459</b>           |
| <b>Total liabilities</b>                       |       | <b>129,775</b>           | <b>136,970</b>           |
| <b>Net assets</b>                              |       | <b>1,765,378</b>         | <b>1,587,490</b>         |
| <b>EQUITY</b>                                  |       |                          |                          |
| Retained earnings                              | 20    | 945,880                  | 880,826                  |
| Revaluation reserves                           | 20    | 819,498                  | 706,664                  |
| <b>Total equity</b>                            |       | <b>1,765,378</b>         | <b>1,587,490</b>         |

Port Macquarie - Hastings Council

Statement of changes in equity

for the year ended 30 June 2011

|                                   |               | Actual<br>2011<br>\$'000 |                                 |                   |                            |              |
|-----------------------------------|---------------|--------------------------|---------------------------------|-------------------|----------------------------|--------------|
|                                   | Notes<br>Ref. | Retained<br>earnings     | Asset<br>revaluation<br>reserve | Other<br>Reserves | Council equity<br>interest | Total equity |
| Opening balance                   | 20            | 880,826                  | 707,192                         | -528              | 1,587,490                  | 1,587,490    |
| Correction of errors              |               |                          |                                 |                   | 0                          | 0            |
| Changes in Accounting Policies    | 1(u)          | 47,982                   |                                 |                   | 47,982                     | 47,982       |
| Restated opening balance          |               | 928,808                  | 707,192                         | -528              | 1,635,472                  | 1,635,472    |
| Net operating result for the year |               | 17,072                   |                                 |                   | 17,072                     | 17,072       |
| Other comprehensive income        | 9             |                          | 112,333                         | 501               | 112,834                    | 112,834      |
| Total comprehensive income        | 20            | 17,072                   | 112,333                         | 501               | 129,906                    | 129,906      |
| Closing balance                   | 20            | 945,880                  | 819,525                         | -27               | 1,765,378                  | 1,765,378    |

|  |                      | Actual<br>2010<br>\$'000        |                |                            |                  |  |
|--|----------------------|---------------------------------|----------------|----------------------------|------------------|--|
|  | Retained<br>earnings | Asset<br>revaluation<br>reserve | Other Reserves | Council equity<br>interest | Total equity     |  |
|  | 853,764              | 255,942                         | -2,217         | 1,107,489                  | 1,107,489        |  |
|  |                      |                                 |                | 0                          | 0                |  |
|  |                      |                                 |                | 0                          | 0                |  |
|  | <b>853,764</b>       | <b>255,942</b>                  | <b>-2,217</b>  | <b>1,107,489</b>           | <b>1,107,489</b> |  |
|  | 27,062               |                                 |                |                            |                  |  |
|  |                      | 451,250                         | 1,689          |                            |                  |  |
|  | 27,062               | 451,250                         | 1,689          | 480,001                    | 480,001          |  |
|  | <b>880,826</b>       | <b>707,192</b>                  | <b>-528</b>    | <b>1,587,490</b>           | <b>1,587,490</b> |  |

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 2011

| <b>Budget</b>                               |                                                             |        | <b>Actual</b>  | <b>Actual</b>  |
|---------------------------------------------|-------------------------------------------------------------|--------|----------------|----------------|
| <b>2011</b>                                 |                                                             |        | <b>2011</b>    | <b>2010</b>    |
| \$'000                                      |                                                             | Notes  | \$'000         | \$'000         |
| <b>Cash flows from operating activities</b> |                                                             |        |                |                |
| <b>Receipts:</b>                            |                                                             |        |                |                |
| 65,547                                      | Rates and annual charges                                    |        | 66,233         | 61,921         |
| 24,405                                      | User charges and fees                                       |        | 22,722         | 26,426         |
| 2,580                                       | Investment revenue and interest                             |        | 3,924          | 2,540          |
| 23,692                                      | Grants and contributions                                    |        | 26,252         | 33,323         |
| 14,328                                      | Other                                                       |        | 14,678         | 9,732          |
| <b>Payments:</b>                            |                                                             |        |                |                |
| -37,051                                     | Employee benefits and on-costs                              |        | -35,466        | -33,414        |
| -37,116                                     | Materials and contracts                                     |        | -38,286        | -34,921        |
| -5,952                                      | Borrowing Costs                                             |        | -5,681         | -4,998         |
| -11,266                                     | Other                                                       |        | -10,522        | -10,446        |
| <b>39,167</b>                               | <b>Net cash provided by operating activities</b>            | 11 (b) | <b>43,854</b>  | <b>50,163</b>  |
| <b>Cash flows from investing activities</b> |                                                             |        |                |                |
| <b>Receipts:</b>                            |                                                             |        |                |                |
| 9,535                                       | Sale of Investments                                         | 6      | 26,192         | 12,230         |
| 1,586                                       | Sale of real estate assets                                  | 5,8    | 0              | 6,983          |
|                                             | Sale of infrastructure, property, plant and equipment       | 5      | 2,565          | 2,701          |
|                                             | Other                                                       |        | 848            | 0              |
| <b>Payments:</b>                            |                                                             |        |                |                |
|                                             | Purchase of investments                                     | 6      | -51,000        | -25,000        |
| -49,838                                     | Purchase of infrastructure, property, plant and equipment   | 9      | -31,798        | -39,013        |
|                                             | Other                                                       |        |                |                |
| <b>-38,717</b>                              | <b>Net cash used in investing activities</b>                |        | <b>-53,193</b> | <b>-42,099</b> |
| <b>Cash flows from financing activities</b> |                                                             |        |                |                |
| <b>Receipts:</b>                            |                                                             |        |                |                |
| 1,000                                       | Borrowings and advances                                     |        | 1,000          | 19,309         |
| <b>Payments:</b>                            |                                                             |        |                |                |
| -8,023                                      | Borrowings and advances                                     |        | -7,771         | -7,070         |
| <b>-7,023</b>                               | <b>Net cash provided by financing activities</b>            |        | <b>-6,771</b>  | <b>12,239</b>  |
| -6,573                                      | <b>Net increase/(decrease) in cash and cash equivalents</b> |        | -16,110        | 20,303         |
| 24,804                                      | Cash and cash equivalents at beginning of reporting period  | 11(a)  | 24,804         | 4,501          |
| <b>18,231</b>                               | <b>Cash and cash equivalents at end of reporting period</b> | 11     | <b>8,694</b>   | <b>24,804</b>  |

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 2011**

#### **Contents of the notes to the financial statements**

|                                                                    | Page  |
|--------------------------------------------------------------------|-------|
| Note 1 Summary of significant accounting policies                  | 7-17  |
| Note 2(a) Functions or activities                                  | 18    |
| Note 2(b) Components of functions or activities                    | 19    |
| Note 3 Income from continuing operations                           | 20-24 |
| Note 4 Expenses from continuing operations                         | 25-26 |
| Note 5 Gain or loss from disposal of assets                        | 27    |
| Note 6(a) Cash and cash equivalents                                | 28    |
| Note 6(b) Investments                                              | 29    |
| Note 6(c) Restricted cash, cash equivalents and investments        | 30    |
| Note 7 Receivables                                                 | 31    |
| Note 8 Inventories and other assets                                | 32    |
| Note 9(a) Infrastructure, property, plant and equipment            | 33    |
| Note 9(b) Restricted infrastructure, property, plant and equipment | 34    |
| Note 10(a) Payables, borrowings and provisions                     | 35    |
| Note 10(b) Description of and movements in provisions              | 36    |
| Note 11 Reconciliation of cash flow movements                      | 37-38 |
| Note 12 Commitments for expenditure                                | 39-40 |
| Note 13 Statement of performance measures - Consolidated results   | 41-42 |
| Note 13 (b) Statement of performance measures - by Fund            | 43    |
| Note 14 Investment properties                                      | 44    |
| Note 15 Financial Risk Management                                  | 45-49 |
| Note 16 Material budget variations                                 | 50-52 |
| Note 17 Statement of contribution plans                            | 53-54 |
| Note 18 Contingencies                                              | 55    |
| Note 19 Interests in joint ventures                                | 56    |
| Note 20 Revaluation reserves and retained earnings                 | 57    |
| Note 21 Results by fund                                            | 58-59 |
| Note 22 Non-current assets classified as held for sale             | 60    |
| Note 23 Events occurring after balance sheet date                  | 61    |
| Note 24 Discontinued Operation                                     | 62    |
| Note 25 Reinstatement, rehabilitation and restoration liabilities  | 63    |

**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.

Revenue 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**

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 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 Ministerial 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 Ministerial Local Government 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 have been 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)
- \* Community Land - (Internal Valuation)
- \* Land Improvements - (Internal Valuation)
- \* Other Structures - (Internal Valuation)
- \* Other Assets - (Internal Valuation)

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.

*(ixia) 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 to recognise land under roads in accordance with AASB 1051. Council has used the "Englobo" valuation method for land under roads. This requires an average Site Value (SV) for each suburb within the Council area on a \$ per m2 has to be calculated. The site value is "the value of the underlying land assuming that any existing improvements have not been made. It also assumes that the land is not encumbered by any lease, mortgage or other charge". Australian Property Institute, 2004. Adjustment factors for 65% and 25% respectively have been applied for Englobo value and access and carriageway tights and infrastructure (other users for carriageway reserve and infrastructure).

Land under roads acquired 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.

**Change in Accounting Policy**

Council has amended its accounting policy relating to recognising land under roads. In 2010 Council resolved to recognise land under roads acquired from 1 July 2010 as allowed by Australian Accounting Standards 1051 "Land under Roads". In 2011 Council has identified and valued all land under roads that are controlled and owned. The impact of this change in accounting policy is to increase the value of land under roads by \$47,982,000 and retained earnings by the same. Prior period comparatives have not been amended as Council, under the directive of the NSW Division of Local Government, has valued land under roads and effectively adopted Accounting Standard AASB 1051 for the first time in 2011.

**(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.

**Note 1 Summary of significant accounting policies****(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 costs 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.

**(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 2011 reporting periods. Port Macquarie-Hastings Council's assessment of the impact of these new standards and interpretations is set out below.

*(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the 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 debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

*(ii) 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 clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. This amendment will have no impact on Council.

*(iii) 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's financial statements.

*(iv) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)*

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two tier differential reporting regime applies to all entities that prepare general purpose financial statements. Port Macquarie-Hastings Council is a local government and, as a result, is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will therefore have impact on the financial statements of Council.

**Note 1 Summary of significant accounting policies**

(v) AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)*

Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on Council's disclosures.

(vi) AASB 2010-8 *Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets (effective 1 January 2012)*

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. This amendment will have no impact on Council.

**(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 also 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.

## Note 2(a) Functions or activities

(continued)

| 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 |                | Total assets held (current and non-current) |                  |
|                                                                                                                                                                               | Original Budget                   | Actual         | Actual         | Original Budget                     | Actual         | Actual         | Original Budget                             | Actual         | Actual         | Actual                    | Actual         | Actual                                      | Actual           |
|                                                                                                                                                                               | 2011<br>\$'000                    | 2011<br>\$'000 | 2010<br>\$'000 | 2011<br>\$'000                      | 2011<br>\$'000 | 2010<br>\$'000 | 2011<br>\$'000                              | 2011<br>\$'000 | 2010<br>\$'000 | 2011<br>\$'000            | 2010<br>\$'000 | 2011<br>\$'000                              | 2010<br>\$'000   |
| Governance                                                                                                                                                                    |                                   |                | 20             | 5,257                               | 4,576          | 4,465          | -5,257                                      | -4,576         | -4,445         |                           |                | 140                                         |                  |
| Administration                                                                                                                                                                | 149                               | 586            | 391            | 1,754                               | 2,425          | 2,590          | -1,605                                      | -1,839         | -2,199         | 17                        | 825            | 35,896                                      | 38,179           |
| Public order & safety                                                                                                                                                         | 1,321                             | 1,785          | 2,842          | 3,398                               | 3,974          | 3,306          | -2,077                                      | -2,189         | -464           | 1,058                     | 2,141          | 16,765                                      | 18,134           |
| Health                                                                                                                                                                        |                                   |                | 80             | 1                                   | 50             | 29             | -1                                          | -50            | 51             |                           |                | 28                                          | 34               |
| Environment                                                                                                                                                                   | 17,167                            | 18,579         | 18,065         | 19,749                              | 19,644         | 16,556         | -2,582                                      | -1,065         | 1,509          | 1,203                     | 1,222          | 98,720                                      | 104,331          |
| Community services & education                                                                                                                                                | 82                                | 285            | 1,427          | 1,621                               | 1,769          | 1,352          | -1,539                                      | -1,484         | 75             | 291                       | 1,644          | 3,464                                       | 3,290            |
| Housing & community amenities                                                                                                                                                 | 2,032                             | 2,492          | 2,890          | 5,530                               | 5,526          | 5,279          | -3,498                                      | -3,034         | -2,389         | 159                       | 121            | 29,261                                      | 24,078           |
| Water supplies                                                                                                                                                                | 23,447                            | 21,627         | 26,923         | 18,247                              | 18,156         | 15,700         | 5,200                                       | 3,471          | 11,223         | 504                       | 831            | 398,709                                     | 374,453          |
| Sewerage services                                                                                                                                                             | 20,679                            | 26,013         | 21,065         | 16,595                              | 16,661         | 15,492         | 4,084                                       | 9,352          | 5,573          | 339                       | 335            | 258,881                                     | 235,810          |
| Recreation & culture                                                                                                                                                          | 5,269                             | 3,958          | 4,195          | 17,561                              | 16,780         | 16,840         | -12,292                                     | -12,822        | -12,645        | 656                       | 1,031          | 156,890                                     | 111,165          |
| Mining, manufacturing & construction                                                                                                                                          | 1,336                             | 1,178          | 1,589          | 2,216                               | 2,163          | 2,030          | -880                                        | -985           | -441           |                           |                | 404                                         | 250              |
| Transport & communication                                                                                                                                                     | 12,825                            | 23,946         | 14,535         | 27,230                              | 32,351         | 22,812         | -14,405                                     | -8,405         | -8,277         | 2,000                     | 3,293          | 886,064                                     | 798,442          |
| Economic affairs                                                                                                                                                              | 2,662                             | 1,980          | 3,992          | 2,250                               | 2,858          | 4,016          | 412                                         | -878           | -24            | 5                         |                | 9,931                                       | 16,294           |
| <b>Total functions &amp; activities</b>                                                                                                                                       | <b>86,969</b>                     | <b>102,429</b> | <b>98,014</b>  | <b>121,409</b>                      | <b>126,933</b> | <b>110,467</b> | <b>-34,440</b>                              | <b>-24,504</b> | <b>-12,453</b> | <b>6,232</b>              | <b>11,443</b>  | <b>1,895,153</b>                            | <b>1,724,460</b> |
| General Purpose Income (1)                                                                                                                                                    | 41,620                            | 44,087         | 39,334         |                                     |                |                | 41,620                                      | 44,087         | 39,334         | 9,194                     | 7,662          |                                             |                  |
| <b>Totals</b>                                                                                                                                                                 | <b>128,589</b>                    | <b>146,516</b> | <b>137,348</b> | <b>121,409</b>                      | <b>126,933</b> | <b>110,467</b> | <b>7,180</b>                                | <b>19,583</b>  | <b>26,881</b>  | <b>15,426</b>             | <b>19,105</b>  | <b>1,895,153</b>                            | <b>1,724,460</b> |

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.

### **Administration**

Which includes corporate support and other support services.

### **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<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Rates and annual charges</b>              |                          |                          |
| <b>Ordinary Rates</b>                            |                          |                          |
| Residential                                      | 26,679                   | 23,944                   |
| Farmland                                         | 1,952                    | 1,781                    |
| Business                                         | 6,045                    | 5,387                    |
| <b>Total ordinary rates</b>                      | <b>34,676</b>            | <b>31,112</b>            |
| <b>Special Rates</b>                             |                          |                          |
| Broadwater Special Rate                          | 71                       | 69                       |
| Sanctuary Springs Special Rate                   | 16                       | 12                       |
| <b>Total special rates</b>                       | <b>87</b>                | <b>81</b>                |
| <b>Annual Charges (pursuant to s.496, s.501)</b> |                          |                          |
| Domestic waste management services               | 9,556                    | 9,211                    |
| Water supply                                     | 4,986                    | 4,818                    |
| Sewerage services                                | 16,466                   | 15,839                   |
| Waste management services (not domestic)         | 545                      | 534                      |
| Stormwater Drainage                              | 715                      | 694                      |
| Reclaimed Water                                  | 10                       | 10                       |
| <b>Total annual charges</b>                      | <b>32,278</b>            | <b>31,106</b>            |
| <b>Total rates and annual charges</b>            | <b>67,041</b>            | <b>62,299</b>            |

Council has used 2009 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 2011  
(continued)

|                                                  | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------------|--------------------------|--------------------------|
| <b>(b) User charges and fees</b>                 |                          |                          |
| <b>User charges</b> ( <i>pursuant to s.502</i> ) |                          |                          |
| Water supply services                            | 10,426                   | 11,163                   |
| Sewerage services                                | 777                      | 811                      |
| Waste management services (not domestic)         | 3,029                    | 3,243                    |
| Onsite Effluent                                  | 145                      | 140                      |
| Reclaimed Water                                  | 24                       | 27                       |
| <b>Total user charges</b>                        | <b>14,401</b>            | <b>15,384</b>            |
| <b>Fees</b>                                      |                          |                          |
| Administration                                   | 165                      | 142                      |
| Animal registration                              | 98                       | 93                       |
| Beach permits                                    | 23                       | 24                       |
| Caravan parks                                    | 231                      | 225                      |
| Certificate income                               | 177                      | 217                      |
| Crematorium/cemeteries                           | 1,107                    | 1,182                    |
| Health                                           | 46                       | 50                       |
| Private Works                                    | 375                      | 277                      |
| s.611                                            | 53                       | 44                       |
| Section 68 permits                               | 450                      | 538                      |
| Sewerage Services                                | 16                       | 18                       |
| Transport & communications                       | 3,682                    | 3,572                    |
| Planning & building - Regulatory                 | 1,602                    | 2,034                    |
| Water meter installations                        | 335                      | 355                      |
| Water supply fees                                | 88                       | 90                       |
| <b>Total fees</b>                                | <b>8,448</b>             | <b>8,861</b>             |
| <b>Total user charges and fees</b>               | <b>22,849</b>            | <b>24,245</b>            |

### Note 3 Income from continuing operations (continued)

### Notes to the financial statements

30 June 2011

(continued)

|                                                          | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|----------------------------------------------------------|--------------------------|--------------------------|
| <b>(c) Interest and Investment revenue</b>               |                          |                          |
| Interest and Dividends                                   |                          |                          |
| - Overdue rates and charges                              | 490                      | 485                      |
| - Cash and Investments                                   | 4,680                    | 2,675                    |
| Fair value adjustments                                   |                          |                          |
| - Investments at fair value through the profit and loss  | 589                      | 669                      |
| - Investments classified as available for sale           | 2,489                    | 1,251                    |
| Premiums recognised on financial instrument transactions |                          |                          |
| - Interest free loan from State Government               | 0                        | 1,813                    |
| <b>Total interest and investment revenue (1)</b>         | <b>8,248</b>             | <b>6,893</b>             |
| <b>(d) Other revenues</b>                                |                          |                          |
| Administration                                           | 237                      | 225                      |
| Animal Control                                           | 29                       | 25                       |
| Caravan Parks                                            | 306                      | 0                        |
| Community services                                       | 23                       | 26                       |
| Economic affairs                                         | 462                      | 1,229                    |
| Fines                                                    | 573                      | 511                      |
| Housing and community amenities                          | 339                      | 258                      |
| Information/document sales                               | 86                       | 60                       |
| Library charges                                          | 118                      | 127                      |
| Public order and safety                                  | 11                       | 24                       |
| Recreation and cultural facilities                       | 53                       | 61                       |
| Rental of council facilities                             | 487                      | 411                      |
| Sewerage services                                        | 13                       | 20                       |
| Transport and communications                             | 671                      | 1                        |
| The Glasshouse                                           | 1,019                    | 882                      |
| Waste management revenues                                | 1,055                    | 1,109                    |
| Water supplies                                           | 121                      | 58                       |
| <b>Total other revenues</b>                              | <b>5,603</b>             | <b>5,027</b>             |

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)

(continued)

|                                                 | Operating     |               | Capital       |               |
|-------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                 | Actual        | Actual        | Actual        | Actual        |
|                                                 | 2011          | 2010          | 2011          | 2010          |
|                                                 | \$'000        | \$'000        | \$'000        | \$'000        |
| <b>(e) Grants</b>                               |               |               |               |               |
| <b>General purpose (Untied)</b>                 |               |               |               |               |
| Financial assistance                            | 8,385         | 7,662         |               |               |
| Pensioners' rates subsidies:                    |               |               |               |               |
| - General                                       | 809           | 776           |               |               |
| <b>Special purpose</b>                          |               |               |               |               |
| Pensioners' rate subsidies:                     |               |               |               |               |
| - Water                                         | 504           | 205           |               |               |
| - Sewer                                         | 337           | 333           |               |               |
| - Domestic waste management                     | 298           | 309           |               |               |
| Administration                                  | 0             | 20            |               |               |
| Community services and education                | 117           | 213           | 156           | 1,319         |
| Economic affairs                                | 24            | 206           |               |               |
| Employment and training programmes              | 26            | 54            |               |               |
| Health                                          | 125           | 86            |               |               |
| Housing and community amenities                 | 635           | 597           | 31            | 62            |
| Library                                         | 143           | 180           |               |               |
| Public order and safety                         | 399           | 375           | 658           | 1,706         |
| The Glasshouse                                  | 68            | 38            |               |               |
| Recreation and culture                          | 11            | 67            | 453           | 704           |
| Roads and bridges                               | 163           | 197           | 1,809         | 3,101         |
| Street lighting                                 | 95            | 92            |               |               |
| Waste management                                | 180           | 180           |               |               |
| Water supplies                                  |               |               |               | 623           |
| <b>Total grants</b>                             | <b>12,319</b> | <b>11,590</b> | <b>3,107</b>  | <b>7,515</b>  |
| <b>Comprising:</b>                              |               |               |               |               |
| - Commonwealth funding                          | 6,282         | 5,984         | 1,336         | 3,140         |
| - State funding                                 | 6,017         | 5,503         | 1,771         | 4,375         |
| - Other funding                                 | 20            | 103           |               |               |
|                                                 | <b>12,319</b> | <b>11,590</b> | <b>3,107</b>  | <b>7,515</b>  |
| <b>(f) Contributions</b>                        |               |               |               |               |
| Developer Contributions                         |               |               |               |               |
| - Section 94                                    | 163           | 100           | 3,839         | 2,795         |
| - Section 94A                                   |               |               | 48            | 80            |
| - Planning agreements                           |               |               | 93            | 0             |
| RTA contributions (Regional/Local, Block Grant) | 1,122         | 1,053         |               |               |
| Section 64:                                     |               |               |               |               |
| - Water                                         |               |               | 3,365         | 4,852         |
| - Sewerage                                      |               |               | 1,511         | 1,259         |
| Dedications                                     |               |               | 16,656        | 6,510         |
| Community services and education                | 10            | 3             |               |               |
| Economic affairs                                | 104           | 112           |               |               |
| Housing and community amenities                 | 47            | 140           | 5             | 0             |
| Public order and safety                         | 0             | 18            | 44            | 102           |
| Recreation and culture                          | 4             | 112           | 85            | 0             |
| Sewerage services                               |               |               |               |               |
| Street Lighting                                 | 2             | 0             |               |               |
| The Glasshouse                                  | 51            | 43            |               |               |
| Transport and communications                    | 40            | 3             | 51            | 204           |
| Water supplies                                  |               |               | 109           | 527           |
| <b>Total contributions</b>                      | <b>1,543</b>  | <b>1,584</b>  | <b>25,806</b> | <b>16,329</b> |
| <b>Total grants and contributions</b>           | <b>13,862</b> | <b>13,174</b> | <b>28,913</b> | <b>23,844</b> |

## Note 3 Income from continuing operations (continued)

(continued)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(g) Restrictions relating to grants and contributions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                          |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 12,781                   | 10,473                   |
| Less:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          |                          |
| Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 9,873                    | 6,218                    |
| <b>Net increase/(decrease) in restricted grants and contributions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>2,908</b>             | <b>4,255</b>             |
| <b>(h) Significant Items</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                          |
| The following items have impacted Council's operating result.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                          |
| <b>Increase in the value of investments.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                          |
| <b>At Fair Value through Profit &amp; Loss</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          |                          |
| 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).                                                                                                                                                                                                                                                                                                                                                                                                                         | 589                      | 669                      |
| <b>Available for Sale</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                          |
| 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. Thereafter any fair value gains or losses are immediately recognised in the income statement. The increase in fair value attributable to impaired assets classified as available for sale for the financial year and recognised in the income statement is: | 2,489                    | 1,251                    |

## Note 4 Expenses from continuing operations

|                                           | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-------------------------------------------|--------------------------|--------------------------|
| <b>(a) Employee benefits and on costs</b> |                          |                          |
| Salaries and wages                        | 26,244                   | 25,720                   |
| Travelling                                | 1,792                    | 2,000                    |
| Employee leave entitlements               | 4,039                    | 4,690                    |
| Superannuation                            | 3,663                    | 3,605                    |
| Workers' compensation insurance           | 912                      | 854                      |
| Fringe Benefits Tax                       | 150                      | 219                      |
| Payroll Tax                               | 479                      | 468                      |
| Training costs (excluding Salaries)       | 282                      | 269                      |
| Other                                     | 88                       | 93                       |
| Less: Capitalised costs                   | -2,510                   | -3,713                   |
| <b>Total employee costs expensed</b>      | <b>35,139</b>            | <b>34,205</b>            |
| Number of FTE employees                   | 452                      | 447                      |
| <b>(b) Borrowing Costs</b>                |                          |                          |
| Interest on Overdrafts                    | 0                        | 0                        |
| Interest on Loans                         | 6,439                    | 6,300                    |
| Amortisation of discounts and premiums:   |                          |                          |
| - Tip remediation                         | 22                       | 21                       |
| Less: Capitalised costs                   | -783                     | -1,150                   |
| <b>Total borrowing costs expensed</b>     | <b>5,679</b>             | <b>5,171</b>             |
| <b>(c) Materials and contracts</b>        |                          |                          |
| Raw materials and consumables             | 19,122                   | 16,225                   |
| Contractor and consultancy costs          | 7,104                    | 6,367                    |
| - Domestic waste management contract      | 4,348                    | 4,084                    |
| Audit Fees:                               |                          |                          |
| - Audit services                          | 71                       | 63                       |
| - Other                                   | 3                        | 0                        |
| Legal fees:                               |                          |                          |
| - Planning and development                | 85                       | 17                       |
| - Other                                   | 355                      | 809                      |
| <b>Total materials and contracts</b>      | <b>31,088</b>            | <b>27,565</b>            |

## Note 4 Expenses from continuing operations

(continued)

|                                                      | Depn/Amor<br>Actual<br>2011<br>\$'000 | Depn/Amor<br>Actual<br>2010<br>\$'000 | Imp (1)<br>Actual<br>2011<br>\$'000 | Imp<br>Actual<br>2010<br>\$'000 |
|------------------------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|---------------------------------|
| <b>(d) Depreciation, amortisation and impairment</b> |                                       |                                       |                                     |                                 |
| Plant and equipment                                  | 2,438                                 | 2,044                                 |                                     |                                 |
| Office equipment                                     | 1,173                                 | 1,191                                 |                                     |                                 |
| Furniture & fittings                                 | 408                                   | 387                                   |                                     |                                 |
| Leased property, plant and equipment                 | 3                                     | 3                                     |                                     |                                 |
| Land Improvements (depreciable)                      | 844                                   | 813                                   |                                     |                                 |
| Buildings - Non Specialised                          | 4,218                                 | 4,489                                 | 144                                 |                                 |
| Other Structures                                     | 435                                   | 464                                   |                                     |                                 |
| Infrastructure:                                      |                                       |                                       |                                     |                                 |
| - roads, bridges and footpaths                       | 15,165                                | 11,903                                |                                     |                                 |
| - storm water drainage                               | 1,560                                 | 864                                   |                                     |                                 |
| - water supply network                               | 8,377                                 | 7,490                                 |                                     |                                 |
| - sewerage network                                   | 5,967                                 | 6,688                                 |                                     |                                 |
| Other Assets:                                        |                                       |                                       |                                     |                                 |
| - heritage collections                               | 4                                     | 5                                     |                                     |                                 |
| - library books                                      | 238                                   | 233                                   |                                     |                                 |
| - other                                              | 45                                    | 45                                    |                                     |                                 |
| Tip asset                                            | 13                                    | 14                                    |                                     |                                 |
| <b>Total depreciation and total impairment</b>       | <b>40,888</b>                         | <b>36,633</b>                         | <b>144</b>                          | <b>0</b>                        |
|                                                      |                                       |                                       |                                     |                                 |
|                                                      |                                       |                                       | Actual<br>2011<br>\$'000            | Actual<br>2010<br>\$'000        |

**(e) Other expenses**

Other expenses for the year including the following:

|                                                        |              |              |
|--------------------------------------------------------|--------------|--------------|
| Bad & Doubtful Debts                                   | 13           | 67           |
| Administrator Expenses                                 | 244          | 154          |
| Insurance                                              | 1,205        | 1,259        |
| Street lighting                                        | 1,000        | 883          |
| Electricity and heating                                | 2,778        | 2,578        |
| Telephones                                             | 399          | 387          |
| Contributions and donations                            | 245          | 166          |
| Bank charges and fees                                  | 213          | 191          |
| Valuation fees                                         | 151          | 141          |
| Payment to other Levels of Government                  | 1,571        | 1,067        |
| <b>Total other expenses from continuing operations</b> | <b>7,819</b> | <b>6,893</b> |

30 June 2011

## Note 5 Gain or loss from disposal of assets

(continued)

|                                                                       | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Gain (or loss) on disposal of Property</b>                         |                          |                          |
| Proceeds from disposal                                                | 1,167                    | 1,768                    |
| Less: Carrying amount of assets sold                                  | 1,208                    | 1,640                    |
| <b>Gain (or loss) on disposal</b>                                     | <u>-41</u>               | <u>128</u>               |
| <b>Gain (or loss) on disposal of Plant and Equipment</b>              |                          |                          |
| Proceeds from disposal                                                | 1,398                    | 933                      |
| Less: Carrying amount of assets sold                                  | 1,838                    | 1,139                    |
| <b>Gain (or loss) on disposal</b>                                     | <u>-440</u>              | <u>-206</u>              |
| <b>Gain (or loss) on disposal of Real Estate assets held for sale</b> |                          |                          |
| Proceeds from sales                                                   |                          | 6,983                    |
| Less: Cost of sales                                                   |                          | 5,003                    |
| <b>Gain (or loss) on disposal</b>                                     | <u>0</u>                 | <u>1,980</u>             |
| <b>Gain (or loss) on disposal of Infrastructure Assets</b>            |                          |                          |
| Proceeds from disposal                                                |                          | 0                        |
| Less: Carrying amount of infrastructure assets                        | 5,695                    | 36                       |
| <b>Gain (or loss) on disposal</b>                                     | <u>-5,695</u>            | <u>-36</u>               |
| <b>Gain (or loss) on disposal of Financial Assets</b>                 |                          |                          |
| Proceeds from disposal                                                | 26,192                   | 12,230                   |
| Less: Carrying value of financial assets                              | 26,192                   | 12,230                   |
| <b>Gain (or loss) on disposal</b>                                     | <u>0</u>                 | <u>0</u>                 |
| <b>Net gain (or loss) from disposal of assets</b>                     | <u>-6,176</u>            | <u>1,866</u>             |

## Note 6(a) Cash and cash equivalents

(continued)

|                          | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------|--------------------------|--------------------------|
| Cash at bank and on hand | 185                      | 596                      |
| Deposits at call         | 8,839                    | 24,208                   |
|                          | <b>9,024</b>             | <b>24,804</b>            |

## Note 6(b) Investments

(continued)

**The following financial assets are held as investments**

|                                                               | Actual 2011   |               | Actual 2010   |               |
|---------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                               | Current       | Non-Current   | Current       | Non-Current   |
|                                                               | \$'000        | \$'000        | \$'000        | \$'000        |
| Financial assets at fair value through Profit and Loss        | 1,985         | 11,760        | 0             | 11,347        |
| Held to maturity investments                                  | 40,000        | 12,000        | 21,000        | 4,000         |
| Available for sale financial assets (1)                       | 3,990         | 5,921         | 4,016         | 6,905         |
| <b>Total</b>                                                  | <b>45,975</b> | <b>29,681</b> | <b>25,016</b> | <b>22,252</b> |
| <b>Financial assets at fair value through Profit and Loss</b> |               |               |               |               |
| At beginning of year                                          | 0             | 11,347        | 0             | 11,528        |
| Revaluation to Income statement                               | 93            | 497           | 0             | 669           |
| Additions                                                     | 0             | 3,000         | 0             | 0             |
| Transfer b/w Current & Non-Current                            | 3,084         | -3,084        | 0             | 0             |
| Disposals                                                     | -1,192        | 0             | 0             | -850          |
| <b>At end of year</b>                                         | <b>1,985</b>  | <b>11,760</b> | <b>0</b>      | <b>11,347</b> |
| <b>Comprising of:</b>                                         |               |               |               |               |
| - Equity Linked Notes                                         | 1,985         | 8,768         | 0             | 11,347        |
| - Floating Rate Notes                                         | 0             | 2,992         | 0             | 0             |
|                                                               | <b>1,985</b>  | <b>11,760</b> | <b>0</b>      | <b>11,347</b> |
| <b>Held to maturity investments</b>                           |               |               |               |               |
| At beginning of year                                          | 21,000        | 4,000         | 0             | 0             |
| Additions                                                     | 37,000        | 11,000        | 21,000        | 4,000         |
| Transfer b/w Current & Non-Current                            | 3,000         | -3,000        | 0             | 0             |
| Disposals (Sale/Redemption)                                   | -21,000       | 0             | 0             | 0             |
| <b>At end of year</b>                                         | <b>40,000</b> | <b>12,000</b> | <b>21,000</b> | <b>4,000</b>  |
| <b>Comprising of:</b>                                         |               |               |               |               |
| - Term Deposits                                               | 40,000        | 12,000        | 21,000        | 4,000         |
|                                                               | <b>40,000</b> | <b>12,000</b> | <b>21,000</b> | <b>4,000</b>  |
| <b>Available for sale financial assets</b>                    |               |               |               |               |
| At beginning of year                                          | 4,016         | 6,905         | 11,626        | 7,736         |
| Additions                                                     | 0             | 0             | 0             | 0             |
| Disposals                                                     | -4,000        | 0             | -10,500       | -880          |
| Transfer b/w Current & Non-Current                            | 3,738         | -3,738        | 1,565         | -1,565        |
| Revaluation to equity                                         | 236           | 265           | 1,325         | 363           |
| Revaluation to income statement                               | 0             | 2,489         | 0             | 1,251         |
| <b>At end of year</b>                                         | <b>3,990</b>  | <b>5,921</b>  | <b>4,016</b>  | <b>6,905</b>  |
| <b>Comprising of:</b>                                         |               |               |               |               |
| - Floating Rate Notes                                         | 3,990         | 1,983         | 1,000         | 5,456         |
| - Collateralised Debt Obligations                             | 0             | 3,938         | 3,016         | 1,449         |
|                                                               | <b>3,990</b>  | <b>5,921</b>  | <b>4,016</b>  | <b>6,905</b>  |

Note:

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

30 June 2011

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

(continued)

|                                                     | Actual 2011       |                       | Actual 2010       |                       |
|-----------------------------------------------------|-------------------|-----------------------|-------------------|-----------------------|
|                                                     | Current<br>\$'000 | Non-Current<br>\$'000 | Current<br>\$'000 | Non-Current<br>\$'000 |
| <b>Total cash, cash equivalents and investments</b> | <b>54,999</b>     | <b>29,681</b>         | <b>49,820</b>     | <b>22,252</b>         |
| External restrictions                               | 35,747            | 29,681                | 35,327            | 22,252                |
| Internal restrictions                               | 19,041            |                       | 13,897            |                       |
| Unrestricted                                        | 211               |                       | 596               |                       |
|                                                     | <b>54,999</b>     | <b>29,681</b>         | <b>49,820</b>     | <b>22,252</b>         |

|                                                      | Opening<br>Balance<br>\$'000 | Transfers to<br>restrictions<br>\$'000 | Transfers<br>from<br>restrictions<br>\$'000 | Closing<br>balance<br>\$'000 |
|------------------------------------------------------|------------------------------|----------------------------------------|---------------------------------------------|------------------------------|
| Notes                                                | \$'000                       | \$'000                                 | \$'000                                      | \$'000                       |
| <b>External Restrictions</b>                         |                              |                                        |                                             |                              |
| Developer Contributions (A)                          | 28,053                       | 10,766                                 | 4,932                                       | 33,887                       |
| Unexpended Contributions (B)                         | 877                          | 346                                    | 561                                         | 662                          |
| Unexpended Grants (C)                                | 6,335                        | 3,369                                  | 6,080                                       | 3,624                        |
| Water (D)                                            | 9,809                        | 4,690                                  | 4,417                                       | 10,082                       |
| Sewerage (E)                                         | 7,380                        | 9,203                                  | 5,051                                       | 11,532                       |
| Employee Leave Entitlements (Water, Sewerage, Waste) | 1,677                        | 20                                     | 408                                         | 1,289                        |
| Broadwater Special Rate (F)                          | 472                          | 156                                    |                                             | 628                          |
| Sanctury Springs Special Rate (G)                    | 41                           | 17                                     |                                             | 58                           |
| Domestic Waste Management (H)                        | 2,020                        | 1,419                                  | 125                                         | 3,314                        |
| Caravan Parks (I)                                    | 483                          | 280                                    | 763                                         | 0                            |
| Stormwater Management                                | 432                          | 16                                     | 96                                          | 352                          |
| <b>Total external restrictions</b>                   | <b>57,579</b>                | <b>30,282</b>                          | <b>22,433</b>                               | <b>65,428</b>                |
| <b>Internal Restrictions</b>                         |                              |                                        |                                             |                              |
| Airport                                              | 47                           | 529                                    | 520                                         | 56                           |
| Canal Maintenance                                    | 244                          | 53                                     |                                             | 297                          |
| CBD Townscape                                        | 2,120                        | 1,125                                  | 217                                         | 3,028                        |
| Committed Works                                      | 3,506                        | 230                                    | 1,257                                       | 2,479                        |
| Crematorium                                          | 414                          | 145                                    | 110                                         | 449                          |
| Council Election                                     |                              | 140                                    |                                             | 140                          |
| Crown Reserves                                       |                              | 143                                    |                                             | 143                          |
| Cultural Activities                                  |                              | 53                                     |                                             | 53                           |
| Employee Leave Entitlements                          | 2,357                        | 424                                    |                                             | 2,781                        |
| Environmental Levy Reserve                           | 401                          | 601                                    | 489                                         | 513                          |
| Ferries Maintenance                                  | 395                          | 269                                    |                                             | 664                          |
| HACC Greenmeadows                                    |                              | 4                                      |                                             | 4                            |
| Lake Cathie Dredging                                 | 67                           | 12                                     |                                             | 79                           |
| Maintenance of 4WD Access Points                     | 98                           | 23                                     |                                             | 121                          |
| Major Buildings Renewals                             | 853                          | 169                                    | 162                                         | 860                          |
| Office Building & Equipment                          | 1,437                        | 1,383                                  | 1,062                                       | 1,758                        |
| Onsite Effluent                                      | 180                          | 62                                     |                                             | 242                          |
| Plant Replacement                                    | 3,056                        | 2,017                                  | 3,179                                       | 1,894                        |
| Pool Refurbishment                                   | 308                          | 1,295                                  | 34                                          | 1,569                        |
| Public Halls                                         | 10                           | 16                                     |                                             | 26                           |
| Street Lighting                                      |                              | 261                                    |                                             | 261                          |
| Surf Clubs                                           | 40                           | 80                                     | 19                                          | 101                          |
| Tourism & Industry Promotion                         | 187                          | 156                                    | 46                                          | 297                          |
| Town Bands                                           | 28                           | 7                                      |                                             | 35                           |
| Transport Infrastructure Renewal                     | 499                          | 662                                    | 41                                          | 1,120                        |
| The Glasshouse                                       | 0                            | 200                                    |                                             | 200                          |
| Unrealised Profit/(Loss) on Investments              | -4,786                       | 518                                    | 407                                         | -4,675                       |
| Working Capital                                      | 2,436                        | 2,808                                  | 698                                         | 4,546                        |
| <b>Total Internal Restrictions</b>                   | <b>13,897</b>                | <b>13,385</b>                          | <b>8,241</b>                                | <b>19,041</b>                |
| <b>Total Restrictions</b>                            | <b>71,476</b>                | <b>43,667</b>                          | <b>30,674</b>                               | <b>84,469</b>                |

(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 2011   |              | Actual 2010   |              |
|------------------------------------------------|---------------|--------------|---------------|--------------|
|                                                | Current       | Non-Current  | Current       | Non-Current  |
|                                                | \$'000        | \$'000       | \$'000        | \$'000       |
| <b>Purpose</b>                                 |               |              |               |              |
| Rates and annual charges                       | 4,255         | 1,540        | 3,809         | 1,169        |
| Interest and extra charges                     | 255           | 350          | 262           | 479          |
| User charges and fees                          | 4,553         | 972          | 3,886         | 561          |
| Accrued revenues                               | 1,965         |              | 583           |              |
| GST Receivable                                 | 731           |              | 816           |              |
| Government grants and subsidies                | 2,648         |              | 2,821         |              |
| Other                                          | 181           | 4,629        | 1,377         | 4,635        |
| <b>Total</b>                                   | <b>14,588</b> | <b>7,491</b> | <b>13,554</b> | <b>6,844</b> |
| <b>Less: Provision for impairment:</b>         |               |              |               |              |
| Rates and annual charges                       | 32            |              | 22            |              |
| User charges and fees                          | 57            |              | 58            |              |
|                                                | <b>89</b>     |              | <b>80</b>     |              |
| <b>Total</b>                                   | <b>14,499</b> | <b>7,491</b> | <b>13,474</b> | <b>6,844</b> |
| <b>Restricted receivables</b>                  |               |              |               |              |
| <b>Externally restricted receivables</b>       |               |              |               |              |
| Water Supply                                   | 4,469         | 4,937        | 3,989         | 4,925        |
| Sewerage Services                              | 3,618         | 1,003        | 3,264         | 1,539        |
| Domestic waste management                      | 1,030         | 413          | 844           | 339          |
| Newton special rate                            | 3             | 0            | 1             | 0            |
| Broadwater special rate                        | 16            | 1            | 5             | 0            |
| <b>Total externally restricted receivables</b> | <b>9,136</b>  | <b>6,354</b> | <b>8,103</b>  | <b>6,803</b> |
| <b>Unrestricted receivables</b>                | <b>5,363</b>  | <b>1,137</b> | <b>5,371</b>  | <b>41</b>    |
| <b>Total receivables</b>                       | <b>14,499</b> | <b>7,491</b> | <b>13,474</b> | <b>6,844</b> |

## Note 8 Inventories and other assets

(continued)

|                                                                          | Actual 2011<br>Current<br>\$'000 | Non-<br>Current<br>\$'000 | Actual 2010<br>Current<br>\$'000 | Non-<br>Current<br>\$'000 |
|--------------------------------------------------------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| <b>Inventories</b>                                                       |                                  |                           |                                  |                           |
| Real estate (refer below)                                                | 535                              | 168                       | 641                              | 168                       |
| Stores and materials                                                     | 476                              |                           | 500                              |                           |
| <b>Total inventories</b>                                                 | <b>1,011</b>                     | <b>168</b>                | <b>1,141</b>                     | <b>168</b>                |
| <b>Inventories not expected to be realised within the next 12 months</b> |                                  | <b>168</b>                |                                  | <b>168</b>                |
| <b>Other assets</b>                                                      |                                  |                           |                                  |                           |
| Prepayments                                                              | 706                              |                           | 707                              |                           |
| <b>Total</b>                                                             | <b>706</b>                       |                           | <b>707</b>                       |                           |
| <b>Real Estate Development</b>                                           |                                  |                           |                                  |                           |
| Residential                                                              | 29                               |                           | 91                               | 20                        |
| Industrial/Commercial                                                    | 506                              | 168                       | 550                              | 148                       |
| <b>Total real estate for resale</b>                                      | <b>535</b>                       | <b>168</b>                | <b>641</b>                       | <b>168</b>                |
| <i>(Valued at the lower of cost and net realisable value)</i>            |                                  |                           |                                  |                           |
| <b>Represented by:</b>                                                   |                                  |                           |                                  |                           |
| Acquisition costs                                                        |                                  |                           |                                  |                           |
| Development costs                                                        | 535                              | 168                       | 641                              | 168                       |
| Borrowing costs                                                          |                                  |                           |                                  |                           |
| <b>Total real estate for resale</b>                                      | <b>535</b>                       | <b>168</b>                | <b>641</b>                       | <b>168</b>                |
| <b>Externally restricted inventories and other assets</b>                |                                  |                           |                                  |                           |
| <b>Water Supply</b>                                                      |                                  |                           |                                  |                           |
| Stores and materials                                                     | 256                              |                           | 256                              |                           |
| <b>Total Water Supply</b>                                                | <b>256</b>                       |                           | <b>256</b>                       |                           |
| <b>Sewerage</b>                                                          |                                  |                           |                                  |                           |
| Stores and materials                                                     | 8                                |                           | 7                                |                           |
| <b>Total Sewerage</b>                                                    | <b>8</b>                         |                           | <b>7</b>                         |                           |
| <b>Total externally restricted inventories and other assets</b>          | <b>264</b>                       |                           | <b>263</b>                       |                           |
| <b>Unrestricted inventories and other assets</b>                         | <b>1,453</b>                     | <b>168</b>                | <b>1,585</b>                     | <b>168</b>                |
| <b>Total inventories and other assets</b>                                | <b>1,717</b>                     | <b>168</b>                | <b>1,848</b>                     | <b>168</b>                |

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

| By Asset Type                                                                    | At 30 June 2010                   |                      |                                                      |                                 | Movements during year             |                                     |                               |                                  |                                     |                                    |                                                             | At 30 June 2011                   |                      |                                                      |                                 |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------|------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-------------------------------|----------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------------|-----------------------------------|----------------------|------------------------------------------------------|---------------------------------|
|                                                                                  | Cost/<br>Deemed<br>cost<br>\$'000 | Fair Value<br>\$'000 | Accum<br>depreciation<br>and<br>impairment<br>\$'000 | Written<br>Down Value<br>\$'000 | Additions -<br>Renewals<br>\$'000 | Additions -<br>New Assets<br>\$'000 | WDV of<br>Disposals<br>\$'000 | Depn and<br>impairment<br>\$'000 | Transfers/<br>Adjustments<br>\$'000 | Change in<br>Accounting<br>Policy* | Revaluation<br>increments/(<br>decrements)<br>(2)<br>\$'000 | Cost/<br>Deemed<br>cost<br>\$'000 | Fair Value<br>\$'000 | Accum<br>depreciation<br>and<br>impairment<br>\$'000 | Written<br>Down Value<br>\$'000 |
| <b>WIP</b>                                                                       |                                   | 45,194               |                                                      | 45,194                          | 6,128                             | 12,219                              |                               |                                  | -9,155                              |                                    |                                                             |                                   | 54,386               |                                                      | 54,386                          |
| Plant and equipment                                                              |                                   | 31,025               | 16,618                                               | 14,407                          |                                   | 5,239                               | 1,870                         | 2,438                            | 2,544                               |                                    |                                                             |                                   | 39,202               | 21,320                                               | 17,882                          |
| Office equipment                                                                 |                                   | 14,485               | 11,866                                               | 2,619                           |                                   | 968                                 |                               | 1,173                            |                                     |                                    |                                                             |                                   | 15,445               | 13,031                                               | 2,414                           |
| Furniture and fittings                                                           |                                   | 5,758                | 2,105                                                | 3,653                           |                                   | 291                                 | 9                             | 408                              |                                     |                                    |                                                             |                                   | 6,019                | 2,492                                                | 3,527                           |
| Leased plant and equipment                                                       |                                   | 286                  | 37                                                   | 249                             |                                   |                                     |                               | 3                                |                                     |                                    |                                                             |                                   | 286                  | 40                                                   | 246                             |
| <b>Land</b>                                                                      |                                   |                      |                                                      |                                 |                                   |                                     |                               |                                  |                                     |                                    |                                                             |                                   |                      |                                                      |                                 |
| - Operational Land                                                               |                                   | 67,979               |                                                      | 67,979                          |                                   | 187                                 | 935                           |                                  | -505                                |                                    |                                                             |                                   | 66,726               |                                                      | 66,726                          |
| - Community Land                                                                 | 9,380                             |                      |                                                      | 9,380                           |                                   | 10                                  |                               |                                  |                                     |                                    | 13,684                                                      |                                   | 23,074               |                                                      | 23,074                          |
| Crown Land (Council Trustee)                                                     |                                   |                      |                                                      |                                 |                                   |                                     |                               |                                  |                                     |                                    | 18,719                                                      |                                   | 18,719               |                                                      | 18,719                          |
| Land Under Roads*                                                                | 85                                |                      |                                                      | 85                              |                                   |                                     |                               |                                  | 55                                  | 47,982                             |                                                             |                                   | 48,122               |                                                      | 48,122                          |
| Non depreciable land improvements                                                | 4,160                             |                      |                                                      | 4,160                           |                                   |                                     |                               |                                  |                                     |                                    |                                                             |                                   | 4,160                |                                                      | 4,160                           |
| Depreciable land improvements                                                    | 30,018                            |                      | 14,757                                               | 15,261                          |                                   | 3                                   | 283                           | 844                              | 6                                   |                                    | 861                                                         |                                   | 24,801               | 9,797                                                | 15,004                          |
| Buildings                                                                        |                                   | 140,503              | 44,350                                               | 96,153                          |                                   | 1,351                               | 2,099                         | 4,362                            | 670                                 |                                    | 2,885                                                       |                                   | 143,791              | 49,193                                               | 94,598                          |
| Other Structures                                                                 | 14,463                            |                      | 5,766                                                | 8,697                           |                                   | 482                                 | 28                            | 435                              | 463                                 |                                    | 3,029                                                       |                                   | 30,205               | 17,997                                               | 12,208                          |
| <b>Infrastructure</b>                                                            |                                   |                      |                                                      |                                 |                                   |                                     |                               |                                  |                                     |                                    |                                                             |                                   |                      |                                                      |                                 |
| - Roads, bridges, footpaths                                                      |                                   | 965,689              | 203,273                                              | 762,416                         | 573                               | 15,450                              | 3,435                         | 15,165                           | 2,569                               |                                    | 32,016                                                      |                                   | 1,021,309            | 226,885                                              | 794,424                         |
| - Stormwater Drainage                                                            | 6,714                             | 111,061              | 42,639                                               | 75,136                          | 77                                | 1,114                               | 321                           | 1,560                            | 175                                 |                                    | 14,705                                                      |                                   | 143,542              | 54,216                                               | 89,326                          |
| - Water Supply Network                                                           |                                   | 494,107              | 151,212                                              | 342,895                         | 913                               | 1,687                               | 392                           | 8,377                            | 1,400                               |                                    | 6,750                                                       |                                   | 507,082              | 162,206                                              | 344,876                         |
| - Sewerage Network                                                               |                                   | 294,768              | 116,615                                              | 178,153                         | 7                                 | 1,849                               | 1,547                         | 5,967                            | 1,365                               |                                    | 10,991                                                      |                                   | 293,400              | 108,549                                              | 184,851                         |
| <b>Other Assets</b>                                                              |                                   |                      |                                                      |                                 |                                   |                                     |                               |                                  |                                     |                                    |                                                             |                                   |                      |                                                      |                                 |
| - Heritage Collections                                                           | 345                               |                      | 86                                                   | 259                             |                                   |                                     |                               | 4                                |                                     |                                    | 526                                                         |                                   | 1,100                | 319                                                  | 781                             |
| - Library Books                                                                  | 4,113                             |                      | 3,782                                                | 331                             |                                   | 235                                 |                               | 238                              |                                     |                                    |                                                             |                                   | 4,349                | 4,021                                                | 328                             |
| - Other                                                                          | 1,524                             |                      | 640                                                  | 884                             |                                   | 13                                  | 203                           | 45                               |                                     |                                    | 8,167                                                       |                                   | 14,376               | 5,560                                                | 8,816                           |
| <b>Reinstatement, Rehabilitation,<br/>Restoration Assets (refer note<br/>21)</b> |                                   |                      |                                                      |                                 |                                   |                                     |                               |                                  |                                     |                                    |                                                             |                                   |                      |                                                      |                                 |
| Tip Asset                                                                        | 223                               |                      | 79                                                   | 144                             |                                   |                                     |                               | 13                               |                                     |                                    |                                                             |                                   | 223                  | 92                                                   | 131                             |
| <b>Totals</b>                                                                    | <b>71,025</b>                     | <b>2,170,855</b>     | <b>613,825</b>                                       | <b>1,628,055</b>                | <b>7,698</b>                      | <b>41,098</b>                       | <b>11,122</b>                 | <b>41,032</b>                    | <b>-413</b>                         | <b>47,982</b>                      | <b>112,333</b>                                              |                                   | <b>2,460,317</b>     | <b>675,718</b>                                       | <b>1,784,599</b>                |

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.

\* Refer to Note 1(u)

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

(continued)

| By Asset Type                           | Actual 2011<br>\$'000 |                      |                                                   |                                 | Actual 2010<br>\$'000 |                      |                                                   |                                 |
|-----------------------------------------|-----------------------|----------------------|---------------------------------------------------|---------------------------------|-----------------------|----------------------|---------------------------------------------------|---------------------------------|
|                                         | At Cost<br>\$'000     | Fair Value<br>\$'000 | Accum<br>depreciation<br>and impairment<br>\$'000 | Written Down<br>Value<br>\$'000 | At Cost<br>\$'000     | Fair Value<br>\$'000 | Accum<br>depreciation<br>and impairment<br>\$'000 | Written Down<br>Value<br>\$'000 |
| <b>Water Supply</b>                     |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| Plant and equipment                     |                       | 7                    |                                                   | 7                               |                       | 244                  | 51                                                | 193                             |
| Office equipment                        |                       | 244                  | 69                                                | 175                             |                       |                      |                                                   |                                 |
| Land                                    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| - Operational Land                      |                       | 5,596                |                                                   | 5,596                           |                       | 5,596                |                                                   | 5,596                           |
| Buildings                               |                       | 7,484                | 2,227                                             | 5,257                           |                       | 7,238                | 1,955                                             | 5,283                           |
| Water Supply<br>Infrastructure          |                       | 507,082              | 162,206                                           | 344,876                         |                       | 494,458              | 151,563                                           | 342,895                         |
| Capital WIP                             |                       | 4,741                |                                                   | 4,741                           |                       | 2,366                |                                                   | 2,366                           |
| <b>Total water supply</b>               |                       | <b>525,154</b>       | <b>164,502</b>                                    | <b>360,652</b>                  |                       | <b>509,902</b>       | <b>153,569</b>                                    | <b>356,333</b>                  |
| <b>Sewerage Services</b>                |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| Plant and equipment                     |                       | 6,460                | 4,167                                             | 2,293                           |                       | 339                  | 371                                               | -32                             |
| Office equipment                        |                       | 98                   | 82                                                | 16                              |                       | 126                  | 86                                                | 40                              |
| Furniture & Fittings                    |                       | 28                   | 8                                                 | 20                              |                       |                      |                                                   |                                 |
| Land                                    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| - Operational Land                      |                       | 6,346                |                                                   | 6,346                           |                       | 6,361                |                                                   | 6,361                           |
| Buildings                               |                       | 4,276                | 1,679                                             | 2,597                           |                       | 4,118                | 1,517                                             | 2,601                           |
| Sewerage Infrastructure                 |                       | 293,400              | 108,549                                           | 184,851                         |                       | 294,768              | 116,615                                           | 178,153                         |
| Capital WIP                             |                       | 39,170               |                                                   | 39,170                          |                       | 34,157               |                                                   | 34,157                          |
| <b>Total sewerage<br/>services</b>      |                       | <b>349,778</b>       | <b>114,485</b>                                    | <b>235,293</b>                  |                       | <b>339,869</b>       | <b>118,589</b>                                    | <b>221,280</b>                  |
| <b>Domestic Waste<br/>Management</b>    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| Plant and equipment                     |                       | 208                  | 174                                               | 34                              |                       | 208                  | 156                                               | 52                              |
| Office equipment                        |                       | 48                   | 48                                                |                                 |                       | 48                   | 36                                                | 12                              |
| Furniture and fittings                  |                       | 35                   | 33                                                | 2                               |                       | 35                   | 30                                                | 5                               |
| Land                                    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| - Operational Land                      |                       | 2,796                |                                                   | 2,796                           |                       | 2,796                |                                                   | 2,796                           |
| Land Improvements - non-<br>depreciable | 325                   |                      |                                                   | 325                             | 325                   |                      |                                                   | 325                             |
| Land Improvements -<br>depreciable      |                       | 6,786                | 1,773                                             | 5,013                           | 3,828                 |                      | 1,453                                             | 2,375                           |
| Buildings                               |                       | 2,001                | 846                                               | 1,155                           |                       | 1,939                | 771                                               | 1,168                           |
| Other Structures                        |                       | 1,239                | 286                                               | 953                             | 1,007                 |                      | 207                                               | 800                             |
| Other                                   |                       | 239                  | 61                                                | 178                             | 239                   |                      | 104                                               | 135                             |
| Cairncross Tip Asset                    | 223                   |                      | 92                                                | 131                             | 223                   |                      | 79                                                | 144                             |
| Capital WIP                             | 1,908                 |                      |                                                   | 1,908                           |                       | 1,798                |                                                   | 1,798                           |
| <b>Total Domestic Waste</b>             | <b>2,456</b>          | <b>13,352</b>        | <b>3,313</b>                                      | <b>12,495</b>                   | <b>5,622</b>          | <b>6,824</b>         | <b>2,836</b>                                      | <b>9,610</b>                    |
| <b>Caravan Parks</b>                    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| Plant and equipment                     |                       |                      |                                                   |                                 |                       | 68                   | 36                                                | 32                              |
| Office equipment                        |                       |                      |                                                   |                                 |                       | 8                    | 8                                                 | -                               |
| Furniture and fittings                  |                       |                      |                                                   |                                 |                       | 51                   | 34                                                | 17                              |
| Land                                    |                       |                      |                                                   |                                 |                       |                      |                                                   |                                 |
| - Operational Land                      |                       |                      |                                                   |                                 |                       | 1,700                |                                                   | 1,700                           |
| Land Improvements                       |                       |                      |                                                   |                                 | 667                   |                      | 342                                               | 325                             |
| Buildings                               |                       |                      |                                                   |                                 |                       | 3,689                | 1,489                                             | 2,200                           |
| Other Structures                        |                       |                      |                                                   |                                 | 168                   |                      | 141                                               | 27                              |
| Other Assets                            |                       |                      |                                                   |                                 | 408                   |                      | 203                                               | 205                             |
| Capital WIP                             |                       |                      |                                                   |                                 |                       |                      |                                                   | -                               |
| <b>Total Caravan Parks</b>              |                       |                      |                                                   |                                 | <b>1,243</b>          | <b>5,516</b>         | <b>2,253</b>                                      | <b>4,506</b>                    |
| <b>Total Restrictions</b>               | <b>2,456</b>          | <b>888,284</b>       | <b>282,300</b>                                    | <b>608,440</b>                  | <b>6,865</b>          | <b>862,111</b>       | <b>277,247</b>                                    | <b>591,729</b>                  |

30 June 2011

## Note 10(a) Payables, borrowings and provisions

(continued)

|                                                                         | Actual 2011   |               | Actual 2010   |               |
|-------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                         | Current       | Non-Current   | Current       | Non-Current   |
|                                                                         | \$'000        | \$'000        | \$'000        | \$'000        |
| <b>Payables</b>                                                         |               |               |               |               |
| Goods and services                                                      | 3,649         |               | 5,602         |               |
| Accrued wages and salaries                                              | 138           |               | 133           |               |
| Accrued expenses - other                                                | 1,153         |               | 1,354         |               |
| Payments received in advance                                            | 1,562         |               | 1,041         |               |
| Accrued Interest                                                        | 1,404         |               | 1,428         |               |
| S64 contributions due to PWD                                            |               | 8,624         |               | 8,624         |
| Deposits and retentions                                                 | 2,045         |               | 1,236         |               |
| Other payables                                                          | 28            |               | 5             |               |
| <b>Total payables</b>                                                   | <b>9,979</b>  | <b>8,624</b>  | <b>10,799</b> | <b>8,624</b>  |
| Current payables not expected to be settled within the next 12 months   | <b>970</b>    |               | <b>548</b>    |               |
| <b>Borrowings</b>                                                       |               |               |               |               |
| Bank overdraft                                                          | 330           | 0             | 0             | 0             |
| Loans - Secured (1)                                                     | 7,746         | 87,843        | 7,783         | 94,336        |
| <b>Total borrowings</b>                                                 | <b>8,076</b>  | <b>87,843</b> | <b>7,783</b>  | <b>94,336</b> |
| <b>Provisions (2)</b>                                                   |               |               |               |               |
| Annual leave                                                            | 3,026         |               | 2,959         |               |
| Sick leave                                                              | 3,642         | 985           | 3,831         | 956           |
| Long service leave                                                      | 7,101         | 136           | 7,100         | 224           |
| Maternity leave                                                         | 22            |               | 39            |               |
| Asset remediation (Note 26)                                             |               | 341           |               | 319           |
| <b>Total provisions</b>                                                 | <b>13,791</b> | <b>1,462</b>  | <b>13,929</b> | <b>1,499</b>  |
| Current provisions not expected to be settled within the next 12 months | <b>9,765</b>  |               | <b>9,340</b>  |               |
| <b>Liabilities relating to restricted assets</b>                        |               |               |               |               |
| Domestic waste management                                               | 566           | 669           | 1,203         | 740           |
| Water                                                                   | 4,538         | 19,312        | 4,598         | 20,997        |
| Sewer                                                                   | 3,586         | 28,861        | 3,538         | 29,549        |
| <b>Total</b>                                                            | <b>8,690</b>  | <b>48,842</b> | <b>9,339</b>  | <b>51,286</b> |

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)

| <b>Class of provision</b> | <b>Opening<br/>balance<br/>\$'000</b> | <b>Increases in<br/>provisions<br/>\$'000</b> | <b>Payments<br/>\$'000</b> | <b>Re-<br/>measurement<br/>\$'000</b> | <b>Closing<br/>balance<br/>\$'000</b> |
|---------------------------|---------------------------------------|-----------------------------------------------|----------------------------|---------------------------------------|---------------------------------------|
| Annual leave              | 2,959                                 | 2,154                                         | 2,087                      |                                       | 3,026                                 |
| Sick leave                | 4,787                                 | 879                                           | 1,039                      |                                       | 4,627                                 |
| Long service leave        | 7,324                                 | 1,002                                         | 1,089                      |                                       | 7,237                                 |
| Maternity leave           | 39                                    | 3                                             | 20                         |                                       | 22                                    |
| Asset remediation         | 319                                   | 22                                            |                            |                                       | 341                                   |
| <b>Total</b>              | <b>15,428</b>                         | <b>4,060</b>                                  | <b>4,235</b>               | <b>0</b>                              | <b>15,253</b>                         |

30 June 2011

## Note 11 Reconciliation of cash flow movements

(continued)

|                                                                                                     | Notes | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------------------------------------------------------------------------------------------------|-------|--------------------------|--------------------------|
| <b>(a) Reconciliation of cash assets</b>                                                            |       |                          |                          |
| Total cash and cash equivalents                                                                     | 6a    | 9,024                    | 24,804                   |
| Less: Bank overdraft                                                                                | 10    | 330                      | 0                        |
| <b>Balances as per cash flow statement</b>                                                          |       | <b>8,694</b>             | <b>24,804</b>            |
| <b>(b) Reconciliation of net operating result to cash provided from operating activities</b>        |       |                          |                          |
| Net operating result from Income statement                                                          |       | 17,072                   | 27,062                   |
| <b>Add:</b>                                                                                         |       |                          |                          |
| Depreciation and impairment                                                                         |       | 41,032                   | 36,798                   |
| Increase in provision for doubtful debts                                                            |       | 9                        | 47                       |
| Increase in provision for leave entitlements                                                        |       |                          | 982                      |
| Increase in other provisions                                                                        |       | 22                       | 21                       |
| Decrease in inventories                                                                             |       | 24                       | 64                       |
| Decrease in other current assets                                                                    |       | 1                        | 1                        |
| Loss on sale of assets                                                                              |       | 6,176                    | 0                        |
| Discontinued operations                                                                             |       | 2,511                    | 0                        |
|                                                                                                     |       | <b>66,847</b>            | <b>64,975</b>            |
| <b>Less:</b>                                                                                        |       |                          |                          |
| Decrease in provision for doubtful debts                                                            |       |                          |                          |
| Decrease in employee leave entitlements                                                             |       | 197                      |                          |
| Increase in receivables                                                                             |       | 1,681                    | 3,201                    |
| Decrease in payables                                                                                |       | 820                      | 513                      |
| Decrease in other current liabilities                                                               |       |                          |                          |
| Non cash capital grants and contributions                                                           |       | 17,217                   | 5,499                    |
| Gain on sale of assets                                                                              |       |                          | 1,866                    |
| Fair value adjustments to financial assets at fair value through profit and loss                    |       | 589                      | 669                      |
| Fair Value adjustments to impaired financial assets classified as available for sale                |       | 2,489                    | 1,251                    |
| Premiums recognised on financial instrument transactions - Interest free loan from State Government |       |                          | 1,813                    |
| <b>Net cash provided by operating activities from Cash flow statement</b>                           |       | <b>43,854</b>            | <b>50,163</b>            |

## Note 11 Reconciliation of cash flow movements (continued)

(continued)

|                                                        | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------------------|--------------------------|--------------------------|
| Notes                                                  |                          |                          |
| <b>(c) Non-cash financing and investing activities</b> |                          |                          |
| NSW Office of Water Construction                       | 0                        | -1,297                   |
| Bushfire grants                                        | 561                      | 286                      |
| S94 contributions in kind                              | 255                      | 219                      |
| Dedications                                            | 16,656                   | 6,510                    |
| Other                                                  |                          |                          |
|                                                        | <b>17,472</b>            | <b>5,718</b>             |

**(d) Financing arrangements**

Unrestricted access was available at balance date to the following:

|                             |              |              |
|-----------------------------|--------------|--------------|
| Bank overdraft facility (1) | 500          | 500          |
| Purchase Cards              | 500          | 500          |
| Corporate Credit Cards      | 110          | 110          |
|                             | <b>1,110</b> | <b>1,110</b> |

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<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Capital commitments (exclusive of GST)</b>                                                                                        |                          |                          |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:                   |                          |                          |
| - Buildings                                                                                                                              | 0                        | 1,083                    |
| - Infrastructure                                                                                                                         | 5,627                    | 7,671                    |
| - Land                                                                                                                                   |                          |                          |
| - Plant and equipment                                                                                                                    | 533                      | 3,479                    |
| <b>Total</b>                                                                                                                             | <b>6,160</b>             | <b>12,233</b>            |
| These expenditures are payable as follows:                                                                                               |                          |                          |
| - Not later than one year                                                                                                                | 6,160                    | 12,132                   |
| - Later than one year and not later than 5 years                                                                                         | 0                        | 101                      |
| - Later than 5 years                                                                                                                     | 0                        | 0                        |
| <b>Total</b>                                                                                                                             | <b>6,160</b>             | <b>12,233</b>            |
| <b>(b) Service commitments (exclusive of GST)</b>                                                                                        |                          |                          |
| Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include: |                          |                          |
| - Audit Services                                                                                                                         | 121                      | 186                      |
| - Garbage and recycling services                                                                                                         | 8,454                    | 15,165                   |
| - Cleaning and maintenance services                                                                                                      | 499                      | 718                      |
| - Other                                                                                                                                  | 3,850                    | 2,626                    |
| <b>Total</b>                                                                                                                             | <b>12,924</b>            | <b>18,695</b>            |
| These expenditures are payable as follows:                                                                                               |                          |                          |
| - Not later than one year                                                                                                                | 7,078                    | 8,173                    |
| - Later than one year and not later than 5 years                                                                                         | 5,846                    | 10,027                   |
| - Later than 5 years                                                                                                                     |                          | 495                      |
| <b>Total</b>                                                                                                                             | <b>12,924</b>            | <b>18,695</b>            |

## Note 12 Commitments for Expenditure (continued)

|  | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--|--------------------------|--------------------------|
|--|--------------------------|--------------------------|

### (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        | 0        |
| - Later than one year and not later than 5 years | 0        | 0        |
| - Later than 5 years                             | 0        | 0        |
| <b>Total</b>                                     | <b>0</b> | <b>0</b> |

### (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                        | 597          | 1,029        |
| - Later than one year and not later than 5 years | 1,201        | 2,845        |
| - Later than 5 years                             | 0            | 0            |
| <b>Total</b>                                     | <b>1,798</b> | <b>3,874</b> |

Note 13 Statement of performance measures -  
Consolidated results

|                                                                                                            | Amounts<br>2011 | 2011<br>indicators | 2010   | 2009   | 2008   |
|------------------------------------------------------------------------------------------------------------|-----------------|--------------------|--------|--------|--------|
| <b>1. Unrestricted current ratio</b>                                                                       |                 |                    |        |        |        |
| Current assets less all external restrictions <sup>(1)</sup>                                               | 28,067          | 1.89 :1            | 1.41:1 | 0.96:1 | 1.24:1 |
| Current liabilities less specific purpose liabilities<br><sup>(2) (3) (4)</sup>                            | 14,889          |                    |        |        |        |
| <b>2. Debt service ratio</b>                                                                               |                 |                    |        |        |        |
| Debt Service Cost                                                                                          | 13,993          | 12.37%             | 12.18% | 13.32% | 12.05% |
| Income from continuing operational excluding<br>capital items and specific purpose<br>grants/contributions | 113,098         |                    |        |        |        |
| <b>3. Rate coverage ratio</b>                                                                              |                 |                    |        |        |        |
| Rates and annual charges                                                                                   | 67,041          | 45.76%             | 44.98% | 48.22% | 49.91% |
| Income from continuing operations                                                                          | 146,516         |                    |        |        |        |
| <b>4. Rates and annual charges outstanding percentage</b>                                                  |                 |                    |        |        |        |
| Rates and annual charges outstanding                                                                       | 6,368           | 8.70%              | 8.39%  | 8.11%  | 7.81%  |
| Rates and annual charges collectible                                                                       | 73,228          |                    |        |        |        |
| <b>4a. Rates and annual charges outstanding percentage (excluding pensioner accruals)</b>                  |                 |                    |        |        |        |
| Rates and annual charges outstanding                                                                       | 6,254           | 8.54%              |        |        |        |
| Rates and annual charges collectible                                                                       | 73,228          |                    |        |        |        |
| <b>5. Building and infrastructure renewals ratio <sup>(5)</sup></b>                                        |                 |                    |        |        |        |
| Asset renewals - (building and infrastructure)                                                             | 7,698           | 21.73%             | 23.21% | 14.95% | 83.89% |
| Depreciation, amortisation, & impairment -<br>(building and infrastructure)                                | 35,431          |                    |        |        |        |

Notes:

(1) Refer to Notes 6-8 inclusive.

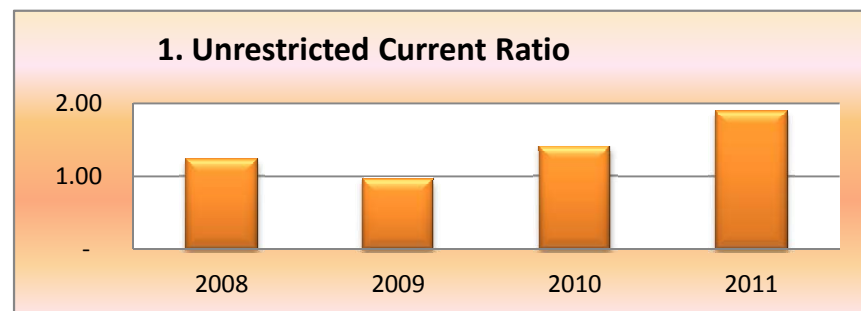
(2) Refer to note 10(a)

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

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

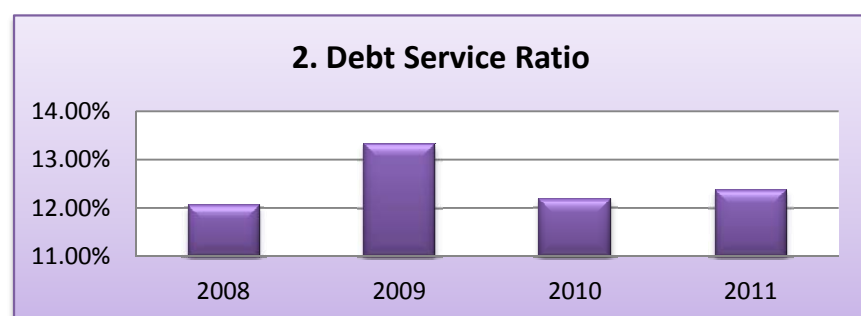
(5) Refer Note 9a

# Note 13 Statement of performance measures - Consolidated results - Graphs



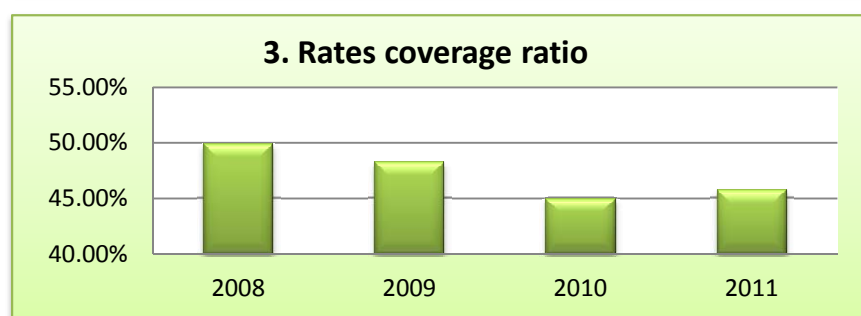
## Purpose of unrestricted current ratio

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



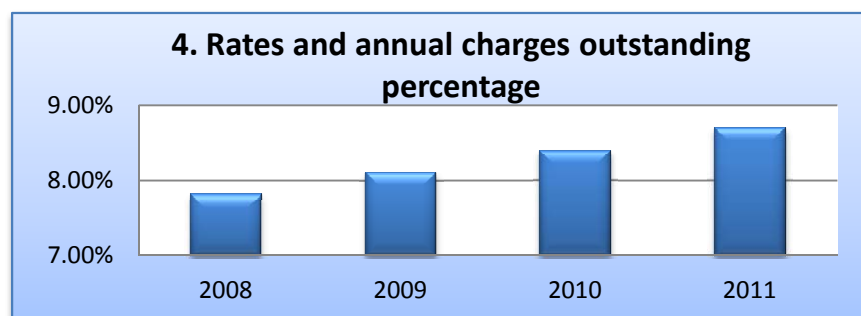
## Purpose of debt service ratio

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



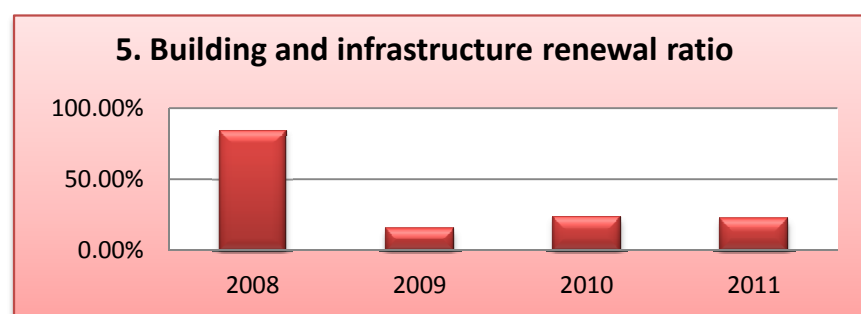
## Purpose of rates and annual charges coverage ratio

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 <sup>(1)</sup>  | Water  | Sewer  |
| <b>1. Unrestricted current ratio</b>                                                                    |                         |        |        |
| Current assets less all external restrictions <sup>(1)</sup>                                            | 1.89:1                  | 3.39:1 | 4.37:1 |
| Current liabilities less specific purpose liabilities <sup>(2)</sup>                                    |                         |        |        |
| <b>2. Debt service ratio</b>                                                                            |                         |        |        |
| Debt Service Cost                                                                                       | 11.65%                  | 14.59% | 15.33% |
| Income from continuing operational excluding capital items<br>and specific purpose grants/contributions |                         |        |        |
| <b>3. Rate coverage ratio</b>                                                                           |                         |        |        |
| Rates and annual charges                                                                                | 46.12%                  | 22.39% | 64.56% |
| Income from continuing operations                                                                       |                         |        |        |
| <b>4. Rates and annual charges outstanding percentage</b>                                               |                         |        |        |
| Rates and annual charges outstanding                                                                    | 8.89%                   | 12.47% | 6.95%  |
| Rates and annual charges collectible                                                                    |                         |        |        |
| <b>5. Building and infrastructure renewals ratio <sup>(3)</sup></b>                                     |                         |        |        |
| Asset renewals - building and infrastructure                                                            | 12.43%                  | 13.50% | 65.12% |
| Depreciation, amortisation, & impairment - building and<br>infrastructure                               |                         |        |        |

Notes:

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

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:

|                                                                          | <b>Carrying Value</b> |                | <b>Fair value</b> |                |
|--------------------------------------------------------------------------|-----------------------|----------------|-------------------|----------------|
|                                                                          | <b>2011</b>           | <b>2010</b>    | <b>2011</b>       | <b>2010</b>    |
|                                                                          | <b>\$'000</b>         | <b>\$'000</b>  | <b>\$'000</b>     | <b>\$'000</b>  |
| <b>Financial Assets</b>                                                  |                       |                |                   |                |
| Cash and cash equivalents                                                | 9,024                 | 24,804         | 9,024             | 24,804         |
| Receivables                                                              | 21,990                | 20,318         | 21,990            | 20,318         |
| Financial assets at fair value through profit or loss - Held for trading | 13,745                | 11,347         | 13,745            | 11,347         |
| Available-for-sale financial assets                                      | 9,911                 | 10,921         | 9,911             | 10,921         |
| Held-to-maturity investments                                             | 52,000                | 25,000         | 52,000            | 25,000         |
| <b>Total</b>                                                             | <b>106,670</b>        | <b>92,390</b>  | <b>106,670</b>    | <b>92,390</b>  |
| <b>Financial Liabilities</b>                                             |                       |                |                   |                |
| Payables                                                                 | 18,603                | 19,423         | 18,603            | 19,423         |
| Borrowings                                                               | 95,919                | 102,119        | 89,405            | 96,622         |
| <b>Total</b>                                                             | <b>114,522</b>        | <b>121,542</b> | <b>108,008</b>    | <b>116,045</b> |

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 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.

|                                                                              | 30.6.2011<br>\$'000 | 30.6.2010<br>\$'000 |
|------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Impact of a 5% (1) movement in price of investments</b>                   |                     |                     |
| - Equity                                                                     | 496                 | 546                 |
| - Income statement                                                           | 687 (2)             | 567                 |
| <b>Impact of a 1% (1) movement in interest rates on cash and investments</b> |                     |                     |
| - Equity                                                                     |                     |                     |
| - Income statement                                                           | 188                 | 351                 |

## 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.)

(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:**

|                                                | 30.6.2011 | 30.6.2010 |
|------------------------------------------------|-----------|-----------|
| <b>Percentage of Rates and Annual charges:</b> |           |           |
| - Current                                      | 27.60%    | 30.45%    |
| - Overdue                                      | 72.40%    | 69.55%    |
| <b>Percentage of Other Receivables</b>         |           |           |
| - Current                                      | 57.40%    | 55.47%    |
| - Overdue                                      | 42.60%    | 44.53%    |

## 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:

| \$'000      | Due within 1 year | Due between 1 and 5 years | Due after 5 years | Total Contractual Cash flows | Carrying values |
|-------------|-------------------|---------------------------|-------------------|------------------------------|-----------------|
| <b>2011</b> |                   |                           |                   |                              |                 |
| Payables    | 9,009             | 9,594                     |                   | 18,603                       | 18,603          |
| Borrowings  | 13,522            | 60,883                    | 67,238            | 141,643                      | 95,919          |
|             | <b>22,531</b>     | <b>70,477</b>             | <b>67,238</b>     | <b>160,246</b>               | <b>114,522</b>  |
| <b>2010</b> |                   |                           |                   |                              |                 |
| Payables    | 19,423            |                           |                   | 19,423                       | 19,423          |
| Borrowings  | 13,796            | 62,917                    | 77,563            | 154,276                      | 102,119         |
|             | <b>33,219</b>     | <b>62,917</b>             | <b>77,563</b>     | <b>173,699</b>               | <b>121,542</b>  |

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 2011                   |               | 30 June 2010                   |                |
|---------------------------|--------------------------------|---------------|--------------------------------|----------------|
|                           | Weighted average interest rate | Balance       | Weighted average interest rate | Balance        |
|                           | %                              | \$'000        | %                              | \$'000         |
| Overdraft                 |                                |               |                                | 0              |
| Bank Loans - Fixed        | 6.61%                          | 74,480        | 6.60%                          | 78,855         |
| - Variable <sup>(1)</sup> | 5.65%                          | 21,109        | 5.64%                          | 23,264         |
|                           |                                | <b>95,589</b> |                                | <b>102,119</b> |

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<br>\$,000 | Level 2<br>\$,000 | Level 3<br>\$,000 | Total<br>\$,000 |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-----------------|
| <b>2011</b>                                            |                   |                   |                   |                 |
| <b>Financial assets:</b>                               |                   |                   |                   |                 |
| Financial assets at fair value through profit or loss: |                   |                   |                   |                 |
| - Equity Linked Notes                                  | 13,745            |                   |                   | 13,745          |
| Held-to-maturity investments:                          |                   |                   |                   |                 |
| - Fixed Interest Investments                           | 52,000            |                   |                   | 52,000          |
| Available-for-sale financial assets:                   |                   |                   |                   |                 |
| - Floating Rate Notes                                  | 5,973             |                   |                   | 5,973           |
| - Collateralised Debt Obligations                      |                   | 0                 | 3,938             | 3,938           |
|                                                        | <b>71,718</b>     | <b>0</b>          | <b>3,938</b>      | <b>75,656</b>   |

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 23 June 2010. 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 Interest and investment revenues**

Interest and investment revenues were over budget by \$6,311K (F) 325.82%. 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 2011 financial year have been influenced by movements in the fair value of investments upwards by \$589K.
3. Council has reversed a previous impairment loss in the amount of \$2.4m in line with independent market valuations.

**2. Other revenues**

Other revenues were over budget by some \$2,218K (F) 65.54%. Variations in amounts received for other revenues are detailed below.

|                            |            |                                                                                                                                                                              |
|----------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Caravan Park Revenue       | \$306K (F) | The LPMA have taken over the management of Caravan Parks previously under Council control. This income is the compensation as well as a contribution towards overhead costs. |
| Economic Affairs Revenues  | \$249K (F) | Increased income for tourism marketing                                                                                                                                       |
| Glasshouse Income          | \$251K (F) | Revenues from the hire of the Glasshouse have been greater than anticipated.                                                                                                 |
| Fine Revenue               | \$178K (F) | Greater focus on parking by Council Rangers. Electronic parking sensors in CBD.                                                                                              |
| Insurance Rebate           | \$94K (F)  |                                                                                                                                                                              |
| Purchasing Rebate          | \$18K (F)  |                                                                                                                                                                              |
| Transport & Communications | \$662K (F) | Council has received income from the RTA due to the handover of bypassed roads.                                                                                              |
| Water Supply Income        | \$66K (F)  | Council has received income from another Council for staff secondment.                                                                                                       |

**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 \$2,192K (F) 18.79%. Variations in the amounts received in grant funds are detailed below.

**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                | \$110K (U) | Grant budgeted for in 2010/11 received late 2009/10.                                               |
| Employment/Training Grants            | \$22K (F)  |                                                                                                    |
| Financial Assistance Grants           | \$651K (F) | Received pre-payment of 2011/12 Grant along with grant for 2010/11 being greater than anticipated. |
| Natural Resources Grants              | \$588K (F) | A number of grants have been received during the year so were not included in the original budget. |
| Housing & Community Contribution      | \$512K (F) | Contribution to planning studies by landowners                                                     |
| Roads & Bridges Grants                | \$40K (F)  | Council received a contribution towards repairs to Bago Road.                                      |
| S94 Admin Levy                        | \$97K (F)  |                                                                                                    |
| Water Supply Pensioner Subsidy        | \$160K (F) | Only one claim per year done.                                                                      |
| 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 \$6,844K (F) 31.01%. Variations in the amounts received in grant funds are detailed below.

|                                        |               |                                                                  |
|----------------------------------------|---------------|------------------------------------------------------------------|
| Water Supply Grant                     | \$900 (U)     | Grant for Fluoridation not received.                             |
| Parks & Gardens Grants & Contributions | \$2,584K (U)  | Grant included for Wauchope pool not received.                   |
| Dedications                            | \$10,155K (F) | Greater subdivision dedications than received in previous years. |

**Expenses****5. Net loss on disposal of assets**

Council budgeted for a loss on disposal of assets of \$769K but actually incurred a loss of \$5,855K. This is primarily due to the write off of infrastructure assets that were greater than anticipated.

**6. Borrowing costs**

The variation of \$765K (F) (11.88%) (F) is due to the fact that Council has capitalised \$783K 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.

**7. Depreciation**

Depreciation was over budget by some \$4,361 (K) (U) 11.89%. This is due to the revaluation of Roads, Bridges and Footpath infrastructure assets in 2009/10. The value of the assets increased by approximately \$397m which has had a significant impact on depreciation in 2010/11.

**Note 16 Budget Variations (continued)****8. Other operating expenses**

Other expenses were under budget by some \$907K (F) 10.4%. Variations in amounts received for other revenues are detailed below.

|                             |            |                                                                                                                             |
|-----------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------|
| Contributions and Donations | \$379K (F) | Council provides grants to some sporting organisations. The majority of these grants were carried over to 2011/12.          |
| Street Lighting             | \$180K (F) | Council has received a reduction in street lighting charges. This has been transferred to reserve to fund future increases. |
| Light Power & Heating       | \$249K (F) | The increase in electricity charges has not been as great as anticipated.                                                   |

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

(continued)

## (a) Summary of developer contributions

|                      | Opening Balance<br>\$'000 | Contributions received during<br>year <sup>(1)</sup> |                    | Interest &<br>investment<br>income earned<br>during year<br>\$'000 | Expended during<br>year<br>\$'000 | Balance before<br>internal<br>borrowings<br>\$'000 | Internal<br>borrowings<br>(to)/from <sup>(3)</sup><br>\$'000 | Held as restricted<br>asset <sup>(2)</sup><br>\$'000 | Projected future<br>contributions <sup>(3)</sup><br>\$'000 | Projected cost<br>of works still<br>outstanding <sup>(3)</sup><br>\$'000 | Projected<br>over/under<br>funding <sup>(3)</sup><br>\$'000 | Cumulative<br>balance of<br>internal<br>borrowings<br>(to)/from<br>\$'000 |
|----------------------|---------------------------|------------------------------------------------------|--------------------|--------------------------------------------------------------------|-----------------------------------|----------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------|
|                      |                           | Cash<br>\$'000                                       | Non cash<br>\$'000 |                                                                    |                                   |                                                    |                                                              |                                                      |                                                            |                                                                          |                                                             |                                                                           |
| Roads                | -727                      | 1,739                                                | 177                | -17                                                                | 490                               | 682                                                |                                                              | 682                                                  | 56,853                                                     | 69,441                                                                   | -11,906                                                     | 4,588                                                                     |
| Parking              | 3,111                     | 6                                                    |                    | 160                                                                |                                   | 3,277                                              | -14                                                          | 3,263                                                | 9,665                                                      | 12,942                                                                   |                                                             | -5,919                                                                    |
| Open Space           | 276                       | 1,022                                                | 78                 | 23                                                                 | 401                               | 998                                                |                                                              | 998                                                  | 49,237                                                     | 57,492                                                                   | -7,257                                                      | 1,317                                                                     |
| Community Facilities | 510                       | 910                                                  |                    | 40                                                                 | 892                               | 568                                                |                                                              | 568                                                  | 40,949                                                     | 45,762                                                                   | -4,245                                                      |                                                                           |
| Other                | 1,693                     | 108                                                  |                    | 90                                                                 | 140                               | 1,751                                              |                                                              | 1,751                                                | 652                                                        | 2,403                                                                    |                                                             |                                                                           |
| Administration Levy  |                           | 163                                                  |                    |                                                                    | 163                               |                                                    |                                                              |                                                      | 2,068                                                      | 2,583                                                                    | -515                                                        | 14                                                                        |
| S94 under plans      | 4,863                     | 3,948                                                | 255                | 296                                                                | 2,086                             | 7,276                                              | -14                                                          | 7,262                                                | 159,424                                                    | 190,623                                                                  | -23,923                                                     |                                                                           |
| S94 not under plans  | 558                       | 54                                                   |                    | 30                                                                 | -33                               | 675                                                |                                                              | 675                                                  |                                                            |                                                                          |                                                             |                                                                           |
| S94A levies          | 35                        | 48                                                   |                    | 3                                                                  | 100                               | -14                                                | 14                                                           |                                                      |                                                            |                                                                          |                                                             |                                                                           |
| Planning agreements  |                           | 93                                                   |                    | 1                                                                  |                                   | 94                                                 |                                                              | 94                                                   |                                                            |                                                                          |                                                             |                                                                           |
| Section 64           | 22,597                    | 4,876                                                |                    | 1,162                                                              | 2,779                             | 25,856                                             |                                                              | 25,856                                               |                                                            |                                                                          |                                                             |                                                                           |
| <b>Totals</b>        | <b>28,053</b>             | <b>9,019</b>                                         | <b>255</b>         | <b>1,492</b>                                                       | <b>4,932</b>                      | <b>33,887</b>                                      |                                                              | <b>33,887</b>                                        | <b>159,424</b>                                             | <b>190,623</b>                                                           | <b>-23,923</b>                                              |                                                                           |

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<br>\$'000 | Contributions received during<br>year (1) |                    | Interest &<br>investment<br>income earned<br>during year<br>\$'000 | Expended during<br>year<br>\$'000 | Balance before<br>internal<br>borrowings<br>\$'000 | Internal<br>borrowings<br>(to)/from (4)<br>\$'000 | Held as restricted<br>asset (2)<br>\$'000 | Projected future<br>contributions<br>(3)<br>\$'000 | Projected cost<br>of works still<br>outstanding (3)<br>\$'000 | Projected<br>over/under<br>funding (3)<br>\$'000 | Cumulative<br>balance of<br>internal<br>borrowings<br>(to)/from<br>\$'000 |
|----------------------|---------------------------|-------------------------------------------|--------------------|--------------------------------------------------------------------|-----------------------------------|----------------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|
|                      |                           | Cash<br>\$'000                            | Non cash<br>\$'000 |                                                                    |                                   |                                                    |                                                   |                                           |                                                    |                                                               |                                                  |                                                                           |
| Roads                | -727                      | 1,739                                     | 177                | -17                                                                | 490                               | 682                                                |                                                   | 682                                       | 56,853                                             | 69,441                                                        | -11,906                                          | 4,588                                                                     |
| Parking              | 3,111                     | 6                                         |                    | 160                                                                |                                   | 3,277                                              | -14                                               | 3,263                                     | 9,665                                              | 12,942                                                        |                                                  | -5,919                                                                    |
| Open Space           | 276                       | 1,022                                     | 78                 | 23                                                                 | 401                               | 998                                                |                                                   | 998                                       | 49,237                                             | 57,492                                                        | -7,257                                           | 1,317                                                                     |
| Community Facilities | 510                       | 910                                       |                    | 40                                                                 | 892                               | 568                                                |                                                   | 568                                       | 40,949                                             | 45,762                                                        | -4,245                                           |                                                                           |
| Other                | 1,693                     | 108                                       |                    | 90                                                                 | 140                               | 1,751                                              |                                                   | 1,751                                     | 652                                                | 2,403                                                         |                                                  |                                                                           |
| Administration Levy  |                           | 163                                       |                    |                                                                    | 163                               |                                                    |                                                   |                                           | 2,068                                              | 2,583                                                         | -515                                             |                                                                           |
| Section 94A          | 35                        | 48                                        |                    | 3                                                                  | 100                               | -14                                                | 14                                                |                                           |                                                    |                                                               |                                                  | 14                                                                        |
| <b>Totals</b>        | <b>4,898</b>              | <b>3,996</b>                              | <b>255</b>         | <b>299</b>                                                         | <b>2,186</b>                      | <b>7,262</b>                                       |                                                   | <b>7,262</b>                              | <b>159,424</b>                                     | <b>190,623</b>                                                | <b>-23,923</b>                                   |                                                                           |

(c) Contributions not under plans

|                      | Opening Balance<br>\$'000 | Contributions received during<br>year (1) |                    | Interest &<br>investment<br>income earned<br>during year<br>\$'000 | Expended during<br>year<br>\$'000 | Balance before<br>internal<br>borrowings<br>\$'000 | Internal<br>borrowings<br>(to)/from (4)<br>\$'000 | Held as restricted<br>asset (2)<br>\$'000 | Projected future<br>contributions<br>(3)<br>\$'000 | Projected cost<br>of works still<br>outstanding (3)<br>\$'000 | Projected<br>over/under<br>funding (3)<br>\$'000 | Cumulative<br>balance of<br>internal<br>borrowings<br>(to)/from<br>\$'000 |
|----------------------|---------------------------|-------------------------------------------|--------------------|--------------------------------------------------------------------|-----------------------------------|----------------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|
|                      |                           | Cash<br>\$'000                            | Non cash<br>\$'000 |                                                                    |                                   |                                                    |                                                   |                                           |                                                    |                                                               |                                                  |                                                                           |
| Roads                | 201                       | 40                                        |                    | 11                                                                 | 20                                | 232                                                |                                                   | 232                                       |                                                    |                                                               |                                                  |                                                                           |
| Parking              |                           |                                           |                    |                                                                    |                                   |                                                    |                                                   |                                           |                                                    |                                                               |                                                  |                                                                           |
| Open Space           | 191                       | 14                                        |                    | 10                                                                 |                                   | 215                                                |                                                   | 215                                       |                                                    |                                                               |                                                  |                                                                           |
| Community Facilities | 166                       |                                           |                    | 9                                                                  | -53                               | 228                                                |                                                   | 228                                       |                                                    |                                                               |                                                  |                                                                           |
| Other                |                           |                                           |                    |                                                                    |                                   |                                                    |                                                   |                                           |                                                    |                                                               |                                                  |                                                                           |
| <b>Totals</b>        | <b>558</b>                | <b>54</b>                                 |                    | <b>30</b>                                                          | <b>-33</b>                        | <b>675</b>                                         |                                                   | <b>675</b>                                |                                                    |                                                               |                                                  |                                                                           |

Note 18 Contingencies

(continued)

**Contingent liabilities**

**1 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.

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<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-------------------------------------------------------------------|-------|--------------------------|--------------------------|
|                                                                   | Notes |                          |                          |
| <b>(a) Retained earnings</b>                                      |       |                          |                          |
| Movements in retained earnings were as follows:                   |       |                          |                          |
| At beginning of year                                              |       | 880,826                  | 853,764                  |
| Adjustment to correct prior period errors (20(d))                 |       |                          |                          |
| Change in accounting policy                                       | 1(u)  | 47,982                   | 0                        |
| Net operating result for the year                                 |       | 17,072                   | 27,062                   |
| At end of year                                                    |       | <b>945,880</b>           | <b>880,826</b>           |
| <b>(b) Revaluation reserves</b>                                   |       |                          |                          |
| Infrastructure, property, plant and equipment revaluation reserve |       |                          |                          |
|                                                                   |       | 819,525                  | 707,192                  |
| Available-for-sale investments revaluation reserve                |       | -27                      | -528                     |
|                                                                   |       | <b>819,498</b>           | <b>706,664</b>           |
| <b>Movements:</b>                                                 |       |                          |                          |
| <b><i>Property, plant and equipment revaluation reserve</i></b>   |       |                          |                          |
| At beginning of year                                              |       | 707,192                  | 255,942                  |
| Revaluations                                                      | 9     | 112,333                  | 451,250                  |
| At end of year                                                    |       | <b>819,525</b>           | <b>707,192</b>           |
| <b><i>Available-for-sale investments revaluation reserve</i></b>  |       |                          |                          |
| At beginning of year                                              |       | -528                     | -2,217                   |
| Revaluation - gross                                               |       | 517                      | 1,117                    |
| Transfer to net profit - gross                                    |       | -16                      | 572                      |
| At end of year                                                    |       | <b>-27</b>               | <b>-528</b>              |

**(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

**(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.

| <b>Income Statement by Fund</b>                                                                            | <b>Actual<br/>2011<br/>\$'000<br/>General <sup>(1)</sup></b> | <b>Actual<br/>2011<br/>\$'000<br/>Water</b> | <b>Actual<br/>2011<br/>\$'000<br/>Sewer</b> |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Income from continuing operations</b>                                                                   |                                                              |                                             |                                             |
| <b>Revenue:</b>                                                                                            |                                                              |                                             |                                             |
| Rates and annual charges                                                                                   | 45,643                                                       | 4,936                                       | 16,462                                      |
| User charges and fees                                                                                      | 11,039                                                       | 11,476                                      | 334                                         |
| Interest and investment revenue                                                                            | 2,229                                                        | 894                                         | 5,125                                       |
| Other revenues                                                                                             | 5,310                                                        | 142                                         | 151                                         |
| Grants and contributions provided for operating purposes                                                   | 12,972                                                       | 550                                         | 340                                         |
| Grants and contributions provided for capital purposes                                                     | 21,771                                                       | 4,053                                       | 3,089                                       |
| <b>Other Income:</b>                                                                                       |                                                              |                                             |                                             |
| Net gain from the disposal of assets                                                                       |                                                              |                                             |                                             |
| <b>Total income from continuing operations</b>                                                             | <b>98,964</b>                                                | <b>22,051</b>                               | <b>25,501</b>                               |
| <b>Expenses from continuing operations</b>                                                                 |                                                              |                                             |                                             |
| Employee benefits and on-costs                                                                             | 28,620                                                       | 3,162                                       | 3,357                                       |
| Borrowing costs                                                                                            | 3,733                                                        | 1,046                                       | 900                                         |
| Materials and contracts                                                                                    | 19,937                                                       | 6,144                                       | 5,007                                       |
| Depreciation and amortisation                                                                              | 25,992                                                       | 8,587                                       | 6,453                                       |
| Impairment                                                                                                 |                                                              |                                             |                                             |
| Other expenses                                                                                             | 5,559                                                        | 813                                         | 1,447                                       |
| Interest and investment losses                                                                             |                                                              |                                             |                                             |
| Net Loss from the disposal of assets                                                                       | 4,235                                                        | 392                                         | 1,549                                       |
| <b>Total expenses from continuing operations</b>                                                           | <b>88,076</b>                                                | <b>20,144</b>                               | <b>18,713</b>                               |
| <b>Operating result from continuing operations</b>                                                         | <b>10,888</b>                                                | <b>1,907</b>                                | <b>6,788</b>                                |
| <b>Operating result from discontinued operations</b>                                                       | <b>-2,511</b>                                                | <b>0</b>                                    | <b>0</b>                                    |
| <b>Net operating result for the year</b>                                                                   | <b>8,377</b>                                                 | <b>1,907</b>                                | <b>6,788</b>                                |
| Attributable to:                                                                                           |                                                              |                                             |                                             |
| - Council                                                                                                  | <b>8,377</b>                                                 | <b>1,907</b>                                | <b>6,788</b>                                |
| <b>Net operating result for the year before grants and contributions provided for capital purposes (2)</b> | <b>-13,394</b>                                               | <b>-2,146</b>                               | <b>3,699</b>                                |

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 | 1,324  |
| Sewer | 5,024  |

| <b>Balance Sheet by Fund</b>                  | <b>Actual<br/>2011<br/>\$'000<br/>General</b> | <b>Actual<br/>2011<br/>\$'000<br/>Water</b> | <b>Actual<br/>2011<br/>\$'000<br/>Sewer</b> |
|-----------------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>ASSETS</b>                                 |                                               |                                             |                                             |
| <b>Current assets</b>                         |                                               |                                             |                                             |
| Cash and cash equivalents                     | 3,942                                         | 2,975                                       | 2,107                                       |
| Investments                                   | 25,135                                        | 9,903                                       | 10,937                                      |
| Receivables                                   | 6,412                                         | 4,469                                       | 3,618                                       |
| Inventories                                   | 747                                           | 256                                         | 8                                           |
| Other                                         | 706                                           |                                             |                                             |
| Non-current asset classified as held for sale | 1,999                                         |                                             |                                             |
| <b>Total current assets</b>                   | <b>38,941</b>                                 | <b>17,603</b>                               | <b>16,670</b>                               |
| <b>Non-current assets</b>                     |                                               |                                             |                                             |
| Investments                                   | 7,025                                         | 15,560                                      | 7,096                                       |
| Receivables                                   | 1,551                                         | 4,937                                       | 1,003                                       |
| Inventories                                   | 168                                           |                                             |                                             |
| Infrastructure, property, plant & equipment   | 1,188,655                                     | 360,652                                     | 235,292                                     |
| <b>Total non-current assets</b>               | <b>1,197,399</b>                              | <b>381,149</b>                              | <b>243,391</b>                              |
| <b>Total assets</b>                           | <b>1,236,340</b>                              | <b>398,752</b>                              | <b>260,061</b>                              |
| <b>LIABILITIES</b>                            |                                               |                                             |                                             |
| <b>Current liabilities</b>                    |                                               |                                             |                                             |
| Payables                                      | 7,988                                         | 1,473                                       | 518                                         |
| Borrowings                                    | 4,799                                         | 1,512                                       | 1,765                                       |
| Provisions                                    | 10,935                                        | 1,553                                       | 1,303                                       |
| <b>Total current liabilities</b>              | <b>23,722</b>                                 | <b>4,538</b>                                | <b>3,586</b>                                |
| <b>Non-current liabilities</b>                |                                               |                                             |                                             |
| Payables                                      |                                               | 5,287                                       | 3,337                                       |
| Borrowings                                    | 48,559                                        | 13,848                                      | 25,436                                      |
| Provisions                                    | 1,196                                         | 177                                         | 89                                          |
| <b>Total non-current liabilities</b>          | <b>49,755</b>                                 | <b>19,312</b>                               | <b>28,862</b>                               |
| <b>Total liabilities</b>                      | <b>73,477</b>                                 | <b>23,850</b>                               | <b>32,448</b>                               |
| <b>Net assets</b>                             | <b>1,162,863</b>                              | <b>374,902</b>                              | <b>227,613</b>                              |
| <b>EQUITY</b>                                 |                                               |                                             |                                             |
| Retained earnings                             | 589,078                                       | 198,158                                     | 158,644                                     |
| Revaluation reserves                          | 573,785                                       | 176,744                                     | 68,969                                      |
| <b>Council equity interest</b>                | <b>1,162,863</b>                              | <b>374,902</b>                              | <b>227,613</b>                              |
| <b>Total equity</b>                           | <b>1,162,863</b>                              | <b>374,902</b>                              | <b>227,613</b>                              |

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<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Land                                                                                                                                  |                          |                          |
| Council has made the decision to dispose of surplus land.<br>The land is currently available for sale and is actively being marketed. | 1,999                    | 1,999                    |

## Note 23 Events occurring after balance sheet date

(continued)

Events that occur after the reporting date of 30 June 2011, 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 2011. Council does not have any such events.
- (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 2011 and which are only indicative of conditions that arose after 30 June 2011. Council does not have any such events.

## Note 24 Discontinued operation

|  | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--|--------------------------|--------------------------|
|--|--------------------------|--------------------------|

**(a) Description**

On 3 October 2010, Council transferred control of the Beachfront and Bonny Hills caravan parks (situated on Crown Land) to the Land and Property Management Authority.

Financial information relating to the discontinued operation for the period to the date of transfer is set out below.

**(b) Income statement and cash flow information**

The income statement and cash flow information presented are for the 4 months ended 3 October 2010 (2011 column) and the year ended 30 June 2010.

|                                                                      |             |            |
|----------------------------------------------------------------------|-------------|------------|
| Revenue                                                              | 407         | 1,195      |
| Expenses                                                             | 322         | 1,014      |
| <b>Operating result from discontinued operations</b>                 | <b>85</b>   | <b>181</b> |
| Net cash inflow from ordinary activities                             | -678        | 181        |
| Net cash flow from financing activities                              |             | -119       |
| <b>Net increase in cash generated by the discontinued operations</b> | <b>-678</b> | <b>62</b>  |

**(b) Carrying amounts of asset and liabilities**

The carrying amounts of assets and liabilities transferred as at 3 October 2010 (2011 column) and 30 June 2010 are:

|                                                       |               |               |
|-------------------------------------------------------|---------------|---------------|
| Infrastructure, property, plant and equipment         | 2,315         | 2,380         |
| Unexpended Loans                                      | 130           | 130           |
| Reserve balance                                       | 482           | 482           |
| <b>Total assets</b>                                   | <b>2,927</b>  | <b>2,992</b>  |
| Borrowings                                            | 331           | 331           |
| <b>Total liabilities</b>                              | <b>331</b>    | <b>331</b>    |
| <b>Net assets</b>                                     | <b>2,596</b>  | <b>2,661</b>  |
| <b>Net profit/(loss) from Discontinued Operations</b> | <b>-2,511</b> | <b>-2,480</b> |

## Note 25 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<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|--------------------------------------------------------|--------------------------|--------------------------|
| <b>At Beginning of year</b>                            | 319                      | 298                      |
| Amounts capitalised to Tip asset                       |                          |                          |
| - New disturbance                                      |                          |                          |
| - Revised costs                                        |                          |                          |
| - Revised life                                         |                          |                          |
| - Revised discount rate                                |                          | 3                        |
| Amortisation of discount - expensed to borrowing costs | 22                       | 18                       |
| <b>At end of year</b>                                  | <b>341</b>               | <b>319</b>               |



13 October 2011

Mr Neil Porter  
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 2011. 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 2011 financial year are:

- Water fund operations
- Sewer fund 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. AUDITOR'S 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 an 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 report;
- 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 2011 was \$17,072,000. This compares to a surplus in 2010 of \$27,062,000. This result can be summarised as follows:-

| <b>Consolidated Operating Result</b>                                 | <b>2011<br/>\$'000</b> | <b>2010<br/>\$'000</b> | <b>2009<br/>\$'000</b> |
|----------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Revenues from continuing operations                                  | 114,525                | 107,905                | 98,912                 |
| Expenses from continuing operations                                  | (79,725)               | (73,834)               | (70,878)               |
| Result from continuing operations before depreciation                | 34,800                 | 34,071                 | 28,034                 |
| Less: depreciation expense                                           | (41,032)               | (36,633)               | (33,653)               |
| Significant revenue and expense items impacting the operating result |                        |                        |                        |
| Fair value gains and losses on investments                           | 3,078                  | 1,920                  | (373)                  |
| Impairment of investments                                            | -                      | -                      | (15,422)               |
| Gain on recognition of interest-free loans                           | -                      | 1,813                  | -                      |
| Gain/(Loss) on disposal of assets                                    | (6,176)                | 1,866                  | (434)                  |
| <b>Result from continuing operations before capital amounts</b>      | <b>(9,330)</b>         | <b>3,037</b>           | <b>(21,848)</b>        |
| Capital grants and contributions                                     | 28,913                 | 23,844                 | 22,957                 |
| Discontinued operations                                              | (2,511)                | 181                    |                        |
| <b>Surplus from all activities</b>                                   | <b>17,072</b>          | <b>27,062</b>          | <b>1,109</b>           |

#### 3.1 ANALYSIS OF RESULT FROM CONTINUING OPERATIONS BEFORE CAPITAL AMOUNTS

The result from continuing operations before capital amounts has reduced from \$3,037,000 surplus in 2010 to \$9,330,000 deficit in 2011. Some of the material components contributing to the reduction of this deficit include:

| <b>Account</b>       | <b>Increase / (Decrease)<br/>\$'000</b> | <b>Reason for Increase / Decrease</b>                                                                                                                                          |
|----------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue</b>       |                                         |                                                                                                                                                                                |
| General rates        | 3,564                                   | General rates revenue has increased in conjunction with a special rate variation of 7.36% which was in addition to the rate-pegged increment of 2.6%.                          |
| Sewer annual charges | 627                                     | 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. |

| Account                                 | Increase / (Decrease) \$'000 | Reason for Increase / Decrease                                                                                                                                                           |
|-----------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water user charges                      | (737)                        | Council's water user charges has reduced due to inclement climatic conditions during the 2011 financial year meaning users consumed less water than in prior years.                      |
| Interest revenue                        | 2,005                        | Interest revenue has increased in conjunction with the amount of funds invested. Interest rates also increased during the financial year which enhanced Council's return on investments. |
| <b>Expenses</b>                         |                              |                                                                                                                                                                                          |
| Employee costs                          | 934                          | This increase relates to a reduction in capitalised employee costs resulting from a greater focus on roads maintenance rather than capital improvements.                                 |
| Raw materials & consumables             | 2,897                        | This increase predominantly relates to additional road maintenance performed during the 2011 financial.                                                                                  |
| Depreciation expense                    | 4,255                        | Depreciation expense has increased as a result of the revaluation of road, bridges and drainage assets in 2010.                                                                          |
| <b>Significant revenue and expenses</b> |                              |                                                                                                                                                                                          |
| Fair value movement of investments      | 3,078                        | During the year the fair value of investments increased in comparison to the prior year.                                                                                                 |
| Gain / (loss) on disposal of assets     | (6,176)                      | The loss on disposal of assets is largely represented by the disposal of road assets at the time of their rehabilitation during the financial year.                                      |

### 3.2 DISCONTINUED OPERATIONS – HOLIDAY PARKS

On the 3rd October 2010 the Department of Land and Property Management assumed control of holiday parks at North Haven and Bonny Hills. These holiday parks were located on crown land and were operated by Council as the Trustee.

Australian Accounting Standards require disclosure of the operating result of the discontinued operations for the period until their disposal as well as the gain or loss on disposal of net assets. The transfer of the holiday park operations is disclosed in the income statement as a loss from discontinued operations amounting to \$2,511,000.

### 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 \$3,107,000 and largely consisted of grant monies received for road infrastructure improvements under the Roads to Recovery funding programme.

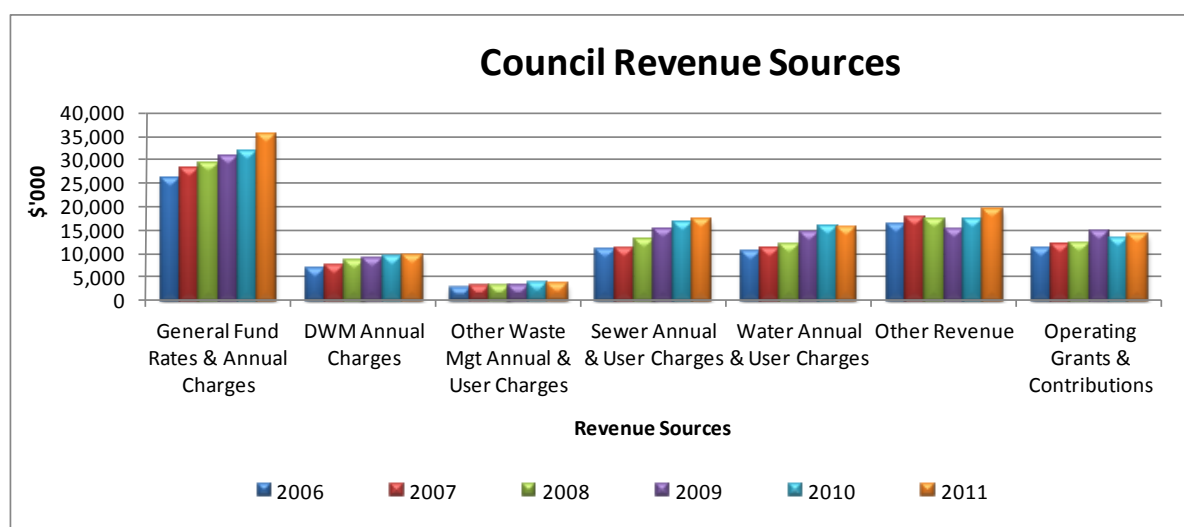
#### Capital Contributions

Capital contributions received during the period amounted to \$25,806,000. 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. We note below that the increase in non-cash developer contributions is largely attributable to the Roads & Traffic Authority transferring bypassed sections of the Pacific Highway at Kew to Council on completion of the highway upgrade.

|                                               | 2011<br>\$'000 | 2010<br>\$'000 | 2009<br>\$'000 |
|-----------------------------------------------|----------------|----------------|----------------|
| Non-cash developer infrastructure dedications | 16,656         | 6,510          | 8,711          |
| Section 94 contributions - cash               | 3,980          | 2,875          | 1,845          |
| Section 64 contributions - cash               | 4,876          | 6,111          | 4,292          |
| Other contributions                           | 294            | 833            | 1,473          |
| Total                                         | 25,806         | 16,329         | 16,321         |

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. The revenue sources presented exclude capital grants and contributions, profit on sale of assets and fair value increments to investments.

Council's revenue from rates and annual charges for all operations as a percentage of revenue (excluding the items of revenue noted above) for the 2011 financial year is 58.5% and compares favourably with comparative data published by the NSW Division of Local Government for 2009/10.

## 5. SPECIAL PURPOSE FINANCIAL REPORT

### 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<br>\$'000 | Expenses<br>\$'000 | Result<br>prior to<br>capital<br>amounts<br>\$'000 | Return<br>on<br>capital<br>% | Notional<br>Subsidy<br>\$'000 | Dividends<br>Paid<br>\$'000 |
|---------------------|-------------------|--------------------|----------------------------------------------------|------------------------------|-------------------------------|-----------------------------|
| <b>2011</b>         |                   |                    |                                                    |                              |                               |                             |
| Water               | 18,096            | (20,824)           | (2,728)                                            | (0.47)                       | 8,888                         | -                           |
| Sewer               | 23,215            | (20,451)           | 2,764                                              | 1.59                         | 956                           | -                           |
| Waste<br>Management | 15,560            | (13,294)           | 2,266                                              | 24.68                        | -                             | 493                         |
| <b>2010</b>         |                   |                    |                                                    |                              |                               |                             |
| Water               | 20,536            | (18,430)           | 2,106                                              | 0.78                         | 4,364                         | -                           |
| Sewer               | 19,199            | (19,061)           | 138                                                | 0.39                         | 3,573                         | -                           |
| Waste<br>Management | 15,669            | (12,178)           | 3,491                                              | 37.13                        | -                             | 1,150                       |

## Water and Sewer Services

Council's sewer operating result before capital amounts has increased on 2010 largely as a result of improved returns on investments and associated fair value gains. The operating result for water operations has decreased when compared to 2010 arising from reduced revenue from user charges, returns on investments and increased operating costs.

Whilst the operating result before capital for water and sewer operations can fluctuate annually, Council has a 30 year infrastructure plan for each fund which budget for the generation of sufficient revenues to satisfy operational and capital requirements for current and future generations.

## Waste Management

Council's Waste Management Business Activity comprises commercial and domestic waste operations and has returned a profit of \$2,266,000 for the 2011 financial year. This activity continues to operate in accordance with Council's expectations.

## 6. BALANCE SHEET

We provide commentary on some of the material assets and liabilities appearing on Council's balance sheet as at 30 June 2011.

### 6.1 CASH AND INVESTMENTS

At balance date Council had \$84,680,000 in cash and investments. Council's cash and investments consist of:

|                                 | <b>2011</b>   | <b>2010</b>   | <b>2009</b>   |
|---------------------------------|---------------|---------------|---------------|
|                                 | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| Cash on Hand and At Bank        | 185           | 596           | 248           |
| Deposits at Call                | 8,839         | 24,208        | 4,253         |
| Floating Rate Notes             | 8,965         | 6,456         | 10,846        |
| Collateralised Debt Obligations | 3,938         | 4,465         | 8,516         |
| Equity Linked Notes             | 10,753        | 11,347        | 11,528        |
| Term Deposits                   | 52,000        | 25,000        | 0             |
| Total                           | <u>84,680</u> | <u>72,072</u> | <u>35,391</u> |

Council's cash and investments are largely restricted in their use:

|                       |               |               |               |
|-----------------------|---------------|---------------|---------------|
| Externally Restricted | 65,428        | 57,579        | 33,157        |
| Internally Restricted | 19,041        | 13,897        | 1,986         |
| Unrestricted          | 211           | 596           | 248           |
|                       | <u>84,680</u> | <u>72,072</u> | <u>35,391</u> |

The above table illustrates that Council has \$211,000 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. Council has continued to increase its internal reserves to fund projects such as pool refurbishments, plant and information technology upgrades as well as other planned community infrastructure projects. It is important that Council continue to monitor the level of its internal reserves so that it may also 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.

## 6.2 PROPERTY, PLANT AND EQUIPMENT

During the year Council capitalised \$48.796 million on infrastructure and property, plant and equipment. Assets recognised in Council's balance sheet consist of:

|                                               | 2011<br>\$'000 | 2010<br>\$'000 |
|-----------------------------------------------|----------------|----------------|
| <i>Developer Infrastructure Dedications</i>   | 16,656         | 6,510          |
| <i>Non-cash Grants/contributions</i>          |                |                |
| Bush Fire, Subsidised Schemes etc.            | 561            | 286            |
| <i>Council Constructed / Purchased Assets</i> |                |                |
| Land and Buildings                            | 2,033          | 3,927          |
| Plant and Equipment                           | 5,239          | 3,047          |
| Roads and Drainage                            | 17,214         | 9,428          |
| Water & Sewerage Network                      | 4,456          | 4,489          |
| Other Assets                                  | 1,507          | 1,906          |
| Work in Progress                              | 18,347         | 22,396         |
|                                               | <u>48,796</u>  | <u>45,193</u>  |

The work in progress as at the end of the reporting period, largely relates to the construction of sewer infrastructure.

### Asset Revaluations 2011

The NSW 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.

### *Community Land, Land Improvements & Other Structures*

As part of the fair value reporting programme introduced by the Division of Local Government, Council has revalued its community land, land improvements, other structures and other assets as at 30 June 2011. This revaluation process, together with fair value indexing to other infrastructure assets has resulted in the asset revaluation reserve increasing by \$112 million.

### *Land Under Roads*

In accordance with the directives of the Division of Local Government, the NSW local government sector has determined a methodology for valuing land under roads. Land under roads owned and controlled by Council are required to be recognised in accordance with Australian Accounting Standard AASB 1051 "Land Under Roads". The value of land under roads brought to account for the first time as at 30 June 2011 was \$47.9million.

In prior year's, Council had elected to recognise land under roads acquired on or after 1 July 2008 as allowed by AASB 1051. When applying the valuation methodology to land under roads in 2011 Council amended its accounting policy so that it recognised all land under roads (acquired pre and post 1 July 2008). This change in accounting policy has resulted in the valuation of land under roads being processed to retained earnings and has been disclosed in the general purpose financial report as a change in accounting policy.

### **Asset Management**

As at 30 June 2011 Council controls plant, equipment, land, buildings and infrastructure with a written down replacement cost of \$1,785 billion. Infrastructure, property, plant and equipment represents the largest asset group on the organisation's balance sheet. To ensure Council is able to manage its large infrastructure portfolio it is important that it continues to develop asset management systems and associated resources so that revenue is utilised effectively and efficiently and integrated strategic planning goals are achieved.

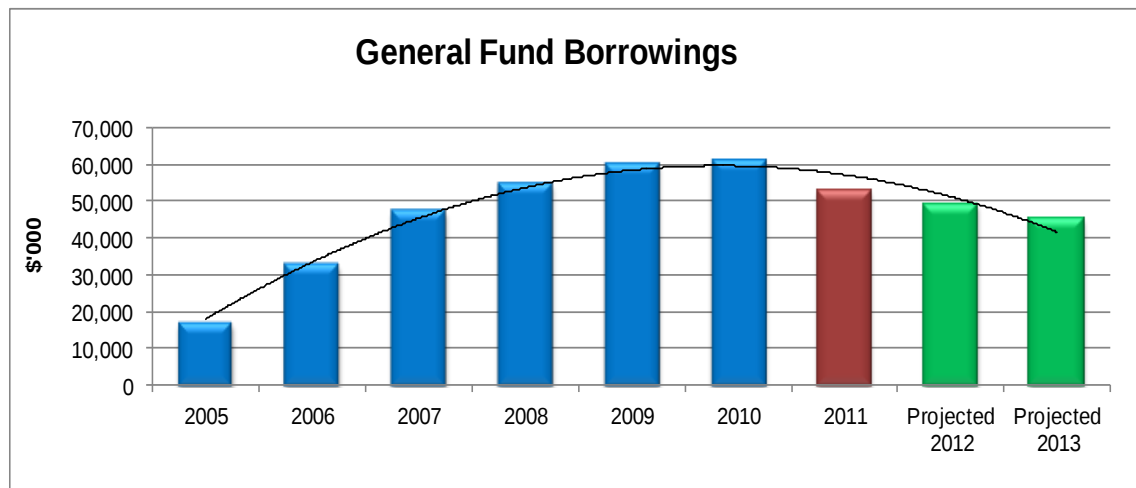
## **6.3 LOANS LIABILITY**

Council has total borrowings at balance date of \$95,589,000 decreasing from \$102,119,000 in 2010. The total loan liability at balance date is attributable to the Council's operating funds as follows:

|                                         | <b>2011<br/>\$'000</b> |
|-----------------------------------------|------------------------|
| General fund                            | 52,607                 |
| Sewer fund                              | 27,201                 |
| Water fund                              | 15,360                 |
| Waste management                        | <u>421</u>             |
| Total Loan Liability as at 30 June 2011 | <u><u>95,589</u></u>   |

In addition to the above borrowings, Council's general fund has an internal loan liability to sewer fund of \$1,178,000 as at 30 June 2011. This borrowing is eliminated for financial reporting on a consolidated basis.

During the 2011 financial year Council repaid principal totalling \$7,771,000 and borrowed \$1,000,000 to fund sewer treatment plant construction.



The graph above illustrates the trending for the total general fund loan liability at each reporting period. The forecast loan liability to 2013 illustrates a planned reduction in the level of debt for general fund. Refer to comments at Section 7 of this report relating to Council's debt service.

## 7. 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 on a consolidated basis as well as by Fund. 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.

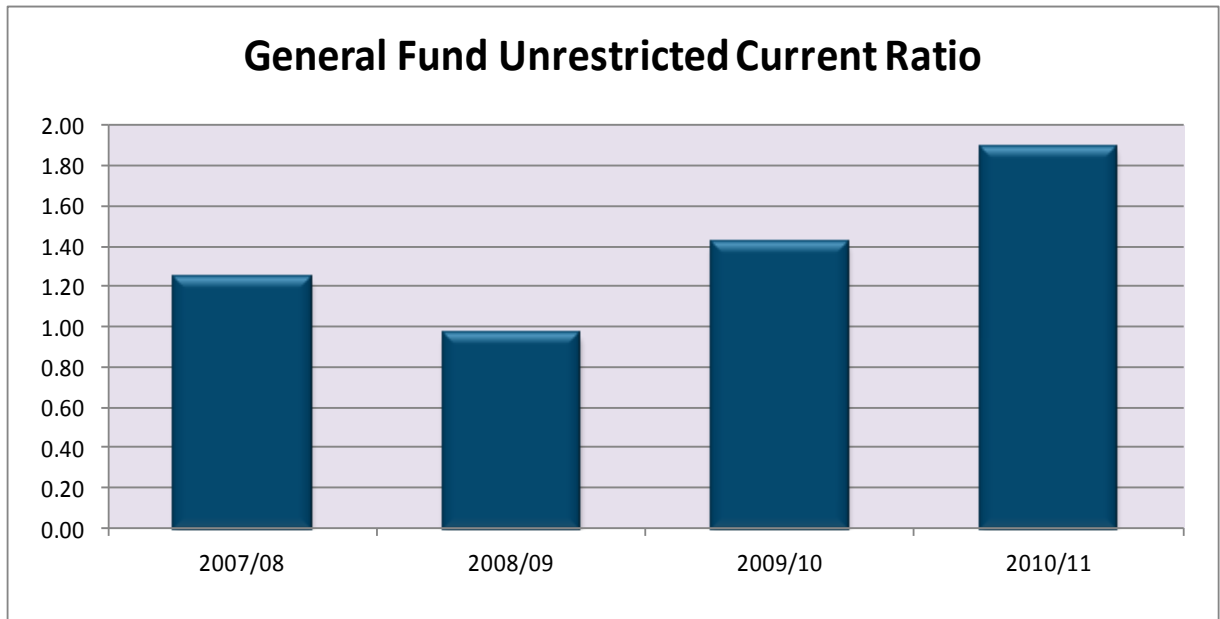
### ***Unrestricted Current Ratio***

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; and
- Credit management policies and economic circumstances

### General Fund Unrestricted Current Ratio



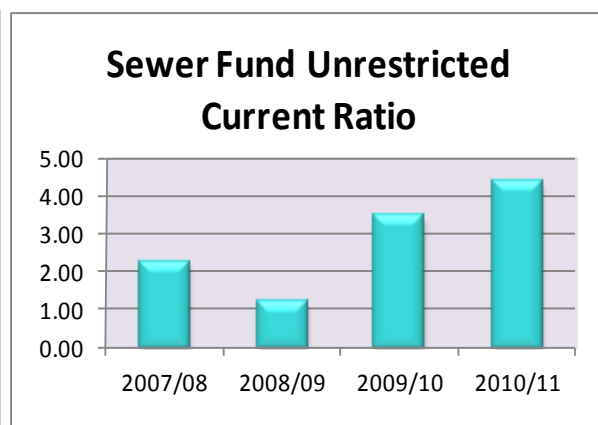
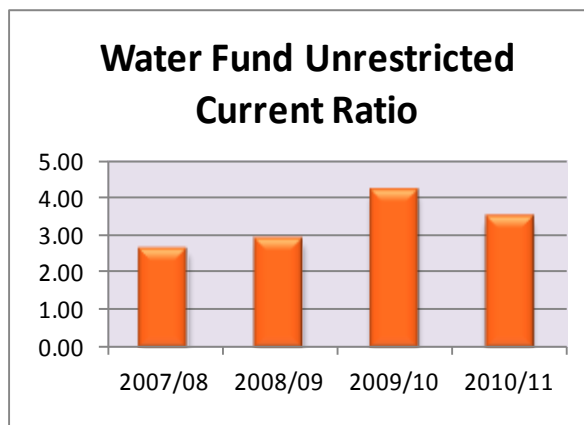
The General Fund unrestricted current ratio has improved from 1.41 as at 30 June 2010 to 1.89 at balance date 2011. This means that Council has \$1.89 in liquid current assets for every \$1 of current liabilities. The improvement in the General Fund unrestricted current ratio has arisen from Council continuing to replenish its internal cash reserves.

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 commend Council on the continued improvement to its short-term financial position.

### 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. The development of asset management plans (supported by appropriate management systems) linked to strategic plans is required to achieve long term infrastructure needs.

### Sewer and Water Fund Unrestricted Current Ratio



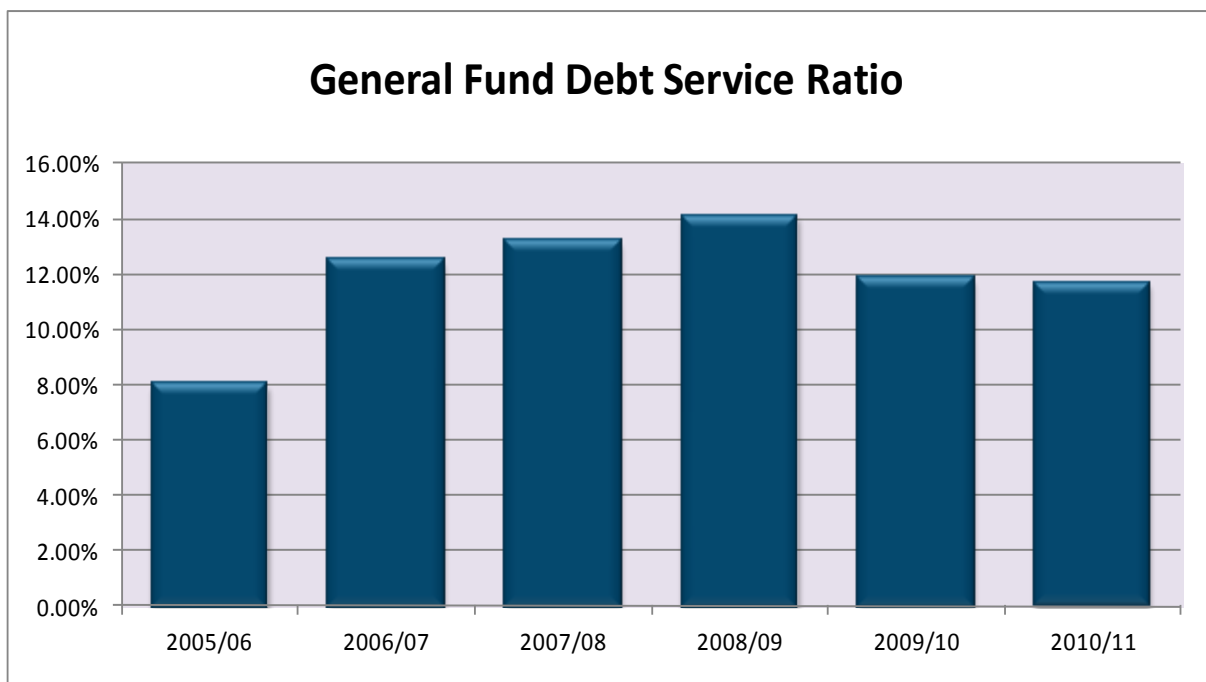
The unrestricted current ratio for water and sewer activities may fluctuate significantly. Yearly fluctuations may result from the accumulation of internal reserves and the impact of lower debt levels and will continue to fluctuate in the future as further funds are collected and expended on infrastructure improvements.

### **Debt Service Ratio**

This ratio assesses the degree to which revenues from continuing operations are committed to the repayment of debt. Factors influencing the Council's debt service ratio include:

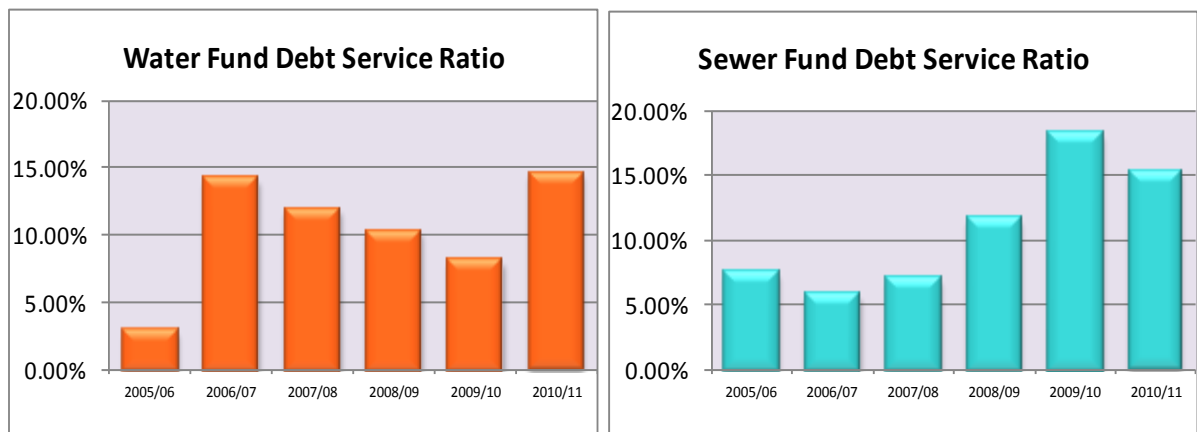
- The rate of new development in the Council area and the need to borrow to fund new infrastructure;
- Council's debt policy;
- Interest rate movements and loan terms;
- Capital investment strategies and capital contributions policies;
- The level of cash reserves available to reduce the level of borrowings; 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 debt service levels over the past six years. Council's General Fund debt service ratio continues to reduce and is 11.65% as at 30 June 2011. A debt service ratio of this level for a developing coastal council such as Port Macquarie-Hastings is acceptable under Local Government Managers Association performance measures.

### Sewer and Water Fund Debt Service Ratio



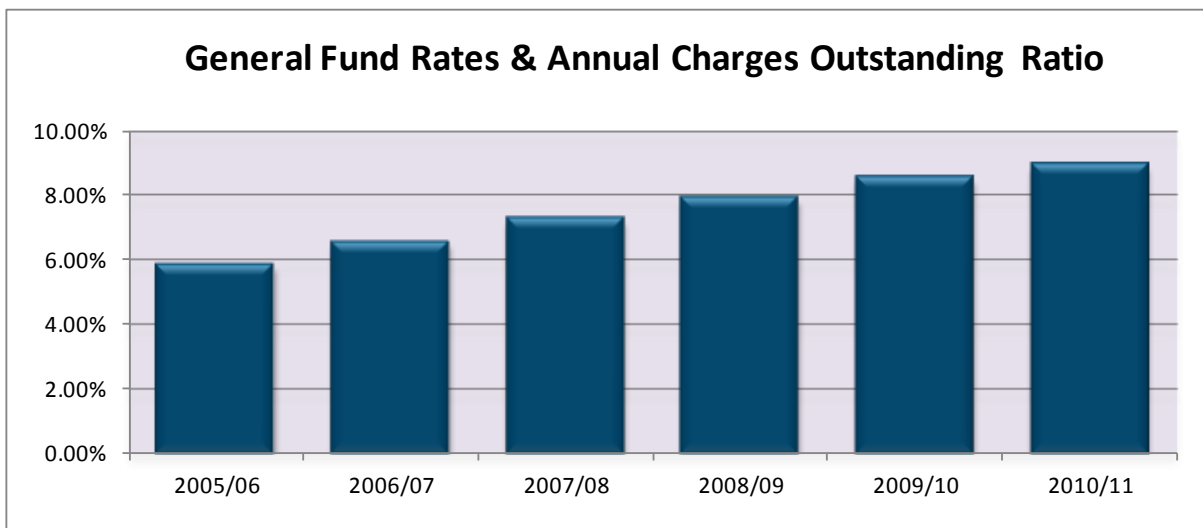
The above graphs illustrate the periodic borrowings to fund Council's capital works programmes for water and sewer funds.

### Rates and Annual Charges Outstanding Percentage

This indicator assesses the effectiveness of Council's revenue collection processes. Factors influencing Council's rates and annual charges outstanding ratio include:

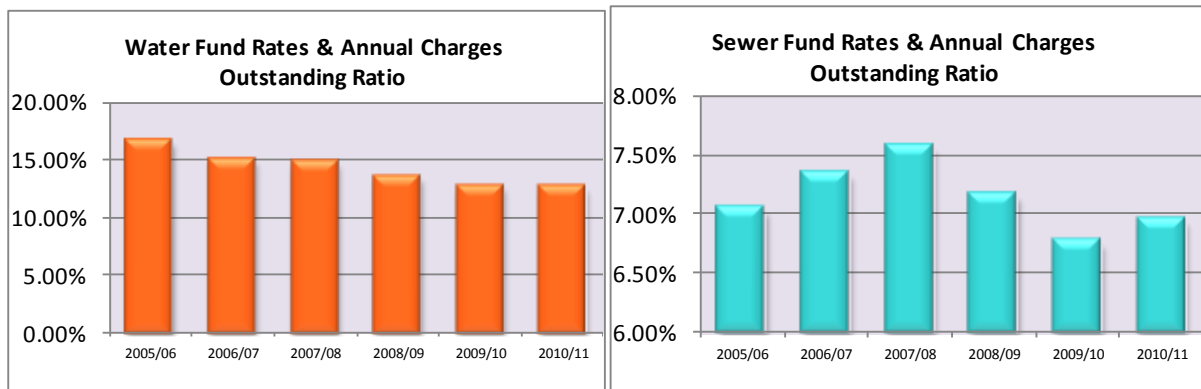
- Council's rating policy;
- Credit management policies;
- The socioeconomic characteristics of the area; and
- Environmental factors influencing ratepayers ability to satisfy their obligations.

### General Fund Rates & Annual Charges Outstanding Ratio



Council's General Fund rates and annual charges outstanding percentage is gradually trending upwards and is 8.89% as at 30 June 2011. We recommend that Council review its collection procedures to determine whether this ratio can be reduced to more acceptable parameters.

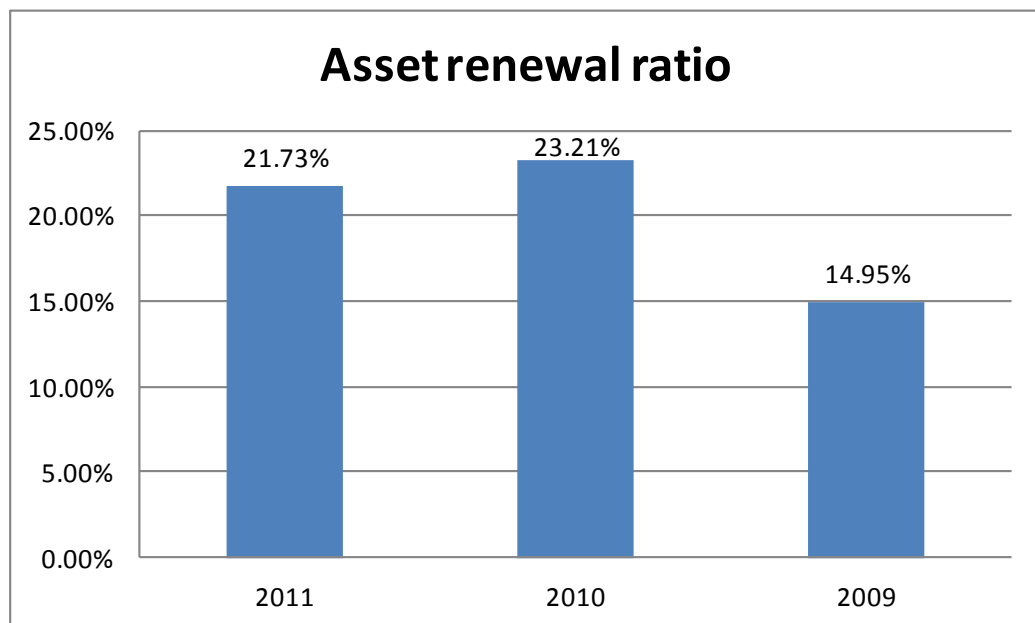
### Sewer and Water Funds Rates & Annual Charges Outstanding Ratio



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.

### Buildings & Infrastructure Renewals Ratio

The purpose of this ratio is to assess the rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. Renewal is defined as the replacement of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets. The graph below has been prepared on a consolidated basis



The table above indicates that Council's asset renewal expenditure is not keeping pace with the rate at which these assets are depreciating. The asset renewal ratio for General, Water and Sewer funds for the 2011 financial year are 12%, 13% & 65% respectively. This ratio is calculated based on replacement of existing assets with assets of equivalent capacity or performance.

It should be noted that Council has incurred expenditure during the year to increase the capacity of existing assets. By definition, this type of expenditure is not included in the asset renewal ratio even though an existing asset has been replaced (or renewed). If this type of expenditure were included, Council's asset renewals ratio for each fund would increase. For example, the renewals ratio for General Fund would increase from 12% to 25% for the year ended 30 June 2011.

Industry benchmarking recommends that asset renewals equate to the related depreciation expense, or 100%. Whilst we recognise that Council's total expenditure on the renewal of assets is greater than that included in the asset renewals ratio, we recommend that Council review its capacity to achieve a higher asset renewal ratio as part of its asset management planning.

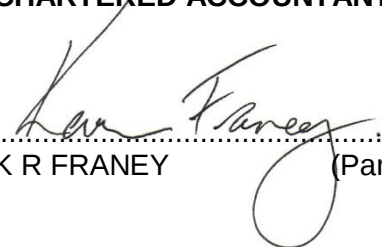
## **8. INTERNAL CONTROL ENVIRONMENT**

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.

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)

**PORT MACQUARIE-HASTINGS COUNCIL  
GENERAL PURPOSE FINANCIAL STATEMENTS  
INDEPENDENT AUDIT REPORT**

**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 2011, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Administrator and Management.

**Council's Responsibility for the Financial Statements**

The Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**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. Those 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 judgement, 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.

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 the Administrator or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Port Macquarie-Hastings Council for the year ended 30 June 2011 included on Council's website. The Council is responsible for the integrity of the website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial statements identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

## Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## Audit Opinion

In our opinion:

- a) Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993, Chapter 13, Part 3, Division 2;
- b) The Council's financial statements:
  - i. Have been prepared in accordance with the requirements of that Division;
  - ii. Are consistent with the Council's accounting records;
  - iii. Present fairly, in all material respects, the Council's financial position as at 30 June 2011, and of its performance and its cash flows for the year then ended; and
  - iv. Are in accordance with applicable Accounting Standards.
- 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 reports that have come to light in the course of the audit.

## THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

  
.....  
K R FRANEY (Partner)  
Registered Company Auditor

Dated at Lismore this 13th day of October 2011.

Port Macquarie-Hastings Council

Special Purpose Financial Reports

for the year ended 30 June 2011

## **Port Macquarie - Hastings Council**

### **Special purpose financial statements for the year ended 30 June 2011**

#### **Contents**

|                                                        | <b>Page</b> |
|--------------------------------------------------------|-------------|
| <b>Statement by Administrator and Management</b>       | <b>1</b>    |
| Income statement of Water Supply business activity     | 2           |
| Income statement of Sewerage business activity         | 3           |
| Income statement of Waste Management business activity | 4           |
| Balance sheet of Water Supply business activity        | 5           |
| Balance sheet of Sewerage business activity            | 6           |
| Balance sheet of Waste Management business activity    | 7           |
| Notes to the Special Purpose Financial Reports         | 8           |
| Auditors' report                                       |             |

**Port Macquarie - Hastings Council**

**Special purpose financial statements  
for the year ended 30 June 2011**

**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 24 August 2011

---

Neil Porter  
**Administrator**

---

Tony Hayward  
**General Manager**

---

Kristian Enevoldson  
**Responsible Accounting Officer**

## Port Macquarie - Hastings Council

### Income Statement of Water Supply business activity for the year ended 30 June 2011

|                                                                            | <b>Actual<br/>2011<br/>\$'000</b> | Actual<br>2010<br>\$'000 | Actual<br>2009<br>\$'000 |
|----------------------------------------------------------------------------|-----------------------------------|--------------------------|--------------------------|
| <b>Income from continuing operations</b>                                   |                                   |                          |                          |
| Access charges                                                             | 4,995                             | 4,827                    | 4,374                    |
| User charges                                                               | 10,905                            | 11,917                   | 10,732                   |
| Fees                                                                       | 610                               | 585                      | 531                      |
| Interest                                                                   | 894                               | 2,899                    | -3,842                   |
| Grants and contributions provided for non capital purposes                 | 550                               | 236                      | 457                      |
| Other income                                                               | 142                               | 72                       | 37                       |
| <b>Total income from continuing operations</b>                             | <b>18,096</b>                     | <b>20,536</b>            | <b>12,289</b>            |
| <b>Expenses from continuing operations</b>                                 |                                   |                          |                          |
| Employee benefits and on-costs                                             | 3,162                             | 2,976                    | 3,351                    |
| Borrowing costs                                                            | 1,045                             | 656                      | 876                      |
| Materials and contracts                                                    | 6,242                             | 5,639                    | 6,108                    |
| Depreciation & impairment                                                  | 8,587                             | 7,694                    | 8,006                    |
| Water purchase charges                                                     |                                   |                          |                          |
| Loss on sale of assets                                                     | 392                               | 139                      | 357                      |
| Calculated taxation equivalents                                            | 97                                | 97                       | 97                       |
| Debt guarantee fee (if applicable)                                         | 486                               | 429                      | 359                      |
| Other expenses                                                             | 813                               | 800                      | 718                      |
| <b>Total expenses from continuing operations</b>                           | <b>20,824</b>                     | <b>18,430</b>            | <b>19,872</b>            |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>-2,728</b>                     | <b>2,106</b>             | <b>-7,583</b>            |
| Grants and contributions provided for capital purposes                     | 4,052                             | 6,454                    | 5,269                    |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>1,324</b>                      | <b>8,560</b>             | <b>-2,314</b>            |
| Less Corporate Taxation Equivalent (30%) [based on result before capital]  | 0                                 | 632                      | 0                        |
| <b>Surplus (deficit) after tax</b>                                         | <b>1,324</b>                      | <b>7,928</b>             | <b>-2,314</b>            |
| <b>Opening retained profits</b>                                            | 196,251                           | 187,165                  | 189,023                  |
| Adjustments for amounts unpaid                                             |                                   |                          |                          |
| Taxation equivalent payments                                               | 97                                | 97                       | 97                       |
| Debt guarantee fees                                                        | 486                               | 429                      | 359                      |
| Corporate taxation equivalent                                              |                                   | 632                      |                          |
| Adjustment for previous period error                                       |                                   |                          |                          |
| <b>Closing retained profits</b>                                            | <b>198,158</b>                    | <b>196,251</b>           | <b>187,165</b>           |
| Return on Capital %                                                        | -0.47%                            | 0.78%                    | -1.92%                   |
| Subsidy from Council                                                       | 8,888                             | 4,364                    | 13,683                   |
| <b>Calculation of Dividend Payable</b>                                     |                                   |                          |                          |
| Surplus (deficit) after tax                                                | 1,324                             | 7,928                    | -2,314                   |
| Less: Capital grants and contributions (excluding developer contributions) | 109                               | 1,603                    | 1,670                    |
| <b>Surplus for dividend calculation purposes</b>                           | <b>1,215</b>                      | <b>6,325</b>             | <b>-3,984</b>            |
| <b>Dividend calculated from surplus</b>                                    | <b>608</b>                        | <b>0</b>                 | <b>0</b>                 |

## Port Macquarie - Hastings Council

### Income Statement of Sewerage business activity for the year ended 30 June 2011

|                                                                            | <b>Actual<br/>2011<br/>\$'000</b> | Actual<br>2010<br>\$'000 | Actual<br>2009<br>\$'000 |
|----------------------------------------------------------------------------|-----------------------------------|--------------------------|--------------------------|
| <b>Income from continuing operations</b>                                   |                                   |                          |                          |
| Access charges                                                             | 16,572                            | 15,948                   | 14,599                   |
| User charges                                                               | 801                               | 838                      | 733                      |
| Fees                                                                       | 150                               | 117                      | 153                      |
| Interest                                                                   | 5,202                             | 1,807                    | -4,909                   |
| Grants and contributions provided for non capital purposes                 | 339                               | 335                      | 330                      |
| Profit from the sale of assets                                             |                                   |                          |                          |
| Other income                                                               | 151                               | 154                      | 162                      |
| <b>Total income from continuing operations</b>                             | <b>23,215</b>                     | <b>19,199</b>            | <b>11,068</b>            |
| <b>Expenses from continuing operations</b>                                 |                                   |                          |                          |
| Employee benefits and on-costs                                             | 3,357                             | 3,477                    | 3,886                    |
| Borrowing costs                                                            | 976                               | 714                      | 703                      |
| Materials and contracts                                                    | 5,733                             | 5,880                    | 7,429                    |
| Depreciation & impairment                                                  | 6,454                             | 6,834                    | 5,478                    |
| Loss on sale of assets                                                     | 1,550                             | 54                       | 29                       |
| Calculated taxation equivalents                                            | 111                               | 112                      | 112                      |
| Debt guarantee fee (if applicable)                                         | 824                               | 704                      | 428                      |
| Other expenses                                                             | 1,446                             | 1,286                    | 1,031                    |
| <b>Total expenses from continuing operations</b>                           | <b>20,451</b>                     | <b>19,061</b>            | <b>19,096</b>            |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>2,764</b>                      | <b>138</b>               | <b>-8,028</b>            |
| Grants and contributions provided for capital purposes                     | 3,089                             | 2,130                    | 3,176                    |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>5,853</b>                      | <b>2,268</b>             | <b>-4,852</b>            |
| Less Corporate Taxation Equivalent (30%) [based on result before capital]  | 829                               | 41                       | 0                        |
| <b>Surplus (deficit) after tax</b>                                         | <b>5,024</b>                      | <b>2,227</b>             | <b>-4,852</b>            |
| <b>Opening retained profits</b>                                            | 151,856                           | 148,772                  | 153,084                  |
| Taxation equivalent payments                                               | 111                               | 112                      | 112                      |
| Debt guarantee fees                                                        | 824                               | 704                      | 428                      |
| Corporate taxation equivalent                                              | 829                               | 41                       | 0                        |
| Less: TER Dividend Paid                                                    |                                   |                          |                          |
| Less: Surplus Dividend Paid                                                |                                   |                          |                          |
| <b>Closing retained profits</b>                                            | <b>158,644</b>                    | <b>151,856</b>           | <b>148,772</b>           |
| Return on Capital %                                                        | 1.59%                             | 0.39%                    | -3.56%                   |
| Subsidy from Council                                                       | 1,036                             | 3,573                    | 11,438                   |
| <b>Calculation of Dividend Payable</b>                                     |                                   |                          |                          |
| Surplus (deficit) after tax                                                | 5,024                             | 2,227                    | -4,852                   |
| Less: Capital grants and contributions (excluding developer contributions) |                                   | 870                      | 2,483                    |
| Surplus for dividend calculation purposes                                  | <b>5,024</b>                      | <b>1,357</b>             | <b>-7,335</b>            |
| <b>Dividend calculated from surplus</b>                                    | <b>0</b>                          | <b>0</b>                 | <b>0</b>                 |

## Port Macquarie - Hastings Council

### Income Statement of Waste Management business activity for the year ended 30 June 2011

|                                                                            | <b>Actual<br/>2011<br/>\$'000</b> | Actual<br>2010<br>\$'000 | Actual<br>2009<br>\$'000 |
|----------------------------------------------------------------------------|-----------------------------------|--------------------------|--------------------------|
| <b>Revenue from continuing operations</b>                                  |                                   |                          |                          |
| Access charges                                                             | 10,120                            | 9,766                    | 9,324                    |
| User charges                                                               | 3,568                             | 3,783                    | 3,395                    |
| Fees                                                                       |                                   |                          |                          |
| Interest                                                                   | 189                               | 363                      | -383                     |
| Grants and contributions provided for non capital purposes                 | 493                               | 508                      | 609                      |
| Profit from the sale of assets                                             |                                   |                          | 5                        |
| Other income                                                               | 1,190                             | 1,249                    | 1,024                    |
| <b>Total income from continuing operations</b>                             | <b>15,560</b>                     | <b>15,669</b>            | <b>13,974</b>            |
| <b>Expenses from continuing operations</b>                                 |                                   |                          |                          |
| Employee benefits and on-costs                                             | 1,266                             | 1,147                    | 1,543                    |
| Borrowing costs                                                            | 60                                | 77                       | 109                      |
| Materials and contracts                                                    | 10,706                            | 10,091                   | 10,084                   |
| Depreciation & impairment                                                  | 329                               | 322                      | 307                      |
| Loss on sale of assets                                                     |                                   | 8                        |                          |
| Calculated taxation equivalents                                            | 40                                | 41                       | 41                       |
| Debt guarantee fee (if applicable)                                         | 16                                | 26                       | 50                       |
| Other expenses                                                             | 877                               | 466                      | 36                       |
| <b>Total expenses from continuing operations</b>                           | <b>13,294</b>                     | <b>12,178</b>            | <b>12,170</b>            |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>2,266</b>                      | <b>3,491</b>             | <b>1,804</b>             |
| Grants and contributions provided for capital purposes                     |                                   |                          |                          |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>2,266</b>                      | <b>3,491</b>             | <b>1,804</b>             |
| Less Corporate Taxation Equivalent (30%) [based on result before capital]  | 680                               | 1,047                    | 541                      |
| <b>Surplus (deficit) after tax</b>                                         | <b>1,586</b>                      | <b>2,444</b>             | <b>1,263</b>             |
| <b>Opening retained profits and reserves</b>                               | <b>10,561</b>                     | <b>8,153</b>             | <b>6,258</b>             |
| Adjustments for amounts unpaid                                             |                                   |                          |                          |
| Taxation equivalent payments                                               | 40                                | 41                       | 41                       |
| Debt guarantee fees                                                        | 16                                | 26                       | 50                       |
| Corporate taxation equivalent                                              | 680                               | 1,047                    | 541                      |
| Less: Dividend Paid                                                        | -492                              | -1,150                   | 0                        |
| <b>Closing retained profits and reserves</b>                               | <b>12,391</b>                     | <b>10,561</b>            | <b>8,153</b>             |
| Return on Capital %                                                        | 24.68%                            | 37.13%                   | 24.05%                   |
| Subsidy from Council                                                       | 0                                 | 0                        | 0                        |
| <b>Calculation of Dividend Payable</b>                                     |                                   |                          |                          |
| Surplus (deficit) after tax                                                | 1,586                             | 2,444                    | 1,263                    |
| Less: Capital grants and contributions (excluding developer contributions) | 0                                 | 0                        | 0                        |
| Surplus for dividend calculation purposes                                  | 1,586                             | 2,444                    | 1,263                    |
| <b>Dividend calculated from surplus</b>                                    | <b>493</b>                        | <b>1,150</b>             |                          |

## Port Macquarie - Hastings Council

### Balance Sheet of Water Supply business activity as at 30 June 2011

|                                               | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                 |                          |                          |
| <b>Current Assets</b>                         |                          |                          |
| Cash and cash equivalents                     | 2,975                    | 12,723                   |
| Investments                                   | 9,903                    | 2,294                    |
| Receivables                                   | 4,469                    | 3,989                    |
| Inventories                                   | 256                      | 256                      |
| <b>Total current assets</b>                   | <b>17,603</b>            | <b>19,262</b>            |
| <b>Non Current Assets</b>                     |                          |                          |
| Investments                                   | 15,560                   | 10,984                   |
| Receivables                                   | 4,937                    | 4,925                    |
| Infrastructure, property, plant and equipment | 360,652                  | 356,333                  |
| <b>Total non-current assets</b>               | <b>381,149</b>           | <b>372,242</b>           |
| <b>Total assets</b>                           | <b>398,752</b>           | <b>391,504</b>           |
| <b>LIABILITIES</b>                            |                          |                          |
| <b>Current liabilities</b>                    |                          |                          |
| Payables                                      | 1,473                    | 1,046                    |
| Interest bearing liabilities                  | 1,512                    | 1,558                    |
| Provisions                                    | 1,553                    | 2,160                    |
| <b>Total current liabilities</b>              | <b>4,538</b>             | <b>4,764</b>             |
| <b>Non-current liabilities</b>                |                          |                          |
| Payables                                      | 5,287                    | 5,287                    |
| Interest bearing liabilities                  | 13,848                   | 15,500                   |
| Provisions                                    | 177                      | 44                       |
| <b>Total non-current liabilities</b>          | <b>19,312</b>            | <b>20,831</b>            |
| <b>Total liabilities</b>                      | <b>23,850</b>            | <b>25,595</b>            |
| <b>Net assets</b>                             | <b>374,902</b>           | <b>365,909</b>           |
| <b>EQUITY</b>                                 |                          |                          |
| Retained earnings                             | 198,158                  | 196,252                  |
| Reserves                                      | 176,744                  | 169,657                  |
| <b>Council equity interest</b>                | <b>374,902</b>           | <b>365,909</b>           |
| <b>Total equity</b>                           | <b>374,902</b>           | <b>365,909</b>           |

# Port Macquarie - Hastings Council

## Balance Sheet of Sewerage business activity as at 30 June 2011

|                                               | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                 |                          |                          |
| <b>Current Assets</b>                         |                          |                          |
| Cash and cash equivalents                     | 2,107                    | 8,197                    |
| Investments                                   | 10,937                   | 1,478                    |
| Receivables                                   | 3,618                    | 3,264                    |
| Inventories                                   | 8                        | 7                        |
| <b>Total current assets</b>                   | <b>16,670</b>            | <b>12,946</b>            |
| <b>Non Current Assets</b>                     |                          |                          |
| Investments                                   | 7,096                    | 6,940                    |
| Receivables                                   | 1,003                    | 1,539                    |
| Infrastructure, property, plant and equipment | 235,292                  | 221,281                  |
| <b>Total non-current assets</b>               | <b>243,391</b>           | <b>229,760</b>           |
| <b>Total assets</b>                           | <b>260,061</b>           | <b>242,706</b>           |
| <b>LIABILITIES</b>                            |                          |                          |
| <b>Current liabilities</b>                    |                          |                          |
| Payables                                      | 518                      | 697                      |
| Interest bearing liabilities                  | 1,765                    | 1,642                    |
| Provisions                                    | 1,303                    | 1,269                    |
| <b>Total current liabilities</b>              | <b>3,586</b>             | <b>3,608</b>             |
| <b>Non-current liabilities</b>                |                          |                          |
| Payables                                      | 3,337                    | 3,337                    |
| Interest bearing liabilities                  | 25,436                   | 26,115                   |
| Provisions                                    | 89                       | 27                       |
| <b>Total non-current liabilities</b>          | <b>28,862</b>            | <b>29,479</b>            |
| <b>Total liabilities</b>                      | <b>32,448</b>            | <b>33,087</b>            |
| <b>Net assets</b>                             | <b>227,613</b>           | <b>209,619</b>           |
| <b>EQUITY</b>                                 |                          |                          |
| Retained earnings                             | 158,644                  | 151,856                  |
| Reserves                                      | 68,969                   | 57,763                   |
| <b>Council equity interest</b>                | <b>227,613</b>           | <b>209,619</b>           |
| <b>Total equity</b>                           | <b>227,613</b>           | <b>209,619</b>           |

## Port Macquarie - Hastings Council

### Balance Sheet of Waste Management business activity as at 30 June 2011

|                                               | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                 |                          |                          |
| <b>Current Assets</b>                         |                          |                          |
| Cash and cash equivalents                     | 389                      |                          |
| Investments                                   | 3,326                    | 2,608                    |
| Receivables                                   | 1,030                    | 844                      |
| <b>Total current assets</b>                   | <b>4,745</b>             | <b>3,452</b>             |
| <b>Non Current Assets</b>                     |                          |                          |
| Investments                                   |                          |                          |
| Receivables                                   | 413                      | 339                      |
| Infrastructure, property, plant and equipment | 9,423                    | 9,610                    |
| <b>Total non-current assets</b>               | <b>9,836</b>             | <b>9,949</b>             |
| <b>Total assets</b>                           | <b>14,581</b>            | <b>13,401</b>            |
| <b>LIABILITIES</b>                            |                          |                          |
| <b>Current liabilities</b>                    |                          |                          |
| Payables                                      | 3                        | 265                      |
| Interest bearing liabilities                  | 94                       | 214                      |
| Provisions                                    | 436                      | 724                      |
| <b>Total current liabilities</b>              | <b>533</b>               | <b>1,203</b>             |
| <b>Non-current liabilities</b>                |                          |                          |
| Interest bearing liabilities                  | 327                      | 421                      |
| Provisions                                    | 375                      | 319                      |
| <b>Total non-current liabilities</b>          | <b>702</b>               | <b>740</b>               |
| <b>Total liabilities</b>                      | <b>1,235</b>             | <b>1,943</b>             |
| <b>Net assets</b>                             | <b>13,346</b>            | <b>11,458</b>            |
| <b>EQUITY</b>                                 |                          |                          |
| Retained earnings                             | 12,391                   | 10,561                   |
| Reserves                                      | 955                      | 897                      |
| <b>Council equity interest</b>                | <b>13,346</b>            | <b>11,458</b>            |
| <b>Total equity</b>                           | <b>13,346</b>            | <b>11,458</b>            |

## **Port Macquarie - Hastings Council**

### **Notes to the Special Purpose Financial Reports for the year ended 30 June 2011**

| Contents of the notes to the financial statements |                                                                        | Page |
|---------------------------------------------------|------------------------------------------------------------------------|------|
| Note 1                                            | Significant accounting policies                                        | SP10 |
| 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 2011

(continued)

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. |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 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 2011 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.

**Note 2 Water Supply Business best practice management disclosure requirements****2011****Calculation and payment of tax-equivalents**

|       |                                                              |         |
|-------|--------------------------------------------------------------|---------|
| (i)   | Calculated tax-equivalents                                   | 582,628 |
| (ii)  | No of assessments multiplied by \$3/assessment               | 94,575  |
| (iii) | Amounts payable for tax-equivalents (lessor of (i) and (ii)) | 94,575  |
| (iv)  | Tax equivalents paid                                         | 94,575  |

**Dividend from Surplus**

|       |                                                                                                                                             |           |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| (i)   | 50% of surplus before dividends<br><i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines)</i> | 1,215,000 |
| (ii)  | No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment                                                    | 851,175   |
| (iii) | Cumulative surplus before dividends for 3 years to 30 June 2011, less cumulative dividends paid for 2 years to 30 June 2010                 | 3,556,200 |
| (iv)  | Maximum dividend from surplus (least of (i), (ii) and (iii))                                                                                | 851,175   |
| (v)   | Dividend paid from surplus                                                                                                                  | 851,175   |

**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<br><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)

\$ ('000)

21,346

= Total Income (w13)

- Grants for Acquisition of Assets (w11a) - Interest Income (w9)

NWI F4 Revenue from Residential Usage Charges (Water)

%

68.58

= Income from residential Usage Charges (w6b) x 100 / (Income from residential usage charges (w6a) + Income from residential access charges (w6b))

NWI F9 Written Down Replacement Cost of Fixed Assets (Water)

\$ ('000)

360,470

= Written down current cost of system assets (w47)

NWI F11 Operating Cost (OMA) (Water)

\$ ('000)

9,698

= Management Expenses (w1) + Operation and Maintenance Expenses (w2)

NWI F14 Capital Expenditure (Water)

\$ ('000)

6,381

= Acquisition of fixed assets (w16)

NWI F17 Economic Real Rate of Return (Water)

%

0.8542

= [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))

NWI F26 Capital Works Grants (Water)

\$ ('000)

0

= Grants for Acquisition of Assets (w11a)

## Notes

1. References to w (eg. W12) refer to item numbers in Special Schedules Nos. 3 and 4 of each of Council's Annual Financial Statements.

2. 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                                            | 935,729 |
| (ii)  | No of assessments multiplied by \$3/assessment                        | 88,482  |
| (iii) | Amounts payable for tax-equivalents ( <i>lessor of (i) and (ii)</i> ) | 88,482  |
| (iv)  | Tax equivalents paid                                                  | 0       |

#### Dividend from Surplus

|       |                                                                                                                                               |          |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------|
| (i)   | 50% of surplus before dividends<br>( <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                                                      | 796,338  |
| (iii) | Cumulative surplus before dividends for 3 years to 30 June 2011, less cumulative dividends paid for 2 years to 30 June 2010                   | -954,000 |
| (iv)  | Maximum dividend from surplus ( <i>least of (i), (ii) and (iii)</i> )                                                                         | 0        |
| (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<br>( <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)<br>= Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)                                                                                                                                                                                   | \$ ('000) | 21,190  |
| NWI F10 | Written Down Replacement Cost of Fixed Assets (Sewerage)<br>= Written down current cost of system assets (s48)                                                                                                                                                                                       | \$ ('000) | 232,964 |
| NWI F12 | Operating Cost (OMA) (Sewerage)<br>= Management Expenses (s1) + Operation and Maintenance Expenses (s2)                                                                                                                                                                                              | \$ ('000) | 9,526   |
| NWI F15 | Capital Expenditure (Sewerage)<br>= Acquisition of fixed assets (s17)                                                                                                                                                                                                                                | \$ ('000) | 11,444  |
| NWI F18 | Economic Real Rate of Return (Sewerage)<br>= [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) | %         | 2.214   |
| NWI F27 | Capital Works Grants (Sewerage)<br>= Grants for Acquisition of Assets (s12a)                                                                                                                                                                                                                         | \$ ('000) | 0       |
| NWI F3  | Total Income (Water & Sewerage)<br>= Total income (w13 +s14) + Gain/loss on disposal of assets (W14+S15) - Grants for acquisition of assets (w11a + s12a) - Interest income (w9 + s10)                                                                                                               | \$ ('000) | 40,595  |
| NWI F8  | Revenue from Community Service Obligations (Water and Sewerage)<br>= Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)                                                                                                                                                  | %         | 2.0717  |
| NWI F16 | Capital Expenditure (Water & Sewerage)<br>= Acquisition of fixed assets (w16 + s17)                                                                                                                                                                                                                  | \$ ('000) | 17,825  |
| NWI F19 | Economic Real Rate of Return (Water and Sewerage)                                                                                                                                                                                                                                                    | %         | 1.391   |

### 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)<br>= Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)                                                                                                                                                                                                                                                                                                                                                                                                      | \$ ('000) | 851    |
| NWI F21 | Dividend Payout Ratio (Water & Sewerage)<br>= Dividend (NWI F20) *100                                                                                                                                                                                                                                                                                                                                                                                                                              | %         | 13.61% |
| NWI F22 | Net Debt to Equity (Water and Sewerage)<br>= $[Overdraft\ (w36 + s37) + Borrowings\ (w38 + s39) - Cash\ and\ investments\ (w30 + s31)] \times 100$ divided by $[Total\ Assets\ (w35 + s36) - Total\ Liabilities\ (w40 + s41)]$                                                                                                                                                                                                                                                                     | %         | - 1.00 |
| NWI F23 | Interest Cover (Water and Sewerage)<br>= EBIT / NI<br><br>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)<br>Net Interest (NI) = Interest expense (w4a + s4a) - Interest income (w9 + s10)<br>Note: If EBIT>0 AND Net interest <=0 THEN Interest cover is to be reported as ">100"<br>If EBIT <0 THEN interest Cover = 0 |           | >100   |
| NWI F24 | Net Profit After Tax (Water and Sewerage)<br>= $[Surplus\ before\ Dividends\ (w15a + s16a) - Tax\ Paid\ (1(iv)\ of\ Note\ 2 + 1(iv)\ of\ Note\ 3)]$                                                                                                                                                                                                                                                                                                                                                | \$ ('000) | 6,253  |
| NWI F25 | Community Service Obligations (Water and Sewerage)<br>= Grants for pensioner rebates (w11b + s12b)                                                                                                                                                                                                                                                                                                                                                                                                 | \$ ('000) | 841    |

#### 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.

**PORT MACQUARIE-HASTINGS COUNCIL  
SPECIAL PURPOSE FINANCIAL STATEMENTS  
INDEPENDENT AUDIT REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements, being special purpose financial statements, of Port Macquarie-Hastings Council (the Council), which comprises the balance sheet as at 30 June 2011 the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Administrator and Management.

**Council's Responsibility for the Financial Statements**

The Council is responsible for the preparation of the financial statements and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Local Government Act 1993 and meet the needs of the Division of Local Government. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**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. Those 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 judgement, 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 of the financial statements that gives a true and fair view 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.

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. 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.



## **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This auditor's report relates to the special purpose financial statements of Port Macquarie-Hastings Council for the year ended 30 June 2011 included on Council's website. The Council is responsible for the integrity of the website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial statements identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

## **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## **Audit Opinion**

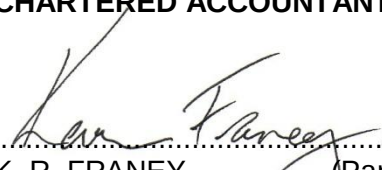
In our opinion, the special purpose financial statements of Port Macquarie-Hastings Council:

- a) Present fairly, in all material respects, the financial position of Council's nominated Business Activities as at 30 June 2011 and the results of their operations for the year then ended;
- b) Are consistent with the Council's accounting records; and
- c) Have been prepared in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting and comply with Australian Accounting Standards to the extent described in Note 1.

## **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the requirements of National Competition Policy reporting. As a result, the financial statements may not be suitable for another purpose.

**THOMAS NOBLE & RUSSELL  
CHARTERED ACCOUNTANTS**



.....  
K. R. FRANEY (Partner)  
Registered Company Auditor

Dated at Lismore this 13th day of October 2011.

Port Macquarie-Hastings Council

Special Schedules

for the year ended 30 June 2011

## Port Macquarie - Hastings Council

### Special Schedules for the year ended 30 June 2011

#### Contents

| <i>Special Schedules (Not Audited)</i> |                                                       | <b>Page</b> |
|----------------------------------------|-------------------------------------------------------|-------------|
| Special Schedule No. 1                 | Net cost of services                                  | 1           |
| Special Schedule No. 2(a)              | Statement of long-term debt (all purpose)             | 4           |
| Special Schedule No. 2(b)              | Statement of internal loans (Section 410(3) LGA 1993) | 5           |
| Special Schedule No. 3                 | Water supply Income Statement                         | 6           |
| Special Schedule No. 4                 | Water supply - Balance sheet                          | 9           |
| Special Schedule No. 5                 | Sewerage Income Statement                             | 10          |
| Special Schedule No. 6                 | Sewerage service - Balance sheet                      | 13          |
| Notes to Special Schedules 3 and 5     |                                                       | 14          |
| Special Schedule No. 7                 | Condition of public works                             | 15          |
| Special Schedule No. 8                 | Financial Projections                                 | 16          |

# Port Macquarie - Hastings Council

## Special Schedule No. 1

### Net cost of services

for the year ended 30 June 2011

| Function or Activity                                   | Expenses from continuing operations<br>'000 | Income from continuing operations (non capital)<br>\$'000 | Income from continuing operations (capital)<br>\$'000 | Net cost of services<br>\$'000 |
|--------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| <b>Governance</b>                                      | 4,576                                       |                                                           |                                                       | 4,576                          |
| <b>Adminstration</b>                                   | 2,425                                       | 363                                                       | 223                                                   | 1,839                          |
| <b>Public Order and Safety</b>                         |                                             |                                                           |                                                       |                                |
| Fire Service Levy, Fire protection, Emergency services | 1,962                                       | 376                                                       | 720                                                   | 866                            |
| Animal Control                                         | 209                                         | 125                                                       |                                                       | 84                             |
| Beach Control                                          | 238                                         | 51                                                        |                                                       | 187                            |
| Enforcement of Local Govt Regs                         | 914                                         | 513                                                       |                                                       | 401                            |
| Other                                                  | 651                                         | 0                                                         |                                                       | 651                            |
| <b>Total Public Order and Safety</b>                   | 3,974                                       | 1,065                                                     | 720                                                   | 2,189                          |
| <b>Health</b>                                          | 50                                          |                                                           |                                                       | 50                             |
| <b>Environment</b>                                     |                                             |                                                           |                                                       |                                |
| Noxious Plants and Insect/Vermin control               | 492                                         | 125                                                       |                                                       | 367                            |
| Other Environmental Protection                         | 2,486                                       | 1,587                                                     | 129                                                   | 770                            |
| Solid Waste Management                                 | 13,022                                      | 15,367                                                    |                                                       | -2,345                         |
| Street Cleaning                                        | 224                                         | 0                                                         |                                                       | 224                            |
| Drainage                                               | 3,148                                       | 730                                                       | 641                                                   | 1,777                          |
| Stormwater Management                                  | 272                                         | 0                                                         |                                                       | 272                            |
| <b>Total Environment</b>                               | 19,644                                      | 17,809                                                    | 770                                                   | 1,065                          |
| <b>Community Services and Education</b>                |                                             |                                                           |                                                       |                                |
| Administration & Education                             | 1,032                                       | 4                                                         |                                                       | 1,028                          |
| Social Protection (welfare)                            | 374                                         | 24                                                        |                                                       | 350                            |
| Aged Persons and Disabled                              | 219                                         | 58                                                        | 156                                                   | 5                              |
| Childrens Services                                     | 144                                         | 43                                                        |                                                       | 101                            |
| <b>Total Community Services and Education</b>          | 1,769                                       | 129                                                       | 156                                                   | 1,484                          |
| <b>Housing and Community Amenities</b>                 |                                             |                                                           |                                                       |                                |
| Public Cemeteries                                      | 948                                         | 1,092                                                     |                                                       | -144                           |
| Public Conveniences                                    | 656                                         | -20                                                       |                                                       | 676                            |
| Street Lighting                                        | 1,001                                       | 97                                                        |                                                       | 904                            |
| Town Planning                                          | 2,890                                       | 1,242                                                     | 48                                                    | 1,600                          |
| Other Community Amenities                              | 31                                          | 33                                                        |                                                       | -2                             |
| <b>Total Housing &amp; Community Amenities</b>         | 5,526                                       | 2,444                                                     | 48                                                    | 3,034                          |

## Net cost of services (continued)

| Function or Activity                          | Expenses from continuing operations<br>'000 | Income from continuing operations (non capital)<br>\$'000 | Income from continuing operations (capital)<br>\$'000 | Net cost of services<br>\$'000 |
|-----------------------------------------------|---------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| <b>Water Supplies</b>                         | 18,156                                      | 17,574                                                    | 4,053                                                 | -3,471                         |
| <b>Sewerage Services</b>                      | 16,661                                      | 22,924                                                    | 3,089                                                 | -9,352                         |
| <b>Recreation and Culture</b>                 |                                             |                                                           |                                                       |                                |
| Public Libraries                              | 2,638                                       | 251                                                       | 52                                                    | 2,335                          |
| Museums                                       | 173                                         | 19                                                        |                                                       | 154                            |
| Art Galleries                                 | 248                                         | 93                                                        |                                                       | 155                            |
| Community Centres & Halls                     | 289                                         | 72                                                        | 681                                                   | -464                           |
| Performing Arts Venues                        | 7,841                                       | 1,020                                                     |                                                       | 6,821                          |
| Other Performing Arts                         | 5                                           |                                                           |                                                       | 5                              |
| Other Cultural Services                       | 355                                         | 25                                                        | 78                                                    | 252                            |
| Sporting Grounds & Venues                     | 457                                         | 5                                                         | 304                                                   | 148                            |
| Swimming Pools                                | 757                                         | -27                                                       |                                                       | 784                            |
| Parks and Gardens (Lakes)                     | 3,358                                       | 52                                                        | 1,240                                                 | 2,066                          |
| Other Sport and Recreation                    | 659                                         | 58                                                        | 35                                                    | 566                            |
| <b>Total Recreation and Culture</b>           | 16,780                                      | 1,568                                                     | 2,390                                                 | 12,822                         |
| <b>Mining, Manufacturing and Construction</b> |                                             |                                                           |                                                       |                                |
| Building Control                              | 2,163                                       | 1,178                                                     |                                                       | 985                            |
|                                               | 2,163                                       | 1,178                                                     | 0                                                     | 985                            |
| <b>Transport and Communication</b>            |                                             |                                                           |                                                       |                                |
| Urban Roads (UR) - Local                      | 8,307                                       | 995                                                       | 13,026                                                | -5,714                         |
| Urban Roads - Regional                        | 1,913                                       | 1,122                                                     |                                                       | 791                            |
| Sealed Rural Roads (SRR) - Local              | 7,056                                       | 40                                                        | 769                                                   | 6,247                          |
| Sealed Rural Roads (SRR) - Regional           | 1,596                                       | 0                                                         |                                                       | 1,596                          |
| Unsealed Rural Roads (URR) - Local            | 3,726                                       | 0                                                         |                                                       | 3,726                          |
| Unsealed Rural Roads (URR) - Regional         | 0                                           | 0                                                         |                                                       | 0                              |
| Bridges Urban Roads - Local                   | 321                                         | 0                                                         | 91                                                    | 230                            |
| Bridges on Sealed Rural Roads - Local         | 1,867                                       | 0                                                         | 1,445                                                 | 422                            |
| Bridges on Unsealed Rural Roads - Local       | 226                                         | 0                                                         |                                                       | 226                            |
| Bridges on Regional Roads                     | 82                                          | 0                                                         |                                                       | 82                             |
| Parking Areas                                 | 379                                         | -114                                                      | 415                                                   | 78                             |
| Footpaths                                     | 283                                         | 55                                                        | 116                                                   | 112                            |
| Aerodromes                                    | 3,276                                       | 3,573                                                     |                                                       | -297                           |
| Other Transport & Communication               | 3,319                                       | 811                                                       | 1,602                                                 | 906                            |
| <b>Total Transport and Communication</b>      | 32,351                                      | 6,482                                                     | 17,464                                                | 8,405                          |

### Net cost of services (continued)

| Function or Activity                         | Expenses from continuing operations<br>'000 | Income from continuing operations (non capital)<br>\$'000 | Income from continuing operations (capital)<br>\$'000 | Net cost of services<br>\$'000 |
|----------------------------------------------|---------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| <b>Economic Affairs</b>                      |                                             |                                                           |                                                       |                                |
| Camping Areas & Caravan Parks                | 2,862                                       | 530                                                       |                                                       | 2,332                          |
| Other Economic Affairs                       | 2,508                                       | 1,451                                                     |                                                       | 1,057                          |
| <b>Total Economic Affairs</b>                | <b>5,370</b>                                | <b>1,981</b>                                              | <b>0</b>                                              | <b>3,389</b>                   |
| <b>Totals - Functions</b>                    | <b>129,445</b>                              | <b>73,517</b>                                             | <b>28,913</b>                                         | <b>27,015</b>                  |
| <b>General Purpose Revenues (2)</b>          |                                             |                                                           |                                                       | <b>-44,087</b>                 |
| <b>Net operating result for the year (1)</b> |                                             |                                                           |                                                       | <b>-17,072</b>                 |

**Note:**

(1) As reported on the Income statement

(2) Includes:

- \* Rates and annual charges (including ex-gratia but excluding water and sewer)
- \* Non-capital general purpose grants
- \* Interest on investments

Port Macquarie - Hastings Council

Special Schedule No. 2(a)

Statement of long-term debt (all purpose)

for the year ended 30 June 2011

| 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         |
| <b>Loans (by source)</b>    |                                            |               |                |                                  |                                 |               |                           |                              |                                      |               |               |
| Financial Institutions      | 6,239                                      | 88,053        | 94,292         | 1,000                            | 6,304                           |               |                           | 6,223                        | 7,745                                | 81,243        | 88,988        |
| State Government            | 1,135                                      | 8,174         | 9,309          |                                  | 1,135                           |               |                           |                              | 1,135                                | 7,039         | 8,174         |
| Department of Lands         | 93                                         | 238           | 331            | 0                                | 331                             |               |                           |                              | 0                                    | 0             | 0             |
| <b>Total Loans</b>          | <b>7,467</b>                               | <b>96,465</b> | <b>103,932</b> | <b>1,000</b>                     | <b>7,770</b>                    | <b>0</b>      | <b>0</b>                  | <b>6,223</b>                 | <b>8,880</b>                         | <b>88,282</b> | <b>97,162</b> |
| <b>Total long term debt</b> | <b>7,467</b>                               | <b>96,465</b> | <b>103,932</b> | <b>1,000</b>                     | <b>7,770</b>                    | <b>0</b>      | <b>0</b>                  | <b>6,223</b>                 | <b>8,880</b>                         | <b>88,282</b> | <b>97,162</b> |

## Port Macquarie - Hastings Council

### Special Schedule No. 2(b)

#### Statement of internal loans (Section 410(3) LGA 1993)

for the year ended 30 June 2011

#### Summary of internal loans

| Borrower (by purpose)       | Amount originally raised | Total repaid during the year<br>Principal and interest | Principal outstanding at end of year |
|-----------------------------|--------------------------|--------------------------------------------------------|--------------------------------------|
| General Fund                | 4,737                    | 638                                                    | 1,178                                |
| <b>Total long term debt</b> | <b>4,737</b>             | <b>638</b>                                             | <b>1,178</b>                         |

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<br>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                    | 271                                                    | 498                                  |
| Property (Land purchase Toorak Circuit, Port Macquarie) - Deposit | Sewer Fund          | 5/07/2003                   | 3/05/2003   | 10         | 3/05/2013         | 3.92%            | 302                      | 40                                                     | 75                                   |
| Property (Land purchase Toorak Circuit, Port Macquarie)           | Sewer Fund          | 5/07/2003                   | 30/06/2003  | 10         | 30/06/2013        | 4.09%            | 2,427                    | 327                                                    | 605                                  |
|                                                                   |                     |                             |             |            |                   |                  | <b>4,737</b>             | <b>638</b>                                             | <b>1,178</b>                         |

Port Macquarie - Hastings Council

**Special Schedule No. 3**  
**Water Supply Income Statement**  
**(Gross including Internal Transactions)**  
**for the year ended 30 June 2011**

|                                                                     | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| <b>A Expenses and Income</b>                                        |                          |                          |
| <b>Expenses</b>                                                     |                          |                          |
| 1 Management Expenses                                               |                          |                          |
| a. Administration                                                   | 2,482                    | 2,523                    |
| b. Engineering and Supervision                                      | 1,080                    | 1,076                    |
| 2 Operation and Maintenance                                         |                          |                          |
| Dams and Weirs                                                      |                          |                          |
| a. Operation expenses                                               | 172                      | 265                      |
| b. Maintenance expenses                                             | 522                      | 233                      |
| Mains                                                               |                          |                          |
| c. Operation expenses                                               | 706                      | 798                      |
| d. Maintenance expenses                                             | 573                      | 510                      |
| Reservoirs                                                          |                          |                          |
| e. Operation expenses                                               | 86                       | 94                       |
| f. Maintenance expenses                                             | 144                      | 139                      |
| Pumping Stations                                                    |                          |                          |
| g. Operation expenses (excluding energy costs)                      | 45                       | 41                       |
| h. Energy Costs                                                     | 499                      | 526                      |
| i. Maintenance expenses                                             | 550                      | 431                      |
| Treatment                                                           |                          |                          |
| j. Operation expenses (excluding chemical costs)                    | 545                      | 352                      |
| k. Chemical Costs                                                   | 169                      | 143                      |
| l. Maintenance expenses                                             | 250                      | 226                      |
| Other                                                               |                          |                          |
| m. Operation expenses                                               | 1,270                    | 1,082                    |
| n. Maintenance expenses                                             | 463                      | 390                      |
| o. Purchase of Water                                                | 142                      | 82                       |
| 3 Depreciation                                                      |                          |                          |
| a. System assets                                                    | 8,569                    | 7,694                    |
| b. Plant and equipment                                              | 18                       |                          |
| 4 Miscellaneous Expenses                                            |                          |                          |
| a. Interest expenses                                                | 1,045                    | 656                      |
| b. Other expenses                                                   | 519                      | 505                      |
| NCP Tax & Other Equivalents                                         | 583                      | 526                      |
| 5 Total expenses                                                    | <u>20,432</u>            | <u>18,292</u>            |
| <b>Income</b>                                                       |                          |                          |
| 6 Residential charges                                               |                          |                          |
| a. Access (including rates)                                         | 4,995                    | 3,596                    |
| b. Usage charges                                                    | 10,905                   | 8,523                    |
| 7 Non-residential charges                                           |                          |                          |
| a. Access (including rates)                                         |                          | 1,231                    |
| b. Usage charges                                                    |                          | 3,394                    |
| 8 Extra charges                                                     | 113                      | 98                       |
| 9 Interest income                                                   | 802                      | 2,816                    |
| 10 Other income                                                     | 730                      | 642                      |
| 11 Grants                                                           |                          |                          |
| a. Grants for the acquisition of assets                             |                          | 623                      |
| b. Grants for pensioner rebates                                     | 504                      | 205                      |
| c. Other grants                                                     |                          | 4                        |
| 12 Contributions                                                    |                          |                          |
| a. Developer charges                                                | 3,411                    | 4,879                    |
| b. Developer provided assets                                        | 579                      | 453                      |
| c. Other contributions                                              | 109                      | 526                      |
| <b>13 Total Income</b>                                              | <u>22,148</u>            | <u>26,990</u>            |
| 14 Gain or (loss) on disposal of assets                             | <u>-392</u>              | <u>-138</u>              |
| 15 Operating result                                                 | <u>1,324</u>             | <u>8,560</u>             |
| <b>15a Operating result (less grants for acquisition of assets)</b> | <u>1,324</u>             | <u>7,937</u>             |

# Port Macquarie - Hastings Council

## Special Schedule No. 3 (continued) Water Supply Income Statement (Gross including Internal Transactions) for the year ended 30 June 2011

|           |                                                          | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------|----------------------------------------------------------|--------------------------|--------------------------|
| <b>B</b>  | <b>Capital transactions</b>                              |                          |                          |
|           | <b>Non-operating expenditures</b>                        |                          |                          |
| 16        | Acquisition of Fixed Assets                              |                          |                          |
| a.        | New assets for Improved Standards                        | 2,059                    |                          |
| b.        | New assets for Growth                                    | 3,132                    | 2,251                    |
| c.        | Renewals                                                 | 1,157                    | 1,543                    |
| d.        | Plant and equipment                                      | 33                       |                          |
| 17        | Repayment of Debt                                        |                          |                          |
| a.        | Loans                                                    | 1,698                    | 963                      |
| 18        | Transfer to sinking fund                                 |                          |                          |
| <b>19</b> | <b>Totals</b>                                            | <b>8,079</b>             | <b>4,757</b>             |
|           | <b>Non-operating funds employed</b>                      |                          |                          |
| 20        | Proceeds from the disposal of assets                     |                          |                          |
| 21        | Borrowings utilised                                      |                          |                          |
| a.        | Loans                                                    | 0                        | 0                        |
| 22        | Transfer from sinking fund                               |                          |                          |
| <b>23</b> | <b>Totals</b>                                            | <b>0</b>                 | <b>0</b>                 |
| <b>C</b>  | <b>Rates and charges</b>                                 |                          |                          |
| 24        | Number of assessments                                    |                          |                          |
| a.        | Residential (occupied)                                   | 27,168                   | 26,907                   |
| b.        | Residential (unoccupied ie vacant lot)                   | 975                      | 882                      |
| c.        | Non-residential (occupied)                               | 3,204                    | 2,469                    |
| d.        | Non-residential (unoccupied ie vacant lot)               | 178                      | 196                      |
|           |                                                          | <b>31,525</b>            | <b>30,454</b>            |
| 25        | Number of ET's for which developer charges were received | 401                      | 319                      |
| 26        | Total amount of pensioner rebates                        | <b>639</b>               | <b>604</b>               |

## Port Macquarie - Hastings Council

### Special Schedule No. 3 (continued)

#### Water Supply - Cross-subsidies

for the year ended 30 June 2011

|                                                                                                                                                                                                                                                                       | Yes/No                           | Amount         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|
| <b>D Best practice annual charges and developer charges</b>                                                                                                                                                                                                           |                                  |                |
| <b>27 Annual Charges</b>                                                                                                                                                                                                                                              |                                  |                |
| a. Does Council have best-practice water supply annual charges and usage charges*?                                                                                                                                                                                    | <input type="text" value="Yes"/> |                |
| If yes go to 28a.                                                                                                                                                                                                                                                     |                                  |                |
| If no, has Council removed <b>land value</b> from access charges (ie rates)                                                                                                                                                                                           | <input type="text"/>             |                |
| <p>* 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.</p> |                                  |                |
| b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)                                                                                                                                                                  |                                  | <hr/>          |
| c. Cross-subsidy <b>to</b> non-residential customers using less than allowance (page 25 of Guidelines)                                                                                                                                                                |                                  | <hr/>          |
| d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)                                                                                                                                                                            |                                  | <hr/>          |
| <b>28 Developer charges</b>                                                                                                                                                                                                                                           |                                  |                |
| a. Has council completed a water supply Development Servicing Plan? **                                                                                                                                                                                                | <input type="text" value="Yes"/> | <hr/>          |
| b. Total cross-subsidy in water supply developer charges for 2010/11 (page 47 of Guidelines)                                                                                                                                                                          |                                  | <hr/> <b>4</b> |
| <p>**In accordance with page 9 of <i>Developer Charges Guidelines for Water Supply, Sewerage and Stormwater</i>, NSW Office of Water, December 2002</p>                                                                                                               |                                  |                |
| <b>29 Disclosure of cross-subsidies</b>                                                                                                                                                                                                                               |                                  | <hr/>          |
| Total of cross-subsidies (27b+27c+27d+28b)                                                                                                                                                                                                                            |                                  | <hr/> <b>4</b> |

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 2011

|                                                           | Current<br>\$'000 | Non current<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------------------------|-------------------|-----------------------|-----------------|
| <b>Assets</b>                                             |                   |                       |                 |
| 30 Cash and investments                                   |                   |                       |                 |
| a. Developer charges                                      | 2,193             | 15,560                | 17,753          |
| b. Specific purpose grants                                |                   |                       | 0               |
| c. Accrued leave                                          | 603               |                       | 603             |
| d. Unexpended loans                                       | 6,493             |                       | 6,493           |
| e. Other                                                  | 3,589             |                       | 3,589           |
| 31 Receivables                                            |                   |                       |                 |
| a. Specific purpose grants                                | 298               |                       | 298             |
| b. Rates and charges                                      | 640               | 77                    | 717             |
| c. Other                                                  | 3,531             | 4,860                 | 8,391           |
| 32 Inventories                                            | 256               |                       | 256             |
| 33 Property, plant and equipment                          |                   |                       |                 |
| a. System assets                                          |                   | 360,470               | 360,470         |
| b. Plant and equipment                                    |                   | 182                   | 182             |
| 34 Other Assets                                           |                   |                       |                 |
| 35 <b>Total assets</b>                                    | 17,603            | 381,149               | 398,752         |
| <b>Liabilities</b>                                        |                   |                       |                 |
| 36 Bank overdraft                                         |                   |                       |                 |
| 37 Creditors                                              | 1,473             | 5,287                 | 6,760           |
| 38 Borrowings                                             |                   |                       |                 |
| a. Loans                                                  | 1,512             | 13,848                | 15,360          |
| 39 Provisions                                             |                   |                       |                 |
| c. Other                                                  | 1,553             | 177                   | 1,730           |
| 40 <b>Total Liabilities</b>                               | 4,538             | 19,312                | 23,850          |
| 41 <b>Net assets committed</b>                            | 13,065            | 361,837               | 374,902         |
| <b>Equity</b>                                             |                   |                       |                 |
| 42 Accumulated Surplus                                    |                   |                       | 198,158         |
| Asset revaluation reserve                                 |                   |                       | 176,744         |
| 44 <b>Total equity</b>                                    |                   |                       | 374,902         |
| <b>Note to system assets:</b>                             |                   |                       |                 |
| 45 Current replacement cost of system assets              |                   |                       | 524,903         |
| 46 Accumulated current cost depreciation of system assets |                   |                       | 164,433         |
| 47 Written down current cost of system assets             |                   |                       | 360,470         |

# Port Macquarie - Hastings Council

## Special Schedule No. 5

### Sewerage Income Statement

(Gross including Internal Transactions)  
for the year ended 30 June 2011

|                                                                     | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| <b>A Expenses and Income</b>                                        |                          |                          |
| <b>Expenses</b>                                                     |                          |                          |
| 1 Management Expenses                                               |                          |                          |
| a. Administration                                                   | 1,776                    | 1,719                    |
| b. Engineering and Supervision                                      | 790                      | 867                      |
| 2 Operation and Maintenance                                         |                          |                          |
| Mains                                                               |                          |                          |
| a. Operation expenses                                               | 131                      | 129                      |
| b. Maintenance expenses                                             | 404                      | 506                      |
| Pumping Stations                                                    |                          |                          |
| c. Operation expenses (excluding energy costs)                      | 202                      | 326                      |
| d. Energy Costs                                                     | 492                      | 414                      |
| e. Maintenance expenses                                             | 1,236                    | 1,329                    |
| Treatment                                                           |                          |                          |
| Operation expenses (excluding chemical , energy, effluent and       |                          |                          |
| biosolids management costs)                                         | 493                      | 377                      |
| g. Chemical Costs                                                   | 60                       | 79                       |
| h. Energy Costs                                                     | 789                      | 758                      |
| i. Effluent management                                              | 230                      | 286                      |
| j. Biosolids management                                             | 845                      | 733                      |
| k. Maintenance expenses                                             | 1,251                    | 1,221                    |
| Other                                                               |                          |                          |
| l. Operation Expenses                                               | 779                      | 905                      |
| m. Maintenance expenses                                             | 48                       | 44                       |
| 3 Depreciation                                                      |                          |                          |
| a. System assets                                                    | 6,078                    | 6,799                    |
| b. Plant and equipment                                              | 376                      | 35                       |
| 4 Miscellaneous Expenses                                            |                          |                          |
| a. Interest expenses                                                | 976                      | 713                      |
| b. Other expenses                                                   | 1,011                    | 951                      |
| NCP Tax & Other Equivalents                                         | 1,764                    | 816                      |
| 5 Total expenses                                                    | <b>19,731</b>            | <b>19,007</b>            |
| <b>Income</b>                                                       |                          |                          |
| 6 Residential charges (including rates)                             | 16,572                   | 14,698                   |
| 7 Non-residential charges                                           |                          |                          |
| a. Access (including rates)                                         |                          | 1,250                    |
| b. Usage charges                                                    | 801                      | 838                      |
| 8 Trade Waste Charges                                               | 12                       | 18                       |
| 9 Extra charges                                                     | 87                       | 97                       |
| 10 Interest income                                                  | 5,114                    | 1,710                    |
| 11 Other income                                                     | 289                      | 253                      |
| 12 Grants                                                           |                          |                          |
| a. Grants for the acquisition of assets                             |                          |                          |
| b. Grants for pensioner rebates                                     | 337                      | 333                      |
| c. Other grants                                                     | 3                        | 1                        |
| 13 Contributions                                                    |                          |                          |
| a. Developer charges                                                | 1,511                    | 1,259                    |
| b. Developer provided assets                                        | 1,578                    | 871                      |
| c. Other contributions                                              |                          |                          |
| <b>14 Total Income</b>                                              | <b>26,304</b>            | <b>21,328</b>            |
| 15 Gain or loss on disposal of assets                               | -1,549                   | -54                      |
| 16 Operating result                                                 | <b>5,024</b>             | <b>2,267</b>             |
| <b>16a Operating result (less grants for acquisition of assets)</b> | <b>5,024</b>             | <b>2,267</b>             |

# Port Macquarie - Hastings Council

## Special Schedule No. 5 (continued)

### Sewerage Income Statement

(Gross including Internal Transactions)  
for the year ended 30 June 2011

|           |                                                          | Actual<br>2011<br>\$'000 | Actual<br>2010<br>\$'000 |
|-----------|----------------------------------------------------------|--------------------------|--------------------------|
| <b>B</b>  | <b>Capital transactions</b>                              |                          |                          |
|           | <b>Non-operating expenditures</b>                        |                          |                          |
| 17        | Acquisition of Fixed Assets                              |                          |                          |
| a.        | New assets for Improved Standards                        | 1,080                    |                          |
| b.        | New assets for Growth                                    | 6,361                    | 15,719                   |
| c.        | Renewals                                                 | 3,958                    | 1,052                    |
| d.        | Plant and equipment                                      | 45                       | 303                      |
| 18        | Repayment of Debt                                        |                          |                          |
| a.        | Loans                                                    | 1,557                    | 1,399                    |
| 19        | Transfer to sinking fund                                 |                          |                          |
| <b>20</b> | <b>Totals</b>                                            | <b>13,001</b>            | <b>18,473</b>            |
|           | <b>Non-operating funds employed</b>                      |                          |                          |
| 21        | Proceeds from the disposal of assets                     |                          |                          |
| 22        | Borrowings utilised                                      |                          |                          |
| a.        | Loans                                                    | 4,114                    | 6,886                    |
| 23        | Transfer from sinking fund                               |                          |                          |
| <b>24</b> | <b>Totals</b>                                            | <b>4,114</b>             | <b>6,886</b>             |
| <b>C</b>  | <b>Rates and Charges</b>                                 |                          |                          |
| 25        | Number of assessments                                    |                          |                          |
| a.        | Residential (occupied)                                   | 26,020                   | 26,578                   |
| b.        | Residential (unoccupied ie vacant lot)                   | 1,233                    | 902                      |
| c.        | Non-residential (occupied)                               | 2,063                    | 1,831                    |
| d.        | Non-residential (unoccupied ie vacant lot)               | 178                      | 167                      |
|           |                                                          | <b>29,494</b>            | <b>29,478</b>            |
| 26        | Number of ET's for which developer charges were received | 424                      | 346                      |
| 27        | Total amount of pensioner rebates                        | <b>610</b>               | <b>606</b>               |

## Port Macquarie - Hastings Council

### Special Schedule No. 5 (continued)

#### Sewerage - Cross-subsidies

for the year ended 30 June 2011

|                                                                                                                                                                                                                                                                       | Yes/No                           | Amount                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|
| <b>D Best practice annual charges and developer charges</b>                                                                                                                                                                                                           |                                  |                       |
| <b>28 Annual Charges</b>                                                                                                                                                                                                                                              |                                  |                       |
| a. Does Council have best-practice sewerage annual charges and usage charges and trade waste fees and charges*?                                                                                                                                                       | <input type="text" value="Yes"/> |                       |
| If yes go to 28a.                                                                                                                                                                                                                                                     |                                  |                       |
| If no, has Council removed land value from access charges (ie rates)                                                                                                                                                                                                  | <input type="text"/>             |                       |
| <p>* 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.</p> |                                  |                       |
| b. Cross-subsidy to non-residential customers using less than allowance (page 25 of Guidelines)                                                                                                                                                                       |                                  | <hr/>                 |
| c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)                                                                                                                                                                                                    |                                  | <hr/>                 |
| <b>29 Developer charges</b>                                                                                                                                                                                                                                           |                                  |                       |
| a. Has council completed a sewerage Development Servicing Plan?<br>**                                                                                                                                                                                                 | <input type="text" value="Yes"/> | <hr/>                 |
| b. Total cross-subsidy in sewerage developer charges for 2010/2011 (page 47 of Guidelines)                                                                                                                                                                            |                                  | <hr/> <b>12</b> <hr/> |
| <p>** In accordance with page 9 of <i>Developer Charges Guidelines for Water Supply, Sewerage and Stormwater</i>, NSW Office of Water , December 2002</p>                                                                                                             |                                  |                       |
| <b>30 Disclosure of cross-subsidies</b>                                                                                                                                                                                                                               |                                  | <hr/>                 |
| Total of cross-subsidies (27b+27c+27d+28b)                                                                                                                                                                                                                            |                                  | <hr/> <b>12</b> <hr/> |

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 2011

|                                                           | Current<br>\$'000 | Non current<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------------------------|-------------------|-----------------------|-----------------|
| <b>Assets</b>                                             |                   |                       |                 |
| 31 Cash and investments                                   |                   |                       |                 |
| a. Developer charges                                      | 1,006             | 7,096                 | 8,102           |
| b. Specific purpose grants                                |                   |                       |                 |
| c. Accrued leave                                          | 506               |                       | 506             |
| d. Unexpended loans                                       |                   |                       |                 |
| e. Sinking fund                                           | 100               |                       | 100             |
| f. Other                                                  | 11,432            |                       | 11,432          |
| 32 Receivables                                            |                   |                       |                 |
| a. Specific purpose grants                                | 1,745             |                       | 1,745           |
| b. Rates and charges                                      | 860               | 387                   | 1,247           |
| c. Other                                                  | 1,013             | 616                   | 1,629           |
| 33 Inventories                                            | 8                 |                       | 8               |
| 34 Property, plant and equipment                          |                   |                       |                 |
| a. System assets                                          |                   | 232,964               | 232,964         |
| b. Plant and equipment                                    |                   | 2,328                 | 2,328           |
| 35 Other Assets                                           |                   |                       |                 |
| 36 <b>Total assets</b>                                    | 16,670            | 243,391               | 260,061         |
| <b>Liabilities</b>                                        |                   |                       |                 |
| 38 Creditors                                              | 518               | 3,337                 | 3,855           |
| 39 Borrowings                                             |                   |                       |                 |
| a. Loans                                                  | 1,765             | 25,436                | 27,201          |
| 40 Provisions                                             |                   |                       |                 |
| c. Other                                                  | 1,303             | 89                    | 1,392           |
| 41 <b>Total Liabilities</b>                               | 3,586             | 28,862                | 32,448          |
| 42 <b>Net assets committed</b>                            | 13,084            | 214,529               | 227,613         |
| <b>Equity</b>                                             |                   |                       |                 |
| 43 Accumulated Surplus                                    |                   |                       | 158,644         |
| 44 Asset revaluation reserve                              |                   |                       | 68,969          |
| 45 <b>Total equity</b>                                    |                   |                       | 227,613         |
| <b>Note to system assets:</b>                             |                   |                       |                 |
| 46 Current replacement cost of system assets              |                   |                       | 343,192         |
| 47 Accumulated current cost depreciation of system assets |                   |                       | 110,228         |
| 48 Written down current cost of system assets             |                   |                       | 232,964         |

## Notes to Special Schedules 3 and 5

**Administration<sup>(1)</sup>** (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<sup>(1)</sup>** (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<sup>(2)</sup>** (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<sup>(2)</sup>** (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 2011 \$'000

| Asset class          | Asset category (as determined by Council) | Depn Expense %<br>(specific rate or range of rates) | Depn expense \$'000 | Cost \$'000 | Valuation \$'000 | Accum Depreciation, Amortisation 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%                                           | 4,218               |             | 143,791          | 49,193                                                 | 94,598           | 3                                           | 3,119                                                     | 1,450                              | 1,545                             |
| Public Roads         | Infrastructure                            | 1.25% to 10%                                        | 15,165              |             | 1,021,309        | 226,885                                                | 794,424          | 3                                           | 96,560                                                    | 23,834                             | 7,429                             |
| Water                | Infrastructure                            | 1.25% to 10%                                        | 8,377               | 0           | 507,082          | 162,206                                                | 344,876          | 3                                           | 890                                                       | 5,075                              | 4,033                             |
| Sewerage             | Infrastructure                            | 1.25% to 10%                                        | 5,968               | 0           | 293,400          | 108,549                                                | 184,851          | 3                                           | 1,400                                                     | 2,939                              | 2,939                             |
| Stormwater Drainage  | Infrastructure                            | 1.25% to 10%                                        | 1,458               |             | 116,464          | 44,782                                                 | 71,682           | 3                                           | 10,512                                                    | 1,560                              | 538                               |
| Flood Mitigation     | Infrastructure                            | 1.25% to 10%                                        | 102                 |             | 27,078           | 9,434                                                  | 17,644           | 3                                           | 0                                                         | 76                                 | 76                                |
| <b>Total classes</b> | <b>Total – all assets</b>                 |                                                     | <b>35,288</b>       | <b>0</b>    | <b>2,109,124</b> | <b>601,049</b>                                         | <b>1,508,075</b> |                                             | <b>112,481</b>                                            | <b>34,934</b>                      | <b>16,560</b>                     |

#### 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.

## **Port Macquarie - Hastings Council**

### **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 2011

|                                             | 2011 (1)<br>\$'000 | 2012<br>\$'000 | 2013<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------|--------------------|----------------|----------------|----------------|
| <b>Recurrent budget</b>                     |                    |                |                |                |
| Income from continuing operations           | 146,516            | 135,269        | 144,815        | 161,145        |
| Expenses from continuing operations         | 119,393            | 130,638        | 136,027        | 139,503        |
| Operating result from continuing operations | 27,123             | 4,631          | 8,788          | 21,642         |
|                                             |                    |                |                |                |
| <b>Capital budget</b>                       |                    |                |                |                |
| New capital works (2)                       | 49,265             | 45,298         | 48,059         | 62,789         |
|                                             |                    |                |                |                |
| <b>Funded by:</b>                           |                    |                |                |                |
| - Loans                                     | 6,707              | 1,000          | 4,000          | 4,000          |
| - Asset sales                               | 241                |                |                |                |
| - Reserves                                  | 15,435             | 25,105         | 20,152         | 24,271         |
| - Grants/Contributions                      | 23,187             | 15,365         | 17,860         | 28,459         |
| - Recurrent revenue                         | 3,695              | 3,828          | 6,047          | 6,059          |
| - Other                                     |                    |                |                |                |
|                                             | 49,265             | 45,298         | 48,059         | 62,789         |

Notes:

(1) From income statement

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc