



# Gunnedah Shire Council

Annual Report 2015/16



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## Message from the Mayor and General Manager

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We are pleased to present the 2015/16 Annual Report for Gunnedah Shire Council which outlines Council's achievements in what has been a busy, challenging and rewarding year.

Significant progress against the outcomes of the Community Strategic Plan have been achieved in 2015/16 and are outlined in this report, under each of the four themes: Engaging and Supporting the Community; Building Our Shire's Economy; Retaining our Quality of Life; and Enjoying our Beautiful Surrounds.

A few highlights of achievements detailed in the report include:

- Major improvements to governance and risk management such that Council is now considered a leading Council in these areas;
- Implementation of best practice Audit Committee, with independent Chairman;
- Implementation of Independent Internal Audit which is recognised as leading practice and assisted Council in identifying and making significant progress against those areas requiring improvement;
- Recognition as a Fit for the Future Council, able to stand alone with the scale and capacity to work with our regional neighbours, and the State and Federal Government;
- Celebration of the nomination for and receipt of a number of awards for the services provided to our community;
- Completion of significant capital works program resulting in reduction of our infrastructure backlog;
- Collaboration with the Dorothea Mackellar Memorial Society in realisation of the Mackellar Centre and continuation of the Poetry Awards;

Council also had the responsibility for the implementation of the Special Rate Variation (SRV) which would secure the future of the community's assets and services. The SRV has now been fully implemented, and Council has delivered on its promise to you that not only would it prudently apply the additional revenue to the purposes for which it was raised, but that it would continue to seek savings from greater efficiencies in its operations. To that end, Council has achieved in excess of \$1.7 million in annual and recurrent savings. Our community's economy continues to grow and diversify. It is encouraging that the Gunnedah and District Chamber of Commerce and Industry has been reinvigorated and is focused on working closely together with Council to explore new opportunities and maximise the benefits from those that already exist. Council and the Chamber are committed to ensuring that Gunnedah not only has a strong economy in the immediate future, but one which is not tied too closely to any specific industry and that extends well into the future.

Council also developed and adopted the Destination Management Plan, Gunnedah Urban Land Use Strategy and the Gunnedah Koala Strategy in 2015/16.

We would like to acknowledge the hard work and collaboration of all Councillors, staff and volunteers in realising all of the achievements outlined in this report.



Jamie Chaffey - MAYOR



Eric Groth – GENERAL MANAGER



## What is the Annual Report

The primary purpose of the Annual Report 2015/16 is to demonstrate achievements during the year based on the actions identified in the Delivery Program 2015/16 and to comply with the requirements of the *Local Government Act 1993* and the Local Government (General) Regulation 2005 for NSW Local Government Annual Reporting. This includes presentation of an audited financial report, which is included with the report, and statutory requirements.

All Councils across NSW are required to participate in the Integrated Planning and Reporting framework which dictates that strategic plans must be developed in consultation with the community in order to guide the direction of Councils in the future. Gunnedah Shire Council is of course fully compliant and has developed a comprehensive suite of plans which reflect community ideals balanced with a realistic assessment of our financial position. These plans are titled the Community Strategic Plan, Strategic Asset Management Plan, the Long Term Financial Plan, the Workforce Plan, the Delivery Program and the Operational Plan.

## How to read the Annual Report

The Annual Report is set out in line with the Gunnedah Community Strategy Plan, which identified four themes:

- Engaging and Supporting the Community
- Building Our Shire's Economy
- Retaining Our Quality of Life
- Protecting and Enjoying Our Beautiful Surrounds

The primary activities, major projects and quick facts link back to the Community Strategic Plan themes, strategies under each theme, for example:

### Outcome

#### 1.1 Community leadership encouraged and strengthened.

##### Strategies

- Increase opportunity for and number of community volunteers, particularly young people.

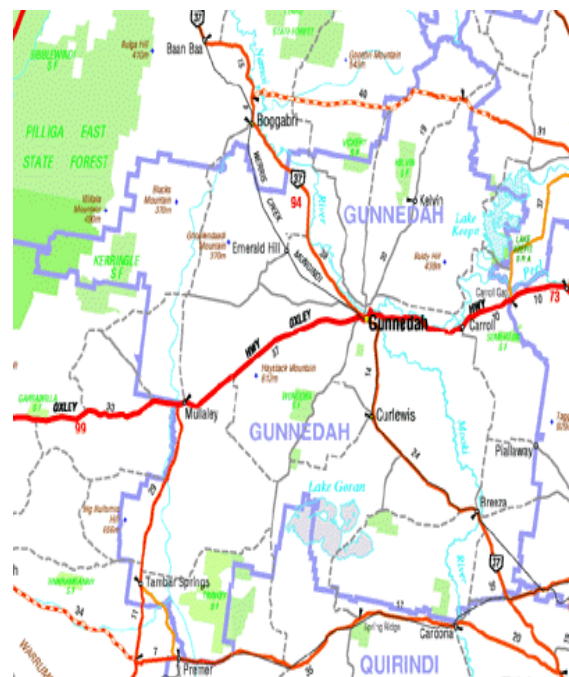
- Celebrate role models and volunteers through positive community and media campaigns.

The Report is not designed to detail each and every achievement over the year but we hope the reader will enjoy the overview of some of our highlights.

## About Gunnedah

Gunnedah Shire is a local government area in the North West Slopes region of New South Wales, Australia. The township of Gunnedah is 440 kilometres from Sydney and is located adjacent to the Liverpool Plains in the Namoi River valley and is traversed by the Oxley Highway and the Kamilaroi Highway. The Namoi Valley is considered to be one of Australia's richest pockets of agricultural land and Gunnedah Shire is also located on one of Australia's wealthiest mineral seams.

Gunnedah is a major rural centre and boasts not only a wonderful country lifestyle but a full range of city conveniences. As of 2011 the Shire population was 12,066. The Shire includes the towns of Gunnedah, Curlew, Breeza, Carroll, Mullaley, Emerald Hill, Tambar Springs and Kelvin.



### Have your say

Council is absolutely committed to listening to you and we welcome your feedback and your views of Council. Please write to us at 63 Elgin Street, Gunnedah NSW 2380 or by email to [council@infogunnedah.com.au](mailto:council@infogunnedah.com.au) or phone (02) 6740 2100.

# Our Elected Members

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The Mayor of Gunnedah Shire Council (GSC) is Councillor Jamie Chaffey, and the Deputy Mayor is Councillor Gae Swain. GSC is composed of nine Councillors elected proportionally as a single ward.

All Councillors are elected for a fixed four year term of office. The Mayor is elected by the Councillors at the first meeting of the Council. The most recent election was held on 21 September 2016, and the other seven Councillors are: John Campbell, Colleen Fuller, Owen Hasler, Rob Hooke, Ann Luke, David Moses and Murray O'Keefe.



Jamie Chaffey  
MAYOR



Gae Swain  
DEPUTY MAYOR



John Campbell  
COUNCILLOR



Colleen Fuller  
COUNCILLOR



Owen Hasler  
COUNCILLOR



Rob Hooke  
COUNCILLOR



Ann Luke  
COUNCILLOR



David Moses  
COUNCILLOR



Murray O'Keefe  
COUNCILLOR

The following key achievements of Council's Delivery program in 2015/16 are listed under the four strategic themes of the community Strategic Plan 2012-2022.

## Theme – Engaging and Supporting the Community

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### *Community leadership encouraged and strengthened*

- Library volunteers supported and recognised regularly.
- Connected Communities Forum delivered in December 2015 to identify network and resource sharing opportunities in relation to service delivery. Interagencies facilitated and participated in the forum to encourage cross service collaboration and ongoing support of local events to raise awareness of social issues.
- Connected with Village Halls and Progress Associations via regular meetings to share event information to increase participation and to develop youth opportunities, eg outreach movie nights and cultural exhibitions.
- Gunnedah Youth Council convened in 2016 with nine members. The group will focus on youth engagement initiatives and identifying opportunities for youth empowerment and inclusion.



*Kenina Ley being presented the CTO 2015 Volunteer of the Year Award by Mayor Owen Hasler and Team Leader Sharon Tibbs for her work with GoCo Community Transport*

- 2015 Porchetta Day, which is run by volunteers, was held in September 2015 and Council contributed to the event with \$7,000 which included in-kind and financial assistance.

### **Major Projects**

- During 2015, all Councils in NSW were required to show that they met a range of sustainability benchmarks or had a reasonable path towards meeting those benchmarks to prove their viability as a 'stand alone' Council. Due largely to the tough decisions taken in 2012, Gunnedah was one of a handful of Councils in NSW able to meet all of the state government's benchmarks in the first year. Gunnedah Shire Council has been assessed by the Independent Pricing and Regulatory Tribunal as 'Fit' as a stand-alone Council and Council's overall performance has also been independently recognised as strong. This independent assessment, against all other Councils in the state is a favourable analysis of Councils response to the key challenges facing the community during this term and shall position the Gunnedah community strongly to outperform over the coming decade.
- A party of 17, including the Mayor, Deputy Mayor and General Manager, participated in a trip to China to visit the Linhe District in Inner Mongolia with the objective of creating a sister-city relationship. It is envisaged that the relationship will create future economic ties, youth exchange and eco-tourism possibilities. A public forum was held in order for members of the delegation (both Council and Gunnedah and District Chamber of Commerce representatives) to report to the community on their findings.



## Council as an organisation

- Achieved an unqualified audit report on the 2015/16 financial statements.
- Sound overall financial result exceeding all core T-Corp financial benchmarks for local government.
- Finance has completed all legislative compliance deadlines in line with Government requirements. This includes delivery of the financial statements, data returns, quarterly returns, operational plans and overhead reviews.
- All maintenance carried at the Gunnedah Saleyards with no downtime to the selling process and all European Union and Environmental Planning Authority requirements met.



*Maintenance being carried out at the Gunnedah Saleyards*

- 2 Ordinary Meetings of Council were held in Villages, with Emerald Hill Progress Hall Progress Association hosting the April 2016 meeting and Kelvin Hall Inc hosting the June 2016 meeting. This was the first meeting held in the Emerald Hill Hall and was particularly well attended with over 50 residents in the gallery.
- Seven corporate induction sessions have been conducted 27 new employees participating in the one day workshops designed to provide an overview of Council's operations and our role in the community.
- In-house customer service training was delivered across the organisation with 84 indoor workers and 56 outdoor workers attending.
- Training in the new Procurement and Tendering Framework was delivered in-house with 93 participants being trained in the new procedures.

- Three Leadership Forums were held for managers, supervisors and overseers invited to participate in the information sessions. The forums provided information on the Fit for the Future process, the 2015/16 and 2016/17 Operational Plans, provided staff with the opportunity to raise any issues within their respective areas, overview of the Local Preference Policy, review results of the Employee Engagement Survey and an introduction to the new Performance Evaluation System. The March Forum delivered a supervisor scenario activity which provided staff with the opportunity to work together on day-to-day situations that may arise and to be open to considering various options to find outcomes.
- 14 training sessions were conducted on the new Performance Evaluation System with 93 staff participating.
- A review of the Annual Report was undertaken resulting in a more user friendly layout and a clearer link highlighting the achievements relating to the Community Strategic Plan. Day to day activities, major projects and quick facts were directly linked to the Outcomes.
- Council's Administration Trainee successfully achieved his Business Administration Certificate II and completed his on-the-job training on 15 January 2016, with a subsequent nomination in the 2015 NSW Regional Training Awards resulted in him being a Finalist in the business administration category. A new Trainee commenced on 18 January 2016 and has been working with both the Records and Governance Teams with various projects.
- An employee engagement survey was conducted in December 2015 with significant improvement across the organisation identified since the previous survey in 2010. The survey was undertaken entirely online and utilised a survey tool. The results indicate that, with regard to employee engagement, Council is well placed amongst its fellow Councils and against the industry benchmark.

- The employee engagement survey was conducted in conjunction with Narrabri Shire Council and was facilitated by the working relationship between HR management between the Councils, the Namoi Councils Joint Organisation HR Working Group and the New England and North West HR networking group. The collaboration with Narrabri allowed Councils to gain savings on the costs that would have otherwise been incurred should they have undertaken the survey separately.
- Council sought tenders for the provision of External Audit services, with Crowe Horwath Associated awarded the tender from 01/07/15 to 30/06/21.
- Internet broadcast recording of Council's Ordinary Meetings commenced in November 2015. The broadcast provides the community with an opportunity to listen to the meeting over the internet.
- Five internal audits were undertaken during 2015/16 with the associated agreed actions rated in terms of risk, and the Action Plans presented to the Audit Committee for review. The five audits conducted were: Review and Monitoring of Delivery Program – 13 actions; Compilation of Council Agenda Papers – 7 actions; Complaint and Customer Handling – 3 actions; Review of Records Management – 19 actions; Plant Management and Utilisation – 12 actions; and Human Resources Strategies, Policies and Procedures – 9 actions.



### Quick Facts

- Council made 280 resolutions during 2015/16 with 23 outstanding as at 30 June 2016.
- 11 Ordinary Meetings and three Extraordinary Meetings were conducted in 2015/16.
- During 2015/16, 19 resolutions were made in Closed Council.
- 1,020 IT support tickets were logged in 2015/16. The tickets enable IT staff to provide assistance across the organisation.
- Council's Business Administration Trainee achieved 100% attendance during 2015.
- 26 electronic customer request forms were implemented and were utilised to delegate customer requests across the organisation.
- 575 electronic customer requests forms relating to water service enquiries were issued and 400 rates enquiries during 2015/16.
- 14 electronic customer request forms relate to Infrastructure Services enquiries.
- 32,215 documents were registered in 2015/16, including incoming, outgoing and internal documents.
- 815 paper based property files were digitised during 2015/16.
- 135 boxes of documents were archived in Council's Records Storage Shed in accordance with the State Records Act.
- 2,681 customer requests were lodged with Council.
- 120 staff participated in the engagement survey, resulting in a 71% completion rate even though it was not mandatory.

### Major Projects

- The Tendering and Procurement Policy was adopted at the December Ordinary meeting of Council, with a Management Directive and Procedure/User Guide also completed to assist staff in relation to procuring and tendering for goods, works and services. Several consultation sessions with key stakeholders across the organisation were held to ensure that all areas of Council's operations was considered in relation to the policy and directive. In-house training was conducted focusing on the responsibilities of all staff when purchasing on behalf of Council, changes to the review and approval of requisitions, government contracts and preferred suppliers, changes to the tendering and formal quotations requirements and the need for staff to consider the entire organisation rather than purchasing in isolation.
- Four preferred supply panel tenders have been undertaken in the period January-June 2016, being for gravel haulage, sewer rehabilitation services, plant/equipment hire and electrical services. These panels have resulted in significant financial savings and process efficiencies. Internal audits are undertaken on a regular basis to ensure compliance.

- Staff reported a level of engagement at 84% which is 11% above the local government benchmark and 20% above the all industry benchmark.

### ***Local coordination of funding from national, state and local sources***

#### **Major Projects**

- The first stage of the Second Rail Overpass Project commenced in April 2015 and was completed in December 2015. The Conadilly and Warrabungle Streets roundabout was constructed jointly by the urban works crew and a specialty concrete pavement contractor. These works were estimated to cost \$2.3million and were fully funded by the NSW Roads and Maritime Services. The roundabout was completed on time and on budget.
- A major upgrade of the Tamworth/Curlewis Roundabout was completed in 2015/16 with work carried out on a 24 hour per day basis to ensure minimal impact to traffic flow. This major reseal was completed under budget and was fully funded by the Roads and Maritime Services.
- The reconstruction project of Black Mountain was completed including reconstruction of the pavement, culvert head wall extension and an overlay. The reconstruction was approximately 2km in length and took eight weeks to complete. This project was fully funded by the Roads and Maritime Services.
- Major reseals of the Oxley Highway and Kamilaroi Highway were completed costing approximately \$500,000 each with resulting in approximately 15km of highway resealed. This project was fully funded by the Roads and Maritime Services.



*Construction on the Conadilly and Warrabungle Street Roundabout*



#### **Quick Facts**

The Conadilly and Warrabungle Streets Roundabout:

- Consists of 1,500 cubic metres of concrete
- Cost \$2.3 million with 100% funding from Roads and Maritime Services.
- Required two Council staff and four external contractors engaged full time during the construction stage.
- Consists of three layers of concrete.

The Tamworth/Curlewis Roundabout:

- Cost \$700,000 for the major upgrade works.
- Consists of 200mm heavy duty asphalt and 45mm rubber based bitumen product.

### ***Funding of local facilities and services through mining royalties***

- Council's developer contribution plans are applied to all development applications where applicable and is a mechanism available to Council that permits the levying of funds from developers that are utilised in the provision of Council's Delivery Program and in accordance with the works identified in the contribution plans. Council has resolved to enter into Voluntary Planning Agreements with developers to ensure that local services and facilities are provided.

### ***Population increases through targeted promotion of the Shire's identity and opportunities***

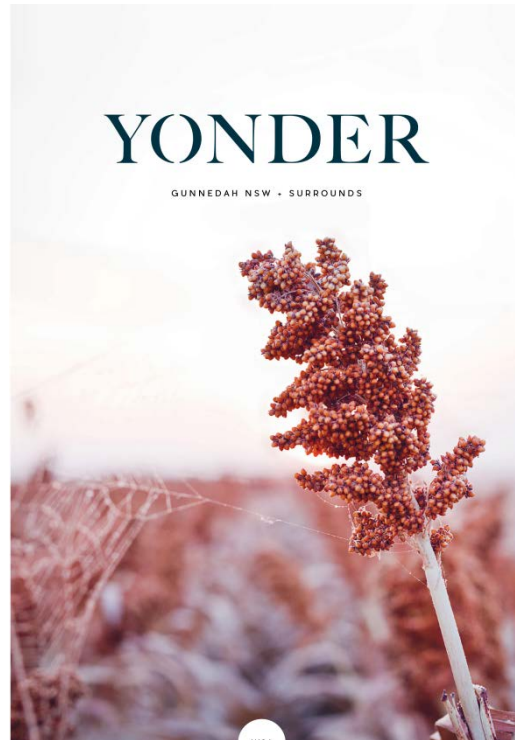
- The Destination Management Plan (DMP) for the Gunnedah Shire has been finalised and adopted by Council as a strategic planning document to provide the direction and framework for taking the Shire's visitor economy forward over the next five years. The primary goal of the plan is to guide the development of experiences, infrastructure and services that will drive lifestyle opportunities for the local community whilst triggering visitor interest in our Shire with resultant economic expenditure in the area.



- The promotion of Council’s functions, events, activities and services is ongoing. A mix of traditional media and digital marketing techniques has been adopted to engage with the community and to ensure key stakeholders are kept well informed and given the opportunity to participate in and attend events and activities. A considered combination of social media, radio, print, direct marketing, digital (ie infogunnedah.com.au) and media updates have been developed and distributed to target audiences relative to each specific initiative to ensure optimum outcomes.

### Major Projects

- The YONDER Lifestyle Magazine was produced during 2015/16 and is designed to be a quality reference and information guide for the greater Gunnedah region and to profile the local area, businesses, community, residents going on within Gunnedah and surrounds. The magazine contains information and interesting reading focusing on ‘what to see and do’, dining, accommodation, retailers, services, etc for visitors and new residents to Gunnedah and district. Content of the magazine was created and collated in-house by Council’s Communications Team and has been widely applauded. YONDER will be produced bi-annually and it is anticipated that it will be sought and retained by households as a useful, quality reference magazine and conversation piece when visitors are around.



Yonder Magazine Cover

### *Retention of our young population through increased employment and social opportunities*

- Events in support of the Gunnedah Community Scholarship Fund commenced in November with a very successful Charity Golf Day held on 17 January 2016.
- Establishment of a “Club Creative” to refocus the Homework Centre from After hours schoolwork to the provision of a creative learning hub to encourage kids to develop a love of learning and complement the existing school based curriculum. Club to focus on retention of youth in school and support of external school education based initiatives. Love Bites facilitator training completed for school based bullying and empowerment of young girls.



#### Quick Facts

- The electronic notice board at Kitchener Park displays up to 5 events in a loop at any one time.
- Most one-off events are displayed for a maximum of 1 month prior, with regular events for a maximum of 2 weeks prior.
- No more than 5 events are looped at any one time.
- 20,000 editions of the YONDER magazine have been published and are free.
- The YONDER magazine has been distributed to neighbouring and Gateway Visitor Information Centres, local business, doctors surgeries, real estate agents, hotels and motels and other tourism suppliers.



#### Quick Facts

- The Community Scholarship Fund raised and distributed \$21,000 in 2015/16.
- 26 students benefited from the Scholarship Fund.

- Successful applicants were pursuing study in areas including: speech pathology, medicine, nursing, visual communication, physiotherapy, agriculture, sport science and education.
- 178 activities under the School Holiday Program with over 400 local children participating.
- School holiday activities include: craft workshops, story telling, dance classes, football clinics, cooking classes, circus school and excursions.



*Gunnedah Community Scholarship Golf Day Promotion*

### ***A well engaged community that is involved in decision making processes***

- The 2013-2017 Delivery Program Update and 2016/17 Operational Plan were adopted by Council on 22 June 2016. The preparation process included Business Unit Managers providing supporting documentation in relation to proposed budgets, and undertaken a trend analysis to review historical income and expenditure patterns, and make forward projections considering long term budgeting assumptions and indexations. Actions and tasks were prepared in consultation with the Business Unit Managers to ensure all service/responsibilities for their area were incorporated into the Plan to clearly document what will be achieved in 2016/17 for the community.
- The 2016/17 documents were prepared in-house to enable amendments during the year and resulted in significant savings in publication costs.

- A number of activities were held during 2015/16 for Aboriginal Elders, including: cards, arts and craft, bingo and attending the Aboriginal Elders Olympics. The service achieved year to date funding targets as at 30 June 2016. A satisfaction survey was sent to customers with subsequent suggested improvements implemented. Third Party Verification completed on Disability Services Program and the Australian Aged Care Quality Agency audit was completed with accreditation achieved.
- The Elders Day Centre clients participated in a four week pottery session working in collaboration with the Gunnedah Pottery Club.
- Staff worked collaboratively with key Aboriginal organisations during reporting period with gaps identified largely met through social support activities and events. This included regularly attending Gunnedah Indigenous Service Delivery Interagency meetings and meeting with the Red Chief Local Aboriginal lands Council and Elders' Group.
- Supporting and promoting involvement in Council decision making processes has been key, with communication of the opening of the Community Recycling Centre, the design and fit out of the Pool Project, responsible pet ownership and desexing, the beginning of the election campaign, a change in rates and water notices, development of the new website, adoption of the Destination Management Plan, park playground equipment surveys, dissemination of information regarding major plumbing and road works in the area, illegal dumping grant and social media coverage of the illegal dumping issue, pool safety updates, health updates regarding burn-offs and railway sleepers.



### **Quick Facts**

- 18 Elders were provided 146 meals and 237 trips during the reporting period, with numbers attending activities resulting in delivery of 2808 social support hours.
- 11 Elders participated in the 2016 Elders Olympics held in Port Stephens in March 2016.

## Access to education and training opportunities

- Through the lodgement of submissions in regard to major development proposals, Council highlights the need for consideration of education requirements within the community as a result of the proposed development. The submission is considered by the Department of Planning during the assessment of the development.



*Students participating in the Waste>Art 2015 competition*

## Theme – Building our Shire’s Economy

### Our economic employment base diversified

- Council supported the Chamber gift card initiative by way of selling the card at the Council Administration Office and the Visitor Information Centre.

### Major Projects

- \$14,000 was awarded to three separate Gunnedah businesses under the Business Partner Program as financial assistance.
- A Local Preference Policy was placed on exhibition and subsequently adopted by Council. The policy is designed to ensure that Council achieves the best overall value for money in its procurement of goods and services, while (where possible) giving preference to local suppliers to support economic development in the Gunnedah Local Government Area.

### Our infrastructure strategically managed

- Capital works completed during the period included shoulder widening and pavement renewal on Wandobah Road.
- New kerb and gutter constructed in Bloomfield Street from Osric to Wentworth Streets and Conadilly Street from Warrabungle Street to Rosemary Streets.
- Kerb and gutter replacement works completed in Beulah Street from Wilga to Wareena Streets, Wentworth Street from Conadilly to Little Barber Streets.
- Work was completed in Ashfords Watercourse including low flow stormwater program which captures runoff from minor storms and kerbing that diverts into stormwater infrastructure.
- A replacement program has been implemented in relation to damaged and vandalised bus shelters requiring glass replacement with steel mesh, with these repairs undertaken on an as required basis.
- Footpath replaced in Hunter Street from View to Bridge Streets.
- A number of footpath defects were identified and repaired, including: Conadilly Street from Chandos to Rosemary Streets, and Bloomfield Street from Osric to Elgin Streets.
- Pavement reconstruction works were completed in Bloomfield Street.
- Pavement renewals have been completed in Links Road from Lincoln Street to Gallen Avenue.
- Repairs and maintenance works were carried out on ten culverts across the Shire.



*Kerb and gutter works in Bloomfield Street*





*Heavy patching crew*

- Concrete reinforcement was undertaken on Longpoint Low Level Bridge on Longpoint Road between Carroll and Breeza.
- Seven survey projects were completed including: Black Stump Way, Redback Road intersection, Rosemary Street, Goolhi Road and the Conadilly/Warrabungle Streets roundabout.
- Completion of the unserviceable air conditioner replacement program for the Council Administration Building in Elgin Street.
- Rural sealed road maintenance works have been completed on Council's road network, including: Wandobah Road, Clifton Road, Normans Road, Kevlin Road and Old Bluevale Road.
- Shoulder and grading maintenance works undertaken on Black Stump Way, Grain Valley Way and Rangari Road.
- Sewer main relining program completed with new lines investigated and previous relined junctions surveyed.
- Water main replacement program completed, with mains replaced in Daniel Keane Crescent, Porcupine Street, South Street, Westerweller Street, Kamilaroi Road and Hopedale Avenue.
- Traffic studies have been completed for all major roads and new counters have been purchased to enable permanent counter sites to be implemented for developers where voluntary planning agreements have been implemented.

- A playground equipment and park furniture replacement program has been instigated on an annual basis with replacement of ageing infrastructure and replacement with new equipment suitable to the park and immediate community through a consultation and survey process. New parks are being established in conjunction with the development of new housing estates.
- New play equipment installed in Jae-Hi Park during 2015/16.
- Cemetery maintenance schedule displayed for the community's information at the entrance to the Memorial Park Cemetery, with regular scheduled maintenance undertaken on a seasonal basis.
- Council re-entered into a Memorandum of Agreement with the North West Weight of Loads until 31 December 2020. Council has been a member of the group since 2002 and along with Moree Plains Shire Council, Narrabri Shire Council, Glenn Innes Severn Shire Council, Gwydir Shire Council, Inverell Shire Council, Warrumbungle Shire Council and Dubbo City Council, employs Ordinance Inspectors to protect and prolong the life of our roads by reducing the incidence of overloaded vehicles.

#### **Major Projects**

- The second rail overpass project commenced and the first stage of the project completed in 2015/16. The construction of the Conadilly and Warrabungle Streets roundabout which was constructed by Council's urban works crew and a specialty concrete pavement contractor. These works were completed on time and were funded by the NSW Roads and Maritime Services. Council staff were involved in the various stages of the construction, including: blister construction, kerb and gutter, concrete pavement construction and asphaltting.



*Construction on the Conadilly Street and Warrabungle Street Roundabout*

- The Tamworth/Curelwis roundabout on the Kamilaroi Highway and Oxley highway intersections was asphalted with work being undertaken at night to reduce traffic disruptions.
- Council was successful in receiving funding under the Bridges Renewal Program for Simpson Bridge. The current structure is a single lane timber bridge and will be replaced by a two lane concrete bridge. The Government contributes a maximum of 50% of the total project cost with Council receiving \$1,370,000 from the Department of Infrastructure and Regional Development. Projects are selected through a competitive, merit based process with payments for all successful projects made through National Partnership Agreement to state/territory governments. Tender documentation was prepared and issued in 2016.
- The Roads and Maritime Services contract works completed during the 2015/16 period included the completion of 1km on the Kamilaroi Highway (Black Mountain South).
- A Preferred Supply Panel tender for sewer main rehabilitation services was conducted in early 2016, resulting in three preferred suppliers.
- The Gunnedah Sewerage Treatment Plant Upgrade commenced in 2015 and Council engaged the services of a consultant under the Namoi Councils Water Alliance Consultancy Agreement provision of Water and Sewerage Consulting Services for the provision of detailed design and procurement services for the upgrade. The Upgrade will include: decommissioning the existing plant; constructing new facilities; refurbishment of existing assets, new amenities building and roads; and all electrical upgrades.



### Quick Facts

- 1,500 cubic metres of concrete was used in the Conadilly Street and Warrabungle Street roundabout.
- The roundabout took seven months to complete.
- The total construction cost of the roundabout was \$2.3million.
- Any footpath defects reported are inspected to determine priority and placed on Council's works program for attention.
- 20 septic tanks were inspected and approved during 2015/16.
- 67 applications requiring Section 94A contributions were approved in 2015/16.
- 13 abandoned vehicles were impounded and/or destroyed during 2015/16.



*Asphalting the Tamworth/Curlewis roundabout on the Kamilaroi Highway*

### ***Access to our goods, services and markets***

- Though the lodgement of submissions in regard to major development proposals, Council liaises with rail and government agencies to encourage consideration of impacts on rail infrastructure as a result of the major development projects. The submissions are considered by the Department of Planning during the assessment of the development.
- Council, together with a number of other Councils across the State, participated in the initial grain harvest management scheme which enabled local producers to utilise tier mass limits for the transport of their crops to participating grain receival sites. This scheme has been extended and Council has confirmed participation to 30 June 2021.



*Gunnedah Sewerage Treatment Plant*

### ***Our identity and reputation promoted to tourists***

- 28 clients booked in with Council's Home Host program with 23 host homes providing 171 bed nights over the course of Ag-Quip in 2015. Total income received was \$16,929 with \$11,530 paid out to hosts.
- Council's Tourism Team is an active partner and supporter of local community events with the team providing advice, support and assistance to community events and is proactive in promoting and marketing events through its systems and services. Examples of where support was provided include: Ag-Auip, Chamber of Commerce Spirit of Christmas Fair, Country Music Muster, Gunnedah Show Jumping Festival.
- The Event Planning tool for community groups is available on [visitgunnedah.com.au](http://visitgunnedah.com.au) and can be obtained in hard copy form. Staff coordinate the listing of local events and programs the display of local event details on the electronic LED event sign.
- Planning and coordination of the 2016 Week of Speed was successfully implemented in March. The event was well supported, attracting both local and visiting spectators and competitors. Over 10 events were held over three consecutive weekends, hosted at a variety of local venues and facilities.
- Corporate and community events delivered within the Cultural Precinct, including support of Grandparents Day, White Ribbon Day and the Candellight Vigil in the Park as part of domestic Violence Week.

- The marketing of Gunnedah remained consistent with the application of a mix of traditional, digital and direct marketing techniques, the team is enthusiastic about future opportunities for diversification and innovation with the implementation of the Destination Management Plan in 2016. Council continues to represent its tourism industry and stakeholders on core industry boards and working groups including: Inland Tourism; Kamilaroi Highway and New England North West Tourism and is an active participant in joint marketing initiatives and trade shows. Some structural changes to these governing bodies will influence Council's participation moving forward.

### **Major Projects**

- The development of the new Gunnedah Shire Council website has been a major project. All information on the old website has been rebuilt and upgraded to the latest technologies which has resulted in a modern, fresh and user friendly website that responds to desktops, tablets and mobiles.
- The new features have been designed to provide easier and quicker access to site content and information and it has been deemed compliant against the Website Content Accessibility Guidelines, meaning the site is easily accessible to those with a wide range of disabilities.
- Council continued its strong focus to enhancing its corporate image predominantly on the basis of continuous improvement practices and simply 'doing things better' with the community at the heart of decision making. Specifically, Council has focused on lifting Council's brand through improvement of customer service standards and delivery, effective communication, community engagement, becoming more accessible and available to the community, realigning practices and delivering on commitments. Examples include the voice and tone of marketing and communication, innovation and creativity, service and product packaging, facility renovations (Elgin Street office foyer) and interpersonal approaches to building and supporting partnerships with customers, business and industry.





The Civic and Visitor Information Centre in Chandos Street

- The Visitor Information Centre continued to perform above expectation, returning visitation rates consistently above previous years' records.



#### Quick Facts

- visitgunnedah.com.au had 28,006 visits with the average length of visit being 1.56 minutes.
- Statistics indicate 14,283 visits have been made via mobile or tablet devices to visitgunnedah.com.au.
- gunnedah.nsw.gov.au had 29,941 visits with the average length of visit being 2.21 minutes.
- Statistics indicate 4,336 visits have been made via mobile or tablet devices to gunnedah.nsw.gov.au.
- thecivic.com.au had 10,620 visits with the average length of visit being 1.07 minutes.
- Statistics indicate 1,382 visits have been made via mobile or tablet devices to thecivic.com.au.
- The VIC is open for business 7 days a week, 363 days a year.
- The VIC is maintained as a Level 2 Accredited service.
- 2,247 direct referrals to the Creative Arts Gallery by staff within the Cultural Precinct.
- Souvenir sales are also experiencing growth and have exceeded estimated income targets for the period.

### Entrepreneurs and developers contribute to local economic growth

- Establishment of Western Sewerage Zone to support industrial and commercial development in north west industrial area. The exhibition of the Land Use Strategy with particular focus on 'game changers' in business zones – proposed realignment of State Highway and identifying potential business development site.

### Major Projects

- The Gunnedah Urban Land Use Strategy was adopted by Council in is a comprehensive review of strategies dealing with residential, commercial and industrial land uses in Gunnedah in June 2016. The strategic review has been comprehensive, analysing all aspects of urban planning mechanisms and the outcomes that these controls will give rise to as well as the future expansion or embellishment of infrastructure to support the future expansion of Gunnedah.
- Council signed a Voluntary Planning Agreement with MacKellar Equipment Hire in December 2015.

## Theme – Retaining our Quality of Life

### *Our older residents provided with the comfort and respect they deserve*

- GoCo MSO and GoCo Packages were within budget for 2015/16. All Commonwealth Support Programs (CHSP) funding requirements were met and Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
- 19 GoCo MSO clients participated in the bus trip to Moree in November 2015, with the trip included a visit to the Artesian baths.





*GoCo MSO clients enjoying the Artesian baths in Moree*

- 37 GoCo MSO clients participate in the trip to Port Macquarie in May 2016, with several attractions included: Maine Discovery Centre, Riccardoes Tomato and Strawberry Farm, History River cruise.
- The Dementia Carers Support Group attended a lunch held at the Currabubula Hotel to celebrate Carers Week in October 2015.
- GoCo MSO has been working in partnership with the Library on a new social support program which provides an opportunity for people to engage in social and mentally stimulating activities in a supportive group environment. Morning and afternoon sessions were held at the Library with an average of 10 people attending each session.
- Dementia Awareness Week was celebrated at the Library in September 2015.



*Information session during Dementia Awareness Week*

## Major Projects

- A process of significant industry reforms in the Aged and Disability sectors commenced in the past 18 months. These reforms have meant changes to the way GoCo operates, interacts with clients, the need for a more robust, business like model and changes to the relationship between Government and Goco. Early in the 2015/16 financial year it was identified that GoCo needed to make further changes and develop a robust Continuous Quality Improvement System to ensure that GoCo is operating as efficiently and effectively as possible. During 2015/16, GoCo contracted a consultant to follow up the previous year's gap analysis. This consultancy identified strategies to improve GoCo's position in the Community and Aged and Disability Industries, and to provide advice on significant steps to develop a continuous Quality Improvement process.
- As well as contracting Council's Community Engagement Team to provide a 2 year marketing strategy, GoCo has employed a Quality Management and Customer Business Systems Offer to ensure that GoCo is delivering quality, client focused services in the Consumer Directed Care model of the Aged Care, is ready to provide a quality service to participants of the NDIS, and is equipped to identify gaps and areas of improvement to ensure that GoCo continues to provide quality and innovative practices to meet the needs of disadvantaged people in the Gunnedah, Liverpool, Tamworth, More and Narrabri Local Government areas. Some significant achievements from this process during the last half of 2015/16 were the accreditation of GoCo to deliver services to people who receive Aged Care funding, and participants of the NDIS, as it starts to roll out across the New England region from July 2016. Also, an operation policy and procedures manual has been developed and improvements identified and being addressed in our information management software and customer business processes.

- Grandparents Day celebrated via a free community event which seeks to celebrate the contribution that grandparents make to the fabric of our community. A free morning tea was held at the Gunnedah Town Hall on 25 October 2015 to celebrate the support provided by grandparents to their families, particularly in relation to child care.



*New GoCo Community Transport Bus*



#### Quick Facts

- 193 clients received services under the GoCo MSO including social support, centre based day care, home maintenance, respite care and meals.
- 48 Elders received services under the GoCo MSO including social support, centre based day care and meals.
- 25 clients received services under the GoCo Neighbourhood Aid including social support, centre based day care and meals.

#### *Enhanced access to essential services*

- Multi marketing strategies including flyers, posters, interagency access, website, facebook, Village Hall groups and Progress Associations, Gunnedah and District Chamber of Commerce, Civic Program delivery, cultural flyer, Library Lines published locally, radio announcements, media releases and broad based marketing to ensure maximum participation in various community and cultural events.

- Participation ongoing via interagency meetings, the Crime prevention Committee community initiatives, support via attendance at community events in support of initiatives aimed at supporting the low socio economic members of the community.



#### Quick Facts

- 5,890 library members as at 30 June 2016.
- 222 books per month were delivered to to 20 housebound residents in 2015/16.
- 174 books per month were delivered to 21 shopbound residents in 2015/16.
- 8 multicultural language resource collections are housed in the Library.
- 1900 Wi-Fi requests received in 2015/16 with 5836 PC bookings.
- 329 new Library members signed up in 2015/16.
- 33,687 library book loans were transacted in 2015/16.
- 42 'high risk' food businesses were inspected during 2015/16. High risk is determined as those businesses which handle and serve ready-to-eat foods.
- 19 'low risk' food businesses were inspected during 2015/16. Low risk is determined as those businesses which serve pre-packaged food and supplied foods not ready-to-eat.
- 28 temporary food premises operated in the Gunnedah Local Government Area during 2015/16.



*Storytime at Gunnedah Shire Library*

## Improved housing affordability

- Ongoing professional development of GoCo staff, including enrolment in a Nationally Accredited Case Management Certificate; Diploma in Management and Diploma in Dementia Care.



### Quick Facts

- 21 active volunteer drivers and carers provide assistance to people shopping, bill paying, home visits, day centre support and assist as a carer on the meals with friends monthly luncheon bus run.
- GoCo Community Transport client trips increased by 4.12% and funding increased by 4.82% in 2015/16.
- Total number of trips provided was 19,231.
- Total number of volunteer hours provided was 5,732.
- Total number of volunteer kilometres driven was 147,590.
- GoCo Packages provided 19,136 hours service support through brokerage and 80 Home Care Packages through support facilitation and brokerage during 2015/16.

## Villages are sustainable

- Council continues to support the progress associations and improvement groups of Breeza, Curlewis, Mullaley and Tambar Springs in providing services in the villages including slashing, mowing, and cleaning and booking of the village halls.



### Quick Facts

- The Tambar Springs War Memorial is noted as one of the oldest war memorials in Australia.

## Police continue to work in partnership with the community

- Security upgrade at the Cultural Precinct, specifically the Town Hall and The Civic due to anti-social behaviour and illegal access after hours.



### Quick Facts

- 17 requests from the NSW Police Service were received for CCTV footage from one or more of the 16 cameras within the Gunnedah Central Business District in 2015/16.
- Requests were responded to within five working days.



Cricket pitch maintenance at Namoi Playing Fields

## Reduced crime and anti-social behaviour within the Shire

- Construction of a three turfed cricket wicket table at Namoi Playing Fields has been completed. Remaining works are associated with the Riverine Sporting Precinct field improvements capital works is also complete. Maintenance programs and schedules have been established to improve the facility.
- Ongoing implementation of the recommendations with the Crime Prevention Plan 2014-2017. The Crime Prevention Working Group supports community based safety and crime prevention initiatives with bi-monthly meetings conducted. Attendance at Community Safety Conference in Sydney to determine best practice approaches with report delivered to Council on outcomes.

### Major Projects

- An application for grant funding under the Safer Streets Program delivered by the Federal Attorney-General's Department. The program aims to ensure crime prevention through environmental design initiatives, and Council was successful in securing \$45,400 to extend the CBD CCTV Network which will include the installation of six new cameras and associated information technology infrastructure.





### Quick Facts

- The Crime Prevention Plan identified 6 priority areas, 14 strategies and 38 actions.

### *Our younger people attracted, retained and developed*

- Youth engagement via Gunnedah Youth Council, activities during National Youth Week, ANZAC Day, and through community development activities. Two youth camps held at Lake Keepit, free access to ABC Open workshops for media studies, opportunities to exhibit in the Creative Arts Centre Gallery.
- The Community Hub moved to become part of GoCo and the change has allowed for smoother referral processes and a collaborative approach to address client concerns.
- Funding for the Community Hub Worker has been extended to June 2016 and supports and assists marginalised and disadvantaged people through the provision of information and referrals to appropriate agencies and services as well as facilitating equitable access to support services within Gunnedah and outlying Villages.
- 2015/16 proved to be a productive year for the Community Hub. Five target outputs were exceeded substantially, and all program level activities demonstrated an improvement on the previous financial year. The People Connected with Information activity exceeded the target participation by 7,927 and overall event attendance exceeded the target by 1,210. The Community Hub focused on building community connections, and partnered with other community organisations to deliver valuable events, including: The Future together – NDIS in Gunnedah which successfully united 7 disability support organisations to deliver information and service access to people in Gunnedah with a disability and their families and carers.
- The Connecting Our Community Forum was a community building event attracting over 25 organisations to participate in open discussion about improving community service delivery, networking and increasing support accessibility for Gunnedah.

### Major Projects

- Community Hub assisted in 462 referrals.

### *Entertainment facilities, cultural development opportunities, equipment and stimulation for community members of all ages*

- Working and interacting with community and cultural groups to ensure and facilitate implementation of community based cultural activities. In particular, working with Two Rivers Arts Council and Gunnedah Eisteddfod Society and associated groups in the delivery of events in an efficient and cost effective manner that ensures customer and patron satisfaction.



*Dorothea Mackellar statue located in Anzac Park adjacent to the Mackellar Centre.*

### Major Projects

- An upgrade of the former Visitor Information Centre building located in Anzac Park was undertaken in order to relocate the Jean Isherwood Water Colour Collection as a permanent exhibition. This has ensured that the collection is housed in a purpose designed gallery that will display the works in a visually appealing manner that ensures the collection is preserved and maintained to optimum conditions.



### Quick Facts

- During 2015/16, the Civic generated \$22,443 in box office ticket sales.



- 12,030 attended an event in The Civid during 2015/16.
- 732 movie sessions were shown.

### ***Enhanced delivery of key services within our villages***

- Council held two Ordinary Meetings at Village Halls during 2015/16, being Kelvin Hall and Emerald Hill Hall.

### ***Recognise and support our cultural activities***

- Gunnedah White Ribbon World Record attempt held in November 2015 with over 1,100 participants. The event was held to highlight and strengthen the community's resolve to stand against domestic violence in the community.
- The promotion of the Cultural Precinct venues and amenities as a premier wedding and conference venue has progressed in 2015/16.
- An Exhibition Program for the Creative Arts Centre has been developed that showcases new and emerging talent, sourcing of National touring shows.
- A Public Art Community Engagement Strategy has been investigated and will be implemented in 2016/17.
- The Hall Booking Form was revised and has been streamlined to enhance customer service.
- 15 applications for grant funding were lodged during 2015/16 by staff via various government sources. Once it is determined that Council is eligible for funding, a significant amount of preparation is required prior to the submission of grant applications including addressing specific criteria. Applications are lodged to secure funding for the benefit of the community and lessen the financial burden of progressing projects such as: lighting at Donnelly Fields; rainbow serpent at the Creative Arts Centre; Youth Week and Seniors Week activities; and Gunnedah Sewage Treatment Plant upgrade works.
- The Creative Arts Centre Back Gallery was painted as part of the Centre renewal program.

### **Major Projects**

- \$24,046 in Commonwealth grant funding was received through the Department of Communications and the Arts for Council's ANZAC commemoration project, The Music of War and Peace. The project is a musical concert by local students, singers and musicians, performing songs made famous during wartime over the last 100 years. The objective is to have three performances – with a matinee performance, a combined dinner/show at the Town Hall and a special production for school children.
- \$2,100 grant funding was secured from the Department of Premier and Cabinet under the community War Memorials Fund. The funds will be utilised to restore the Honor Boards in the Memorial Arch at the Gunnedah Town Hall.
- \$1,230 funding under the 2016 National Youth Week in NSW program was received to assist with the conduct of activities during Youth Week in 2016.
- \$560 was secured under the National Youth Week in NSW Shuttle Bus Grants 2016 through the Department of Family and Community Services. The funds are utilised for the safe transport of young people to local Youth Week activities.
- A Youth Expo was held as part of the 2016 Youth Week activities and included a forum in the Gunnedah Town Hall which showcased services and opportunities available in Gunnedah for the future of our young people. Other activities during the celebrations included: bubble soccer; Youth Issues Forum; hip hop workshop; tennis coaching clinic; and a skateboard competition.



*2016 Youth Expo – high school students at the Gunnedah Town Hall finding out what opportunities are available to them for their future*

- Participation in NAIDOC Week activities including financial support of \$4,500 for the community and events included a free movie day, a NAIDOC Week exhibition of Back to Burrabee by local artists Warwick Keen, and support for community events via participation at Winanga-li and Red Chief Local Area Land Council.
- The theme for the 2016 Senior's Festival was Growing Young. Seniors' Week marks a time when the NSW Government thanks and celebrates seniors for their contribution to the community, while also encouraging seniors to continue to remain active.
- GoCo MSO clients travelled to the 2016 Premier's Gala Concert in April 2016 as well participating in the Seniors' Week Mystery Bus Tour with an estimated 490 people attending the various activities during the celebratory week.
- Council delivered several major events at the Cultural Precinct during 2015/16, including: Melbourne Comedy Festival (Town Hall); Free Movie for Australia Day (Civic); Flickerfest (Civic); Youth Expo (Town Hall); NSW Water Industries Conference (Civic); and Pottery Workshop (Studio).
- 9 exhibitions were held in the Gallery in 2015/16.
- 236 people attended the Jean Isherwood Collection and Dorothea Collection exhibition on opening night.
- 75 individual art works were submitted for the Strength and Diversity – Women's Exhibition.
- 2,247 visitors were directed by Visitor Information Centre staff and Civic Centre staff to view exhibitions in the Gallery.
- 6 community organisations regularly utilise various areas of the Cultural Precinct, including: Plains, Pipes and Drums; Alcoholics Anonymous; and the Two Rivers Arts Council.
- 12,030 people watched a movie at the Civic during 2015/16.
- 732 movie sessions were held in the Civic during 2015/16.
- 86 movie sessions in the Civic were held to coincide with the school holiday period in January 2016.



*Gunnedah seniors' enjoying the visit to the 2016 Premier's Gala Concert trip*



#### Quick Facts

- 376 external user activities were held in the Cultural Precinct during 2015/16, including 155 meetings in the Creative Arts Centre Studio Room and 95 events in the Smithurst Theatre.
- 146 internal user (Council) activities were held in the Cultural Precinct during 2015/16, including 78 events in the Smithurst Theatre and 29 in the Creative Arts Centre Meeting Room.



*2015 Art and Ceramic Exhibition in the Creative Arts Centre Gallery*

#### *Our community values retained over time*

- Council has also actively promoted events and activities through a spectrum of promotional mediums including website listings, display of flyers and posters, promotion through electronic billboard and other traditional means of promotion. In the reporting period, the tourism team have provided assistance to major events including Week of Speed Festival, Commonwealth Bank Ag Quip (Home Hosting), ANZAC Centenary and Australia Day celebrations.

## Major Projects

- The delivery of the Australia Day Program of events including the Australia Day Raft Race, the Australia Day Awards Dinner which acknowledges the contributions of ordinary citizens doing extraordinary things in our community.



*Nap time*

## *Create opportunities for people to participate in active and healthy recreational activities*

- An outdoor gym equipment installation program has been identified and instigated and is an ongoing process in conjunction with existing pathways along with future developments of the cycleway and walkway program throughout town.
- Construction of a three turf cricket wicket table at Namoi Playing Fields was completed.
- Specifications and associated documentation in relation to the Donnelly Field Amenities Block Extension were completed with tenders sought in September 2015.

## Major Projects

- Applications for Council's Community Small Grants Program were awarded in August 2015, with seven community organisations being awarded \$18,938.80 in funding. The community organisations included: Challenge Community Services, Gunnedah Woodturners, Carroll Progress Association Inc, Gunnedah Rural Museum, Gunnedah Pottery Club Inc, Mullaley P&C Association and Plains Pipes and Drums.
- Four sporting organisations also received funding under the Sports Small Grants Program totalling \$12,640. Funds were awarded to: Namoi Horse Association, Gunnedah Little Athletics, Gunnedah Junior Cricket Association and Gunnedah Bender and Stocker Club.
- Following consultation with the community and an extended exhibition period, Council established a smoke free zone in a portion of the Gunnedah Central Business District in Conadilly Street between Elgin and Chandos Streets and the public walkways to the Vernardos Carpark and Souris Carpark respectively.

## Theme - Protecting and Enjoying our Beautiful Surrounds

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### *Balance between development and environmental protection*

- Council's Development Control Plan, which contains master plans for future subdivision areas is implemented through the assessment of each application. The location of open space areas is identified in the master plans and are required to be provided in the subdivision of land.
- The NSW Planning and Environment invited submissions in relation to Stage 2 Reforms under the Integrated Mining Policy. The Policy aims to improve mining regulation as part of a wider plan to improve outcomes and strengthen information available for communities affected by mining. Council's submission specifically addressed the need to acknowledge Local Government's role as being in the forefront of directing community complaints and enquiries as well as being a conduit to a range of Government Agencies. The submission included a request that Local Government is appropriately informed of data associated with the payment of road haulage contributions to Councils so that expenditure can be programmed effectively.

## Major Projects

- The Gunnedah Koala Strategy was adopted in October 2015 and aims to achieve a more effective outcome for the sustainability of the koala and its habitat within the whole Gunnedah Local Government Area. The document provides a guide for development and encourages conservation and management of koala habitat and to achieve the objectives of the strategy are:
  - Encourage management of areas of koala habitat and associated koala populations;
  - Increase community and public awareness concerning koala conservation and management;
  - Reduce koala road mortalities;
  - Increase habitat linkage opportunities; and
  - Establish a koala habitat regeneration and/or rehabilitation program.



*Drainage works being carried out in Wilga Street*

- The Blackjack Creek Flood Mitigation Project progressed with compulsory acquisition which involved an application to the Office of Local Government. Council entered into negotiations with the previous land owners which were ongoing for over 12 months. The design of the new creek has reached 90%. A construction specification document and a construction environmental management plan are almost complete for the project. These documents outline the design requirements of the creek and the environmental safety precautions/procedures to be followed during construction.

- The Gunnedah Shire Council Development Servicing Plan – Stormwater was reviewed in early 2016. The plan essentially provides for a charge being applied to hard stand or impervious surfaces on development sites with those funds to be used to extend, upgrade or meet the demand of increased stormwater flows on Council's stormwater network.



## Quick Facts

- 61 development applications were lodged in 2015/16 where BASIX certificates are required.

## *Enhance the coverage of native vegetation within the Shire*

- The Bushfire Risk Management Plan was updated in August 2015 prior to the commencement of the fire season.
- The Aerodrome Emergency Plan was updated in December 2015.
- Legislation is regularly reviewed to ensure threatened species requirements are implemented through the development application process. The relevant investigation reports are requested where required for development assessment to ensure that threatened species are protected.
- Catchment Management Action Plan strategies have been reviewed. Where applicable, catchment management strategies are considered in the assessment of the development application and strategic planning.
- A review of the Pesticide Use Notification Plan was undertaken with the revised document placed on public exhibition. The policy provides the community with information in relation to pesticides management, including types used on Council managed land and general areas where they will be utilised.





*Alligator Weed control at Kibah, Carroll*

- A Honey Locust control program was carried out in 2015/16. The program extended from Carroll to Narrabri border and an extra \$20,000 in grant funds was received to undertake the program.
- Two detailed inspections of the Peel and Namoi Rivers were carried out as part of the Alligator Weed program managed by Council. Grant funding for this program has totalled over \$300,000 with an extra \$32,000 received from the NSW DPI Aquatic Weeds Program.
- \$83,000 was received from NSW DPI as part of the NSW Weeds Action Program.
- Noxious weed control works totalling \$10,000 were carried out on behalf of the Department of Lands on vacant Crown lands in Gunnedah and Breeza.
- Annual St John's Wort Program carried out in December/January in conjunction with Namoi Local Lands Service. Roads, stock routes and reserves inspected and sprayed in Mullaley, Tambar Springs, Breeza and Lake Keepit.



*Alligator Weed being removed from the Namoi River*

## Major Projects

- New wash down facility for weeds vehicles and street sweeper designed and built by the Noxious Weeds Department at a cost of \$100,000. This facility ensure Council complies with all requirements of the Environmental Protection Act and Protection of the Environment.
- Council increased the focus on illegal dumping during 2015/16 with signage and associated surveillance equipment installed throughout the Gunnedah area, in particular at notorious dumping spots.



## Quick Facts

- 407 private property noxious weed inspections were completed in 2015/16.



*Illegal dumping signage*

## *Secure our native fauna and encourage biodiversity in the Gunnedah Shire*

### Major Projects

- \$9,000 grant funding under the 2015/16 Responsible pet Ownership Grants Program was received with the funds utilised to help the community embrace a culture of responsible pet ownership for dogs (primarily) and cats. Council has partnered with the local branch of the RSPCA to raise awareness of responsible ownership by supporting subsidised microchipping, desexing whilst implementing processes to ensure lifetime pet registrations for individuals and families meeting specific socio-economic disadvantage criteria.



*New wash down bay*

### ***A secure and high quality water supply***

- Council's four gross pollutant traps are inspected and cleaned after every rain event. Cleaning includes the removal of bottles, personal items (eg wallets, clothing, shoes) and other foreign items which are collected by the stormwater system.

#### **Major Projects**

- Council adopted a Drinking Water Management System to ensure that the water supply is a high quality and safe to drink, meeting expectations of the community and regulatory agencies. Under the Australian Drinking Water Guidelines, Council ensure a commitment to drinking water quality management through system analysis and management, supporting requirements such as employee awareness and training, community involvement and awareness and documentation and reporting, and provide a review and continual improvement program.



#### **Quick Facts**

- Approximately 40% of all water consumed in the home is used in the bathroom.
- On average, 120 litres of water is used for an 8 minute shower.
- 6 litres of water are used for a full flush of the toilet, whilst only 3 litres are used for a half flush.
- Council provides an after hours emergency service for water and sewer issues 365 days a year.

- Bore draw down levels are recorded every six months and regular samples collected and tested by NSW Department of Public Health.

### ***Protect our heritage***



#### **Quick Facts**

- There are 25 items of Environmental Heritage listed in the Gunnedah Local Environmental Plan 2012.

### ***Investment in new technologies and renewable energies***

- An Information Technology Strategy has been developed to promote the adoption of new technologies based on a business case assessment.
- During the period, a WiFi network was rolled out across the organisation and mobile device management systems were implemented to improve the use and management of mobile devices.

### ***Dealing with our waste***

- In conjunction with Northern Inland Regional Waste Group, Council has been investigating strategies to increase the amount of waste recycled by households. Projects proposed by NIRW include: develop waste processing/recycling facilities; improve kerbside recycling performance; and consider processing residual waste as a long term option.
- The Gunnedah Junk in the Trunk, Car Boot and Ute Sale was held in October 2015. This is a community initiative run in conjunction with the National Garage Sale Trail to promote waste management and recycling. The event encouraged members of the community, school groups, charities, sellers and shoppers to participate in this free event.
- A trial to measure the compaction rates being achieved at the Gunnedah Landfill was completed.
- Monitoring to ensure adequate landfill life and replacement at the Waste Management Facility is ongoing.

- Council is trialling a compactor to evaluate the benefits of having this machine compared to the last 15 years landfill filling plan. The benefits of a compactor within the landfill include the conservation of valuable airspace and extending the landfill life span. The compactors main functions are to spread the waste evenly in layers over the landfill and to compact waste to reduce its volume and help stabilise the landfill. The trial will assess the cost effectiveness of purchasing a compactor to prolong cell life with ongoing studies suggesting that it has extended the life of the landfill by seven years.

### Major Projects

- The Environment Protection Authority commenced a program to establish a network of Community Recycling Centres across NSW, and in collaboration with Council, the Gunnedah Community Recycling Centre was officially opened in April 2016.
- Funding from the EPA totalling \$166,335 was received and Council contributed funding towards facility enhancements. The development consists of a shed at the Gunnedah Waste Management Facility to be used as a community recycling centre. The centre provides a designated area for the acceptance and storage of problem household wastes, such as paints, batteries and cooking oils, before they are collected and transport offsite.



*Gunnedah Community Recycling Centre*



### Quick Facts

- The Gunnedah Waste Management Facility received:
  - 7,288.93 tonnes of domestic waste;
  - 3,281.71 tonnes of commercial and industrial waste;
  - 3,465.13 tonnes of construction and demolition waste;
  - 2,184.34 tonnes of waste received was diverted into resource recovery (recycled).
- 4,228 households are serviced with a weekly kerbside collection.
- The Curlewis Waste Management Facility received:
  - 268.23 tonnes of domestic waste;
  - 5 tonnes of construction and demolition waste;
  - 60.64 tonnes was diverted into resource recovery (recycling).
- The Mullaley Transfer Station received:
  - 46 tonnes of domestic waste;
  - 17 tonnes was diverted into resource recovery (recycling).
- The Tambar Springs Transfer Station received:
  - 30 tonnes of domestic waste;
  - 12 tonnes was diverted into resource recovery (recycling).
- The Emerald Hill Mobile Collection received:
  - 0.8 tonnes of domestic waste;
  - 2.2 tonnes was diverted into resource recovery (recycling).
- The Kelvin Mobile Collection received:
  - 10 tonnes of domestic waste;
  - 6 tonnes was diverted into resource recovery (recycling).

### *Manage our exposure and contribution to the changing climate*

- An energy audit on Council's key buildings was completed and solar installed in high energy use assets. The solar systems have been serviced to ensure energy efficiency is maintained. Energy efficient lighting options have been investigated and a replacement program in place for ageing and unserviceable and high energy use air conditioning units.





### Quick Facts

- 21% energy cost savings achieved in 2015/16 as a direct result of installation of energy efficient lighting.

### *Enhance our streetscapes in Gunnedah and Villages*

- A system has been implemented to track and manage properties which have excess vegetation/are overgrown.



*Showground perimeter fencing along View Street/Longmuir Fields*

- Stage 1 of the Street Tree Strategy was completed with the removal of trees on the footpaths along Conadilly Street between Chandos and Rosemary Streets. Trees have been planted in the street corridor.

### Major Projects

- Council applied for grant funding through the Public Reserves Management Fund and was successful in securing a grant for \$40,310 towards the completion of Showground fencing along View Street. Council contributed \$50,000 towards the project which was delivered on time and provides an aesthetically attractive perimeter that also inhibits undesirables entering the area to damage buildings within the Showground precinct.



### Quick Facts

- When Council is advised of land identified as having excess vegetation, a notice of intention to issue an order can be submitted to the owner of the land which requires remediation of the property immediately to reduce the risk of vermin, snakes and potential fire hazards.
- 44 requests to inspect excess vegetation were received during 2015/16.
- 16 orders were issued as a result of no action taken following issue of notice of intention to issue an order to remove excess vegetation.
- 18 fire permits were issued in 2015/16 and were processed in an average of 3 days.



# STATUTORY INFORMATION

The Annual Report in the year in which an ordinary election of Councillors is to be held must also report as to the Council's achievements in implementing the Community Strategic Plan over the previous four year – Section 428(2).

Council considered and adopted a report on Council's four year term at their meeting held on 17 August 2016.

## Rates and Charges Written Off [LG (Gen) Reg Cl132]

The following rates and charges were written off during 2014/15.

	GENERAL	POSTPONED	PENSIONER	TOTAL
Ordinary Rates	3,828.66	37,390.59	162,812.36	204,031.61
Water Charges	5,733.40	-	70,773.08	76,506.48
Sewer Charges	3,976.34	-	65,510.86	69,487.20
Waste Management	141.53	-	64,300.30	64,441.83
Stormwater	0.38	-	-	0.38
Legal Costs	-	-	-	-
Interest	453.29	-	-	16,817.00
<b>TOTALS</b>	<b>14,133.60</b>	<b>53,754.30</b>	<b>363,396.60</b>	<b>431,284.50</b>

## Overseas Visits [LG (Gen) Reg Cl217(1)(a)]

In July 2015, a delegation from Gunnedah participated in a visit to China for the purpose of promoting economic development, enhancing cultural development and sister city relationships. Gunnedah Shire Council paid expenses for two staff to be part of this delegation to the amount of \$5,484.03.

## Councillor Expenses [LG (Gen) Reg Cl 217(1)(a1)]

The Council has adopted a policy that governs the expenses allowable for conferences and seminars, the types and monetary limits of expenses Councillors can claim reimbursement for and the facilities to be made available to the Mayor and Councillors. The policy can be read at Council's office or on the website [www.gunnedah.nsw.gov.au](http://www.gunnedah.nsw.gov.au).

The cost of Councillor expenses and provision of facilities to Councillors in accordance with Council's Policy for 2015/16 was as follows:

Expense/Facility	Net \$
Mayoral allowance	36,291.43
Councillor fees	74,841.76
Provision of dedicated office equipment allocated to Councillors	2,663.15
Telephone expenses	3,513.53
Attendance at conferences and seminars	14,831.11
Training and skill development expenses	90.91
Interstate visits undertaken by Councillors	103.55
Overseas visits undertaken by Councillors	-
Expenses of spouse or partners	-
Expenses involved in the provision of child care	862.50
Travel expenses in NSW	19,348.86
Meals (excluding Council meeting catering)	1,094.31
<b>Total</b>	<b>\$153,641.11</b>

## Contracts [LG (Gen) Reg Cl 217(1)(a2)]

Council awarded the following contracts in excess of \$150,000 during 2015/16.

CONTRACTOR	NATURE OF GOODS AND SERVICES PROVIDED	DURATION OF CONTRACT	AMOUNT SPENT THIS FINANCIAL YEAR \$
Boral Construction Materials	Roadwork and emulsion services	30/06/16	2,677,555.88
Hope's Fuel Supplies	Fuel	30/06/16	762,438.91
Concrete Evidence Pty Ltd	Construction	30/06/16	610,511.18
JR & EG Richards (NSW) Pty Ltd	Waster services	30/06/16	558,526.08
Workforce International Pty Ltd	Labour hire	30/06/16	527,947.81
GHD Pty Ltd	Engineering consultancy	30/06/16	525,255.82
Hunter H2O Hooldings Pty Ltd	Wastewater treatment	30/06/16	524,212.83
Roadwork Industries	Construction	30/06/16	519,267.65
Ray Priestley Earthmoving Pty Ltd	Gravel carting	30/06/16	502,814.83
Statewide Mutual	Insurance	30/06/16	488,893.47
Fulton Hogan Industries Pty Ltd	Roadwork	30/06/16	471,715.79
Rollers Australia Pty Ltd	Plant hire	30/06/16	430,116.31
WestTrac	Plant purchase	30/06/16	412,645.46
State Cover Mutual Limited	Insurance	30/06/16	373,152.32
ERM Power Retail Pty Ltd	Electricity	30/06/16	370,875.97
Jobs Australia Armidale	Labour hire	30/06/16	364,916.07
Powerdirect	Electricity	30/06/16	346,170.38
Norwest Plant Hire	Plant hire	30/06/16	296,604.00
JT Fossey Sales Pty Ltd	Vehicles and plant	30/06/16	296,346.67
Roads and Maritime Services	Plant hire	30/06/16	287,538.78
Kevin Smith Contracting	Gravel carting	30/06/16	286,132.85
Premium Aged Care Services	Aged care services	30/06/16	277,877.78
Insituform Pacific Pty Ltd	Sewer relining	30/06/16	268,804.74
Somerville Earthmoving Pty Ltd	Gravel carting	30/06/16	263,355.31
BMR Quarries Pty Ltd	Roadwork	30/06/16	255,547.83
Newcastle Commercial Vehicles Pty Ltd	Plant purchase	30/06/16	255,175.81
Challenge Community Services	Aged care services	30/06/16	253,922.66
Peel Valley Machinery	Plant purchase	30/06/16	240,242.16
Home Care Services	Aged care services	30/06/16	235,583.70
Workforce Extensions	Labour hire	30/06/16	217,224.21
Nandebri Home Nursing Pty Ltd	Aged care services	30/06/16	217,070.70
Whieline Road Services	Road linemarking	30/06/16	185,612.91
Gunnedah Workshop Enterprises Ltd	Recycling services	30/06/16	173,654.61
Telstra – Direct Debits	Telecommunication	30/06/16	162,779.39

## Legal Proceedings [LG (Gen) Reg CI217 (1)(a3)]

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The following expenditure on legal proceedings was incurred by Council in 2015/16:

SUBJECT	PARTICULARS OF PROCEEDINGS	RESULT	COST TO COUNCIL \$
Planning	Planning matters	Ongoing	21,932.00
Debt Recovery **	Recovery of rates and charges	Ongoing	18,057.66
Building	Non compliance	Resolved	375.00
Human Resources	Advice on difficult customer	Resolved	1,685.00
Governance	Legal advice – tender	Resolved	11,223.22

\*\* Note: Expenses recouped through the rate recovery process.

## Subsidised Work on Private Property [LG (Gen) Reg CI217(1)(a4)]

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During 2015/16 no resolution was made under Section 67(3) of the Local Government Act 2003 concerning work carried out on private land that was fully or partly subsidised by the Council.

## Community Grants [LG (Gen) Reg cl 217(1)(a5)]

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During 2015/16 Council made grants under Section 356, Local Government Act 1993, totaling \$29,381.00 to local community groups.

## Functions Delegated to Other Organisations [LG (Gen) Reg CI217(1)(a6)]

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Council delegated functions to the following external bodies during 2015/16:

- North West Weight of Loads

## Companies Controlled by Council [LG (Gen) Reg CI 217(1)(a7)]

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Council did not hold a controlling interest in any company during 2015/16.

## Partnerships with Other Organisations [LG (Gen) Reg CI217(1)(a8)]

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Council was not involved in any partnerships, co-operatives or joint ventures during 2015/16, however Council is a member of the following organisations:

### Statewide Mutual Insurance

A self-insurance pool covering public liability, professional indemnity, property and fidelity guarantee risks, enabling member Councils to reduce insurance premiums.

### Statecover Mutual Insurance

A self-insurance pool covering workers compensation enabling Council's to reduce premiums and tailor fit injury management.



## Namoi Councils

Namoi Councils is made up of Councils from northern NSW, including Gunnedah, Liverpool Plains, Tamworth, Narrabri and Walcha and Uralla.

# Equal Employment Opportunity Management Plan [LG (Gen) Reg CI217(1)(a9)]

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Gunnedah Shire Council continues to ensure it provides heavy subscription in providing an environment that supports and facilitates inclusion, awareness, understanding and mutual respect within the Gunnedah Shire Council workforce.

2015/16 reflects a year of new initiatives executed to support Council's continuing endeavours to ensure we exceed the benchmark of our subscription to EEO principles.

Council understands that such efforts also benefit everyone in an organisation by providing a wider range of jobs and training opportunities, better chance to use their skills and qualifications and the opportunity to gain greater career development and achieve job satisfaction.

In 2015, funding was received for an ageing workforce exercise program. This was carried out in the 2015/16 financial year.

We are aware that an ageing workforce may present with lower back, shoulder, balance and/or mobility issues. These issues were addressed throughout the sessions by not only aiming to improve movement functionality but also by educating Council's staff about joint health. The best way to safeguard against injury is to make your employees stronger, more flexible, mobile and aware. These elements were incorporated into the program to educate clients about the importance of a healthy lifestyle and how this affects an individual mentally and physically.

The National Industry Scholarship Program initiative is the result of the Australian School of Applied Management and Women Leadership Australia's commitment to supporting the advancement of women into positions of leadership across the Australian workforce.

By periodically focusing on specific industries, the initiative distributed financial support for the development of women managers across all sectors. This year, we were successful in gaining funding for a female staff member to participate in this program.

The 2016 Australian Local Government Women's Conference was hosted by Gunnedah Shire Council on 10-12 March 2016. The Conference involved an excellent line up of key note speakers and an agenda that aimed to deliver relevant and exciting topics to the diverse group of women who attended. The theme for the Conference was 'Overcoming the Divide' with the Conference aiming to arm women in Local Government with the tools to bridge divides and achieve personal growth.

Council continues to engage trainees in the workplace in order to demonstrate social responsibility in providing career paths for the youth in rural Australia. Acquisition of Australian Qualification Framework skills assists the level of employability of our youth and assists in the retention of them in a rural community.

The shifting demographics of council's workforce also continue to represent our endeavours to meet the changing nature of expectations and our efforts to accommodate a diverse workforce. Aboriginal and Torres Strait Islander employee representation increased from 8.2% to 9.5% from the previous year. Culturally and linguistically diverse employees increased from 0.5% to 2.2% and employees with disabilities increased from 0.5% to 0.6%.

## Remuneration Package – General Manager [LG (Gen) Reg Cl217(1)(b)]

The General Manager's remuneration for 2015/16 consisted of:

Salary	\$210,679.50
Bonus Payments	-
Superannuation	\$20,014.55
Non Cash Benefits	-
Fringe Benefits Tax Payable	-
<b>TOTAL REMUNERATION</b>	<b>\$230,694.05</b>

## Remuneration Package – Senior Staff [LG (Gen) Reg Cl217(1)(c)]

The General Manager is the only officer classified as senior staff. Accordingly, there is no requirement to provide remuneration details on any other staff.

## Stormwater Management Services [LG (Gen) Reg Cl217(1)(e)]

Stormwater management services made available during 2015/16 together with the projected stormwater management services that were proposed to be made available are shown below:

	<b>2015/16 Budget</b>	<b>2015/16 Actual</b>
Stormwater Maintenance and Repair	\$41,588.00	\$29,741.02
Low Flow Ashfords Watercourse	\$50,000.00	\$77,247.15
George Street Drainage Line	\$533,000.00	\$170,689.50

## Environmental Upgrade Agreements [LGA S54P]

Council did not enter Environmental Upgrade Agreements during 2015/16.

## Special Rate Variation [LGA S508]

Under Section 508 A (1) of the Local Government Act 1993 Council made application to IPART and received a Special Rate Variation on the 11 June 2013. The percentage by which Gunnedah Shire Council may increase its general income for the period from 2013/2014 to 2016/17 is 39.72% consisting of the following annual increases:

	<b>Year</b>	<b>Annual Increase in General Income (%)</b>	<b>Cumulative increase in General Income (%)</b>
<b>Y 1</b>	2013/14	9.4	9.4
<b>Y2</b>	2014/15	8.5	18.7
<b>Y3</b>	2015/16	9.5	29.98
<b>Y4</b>	2016/17	7.5	39.72

The percentage increase set out above is subject to the following conditions:

The Council uses the Additional Income for the purposes of:

- Funding debt servicing associated with its capital works Program.
- Improving Financially Sustainability.

## Capital Expenditure funded by the Special Rate Variation

Refer Capital 2013/14 – spreadsheet outlining the Special Rate Variation, actual expenditure for 2013/14, 2014/15 and 2015/16 and comments as to the progress of each project.

## Long Term Financial Plan – Budget v's Actual 2013/14 and 2014/15

Refer LTFP – Variance table (see below). This details the SRV budget verses the actual result for 2015/16 with comments for the major variances.

GENERAL FUND INCOME STATEMENT - CONSOLIDATED	LTFP - SRV 2015/16 \$'000	Actual 2015/16 \$'000	Variance	% Variance	Comments (Major Variances)
<b>Income from Continuing Operations</b>					
<b>Revenue:</b>					
Rates & Annual Charges	13,267	13,507	240	1.81%	Additional rateable properties with developments within the shire.
User Charges & Fees	6,044	8,030	1,986	32.86%	Additional RMS Revenue for state roads projects.
Interest & Interest Revenue	724	1,113	389	53.73%	Additional Investment portfolio earning interest.
Other Revenues	401	799	398	99.25%	Additional Revenue from Rates Legal costs recharged, Maternity Leave & workers Comp Recoveries & income on Rental properties.
Grants & Contributions provided for Operating Purposes	10,988	12,090	1,102	10.03%	Additional funding received from Community Services & Roads to Recovery.
Grants & Contributions provided for Capital Purposes	1,409	7,267	5,858	415.76%	Developer contributed assets. Assets recognised in Councils Statements.
<b>Other Income:</b>					
Net gains from the disposal of assets	-	-	-		
Joint Ventures & Associated Entities	-	-	-		
<b>Total Income from Continuing Operations</b>	<b>32,833</b>	<b>42,806</b>	<b>9,973</b>		
<b>Expenses from Continuing Operations</b>					
Employee Benefits & On-Costs	12,597	12,137	- 460	-3.65%	Award & internal salary incremented less than anticipated. Staffing requirements constantly under review.
Borrowing Costs	1,252	728	- 524	-41.85%	Deferred loan funding take up. 2015/16 loans to be taken out in 2016/17. Interest Rates lower than originally forecasted.
Materials & Contracts	7,081	8,948	1,867	26.37%	Additional Expenditures relating to RMS extra works and this has been offset by Cost reduction initiatives.
Depreciation & Amortisation	7,585	7,658	73	0.96%	
Impairment	-	57	57		
Other Expenses	3,220	1,805	- 1,415	-43.94%	Savings as a result of Cost savings initiatives being put into effect. In Particular Electricity & Telephone, Computer Software and other Project Savings.
Interest & Investment Losses	-	-	-		
Net Losses from the Disposal of Assets	118	108	- 10	-8.47%	Better than expected returns on disposal of assets
Joint Ventures & Associated Entities	-	-	-		
<b>Total Expenses from Continuing Operations</b>	<b>31,853</b>	<b>31,441</b>	<b>- 412</b>		
<b>Operating Result from Continuing Operations</b>	<b>980</b>	<b>11,365</b>	<b>10,385</b>		
Discontinued Operations - Profit/(Loss)	-	-	-		
Net Profit/Loss from Discontinued Operations	-	-	-		
<b>Net Operating Result for the Year</b>	<b>980</b>	<b>11,365</b>	<b>10,385</b>		
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>- 429</b>	<b>4,098</b>			



## SRV CAPITAL PROJECTS

Renewal of Assets	Project	SRV Capital	SRV Capital	SRV Capital	Actual 13/14	Actual 14/15	Actual 15/16	Remain	Project Status
		Projects 13/14	Projects 14/15	Projects 15/16					
Procurement	Fleet Replacement Program	267,031	532,659	269,140	-	96,062	284,545	688,223	Remainder not required
Saleyards	Scanner	10,000			8,844	-	-	1,156	Project Complete
Saleyards	Scales		50,000			-	-	50,000	Project not going ahead
Saleyards	Nightwatchman building			20,000			-	20,000	Temporary caravan used - look at building end of caravan lifespan (17/18)
Saleyards	Cattle Crush			22,000			-	22,000	Project not going ahead
IT	Computer Replacement Program	90,000	110,000	105,000	130,792	181,610	33,916	41,318	Completed
IT	Peripheral Replacement Program	40,000	20,000	6,500	54,144	7,860	-	4,496	Completed
IT	Telecommunications System	65,000			62,967	1,701	-	332	Completed
IT	Business Enterprise Suite	5,000	5,000	5,000	8,800		-	6,200	Completed
IT	Records Information Management System Upgrade	7,500	7,500	7,500		4,655	4,390	13,455	Completed
IT	Civica Authority Upgrade	4,500	4,500	4,500	4,955	5,050	5,216	1,721	Completed
IT	Budget Management Reporting System (Upgrade)	8,600					-	8,600	Rolled to Computer Replacement Program
IT	File System			30,000			-	30,000	Rolled to Computer Replacement Program
IT	Enterprise Helpdesk Software			3,000			-	3,000	Rolled to Computer Replacement Program
Integrated Planning	Community Strategic Plan Update			30,000			-	30,000	Project completed every 4 years. To be conducted in 2016/17.
Domestic Waste	Landfill Remediation	50,000			27,273	-	-	22,727	Revised remediation program. Now budget for specific remediation works and final capping.
Domestic Waste	Convert Carroll Tip to Transfer Station		250,000			-	-	250,000	On hold. Considering viability and benefits of closing landfill.
Domestic Waste	Landfill Remediation - Progressive		50,000			-	-	50,000	Revised remediation program. Now budget for specific remediation works and final capping.
Domestic Waste	Landfill Remediation - Progressive			50,000			5,400	44,600	Revised remediation program. Now budget for specific remediation works and final capping.
Domestic Waste	New Cell - Curlew Tip		50,000			19,050	-	30,950	Completed
Administration Buildings	Air-Conditioner replacement program	15,500	15,500	15,500	13,119	-	2,818	30,563	On-going.
Administration Buildings	Carpet Replacement	80,000			-	-	-	80,000	On hold pending building structure review
Administration Buildings	Community Care Building - Carpet & Painting	60,000			46,484	-	-	13,516	Completed
Halls & Community Centres	Chair Replacement Program	14,000			12,727	-	-	1,273	Completed
Halls & Community Centres	Smithurst Theatre			100,000	100,000		-	-	Completed
Swimming Pools	Pool Complex	500,000	1,551,000	6,595,000	4,999	176,656	311,983	8,152,362	In progress. Tender documentation issued.
Parks & Reserves	Park Furniture Replacement Program	11,300	11,600	12,000	9,859	7,898	12,811	4,332	On-going
Parks & Reserves	Playground Equipment Replacement	41,800	43,000	44,300	32,037	27,938	46,410	22,715	On-going
Parks & Reserves	Griffiths Hall refurbishment		20,000			630	-	19,370	Finished - Completed through Maintenance
Parks & Reserves	Council Storage Shed	20,000	-		18,829	640	-	531	Completed
Infrastructure Management	Traffic Counter Replacement	4,000	4,100	4,200	3,356	-	-	8,944	On-going
Airport	Cone & Gable Replacements	5,000	5,000	5,000	-	5,158	4,532	5,310	Completed
Airport	Master Plan	50,000	-		-	40,000	-	10,000	Completed
Airport	Fence Replacement	22,000	-		10,282	-	-	11,718	Completed
Airport	Taxiway Resealing			68,000			69,275	1,275	Completed
Depot	Refuelling Facility Upgrade	108,000	60,000	83,000	25,700	-	-	225,300	Project Deferred
Depot	Pavement Rehabilitation			15,000			1,895	13,105	Project Deferred to 2016/17
Depot	Pavement Rehabilitation			15,000			-	15,000	Project Deferred to 2016/17
Depot	Fuel Tank Replacements			90,000			-	90,000	Project Deferred
Depot	Ice Machine Replacement			1,500			-	1,500	Project Deferred to 2016/17
Bridges	Simpsons Bridge renewal - SID	40,000	-	1,370,000	6,200	-	-	1,403,800	Project Deferred to 2016/17. Tenders received.
Kerb & Gutter	Kerb & Gutter renewal program	371,000	382,000	393,000	293,561	295,514	367,369	189,556	On-going.
Urban Roads	Pavement renewal Bloomfield St	857,500	490,000	490,000	841,489	499,368	536,414	39,771	On-going.
Urban Roads	Pavement Renewal Little Barber St			140,500			-	140,500	On-going.

Renewal of Assets	Project	SRV Capital	SRV Capital	SRV Capital	Actual 13/14	Actual 14/15	Actual 15/16	Remain	Project Status
		Projects	Projects	Projects					
		13/14	14/15	15/16					
Urban Roads	Bitumen resealing	523,297	538,996	555,155	473,608	360,512	547,646	235,682	On-going
Urban Roads	Gravel resheeting	40,532	41,747	43,000	1,368	69,700	38,847	15,364	Completed
Regional Roads	Bitumen resealing	142,600	147,000	151,000	-	33,575	168,511	238,514	Completed - Refer MR357 - Renewal of Assets
Regional Roads	Gravel resheeting	223,000	230,000	236,500	175,065	164,222	215,614	134,599	Completed - Refer MR357 - Renewal of Assets
Sealed Rural Roads	Bitumen resealing	746,809	769,213	792,289	114,028	1,391,078	384,311	418,894	Completed.
Sealed Rural Roads	Bluevale Rd reconstruction	463,500	477,000	491,500	520,529	196,458	38,898	676,115	On-going.
Sealed Rural Roads	Quia Rd reconstruction	250,000		220,000	42,906		-	427,094	Completed.
Sealed Rural Roads	Kelvin Rd reconstruction	200,000			418,620	230,887	-	449,507	Completed - Refer Quia & Preston Rd savings
Sealed Rural Roads	Preston Rd reconstruction	578,000			296,474		-	281,526	Complete. Savings to Kelvin Rd
Sealed Rural Roads	Wandobah Rd reconstruction	-	280,000	100,000			343,302	36,698	To be completed 2015/16
Sealed Rural Roads	Ghooli Rd reconstruction	-	300,000			302	-	299,698	To be completed 2015/16
Sealed Rural Roads	Wean Rd reconstruction	-	171,000			310,837	-	139,837	Completed
Sealed Rural Roads	Rangari Rd reconstruction			150,000			-	150,000	Deferred to Bloomfield St.
Sealed Rural Roads	Clifton Rd reconstruction			250,000			239,142	10,858	Complete
Sealed Rural Roads	Blackjack Rd reconstruction			100,000			-	100,000	Deferred to Wandobah
Sealed Rural Roads	Black Stump Way reconstruction			206,000			110,012	95,988	Completed in 2016/17
Unsealed Rural Roads	General resheeting program	651,986	671,545	691,692	555,130	668,587	420,878	370,628	Completed
Unsealed Rural Roads	Resheet Pullaming Rd	154,500	-		161,430		-	6,930	Completed
Unsealed Rural Roads	Resheet Mystery Rd	154,500	-		-		-	154,500	Rediverted
Unsealed Rural Roads	Resheet Wandobah Rd		159,000			198,874	1,582	41,456	Completed
Unsealed Rural Roads	Resheet Clifton Rd		159,000			137,335	-	21,665	Completed
Unsealed Rural Roads	Resheet Bulunbulun Rd			163,900			181,070	17,170	Completed
Unsealed Rural Roads	Resheet Normans Rd			163,900	125,844	84,551	-	46,495	Completed
Carparks	Carpark reseal - Main Pool	33,300			-	11,424	-	21,876	Completed
Carparks	Carpark reseal - Kapreotis		10,300			6,318	-	3,982	Completed
Carparks	Carpark reseal - Athol Gallen			2,800			-	2,800	Completed/part Wilga Street
Plant	Plant Replacement program	1,900,000	2,000,000	1,800,000	1,944,310	1,601,357	1,321,087	833,246	On-going
Plant	Two-way radio replacement	5,000	5,000	5,000	-		-	15,000	Not Needed. GPS higher priority.
		<b>9,089,755</b>	<b>9,896,660</b>	<b>16,117,376</b>	<b>6,827,104</b>	<b>7,033,715</b>	<b>5,697,874</b>	<b>15,545,098</b>	

#### Asset Upgrade

Saleyards	Holding pens - shading	10,000			-	10,309	-	309	Completed
Saleyards	Double Loading Ramp		80,000				-	80,000	Project not going ahead (Sheep Yards)
IT	Disaster recovery implementation	10,000				4,092	1,115	4,793	Completed
IT	Website Integration & Expansion		15,000		3,407	7,500	3,826	267	Completed
IT	Asset Management System			110,000			-	110,000	On evaluation, project not required.
Library	Gunnedah Library Books	22,500	22,500	22,500	16,104	31,864	23,540	4,008	Complete.
Events	Gunnedah Event Signage	45,400			19,589	5,208	-	20,603	In progress. Additional signage to be constructed western end of township 2016/17.
Administration Buildings	Administration Building Alterations	350,000			-	5,622	-	344,378	Project not going ahead
Halls & Community Centres	Town Hall Renewal Works - Two Storey Section	300,000			-		-	300,000	Project not going ahead
Halls & Community Centres	Smithurst Theatre Upgrade		40,000		20,039	20,117	-	156	Completed, Budget transferred from Town Hall \$100k
Environment	Blackjack Creek mitigation works		1,510,000	1,510,000		6,846	22,130	2,991,024	In Progress. Project to continue as per approved funding plan.
Sporting Fields	Extension of Donnelly Fields Amenities Block	20,000		180,000	2,200	16,523	1,324	179,953	On-going

Renewal of Assets	Project	SRV Capital	SRV Capital	SRV Capital	Actual 13/14	Actual 14/15	Actual 15/16	Remain	Project Status
		Projects	Projects	Projects					
		13/14	14/15	15/16					
Depot	Noxious Weeds Washdown bay	172,000			-	54,390	29,411	88,199	On-going
Depot	Security Enhancement	30,500	21,000	21,000	119,996		-	47,496	Completed
Cemeteries	Security Fencing	30,000			26,520		-	3,480	Completed
Regional Roads	MR357 culvetry construction	206,000			182,658	164,545	-	141,203	Funded from Reseals & Resheeting
Footpaths & Cycleways	Marquis Street Paving - Conadilly to Lt Barber (W)	79,000			94,893		-	15,893	Completed
Footpaths & Cycleways	Marquis Street Paving - Conadilly to Lt Barber (E)		73,000			89,708	-	16,708	Completed
Footpaths & Cycleways	Chandos Street Paving - Conadilly to Lt Barber €			73,000			73,897	897	Completed
		<b>1,275,400</b>	<b>1,761,500</b>	<b>1,916,500</b>	<b>485,406</b>	<b>416,724</b>	<b>155,243</b>	<b>3,896,027</b>	
<b>New Assets</b>									
Governance	Project Management System	25,000	-		25,700		-	700	Completed
Saleyards	Holding Yards	300,000					-	300,000	Project not going ahead (Sheep Yards)
Community Development	Grant Officer - Office Setup	10,000					-	10,000	No longer required. Funds remain in restricted assets.
Cultural Development	Gunnedah Community Live Plan	35,000			-	-	-	35,000	No longer required. Funds remain in restricted assets.
The Civic	Push Around Scissor Lift	10,000					-	10,000	No longer required due to existing floor load capacity. Loading draw bridge now being installed.
Domestic Waste	Heavy Equipment Storage Shed, Wash Bay & Fuel	200,000			9,392	73,031	-	117,577	Shed completed. Review to be undertaken regarding need for wash bay and fuel storage.
Domestic Waste	Liquid Waste Management Facility	100,000			-	-	-	100,000	Deferred to 2022/23.
Domestic Waste	Bobcat Acquisition		60,000			-	-	60,000	Not required due to plant review and cost benefit analysis.
Domestic Waste	Asbestos Disposal Area			75,000			-	75,000	Not required. Handling of asbestos undertaken as part of daily operations.
Building Control	Vehicle - Proposed Building Control Officer	35,000					-	35,000	Purchased in July 2016.
Halls & Community Centres	Motor Vehicle - Proposed Building Maintenance Officer	23,000					-	23,000	Not Required
Environment	Blackjack Creek - Private Land Acquisition	150,000			-	17,602	7,816	124,582	In Progress. To be finalised October 2016. Project to continue as per approved funding plan.
Sporting Fields	Parklands Sporting Precinct - Development	37,000	250,000		-	88,864	134,137	63,999	On-going
Sporting Fields	Parklands Sporting Precinct - Roadworks		432,000		-	198,568	261,827	28,395	On-going
Sporting Fields	Namoi Playing Fields - Multi-purpose Use			40,000			34,459	5,541	Completed (Turf Cricket Wicket)
Sporting Fields	Sport Relocation to Donnelly Fields			20,000			-	20,000	On-going
Car Parks	Zantiotis Car Park - Land Purchase			400,000			-	400,000	Deferred
Commercial Property	Purchase Walkway - 178 Conadilly Street	100,000			153,190		-	53,190	Completed
Footpaths & Cycleways	Cycleway - View Street - Showground to South Street	64,000			39,844		-	24,156	Completed
Footpaths & Cycleways	Footpath - Barber Street - Rosemary to Warrumbungle	24,700			23,298		-	1,402	Completed
Footpaths & Cycleways	Cycleway - New Street - Railway Crossing to Barber Street		52,000				-	52,000	Deferred due to Overpass
Footpaths & Cycleways	Cycleway - New Street - Railway Crossing to South Street		23,500				-	23,500	Deferred due to Overpass
Stormwater	Carroll St Drainage Line	178,000	38,000		124,768	165,098	-	73,866	Completed
Stormwater	George Street Drainage Line			533,000			170,689	362,311	On-going
Stormwater	Low Flow Ashfords Watercourse			50,000			77,248	27,248	Completed
Quarries	Investigate new quarries	30,000	30,000	30,000	-		5,386	84,614	In progress 2016/17
Plant	Grader Control Unit			12,000			-	12,000	To be completed in 2016/17
		<b>1,321,700</b>	<b>885,500</b>	<b>1,160,000</b>	<b>376,192</b>	<b>543,163</b>	<b>691,562</b>	<b>1,756,283</b>	
		<b>11,686,855</b>	<b>12,543,660</b>	<b>19,193,876</b>	<b>7,688,702</b>	<b>7,993,602</b>	<b>6,544,679</b>	<b>21,197,408</b>	



## Special Rate Variation Achievements

- Improved the Long Term Sustainability of Council.
- Council assessed Fit for the Future with IPART's independent assessment of Councils Financial Sustainability.
- Reduction of Councils Infrastructure backlog with further reductions in the coming year.
- Cost effective maintenance procedures put in place.
- Improved Asset Data.
- Review of Councils Structure and Costs resulting in \$1.7 million in recurrent annual cost savings.

## Capital Works Report [LG Capital Expenditure Guidelines 2010]

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Gunnedah Shire Council is required to report on Capital Projects as outlined in the Capital Expenditure Guidelines. These Guidelines require reporting on the following basis:

*"Councils are required to undertake a capital expenditure review for projects that are not exempt and cost in excess of 10% of Council's annual ordinary rates revenue or \$1 million (GST exclusive), whichever is greater. There are additional requirements for non-exempt capital projects where the project costs are expected to exceed \$10 million (GST exclusive)."*

During the 2015/16 financial year Gunnedah Shire Council had no projects that fell within these guidelines.

Below are details of major Gunnedah Shire Council capital expenditure for 2015/16 in excess of \$150,000.

▪ Parklands Sporting Precinct – roadworks	\$261,826.98
▪ Kerb and Gutter – Bloomfield Street	\$183,495.89
▪ Urban Roads – Bloomfield Street – reconstruction	\$536,413.96
▪ Urban Roads – Links Road – pavement renewal	\$250,143.33
▪ Regional Roads – Rangari Road – reseal	\$164,859.73
▪ Rural Sealed Roads – Clifton Road – reconstruction	\$239,141.95
▪ Rural Sealed Roads – Ghooli Road – reseal	\$229,038.16
▪ Rural Sealed roads – Wandobah Road – reseal	\$343,302.34
▪ Rural Unsealed Roads – Basin Plains – re-sheeting	\$175,736.68
▪ Rural Unsealed Roads – Bulunbulun – re-sheeting	\$181,070.37
▪ Rural Unsealed Roads – Ghooli Road – re-sheeting	\$208,378.56
▪ Rural Unsealed Roads – Babinboon Road – re-sheeting	\$166,918.60
▪ Stormwater – George Street – drainage line	\$170,689.30
▪ Domestic Waste Management – Community Recycling Centre	\$150,350.65
▪ Plant Purchase – Powerstar AND 6400 Truck Tipper	\$216,547.32
▪ Plant Purchase – Grader – Caterpillar 12M	\$328,000.03
▪ Swimming Pool – Pool Complex Upgrade	\$311,982.82
▪ Gunnedah Water – Kamilaroi Road – mains replacement	\$159,676.11
▪ Gunnedah Water – Porcupine Road – mains replacement	\$157,495.21
▪ Gunnedah Sewerage – Sewer Pump Station and Rising Main	\$308,801.73
▪ Gunnedah Sewerage – Sewer Treatment Plant	\$694,092.02

## Companion Animal Management [LG (Gen) Reg Cl 217 (1)(f)]

Gunnedah Shire Council undertakes patrols and inspections to ensure that owners of companion animals microchip and lifetime register their animals.

Annual data is lodged with the Division of Local Government detailing animals seized, animals impounded, released, sold and euthanized. Any dog attacks are logged on the Companion Animals website giving full details of attack, description of dog, and details of owner.

With the support of local veterinary clinics Council has been actively involved in promotions to re-home impounded companion animals, in lieu of euthanizing these animals. These animals are desexed, microchipped and lifetime registered.

Council also participates in an advertising campaign to promote responsible companion animal ownership. Council has provided an off leash area for owners of companion animals.

Financial information relating to companion animal management and activities is shown below.

DESCRIPTION	ORIGINAL ESTIMATE 2014/15	ACTUALS TO JUNE 2015	ORIGINAL ESTIMATE 2015/16	ACTUALS TO JUNE 2015
Expenditure				
• Impound and control companion animals	\$108,134	\$109,900.95	\$126,556	\$112,620.33
• Dog and cat pound M&R	\$5,700	\$5,131.49	\$2,252.00	\$745,28
• Depreciation	\$1,613	\$1,612.80	\$1,668.00	\$1,612.80
• Overheads – corporate support	\$32,869	\$31,442.57	\$43,280.00	\$52,958.89
<b>TOTAL EXPENDITURE</b>	<b>\$148,316</b>	<b>\$148,087.81</b>	<b>\$173,756</b>	<b>\$167,926.90</b>
Revenues				
Companion animals – registration fees	\$10,000	\$14,348.84	\$10,000.00	\$15,636.00
Dogs – impounding fees	\$11,000	\$3,138.00	\$3,000.00	\$4,101.00
Dogs – fines and costs	\$7,000	\$18,095.79	\$16,000.00	\$19,091.00
Dogs – sales				
<b>TOTAL REVENUES</b>	<b>\$28,000</b>	<b>\$35,582.63</b>	<b>\$29,000</b>	<b>\$38,828.00</b>

SUMMARY OF POUND DATA	DOGS	CATS	TOTAL
Seized and transferred to Council's facility	274	94	368
Returned to Owner	0	0	0
Dumped	0	0	0
Surrendered by owners	7	0	7
Released to Owners	60	0	60
Euthanized	178	87	265
Sold	0	0	0
Released for rehoming	42	7	49
Died at Council facility	0	0	0
Stolen or escaped from Council facility	0	0	0
Holding pending Court Action	0	0	0

## Planning Agreements [EPA S93G(5)]

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On 30 May 2014, the Joint Regional Planning Panel granted consent to Development Application 2012/185 for the expansion of a blue metal gravel quarry at Lot 161 DP755508, 'Burleith', 334 Pownall Road, Mullaley and associated haulage road construction. The Development Consent included the developer entering into a Voluntary Planning Agreement (VPA) under section 93F of the *Environmental Planning and Assessment Act 1979*, for the contribution towards the upgrading and maintenance contribution, at the developer's cost, of public road infrastructure (being haulage roads servicing the quarry, comprising of Barker Road, Marys Mount Road, Goolhi Road, Quia Road and Kamilaroi Highway), resulting from the demand brought about by the proposed development.

The VPA ensures that public infrastructure (particularly public roads) are upgraded to a standard necessary to service the proposed development, and to ensure that contributions are paid toward the maintenance of public roads. It also provides for local development in a manner that ensures the costs associated with infrastructure delivery and maintenance (particularly public roads) are borne by those parties that benefit from or impact on additional loading/demand on same. The VPA also required the surrender of all previous development consents which relate to extractive industries on Lot 161 DP755503, 'Burleith', 344 Pownall Road.

The VPA involves the following works to be undertaken on a staged basis, by the proponent, over a three year period:

- Construct the upgrade works to Barker and Marys Mount Road;
- Construct the upgrade works to Goolhi Road at Emerald Hill;
- Upgrade the Goolhi/Marys Moutn Road, Goolhi/Quia Road and Kamilaroi Highway/Goolhi Road intersections; and
- Pay a monetary contribution to Council of \$0.40/tonne material hauled from site, payable on a quarterly basis and adjusted on an annual basis in line with the Transport Group CPI, for the upgrade and maintenance of the public road network as a result of the proposed development.

The VPA involves the contribution of \$4,768,727.47 over a 22 year period for the upgrade and maintenance of public roads; however an offset for the construction of Marys Mount and Barker Road (by the proponent) has been made against the calculated contribution, being \$4,768,727.47 minus \$2,150,000 which equals \$2,618,727.47.

On 17 December 2012, Council gave consent to Development Application 610514 which proposed an eleven lot industrial subdivision. The proposal included construction of a new road and other associated utility infrastructure. The Development Consent included the developer entering into a Voluntary Planning Agreement (VPA) under Section 93F of the *Environmental Planning and Assessment Act 1979*, for contribution towards, and involving, the following:

- Council constructing and commissioning a sewer pump station and associated ring main.
- Contribution by the proponent of \$175,000 for the construction of the sewer pump station and rising main.
- The provision of a 375mm truck main in lieu of the 335mm main required by the initial development consent through the development site for the future use of 131 Quia Road, Gunnedah.
- Power for the pump station to be provided by the proponent.
- Council not levying additional S94 sewer headworks contributions.

## Carers Recognition [Carers Recognition Act 2010 S8(2)]

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Council human resource and equal employment opportunity policies fully reflect the principles embedded in the Carers Recognition Act 2010.

Council has a carer's leave available for employees who are unable to attend work because of their caring role. If an employee has exhausted all sick leave when performing their caring role other leave may be used which enables the employee to continue in their caring role.

Under some circumstances, flexible working hours have been granted to staff which enables these employees to perform their caring role. These flexible working hours have not impacted on the operation of the business.

## Disability Inclusion [Disability Inclusion Act 2014 S13(1)]

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The project aim is to develop a robust All Abilities Access and Inclusion Plan (Disability Access and Inclusion Plan Project DAIP) for the Gunnedah Shire by July 2017 in partnership with the Gunnedah Access and Inclusion Working Group, in line with the requirements of the *Commonwealth Disability Discrimination Act 1992* and consistent with the NSW Disability Inclusion Plan.

The key actions include:

- Undertake a desktop analysis of existing Council strategic, community and operational plans to determine alignment with the DAIP.
- Identify and record stakeholders who may be impacted by the development of the DAIP.
- Research the legislative context and identify other relevant Acts, Regulations, Standards and Codes of Practice that may add value to the project.
- Undertake a situational analysis of the Gunnedah Shire utilizing ABS data and statistics, with reference to other Council planning documents (ie Namoi Valley 2036) and integrated planning and reporting projections.
- Identify areas of disadvantage in the context of the SEIFA Index.
- Undertake a range of robust community consultations in line with the IAP2 Public Participation guidelines and Community Engagement Matrix in order to determine community aspirations regarding an inclusive community that creates access for all.
- Develop draft plan.
- Review draft plan via 28 day consultation.
- Finalise plan.
- Submit final and endorsed DIAP to ADHC and LGNSW.

## Conditions of Assets [LG Planning and Reporting Manual 2013]

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Gunnedah Shire Council is responsible for assets with a current total replacement value of \$586.613 million and a Carrying Value of \$392.616 million. These assets assist Council to deliver services to the community and provide personal and economic benefits for the area. Council is required to make decisions on where to allocate money and resources to provide and maintain assets delivering the services required. The demand for services has always been greater than the funds to provide services and a constant process of evaluation is required. This is not just in the creation of new assets, but how we manage assets already providing a service to ensure this continues.

Below is a summary of the conditions of major classes of assets held by Gunnedah Shire Council. Council has adopted the Strategic Asset Management Plans which outlines in detail the current position of these asset categories and Special Schedule 7 of the Financial Statements which are included within this Annual Report summarises the condition of Assets.

General Condition Assessment are as follows:

1. Excellent Condition
2. Good Condition
3. Average condition
4. Poor Condition
5. Very Poor Condition

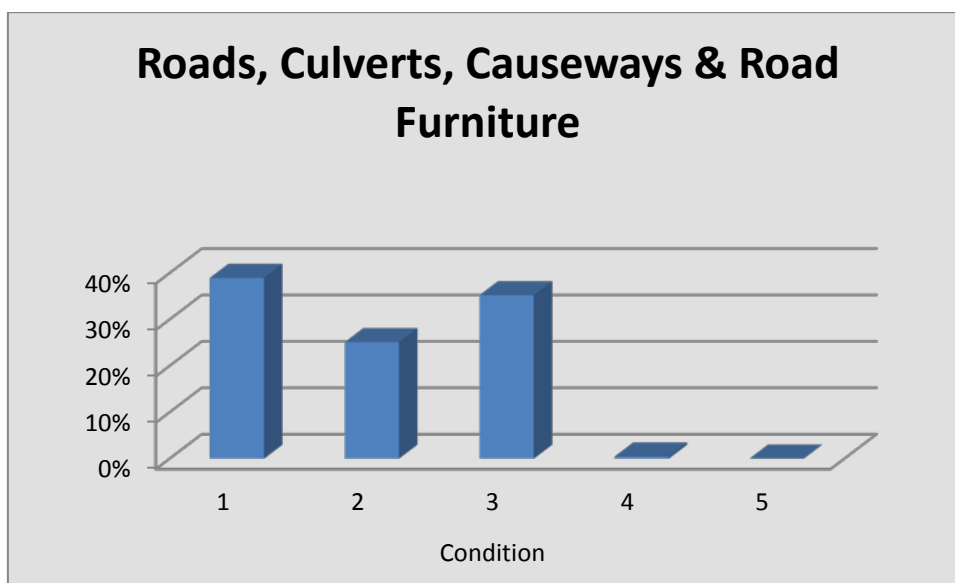


**Roads, Culverts, Causeways, Road Furniture, Guard Rails, Island and Pedestrian Refuges:**

Council’s Roads, Culverts, Causeways & Road Furniture have a Current Replacement Value of \$259.415 million with a written down value of \$189.717 million. The most recent valuation for this class of assets was in June 2015. The Roads are classed as average in condition. The annualised required Maintenance/Renewal cost is approximately \$8.17 million. During the 2015/16 year Council has spent \$6.6 million on Road Maintenance and Renewals. Due to incomplete asset renewals, an amount of \$906,545 has been carried forward from 2015/16 to 2016/17.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$8,003,139	\$7,982,818	\$8,020,460	\$8,060,723
Asset Renewals	\$5,070,959	\$4,695,864	\$4,813,261	\$4,933,591

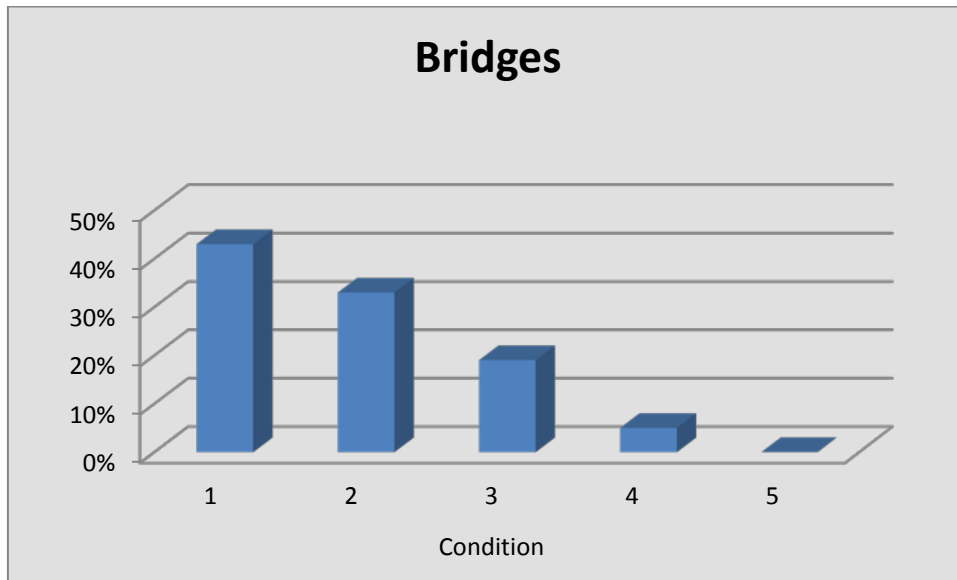


**Bridges:**

Council has 14 bridges within the Shire which consist of 11 concrete bridges and 3 wooden bridges. The Current Replacement Cost of the bridges is \$13.697 million with a written down value of \$7.479 million. The bridges were valued in June 2015. The Annualised maintenance/renewal cost is approximately \$119,000 with current maintenance funding of \$9,000. Simpson’s Bridge is planned for replacement in the 2016/17 year at a cost of \$1.42 million. During 2015/16 there was nil capital expenditure and maintenance cost was nil. Due to incomplete asset renewals (Simpsons Bridge), an amount of \$1.42 million has been carried forward from 2015/16 to 2016/17.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$151,064	\$172,747	\$173,540	\$173,593
Asset Renewals	\$,428,094	\$0	\$0	\$0

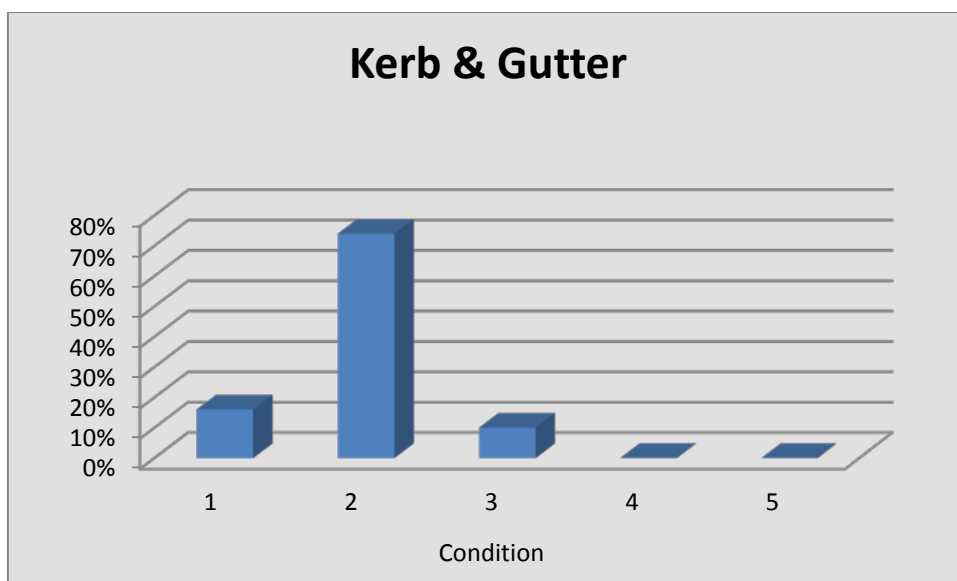


**Kerb and Gutter:**

Council is responsible for maintaining Kerb & Gutter to a length of 142.511km. The Current Replacement Value of Kerb & Gutter is \$26.948 million with a written down value of \$13.342 million. The valuation of the Kerb & Gutter was undertaken in June 2015. The required maintenance/renewal cost is \$364,835. The majority of Council maintenance is caused by street trees. Kerb renewals are programmed in line with Urban Street renewals. During 2015/16 council spent \$367,368 on renewal works and \$34,795 on asset maintenance. Due to incomplete asset renewals, an amount of \$103,253 has been carried forward from 2015/16 to 2016/17.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$410,479	\$411,041	\$426,084	\$426,735
Asset Renewals	\$622,020	\$415,313	\$425,696	\$436,338

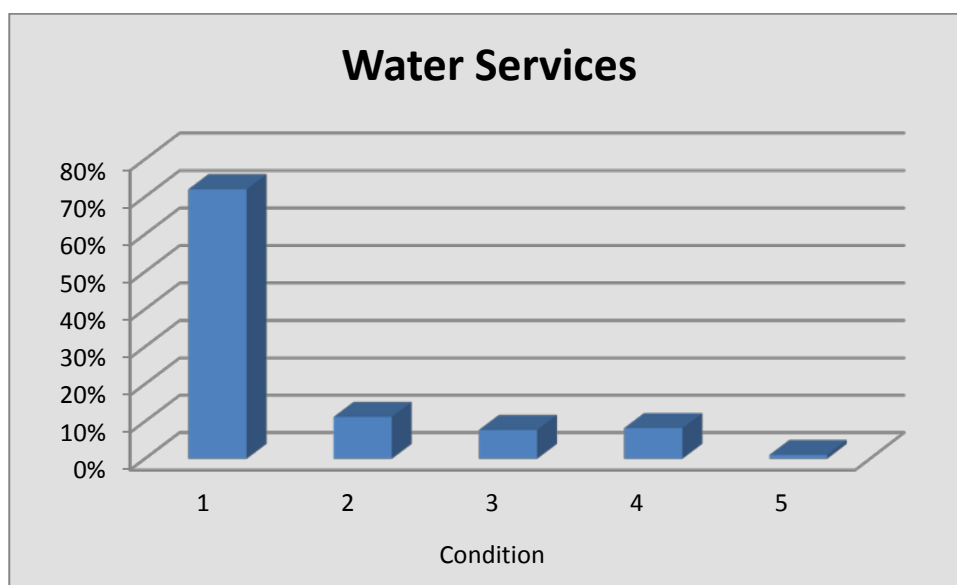


**Water Services:**

Council has four Water Supplies being Gunnedah, Curlewis, Mullaley & Tambar Springs. The Water Services network is 202.88 km long. The Current Replacement Value of the Water Systems is \$67.870 million with a written down value of \$40.867 million. The valuation of the Water System was carried out in 2012 by Asset Val Pty Ltd. The Annualised maintenance and renewal cost is \$1.89 million. These are covered by the Water Annual Fees and User Charges. The graph shows the Water Systems in an average to good position. During 2015/16 Council has spent \$805,603 on asset renewals and \$952,394 on maintenance. Due to incomplete asset renewals, an amount of \$2.42 million has been carried forward from 2015/16 to 2016/17.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$3,052,885	\$3,158,678	\$3,231,970	\$3,288,139
Asset Renewals	\$1,463,97	\$877,575	\$636,602	\$3,152,517

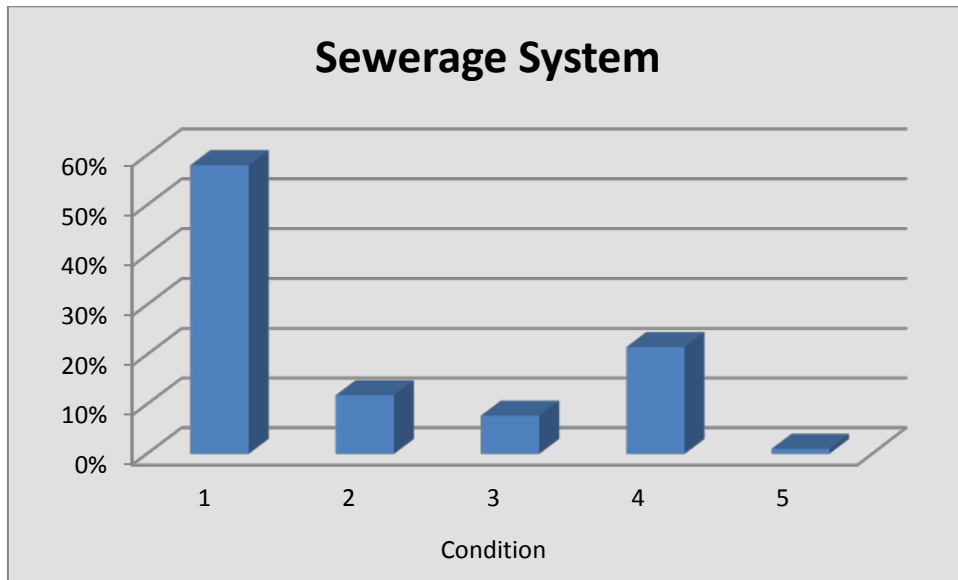


**Sewerage System:**

Council has two Sewerage Schemes being the Gunnedah and Curlewis. The Sewerage Schemes have 129.92 km of pipelines plus Treatment Works. The Current Replacement Value of the Sewerage Schemes is \$54.875 million with a written down value of \$31.656 million. The valuations are based on the 2012 Asset Valuation by Asset Val Pty Ltd. The Annualised maintenance and renewal cost is \$634,633. These are covered by Annual charges and User Fees of the Schemes. There is a major upgrade planned in the Operational Plan in 2016/17 for \$6 million for a Treatment Plant upgrade. During 2015/16 Council has spent \$1,219,682 on Asset Renewals and \$429,785 on maintenance.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$1,945,947	\$2,042,394	\$2,093,505	\$2,125,360
Asset Renewals	\$6,392,632	\$399,948	\$842,447	\$585,133

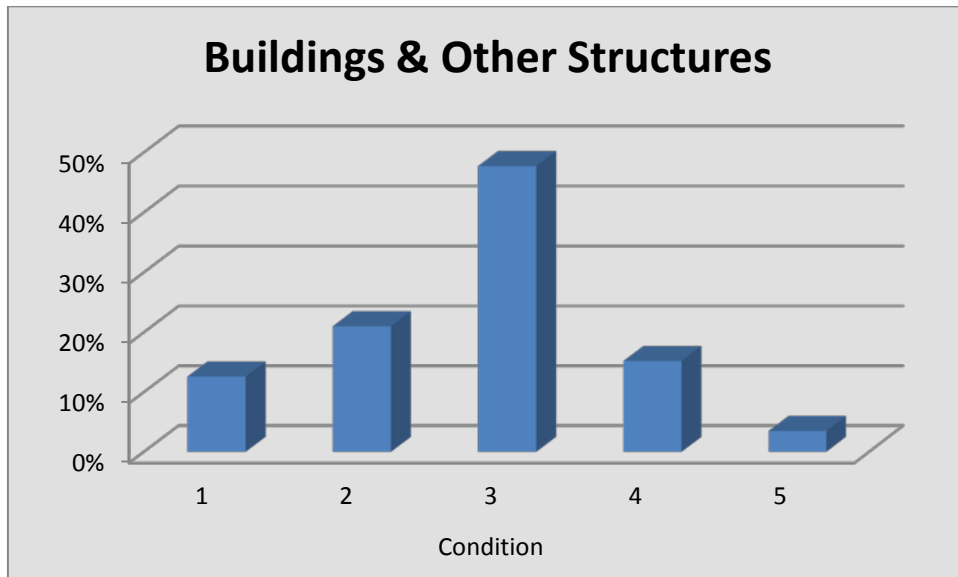


**Buildings and Other Structures:**

Council Buildings and Other Structures have a Fair Value of \$64.137 million with a written down value of \$39.367 million. The graph below is based on a Peter Spackman Valuations review in 2013. It shows the Council buildings are in an average condition. The cost to bring the assets up to standard is \$355,081 and an annual Maintenance and Operational Cost of \$763,458. During 2015/16 Council has spent \$28,350 on asset renewals.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$842,496	\$858,835	\$902,423	\$906,026
Asset Renewals	\$40,445	\$41,456	\$42,492	\$43,554



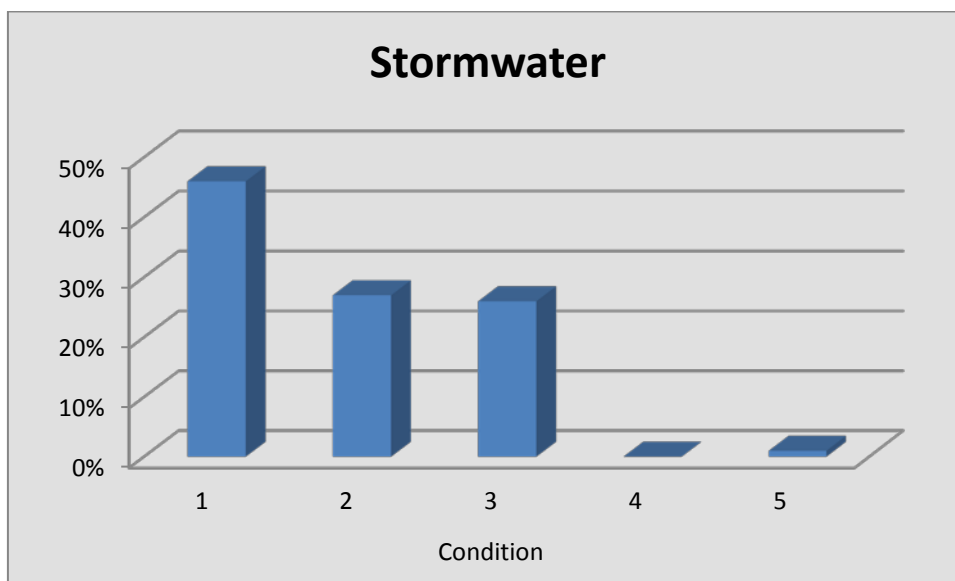


**Stormwater:**

Gunnedah Shire Council’s Stormwater system is 45.64km and has Current Replacement Cost of \$33.528 million and a written down value of \$23.865 million. The graph below is based on internal revaluation in June 2015. The Annualised maintenance/ renewal cost is approximately \$26,929. The Stormwater System is rated with a good Condition. During 2015/16 Council has spent \$247,963 on new works and \$29,742 on maintenance works.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$409,767	\$401,723	\$417,012	\$409,252
Asset Renewals	\$125,272	\$69,174	\$0	\$173,000
New Assets	\$0	\$0	\$0	\$0



**Domestic Waste Management:**

Reinstatement, rehabilitation and restoration of the Gunnedah Landfill is valued at \$5.208 million. Buildings, land and equipment at the Gunnedah Waste Management Facility are valued at \$3.310 million. “Overtopping” (filling over previous landfilled areas ) of the existing cells has not been quantified.

The Graph below is based on an internal valuation in 2014.The condition of the Waste Management Facility buildings is rated excellent to good condition. 2015/16 the Gunnedah Waste Management Facility received a total of 14,035 tonnes of waste which consisted of the following:

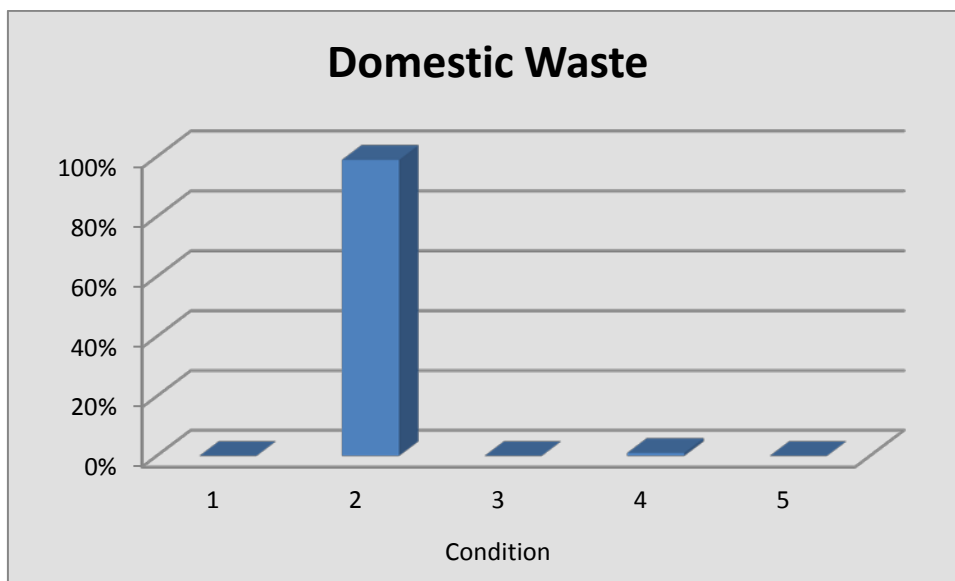
- 7289 tonnes of domestic waste;
- 3282 tonnes of Commercial and Industrial;
- 3465 tonnes of Construction and Demolition;
- 2184 tonnes of resource recovery materials (recycled).

There are 4,228 households with a weekly kerbside bin service – 3282 of these households have a fortnightly green waste service.

During 2015/16 Council has spent \$182,342 at the Facility on Asset Renewal and New Assets and 2,070,837 on the maintenance and operations expenses.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$3,363,206	\$3,328,173	\$3,401,114	\$3,524,176
Asset Renewals	\$0	\$45,000	\$1,651,602	\$0
New Assets	\$100,000	\$150,000	\$700,000	\$365,000

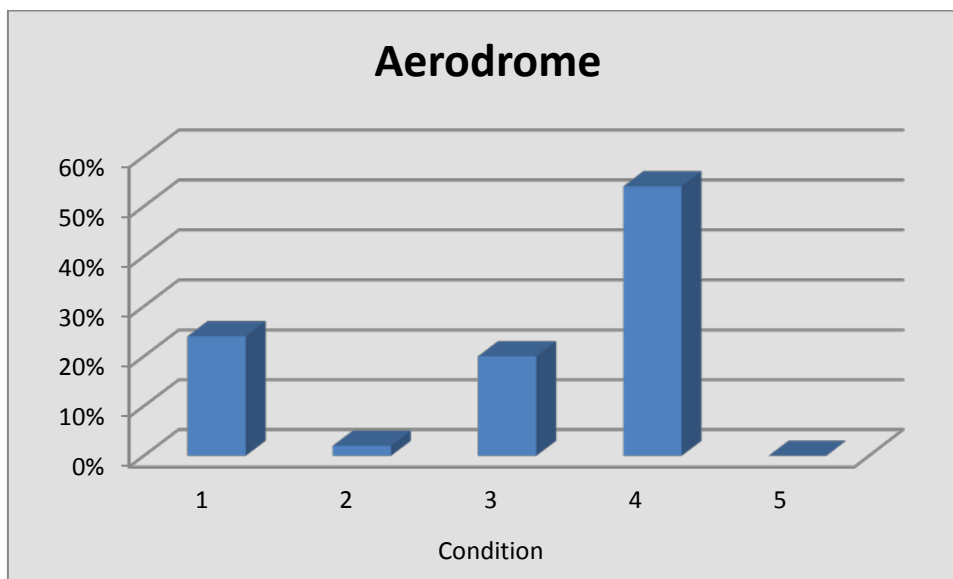


**Aerodrome:**

The Gunnedah Aerodrome is Valued at \$5.045 million excluding Land & Buildings with a written down value of \$1.013 million. The Valuation is based on an internal valuation as at 2015 and is rated in average condition. The Current maintenance cost is \$36,000 per year and costs to bring up to standard of \$490,000. The airport has a low income base of \$13,590 per year. During 2015/16 Council has spent \$73,807 on Asset Renewals and \$34,113 on Grounds & Airstrip Maintenance.

The table below outlines Councils Program for the next 4 years:

	2016/17	2017/18	2018/19	2019/20
Maintenance and Operations	\$204,535	\$204,983	\$213,533	\$212,907
Asset Renewals	\$490,393	\$44,022	\$5,771	\$36,230



#### OTHER ASSET CATEGORIES CONDITION:

Asset Category	Condition 1 %	Condition 2 %	Condition 3 %	Condition 4 %	Condition 5 %
Footpath/Off Road Cycleway	59	29	11	1	0
Bus Shelters and Taxi Ranks	46	27	27	0	0
Swimming Pools	0	0	75	25	0
Parks	35	45	20	0	0
Sporting Grounds	70	25	5	0	0
Plant	10	30	45	15	0
Works Depot	10	70	20	0	0
Information Technology	15	60	20	5	0
Land	0	50	50	0	0
Cemeteries	10	80	10	0	0
Quarries	12	53	35	0	0
Saleyards	24	46	30	0	0

## Financial Summary [LG Planning and Reporting Manual 2013]

Attached to this 2015/16 Annual Report is a copy of Gunnedah Shire Councils Financial Statements including the General Purpose Financial Statements, Special Purpose Financial Statements and the Special Schedules. This also includes comments from Council's Auditors Crow Horwath Auswild.

#### OPERATING RESULT:

Council's Net Operating Result for the 2015/16 year is \$15.163 million after Grants and Contributions which compares with \$6.522 million for the year ended 2014/15.

Council's Net Operating Result before Capital Grants and Contributions is \$6.299 million compared to \$4.325 million for the 2014/15 year.

This puts Council's overall financial position in a satisfactory position. This result is as a result of Council undertaking a comprehensive community consultation process and has been successful in obtaining a Special Rate Variation spread over the next four years from 2013/14 to 2016/17 to ensure Council's long term sustainability.

## INCOME:

Below is a detailed summary of Income from Continuing Operations in 2015/16 and variations from 2014/15 and a brief explanation of the variances:

TYPE	2015/16 \$'000	2014/15 \$'000	PERCENTAGE CHANGE
Rates and Annual Charges	16,157	14,864	8.7%
User Charges and Fees	11,800	10,985	7.42%
Interest and Investment Revenue	1,693	1,597	6.01%
Other Revenues	819	814	0.61%
Grants and Contributions provided for Operating Purposes	12,218	9,883	16.61%
Grants and Contributions provided for Capital Purposes	8,864	2,792	303.46%
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>51,551</b>	<b>40,935</b>	<b>25.93%</b>

- Special Rate Variation was approved for Rates & Annual Charges for 2015/16 was 9.5%.
- User Fees and charges – Mainly due to increased work carried out on the State Roads under the RMCC contract and additional water usage due to the dry summer.
- Interest & Investments – the interest rates are at historical lows, however due to the increase in funds held (\$56,071 million as at 30<sup>th</sup> June 2016 as compared to \$48.748 million as at 30<sup>th</sup> June 2015) has meant increased revenue from Investments. Total Interest rose from \$1.597million in 2014/15 to \$1.693 million in 2015/16.
- Operating Grants & Contributions – have increase from \$10,478 million in 2014/15 to \$12,218 million in 2015/16 with additional funding being received from GoCo community care programs and additional Roads to Recovery grants for various project funding.
- Grant & Contributions – have increased from \$2,197 million in 2014/15 to \$8,864 million in 2015/16. These are mainly due to additional assets contributed by developers and now recognised by Council. These include land under roads, roads, stormwater, kerb & guttering, water and sewerage assets.
- Other Revenues – increased from \$814K in 2014/15 to \$819K in 2015/16. This includes additional rent recoveries on council properties and revenue from shared services with other Councils.

## EXPENSES:

Below is a detailed Summary of Operating Expenses from Continuing Operations for 2015/16 and variations from 2014/15 and a brief explanation of the variances:

TYPE	2015/16 \$'000	2014/15 \$'000	PERCENT CHANGE
Employee Benefits and On-Costs	\$13,215	\$12,950	2.05%
Borrowing Costs	\$728	\$541	34.57%
Materials and Contracts	\$9,741	\$9,036	7.8%
Depreciation and Amortisation	\$9,341	\$9,035	3.39%
Impairment	\$57	0	0
Other Expenses	\$2,809	\$2,621	7.17%
Net Losses from the Disposal of Assets	\$497	\$230	116.09%
	<b>\$36,388</b>	<b>\$34,413</b>	<b>6.39%</b>

- Employee Costs have increased by \$265K mainly due to an increase in wages and salaries of 2.5% across staff. Full time employees have reduced to 170 from 175 at 30 June 2015.
- Borrowing Costs reflecting the low loan Portfolio balance held by Council which will assist Councils capacity to borrow into the future. During 2015/16 the projected loan borrowings have been deferred to 2016/17 in line with expenditure on specific projects.



- Materials and Contract – reflects the increased renewal works carried out by council as opposed to the just maintaining of assets. The major variance is due to additional RMCC works as reflected by the increase in revenue.
- Depreciation and Amortisation – Council revalued infrastructure assets as at 30<sup>th</sup> June 2015 this has varied depreciation in 2015/16.

#### ASSETS:

Council has net assets under its control as at 30 June 2016 of \$430.017 million being an Increase of \$18.238 million from 30 June 2015.

The majority of this figure relates to Infrastructure, Property, Plant & Equipment of \$392.616 million.

With such a large Asset base, on average, these assets are consumed at a rate of \$9.341 million per annum. With depreciation representing 25.67% of Councils annual operating expenditure, it is critical that capital expenditure and maintenance of these assets are undertaken in an informed, responsible and accountable manner.

The below table represents the Major classes of Assets, Fair Value replacement cost, Accumulated Depreciation (Deterioration), Written Down Value & a percentage of deterioration:

Asset Type	FAIR VALUE \$'000	ACCUMULATED DEPRECIATION \$'000	WRITTEN DOWN VALUE \$'000	ACCUMULATED DEPRECIATION/FV %'000
Roads, Bridges, Footpaths	\$313,545	\$95,659	\$217,886	30.51%
Stormwater Drainage	\$32,528	\$8,664	\$23,864	26.64%
Water Supply Network	\$67,870	\$27,004	\$40,866	39.79%
Sewerage Network	\$54,875	\$23,219	\$31,656	42.31%
Buildings and Other Structures	\$64,137	\$24,769	\$39,368	38.62%
Plant and Equipment	\$19,336	\$10,988	\$8,348	56.83%
Land	\$17,735	\$0	\$17,735	n/a
Other Assets	\$16,587	\$3,694	\$12,893	22.27%
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT</b>	<b>\$586,613</b>	<b>\$193,997</b>	<b>\$392,616</b>	<b>33.07%</b>

#### CASH AND CASH EQUIVALENTS

Council has a total of cash, cash equivalents and investments totalling \$56.071 million as at the 30<sup>th</sup> June 2016 which is an increase of \$7.323 million from 30<sup>th</sup> June 2015 where they totalled \$48.748 million. Councils investments increased during the year mainly due to capital projects being deferred to 2016/17 including the swimming pool and the sewerage treatment plant.

Whilst Council's Investments appear healthy, the majority of funds are either restricted by external legislation (\$34.182 million) or by Internal Policy (\$13.055 million) which only leaves \$8.834 million of Investments as unrestricted.

External Restrictions include as follows:

- Developer Contributions – S94 - \$1.958 million.
- Developer Contributions – S64 - \$4.324 million.
- Water Supplies – Gunnedah, Curlewis, Mullaley and Tambar Springs - \$10.378 million.
- Sewerage Schemes – Gunnedah and Curlewis - \$8.992 million.
- Waste Management Facilities - \$4.714 million.
- Unexpended Grants - \$3.811 million.

Internal Restrictions include as follows:

- Plant Replacement Reserves - \$961,000.
- Employee Entitlement Reserves - \$1.361 million.
- Future Works - \$6.668 million.
- Saleyards - \$1.152 million.

Council is required to recognise investments held at 30<sup>th</sup> June each year at their market value. As with previous years volatility within the financial markets (Global Financial Crash). As at the 30<sup>th</sup> June 2016 nil investments subject to market variations.

**KEY FINANCIAL RESULTS SUMMARY (2015/16):**

- Operating Result from Continuing Operations is \$15.163 million Surplus.
- Operating Result before Capital Funding is \$6.299 million Surplus.
- Net Assets Increased by \$18.238 million to \$430.017 million. (Note \$3.075 million relates to the revaluation of Community Land, other structures, water & sewerage schemes, swimming pools and open space assets.)
- Total Expenses from Continuing Operations increased by \$1.975 million to \$36.388 million.
- Total Revenue from Continuing Operations increased by \$10.616 million to \$51,551 million. (note \$7,355 was received in developer non-cash contributions).
- Cash, Cash Equivalents & Investment increased by \$7.326 million to a total of \$56.071 million.
- Infrastructure, Property, Plant & Equipment increased by \$12.049 million to \$392.616. million. (Revaluations \$3.075 million new, upgrades and renewal of assets \$19.219 million, depreciation of \$9.341 million).
- Borrowings decreased by \$291K to \$9.189 million.
- Provisions (Leave Entitlements) increased by \$267K to \$4.703 million.

**PERFORMANCE INDICATORS:**

Below are the Local Government Industry Indicators which indicated Council performances are within acceptable ranges:

Performance Indicators	2015/16	2014/15	2013/14	2012/13
Operating Performance Ratio	15.92%	11.74%	10.31%	7.28%
Own Source Operating Revenue Ratio	59.10%	69.03 %	73.08%	65.39%
Unrestricted Current Ratio	6.29x	5.43 x	4.95 x	4.81 x
Debt Service Cover Ratio	16.61x	13.36x	22.49 x	18.76 x
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	4.57%	5.46%	7.96%	7.30%
Cash Expense Ratio	23.25 Months	21.99 Months	20.00 Months	16.36 Months

1. **Operating Performance Ratio** – *This ratio measures Council’s achievement of containing operating expenditure within operating revenue.* Gunnedah Shire Council continues to maintain operating expenditures within Operating revenues. Local Government Benchmark >= 0.00%.
2. **Own Source Operating Revenue Ratio** – *This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.* Gunnedah Shire Council continues to maintain a reliance on its own funding such as rates and not totally on grants and contributions. The result for 2015/16 is 59.10% which is below the benchmark of 60%. This is a result of the additional developer contributions received during the year.

*Local Government Benchmark >= 60.00%.*

3. **Unrestricted Current Ratio** – *is the total cash or cash convertible assets available to meet obligations in the short term.* Gunnedah Shire Council remains in a healthy position with this ratio and should meet obligations as they fall due.

*Local Government Benchmark >= 1.5*

4. **Debt Service Ratio** – *The amount used to repay borrowings as a percentage of total income from continuing excluding capital contributions and capital grants, and specific purpose contributions and grants.* Gunnedah Shire Council has taken out a loan during 2014/15 of \$4 million which has increased the ratio this year. The 2015/16 loan borrowings have been deferred to 2016/17 in line with expenditure on projects that have been deferred. Gunnedah Council still remains in a strong position to take out additional loans when required.

*Local Government Benchmark >= 2.00*

5. **Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage** – *This percentage is based on the amount outstanding as a percentage of the amount to be collected for rates and annual Charges for the current year and outstanding from the previous years.* Gunnedah Shire Council has reduced its outstanding collection percentage again this year due to strengthening of Council’s revenue policy and procedures and a major push to collect long outstanding accounts.

*Local Government Benchmark < 10.00 %*

6. **Cash Expense Ratio** – *this liquidity ratio measures the number of months Council can continue paying for immediate expenses without additional cash flow.* Council has invested in safe and liquid term deposits and is well set to meet its obligations.

*Local Government Benchmark < 3.00*

Below are the Local Government Industry Indicators which Report on Councils Infrastructure Assets:

<b>Infrastructure Assets Indicators</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>
Building, Infrastructure and Other Structures Renewal Ratio	94.75%	103.87 %	121.79%	115.24%
Infrastructure Backlog Ratio	2.53%	2.91 %	4.27%	5.82%
Asset Maintenance Ratio	1.07	.99	.95	1.03
Capital Expenditure Ratio	1.96	1.32	1.85	1.20

1. **Building, Infrastructure & Other Structures Renewal Ratio** – *This ratio assesses the rate at which these assets are being renewed relative to the rate at which they are depreciating.* Gunnedah Shire Council objective is to match spending on infrastructure renewals with their systematic deterioration. Council has achieved 94.75% this year which is in line with our objective of 100% in the long term. More information can be obtained from Council’s Strategic Asset Management Plans.

*Local Government Benchmark >= 100.00%*

2. **Infrastructure Backlog Ratio** – *This ratio shows what proportion the backlog is against the total value of Councils Infrastructure.* Gunnedah Shire Council shows a reducing trend to show Council continues to tackle the Infrastructure Backlog.

*Local Government Benchmark <2.00%*

3. **Asset Maintenance Ratio** – *This ratio compares the actual expenditure v’s the required expenditure on asset maintenance.* Gunnedah Shire Council shows it is committed to maintaining its current assets.

Local Government Benchmark >1.00

4. **Capital Expenditure Ratio** – *This ratio assesses the extent to which Council is expanding its asset base through capital expenditure on both new assets and the replacement and renewal of existing assets*. Gunnedah Shire Council shows it is renewing assets at a greater rate than deterioration

Local Government Benchmark >1.10.

## Privacy and Personal Information Protection [Annual Reports (Statutory Bodies) Regulation 2015 CI8]

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### ***Statement of the action taken in complying with the requirements of the Act***

The Privacy and Personal Information Protection Act provides for the protection of personal information and for the protection of the privacy of individuals. It establishes 12 Information Protection Principles which cover the collection, storage, use, disclosure of and access to an individual's personal information.

Council reviewed and adopted the Model Privacy Management Plan for Local Government on 20 March 2013. The updated plan incorporated the requirements of the Health Records and Information Privacy Act and includes reference to the Government Information (Public Access) Act.

A copy of the Plan has been distributed to all Managers and posted on the staff intranet and on Council's website.

### ***Statistical details of any review conducted by or on behalf of the Council***

There were no applications for review of Council's actions under the Privacy and Personal Information Protection Act or the Health Records and Information Privacy Act during 2015/16.





# **Delivery Program and Operational Plan Progress Report**

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business & Finance	Financial Management	Eric Groth	1.2.8.2 Provide Council with a Long Term Financial Plan.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The Long Term Financial Plan for 2015-2025 is available to the community on Council's website.
Business & Finance	Stores	Eric Groth	1.2.10.7 Ensure effective and efficient management of Council's Store.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's store has operated effectively and within budget. Internal Audit actions arising from previous audit are being implemented in accordance with recommendations and plan.
Business & Finance	Financial Management	Eric Groth	1.2.10.1 Ensure Council meets all of its statutory requirements in a timely manner with regard to external financial reporting	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council has met all statutory reporting requirements during the period.
Business & Finance	Financial Management	Eric Groth	1.2.8.1 Maximise the return on Council's investment portfolio in line with pre-determined risk parameters, compliance with the Local Government Investment Order and Council's Investment Policy.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council funds have all been invested in line with the Investment Policy, in a manner that is prudent, diversified and varied in time frames to enable required cash flows of the business and simultaneously maximise return within councils accepted risk parameters. Finance constantly reviews Investments in line with the Investment Policy and the Ministers Order.
Business & Finance	Plant	Eric Groth	2.2.1.22 Ensure effective and efficient management of Council's plant.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's plant has been effectively managed within budget. There has been no impact on internal users of plant through issues associated with plant management during the period.
Business & Finance	Financial Management	Eric Groth	1.2.1.1 Provide systems and processes to effectively communicate and manage Council's financial performance.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's accounting systems and processes are maintained appropriately as evidenced by external audit. Improvements have been made in the area of procurement to further strengthen internal controls as a result of prior year internal audit activities. Quarterly Budget Review processes and systems ensure that performance against budgets are managed and management, councillors and the community are kept informed of performance. Executive review of monthly budget reports have been formalised during 2015/16 following internal audit.
Business & Finance	Rates	Eric Groth	1.2.8.4 Ensure rates and charges are modelled, levied and collected in accordance with regularity and Council requirements.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's rates and charges are modelled, levied and collected in accordance with all requirements. In addition to meeting all legislative and policy requirements, Council's staff have significantly reduced the balance of rates and charges outstanding.
Business & Finance	Loans	Eric Groth	1.2.8.3 Manage Council's loan portfolio and utilise loan funds in line with Council's long term strategy for its funding mix and to	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council borrows to fund cash flow requirements as identified in the Long Term Financial Plan, and to give effect to Strategic Asset Management Plans with regard for inter-generational equity considerations.
Business & Finance	Financial Management	Eric Groth	1.2.10.2 Ensure effective and efficient delivery of financial management services across the	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Financial services have been delivered within budget. All reporting requirements have been met.
Business & Finance	General Purpose Revenue	Eric Groth	1.2.10.3 Ensure accurate and timely compliance with supplementary external reporting	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Supplemental reporting requirements met within timeframes.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Corporate Planning	Colin Formann	1.7.4.1 Ensure effective and efficient management of the Integrated Planning and Reporting process.	01/07/2013 0:00	30/06/2017 0:00	In Progress	50	The IPR Working Group conducted 3 meetings from July-December 2015. An extensive timeline has been developed by the Group which incorporates deadlines for which all quarterly and bi-annual reports are required for inclusion in Business Papers for presentation to Council and budget construction meetings with the Executive Management Team to formulate the budgets across the organisation for the 2016/17 Operational Plan. In the 2015/16 period, 230 Actions have been applied across the 135 Strategies identified by the community to be delivered over the life of the 2012-2022 Community Strategic Plan. The 2013-2017 Delivery Program and Operational Plan 2016/17 were adopted by Council on 22/06/16. The process included Business Unit Managers are required to provide supporting documentation and undertake a trend analysis to review historical income and expenditure patterns, and make forward projections considering long term budgeting assumptions and indexation. Draft actions and tasks were prepared and discussed/reviewed with each Business Unit Manager to ensure all services/responsibilities for their area of responsibility were incorporated into the Plan to ensure the document provided the community with a clear understanding of what will be achieved in 2016/17. Council staff prepared the document so that the format is owned by Council which will enable any amendments, ie changes to fees or charges as the result of legislative amendments, to be made by staff in-house.
Business Systems and Governance	Governance	Colin Formann	1.2.5.7 Manage and conduct local government election process.	01/07/2013 0:00	30/06/2017 0:00	In Progress	50	Meeting have been held with Council's Returning Officer and Assistant Returning Officer in preparation for the 2016 NSW Local Government Election, and both have confirmed their availability to conduct the election. The NSW Electoral Commission commenced forwarding documentation and associated templates for the conduct of the election in late May and June with some preparatory work being undertaken in consultation with the Returning Officer.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Administration	Colin Formann	1.2.5.1 Ensure effective and efficient provision of administrative services to various corporate departments of Council.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Provision of ongoing administrative assistance provided to Business and Finance Department and Human Resources Department. This included, but is not limited to, scanning and registration of 1175 debt collection documents, 905 payroll forms and preparation of 20 recruitment packs for the period. 568 debt recovery letters were registered and scanned in the period January-June 2016, and 17 recruitment packs were prepared and provided to HR. 948 payroll forms, including leave applications, were registered in the period. The implementation of the new Procurement and Tendering process included the creation of a specific registration process for all tender submissions and associated documents, with 324 documents registered in the period.
Business Systems and Governance	Information Technology	Colin Formann	3.6.5.1 Operation and ongoing management of CCTV Gunnedah CBD surveillance system.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		11 requests from the NSW Police Service were received for CCTV footage from one or more of the 16 cameras within the Gunnedah Central Business District during the period. The requests were responded to within an average of 5 working days of receipt of the request. 6 requests for CCTV footage was requested by the NSW Police Service during the January-June period. An application has been submitted to the Safer Streets Program through the NSW Attorney Generals Office to fund Stage 3 with significant input from IT staff to assist in consulting affected business owners in relation to the technology being utilised, the area the cameras will cover and infrastructure requirements to affix the cameras to their business façade.



Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Corporate Planning	Colin Formann	1.2.5.4 Deliver and support effective corporate training services across the organisation.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		4 corporate induction sessions have been conducted with 17 new employees participating in the one day workshops designed to provide an overview of Council's operations and our role in the community. In-house customer service training was delivered across the organisation with 84 indoor workers and 56 outdoor workers attending. Training in the new Procurement and Tendering Policy was also delivered in-house with 93 participants being trained in the new procedures. A Leadership Forum was held in July with 30 participants from across the organisation. Staff in a supervisory or management role attended the July forum which focussed on the Fit for the Future process, the 2015/16 Operational Plan and the session also provided staff with the opportunity to raise any issues within their respective areas. 10 new employees commenced with Council in the January-June period, with 3 inductions conducted. 2 leadership forums were held, with topics covered including: overview of the Local Preference Policy, review results of the Employee Engagement Survey, presentation on the 2016/17 Operational Plan and an introduction to the new Performance Evaluation System (PES). 14 training sessions were conducted on the new PES process with 93 staff participating. At the March forum, a supervisor scenario activity was conducted which provided an opportunity for staff to work together on day-to-day situations that may arise and to be open to considering various options to find solutions.
Business Systems and Governance	Information Technology	Colin Formann	2.4.4.2 Delivery and support web based technologies to facilitate effective communication both internally and within the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's website recorded 14,821 sessions (hits), with 2,168 of those are mobile/tablet sessions, 8,907 of visitors are new (60.1%) and 5,914 of visitors are returning (39.9%). Council's internal intranet site was redeveloped which has facilitated better communication and a centralised repository of information across the organisation. The site is built on the same platform as the external website which has reduced operational cost due economies of scale. 60.7% new visitors and 39.3% returning visitors to Council's website in the January-June period, resulting in 15,120 sessions. 2,168 of those sessions were mobile/tablet users. Due for release in August, the new Gunnedah Shire Council website project has been a major project for the IT team. All information on the old website has been rebuilt and upgraded to the latest technologies which will result in a modern, fresh and user friendly website that responds to desktops, tablets and mobiles. The new features have been designed to provide easier and quicker access to site content and information and it has been deemed compliant against the Website Content Accessibility Guidelines, meaning the site is easily accessible to those with a wide range of disabilities.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Administration	Colin Formann	1.2.5.3 Provide systems and processes to manage stationery supplies for the Administration Office	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Ongoing savings achieved as a result of centralised purchasing for the Administration Office and sourcing alternative printers for business cards and letterheads.
Business Systems and Governance	Governance	Colin Formann	1.2.1.3 Establish and support an internal audit function of Council, including Internal Audit Committee.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Three internal audits were conducted in this period, with two comprising two areas for review. The associated action plans include the methodology of the reviews and rate each agreed action in terms of risk. Review and Monitoring of Delivery Program and Operational Plan - 13 actions (2 high risk); Compilation of Council Agenda Papers - 7 actions (1 high risk); Complaint and Customer Request Handling - 3 actions (nil high risk); Review of Records Management - 19 actions (6 high risk). Two internal audits were undertaken in the January-June period: Plant Management and Utilisation - 12 actions (1 high risk) and 2 suggested efficiency gains; Human Resources Strategies, Policies and Procedures - 9 actions (2 high risk).
Business Systems and Governance	Governance	Colin Formann	1.2.5.8 Provide systems and processes to identify and manage all risks of Council both operational and strategic.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council has implemented an Enterprise Risk Management Framework, Each risk is reviewed regularly with the respective Manager in consultation with the Risk Officer and ultimate oversight of the framework by the Audit Committee. 20 strategic risks and 120 operational risks were identified as at 30 June 2016. 24 public liability notifications were recorded during the period with 1 claim settled.
Business Systems and Governance	Governance	Colin Formann	1.2.1.5 Provide systems and processes to identify and manage Council's governance framework to identify any gaps or areas for development and improvement.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		8 policies were reviewed and adopted by Council during the July to December period, including the Managing Unreasonable Complainant Conduct, Procurement and Tendering, Project Management, Street Trading, Pesticides Use Notification, Social Media and Communication and Media Engagement. 2 policies were reviewed in the January to June quarter: Street Trading Policy and the Local Preference Policy, which was formally adopted following public exhibition. The Project Management Framework has been implemented and a tracking report is regularly provided to managers. The estimated budget, expenditure to date, commencement date, progress and anticipated completion date are updated via meetings between Governance staff and relevant business unit managers to ensure the data is up to date and provides an accurate depiction of stage of each project.
Business Systems and Governance	Information Technology	Colin Formann	4.6.2.1 Investigate opportunities to utilise new information technologies across the organisation.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Information Technology strategy has been developed to promote the adoption of new technologies based on a business case assessment. During the period a WiFi network was rolled out across the organisation and mobile device management systems were implemented to improve the use and management of mobile devices.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Information Technology	Colin Formann	1.2.10.5 Ensure effective and efficient delivery of information technology across the organisation.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		525 IT support tickets were logged in the reporting period, with 43 outstanding as at 31 December 2015. Staff attended a course in relation to CCTV operations and Crystal Report writing. IT support tickets continue to provide staff with an efficient and effective way of providing assistance across the organisation, with 495 tickets opened in the January-June period. 31 tickets remained outstanding as at 31 June 2016.
Business Systems and Governance	Corporate Planning	Colin Formann	2.4.4.1 Ensure effective relevant communication to Council's achievements via the Annual Report.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A review of the Annual Report was undertaken resulting in a more user friendly layout and a clearer link highlighting the achievements relating to Community Strategic Plan. Day to day activities, major projects and quick facts were directly linked to the Outcomes. The Integrated Planning and Reporting Framework was used as the primary source of information for the report which reduced administrative overhead and duplication of effort.
Business Systems and Governance	Governance	Colin Formann	1.2.1.4 Promote and support effective open and transparent Council decision making.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council conducted 6 Ordinary and 2 Extraordinary meetings in the period commencing July 2015, resulting in 143 resolutions adopted by Council (8 in Closed Council) with 24 outstanding as at 31 December 2015. As well as audio recorded for record keeping purposes, Council's Ordinary and Extraordinary Meetings are now broadcast live over the internet with residents able to listen to the discussions and resolutions as they are made. 5 Ordinary and 1 Extraordinary meetings were conducted between January-June, resulting in 137 resolutions adopted by Council (11 in Closed Council) with 20 outstanding as at 30 June 2016. The April Ordinary meeting was held in the Emerald Hill Hall hosted by the Emerald Hill Progress Association and the June Ordinary meeting was held in the Kelvin Hall hosted by Kelvin Hall Inc. This was the first meeting held in Emerald Hill and was particularly well attended with over 50 people in the gallery.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Administration	Colin Formann	1.2.5.2 Oversee Administration Traineeship - 12 month fixed term and School-based Traineeship.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The Administration Trainee successfully achieved his Business Administration Certificate II and completed his on-the-job training on 15 January 2016. The on-the-job component included scanning and registration into Council's electronic records management, date entry into resident and cemetery register databases and general administration tasks. The incumbent trainee maintained a 100% attendance records for the duration of the 12 month traineeship. Council nominated our trainee in the 2015 NSW Regional Training Awards and he was a Finalist in the business administration section. A new Trainee commenced in the position on 18 January 2016 and has been assisting both the Records and Governance teams with various projects, including the creation of the registration process for the tender documentations.
Business Systems and Governance	Governance	Colin Formann	1.2.1.2 Ensure effective and efficient purchasing and procurement framework is in place across the organisation.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The Tendering and Procurement Policy was adopted at the December Ordinary meeting of Council, with a Management Directive and Procedure/User Guide also completed to assist staff in relation to procuring and tendering for goods, works and services. Several consultation sessions with key stakeholders across the organisation were held to ensure that all areas of Council's operations was considered in relation to the policy and directive. In-house training was conducted focusing on the responsibilities of all staff when purchasing on behalf of Council, changes to the review and approval of requisitions, government contracts and preferred suppliers, changes to the tendering and formal quotations requirements and the need for staff to consider the entire organisation rather than purchasing in isolation. Exception reporting will be undertaken on a regular basis to ensure compliance with the new procedures and the Tendering Guidelines for NSW Local Government. A Local Preference Policy was placed on exhibition as adopted at the December meeting with a further report on any submissions to be presented to the February Ordinary meeting. Four preferred supply panel tenders have been undertaken in the period January-June 2016, being for gravel haulage, sewer rehabilitation services, plant/equipment hire and electrical services. These panels have resulted in significant financial savings and process efficiencies. Two informal audits of requisitions created by staff have been undertaken in the quarter, with the first audit highlighting some need for further instruction, however the second audit resulted in nil issues.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Business Systems and Governance	Records Management	Colin Formann	1.2.10.6 Ensure effective and efficient delivery of records management across the organisation.	01/07/2013 0:00	30/06/2017 0:00	In Progress	50	The Records Team scanned and/or registered 13,535 documents in the period July-December 2015, inclusive of incoming, outgoing and internal documents. The Business Systems and Governance Department engaged the services of a Records Officer to undertake scanning and registering of paper-based property files into the electronic format, with 289 files completed during the period. 135 boxes of documents were archived in the Records Storage Shed in accordance with the State Records Act and 22 old Valuation and Rates Books were catalogued and sent to the Records Repository in Armidale in accordance with State Archive requirements. 18,680 documents were scanned/registered during the January-June 2016 period, with the significant increase as a direct result of more financial documentation being stored in Council's electronic records management system. The introduction of a regime to progress the digitisation of the paper based property files commenced during this period resulting in an increase in the number of files completed. A contractor has also been engaged to assist in this process and over 815 files were digitised during the period. 26 new web forms were created and implemented and were utilised to delegate 629 customer requests across the organisation, with the general rates request, roads maintenance request and water services request being the most used forms.
Customer Relations Communications and Lifestyle	Youth Services	Debra Hilton	1.6.1.1 Coordinate and manage the Gunnedah Community Scholarship Fund.	01/07/2013 0:00	30/06/2016 0:00	Ongoing		Ongoing and annual initiative. Delivered successfully in 2016. \$20,500 raised and 25 Scholarships awarded across 6 disciplines
Customer Relations Communications and Lifestyle	Youth Services	Debra Hilton	1.1.1.1 Identify opportunities to encourage participation by youth and increase volunteer levels.	01/07/2013 0:00	30/06/2016 0:00	Completed	100	Gunnedah Youth Council convened in 2016 with 9 members - the GYC will focus on youth engagement initiatives and identifying opportunities for youth empowerment and inclusion.
Customer Relations Communications and Lifestyle	Youth Services	Debra Hilton	3.7.2.1 Identify, develop and implement youth programs and activities that empower young people and encourage them to stay within the Shire.	01/07/2013 0:00	30/06/2016 0:00	Ongoing		Youth engagement via Gunnedah Youth Council, activities during National Youth Week, ANZAC Day, and through community development activities. 2 x Youth camps at Lake Keep it, free access to ABC Open workshops for media studies, opportunities to exhibit in Gallery, School Holidays Program focuses on skills development. Homework Program was executed 2xweekly at Red chief Land council however initiative underwent review to enhance access in 2016. Creation of a Creative Club to focus on retention of youth in school and support of external school education based initiatives. Love bites facilitator training completed for school based bullying and empowerment of young girls. Investigating development of 'Young Makers' business enterprise with a pop up shop concept.



Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Customer Relations Communications and Lifestyle	Youth Services	Debra Hilton	1.6.2.1 Identify and support opportunities for disadvantaged youth to participate in education.	01/07/2013 0:00	30/06/2016 0:00	Ongoing		Homework Program still executed twice weekly at Red Chief Land Council with initiative to undergo review to enhance access in 2016. 34 students enrolled across the two sessions. Establishment of a Club Creative in Dec 15 now refocuses the Homework Centre model from after hours schoolwork to the provision of a creative learning hub to encourage kids to develop a love of learning and complement the existing school based curriculum. Club focuses on the retention of youth in school and support of external school education based initiatives. Love Bites facilitator training completed for school based bullying and empowerment of young girls.
Customer Relations Communications and Lifestyle	Youth Services	Debra Hilton	3.7.1.1 Provide quality youth services that are comprehensive, responsive and empowering for young people.	01/07/2013 0:00	30/06/2016 0:00	Ongoing		Youth engagement via Gunnedah Youth Council, activities during National Youth Week, ANZAC Day, and through community development activities. 2 x Youth camps at Lake Keep it, free access to ABC Open workshops for media studies, opportunities to exhibit in Gallery, School Holidays Program focuses on skills development. Homework Program still executed 2xweekly at Red Chief Land Council. Establishment of Gunnedah Youth Council in 2016 with 9 members and first event held in February 2016. Meetings ongoing at Smithurst Theatre and attendance high.
General Manager	HACC Services - Community Transport	Bruce Mercer	3.3.2.2 Ensure effective and efficient delivery of food service and transport to eligible elderly people and younger people with disabilities in the Tambar Springs District through the Tambar Springs Neighbour Aid Program.	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	GoCo Neighbour Aid within budget at 30 June 2016. Achieved. Customer Satisfaction Survey sent to customers. Improvements suggested by customers were implemented. Face to face meetings on improvements were also held. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
General Manager	HACC Services - Multi Service Outlet	Bruce Mercer	3.1.1.1 Ensure effective and efficient delivery of social support, exercise classes, yard maintenance services and day centre programs through the HACC (State and Federal Government Home and community Care Departments) Multi Service Outlet to eligible	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	GoCo Multi Service Outlet was within budget for 15/16. All Commonwealth Support Program (CHSP) funding requirements were met during the reporting period. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	HACC Services - Community Transport	Bruce Mercer	3.3.2.3 Ensure effective and efficient delivery of transport to eligible elderly people and younger people with disabilities through the Gunnedah Community Transport Services.	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	GoCo Community Transport was within budget at 30 June 2016. Customers Service Satisfaction Survey sent with 80% satisfaction reported by customers. Improvements suggested by customers were implemented. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
General Manager	GM Management	Eric Groth	1.2.5.6 Ensure the existence and implementation of systems and processes to review and continually improve Council operations.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		In addition to response to actions raised through customer requests, staff have implemented a perpetual feedback program to ensure that opportunities to improve operations are captured in a timely fashion, and actioned to ensure identified required improvement is recorded, tracked and actioned. The internal audit function, oversights by the Audit Committee, also ensures a continuous improvement focus in the delivery of Council services.
General Manager	Human Resources	Glenn Learmont	1.6.4.1 Evaluate and promote opportunities for trainees in Council.	01/07/2015 0:00	30/06/2017 0:00	Ongoing		A number of trainees continue to be engaged across Council to assist and promote retention of youth in the community through providing career opportunities.
General Manager	Human Resources	Glenn Learmont	1.2.6.6 Workplace culture of engaged employees.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		In December 2015, Gunnedah Shire Council (GSC) employees were offered an opportunity to participate in an online Employee Engagement Survey (EES). We engaged "The Voice" as our service provider for an engagement survey to commence our engagement project to provide confidence in the fact responses were anonymous and confidential. A comprehensive action plan has been developed from analysis of the EES Survey Results Report. The action plan identifies 44 actions for implementation. Out of these actions, 8 Priority Actions have been identified.
General Manager	Tourism	Lisa Davis	2.4.1.2 Ensure effective and efficient delivery of home hosting services for events held in the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Preparations for 2016 Home Hosting commenced in March with a mail out to previous and potential Hosts and updating of information presented on the visitgunnedah website. A number of Client enquiries have been received, with 24 hosts registered as of 30 June 2016.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Tourism	Lisa Davis	2.4.7.2 Maintain an accredited Visitor Information Centre to ensure effective and efficient service delivery to visitors and the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council continues to operate the Gunnedah Visitor Information Centre (VIC) as a Level 2 Accredited service as per the Australian Visitor Information Centre (AVIC) Network. 8791 visitors have been welcomed to the VIC over the past 12 months with 2247 direct referrals to the Creative Arts Gallery. Souvenir sales are also experiencing growth and have exceeded estimated income targets for the period. The proximity of the VIC to The Civic foyer area has enabled Civic staff, when available, to provide visitor information services during VIC afterhours, thus extending the VIC's service delivery. To assist the visitor experience in Gunnedah and the shire, the VIC now provides an updated town and shire map in tear-off pad format. These have been distributed to all Gunnedah's motels and hotels to aid 24 hour access to information.
General Manager	GoCo	Bruce Mercer	3.2.1.1 Ensure effective and efficient delivery of individualised packages of support to eligible elderly people and younger people with a disability across the give Local Government Areas through Northwest Regional Community Care	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	GoCo Packages was within budget at 30 June 2016. The Home Care Packages productivity target was met for 15/16. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
General Manager	HACC Services - Aboriginal Elders	Bruce Mercer	1.7.2.1 Ensure effective and efficient delivery of services to Aboriginal Elders.	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	Achieved year to date with all funding targets met. GoCo Elders within budget at 30 June 2016. Satisfaction Survey sent to customers. Improvements suggested by customers were implemented. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
General Manager	GM Management	Eric Groth	4.6.1.1 Identify resources from government agencies to facilitate investment in renewal energy operations in partnership with	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Namoi Councils JO continues to seek opportunities for support from other government for renewal energy operations.
General Manager	Human Resources	Glenn Learmont	1.2.6.1 Ensure effective and efficient delivery of training programs to staff, trainees and apprentices.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Corporate induction and on-boarding program bedded down. Workshops for managers and supervisors regarding cost of injury to reduce claims impact on budget. Australian Qualification Framework traineeships continued. A number of in house courses have been run to leverage from internal capability to increase staff knowledge base and reduce cost through reliance on external service providers. On-line evaluation system now provides training reports and a selection by menu of training and opportunities service review is to look at the science behind the why funding to assist TIL achieved also a grant was also used for economics of safety from stateCover .

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	GM Management	Eric Groth	1.2.4.1 Collaborate and share resources with other organisations.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Management continues to pursue resource sharing and shared service opportunities with neighbouring, and other regional, councils. Council is awaiting confirmation of Liverpool Plains Shire Council's commitment to the Resource Sharing Strategy following Council's resolution to allocation \$15,000 towards the initiative in Nov 2015.
General Manager	Communication	Lisa Davis	1.2.9.1 Ensure effective and efficient delivery of communication across the organisation and to the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		A focus on social media as a tool to connect to a wider audience and receive instant feedback from residents and ratepayers has continued. Improvements include having an unprecedented amount of interaction, as well as the highest amount of 'likes' we've ever had which now sits at approximately 1220. We have also maintained a focus on traditional media and sent out 25+ media releases in the period. We have also continued to look to new ways to engage with the community and are in the process of developing a 'gig guide' to showcase events across the region, as well as a new template for a newsletter. Representation on the ZMO has continued fortnightly, as has the council page in the NVI. We have started to run the election campaign and successfully managed to get a large number of interested parties to the "Councillor Info Night" despite the strict regulation around the channels we can communicate on in the election period.
General Manager	Communication	Lisa Davis	1.7.1.1 Promote and support involvement in Council decision making process and ensure the community is engaged.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		In the reporting period, supporting and promoting involvement in Council decision making processes has been key. The team recently launched the Local Government Election Campaign and have had to reach the community in a number of ways to suit the differing demographics. Most recently Council's communication team has been involved in communicating (across various channels) the opening of the Community Recycling Centre, the design and fit out of the Pool Project, Responsible Pet Ownership and desexing, the beginning of the election campaign, a change in rates and water notices, development of the new website, adoption of the Destination Management Plan, park playground equipment surveys, Dissemination of information regarding major plumbing and road works in the area, Illegal dumping Grant and social media coverage of the illegal dumping issue, pool safety updates, health updates about burn offs and railway sleepers.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Community Care	Bruce Mercer	3.3.2.1 Market Council's community care services.	01/07/2013 0:00	30/06/2017 0:00	In Progress	75	The Marketing and Communication Strategy actions for 15/16 were fully implemented including rebrand, new logo, associated marketing collateral and new website. Third Party Verification completed on Disability Services Program with Approved Provider status accreditation achieved. Australian Aged Care Quality Agency audit completed on CHSP services with accreditation as Approved Provider achieved.
General Manager	Communication	Lisa Davis	1.5.1.1 Develop, distribute and provide information to promote services, activities and events across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Internal communications has been a focus during the reporting period. In response to finding in the Employee Engagement Survey, focus was on creating channels that ensured staff will be able to communicate more easily with departments/other staff they traditionally have very little to do with. We held our inaugural Staff Trivia night which was well attended given that it was the inaugural event. The promotion of Council functions, activities, events and services is ongoing. A mix of traditional and digital marketing techniques have been adopted to engage with the community and to ensure key stakeholders are kept well informed and given the opportunity to participate in and attend events and activities. A carefully considered combination of social media, radio, print, direct marketing, digital (i.e. infogunnedah.com.au) and media updates have been developed and distributed to target audiences relative to each specific initiative to ensure optimum outcomes. The team has also played a central role in the design and development of Council's new corporate website. The design and production of YONDER Magazine has been a big development in this area and serves to be able to promote Gunnedah and it's services to residents, ratepayers and beyond.



Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Tourism	Lisa Davis	2.4.1.3 Ensure effective and efficient delivery of tourism services in the Gunnedah region.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The Destination Management Plan (DMP) for the Gunnedah Shire has been finalised and adopted by Council as a strategic planning document. The Gunnedah Visitor Information Centre continues to perform above expectation, returning visitation rates consistently above previous years' records. Existing infrastructure is under review with major projects for the tourism team being the Town Tour review, place activation through the establishment of core precincts (Poets Precinct, Riverside Precincts, Downtown Precinct) and the conception and implementation of linked bike tracks throughout the Gunnedah township (i.e. project title Koala-Loopa). Precinct banners have been designed and ordered with install due in July. Gunnedah launched a new promotional publication called YONDER in June, following a concerted period of advertising sales and compilation of material for the magazine. Initial feedback suggests a high level of local and external engagement with unsolicited positive reports on the publications content and design being received. Initial investigations have commenced on the creation of a Historic Pub Crawl around Gunnedah. The tour will engage participants in the street and take them to the locations of Gunnedah's hotels, past and present, learning history and stories associated with each location. Upon completion of the tour participants will be encouraged to visit the VIC for further information etc on Gunnedah.
General Manager	GM Management	Eric Groth	1.2.7.1 Identify, represent, advocate and lobby for inclusion of Gunnedah Shire's community needs within regional and state planning processes.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		In the first instance, community needs are identified within the CSP (Community Strategic Plan) and the required strategies by Council to deliver those outcomes are elaborated on in the Delivery Plan, and actions to occur during each financial year detailed in the Operational Plan. In addition to this strategic approach, community needs are able to be identified by the community and raised through contact with Council or elected members at which point Council can consider representation, advocacy and/or lobbying actions required. Through Council's systems aimed at continual improvement of operations, staff also have the opportunity to identify further needs community needs not already identified for consideration by Council.
General Manager	Saleyards	Doc Morrison	1.2.5.9 Ensure safe, effective and efficient operation of the	01/07/2013 0:00	30/06/2017 0:00	Completed	100	All systems running well. No safety incidents.
General Manager	Human Resources	Glenn Learmont	1.2.6.4 Review Workforce Labour Plan annually.	01/07/2013 0:00	30/06/2017 0:00	In Progress	60	9 box list completed through input with managers and review completed with each relevant member of EMT. This plan needs to reviewed against best in class to ensure any gaps are closed off in exceeding expectations.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Human Resources	Glenn Learmont	1.2.6.3 Performance Management: accountable and compliant.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Bedding down completed of new electronic performance system and changes made to remaining paper based format. Integration of a capability frame-work ensures that individual employee's performance standards meet Gunnedah Shire Councils' strategic goals and service delivery standards. It also serves as a continuous improvement process for employees and the organisation and as a whole. A number of work-shops held regarding compliance requirements regarding legislation concerning Human Resources and also team building. Economics of injury day involved supervisors to install relevancy of return to work programs performance system has a blind grading so reporting officer can not be influenced by employee grading.
General Manager	Human Resources	Glenn Learmont	1.2.6.2 Implement systems and processes to facilitate attraction and retention.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Review has been completed regarding e-recruitment as a more streamlined cost effective platform for recruitment. This will also assist council in recruitment costs through reduction in printed ad space and assist in a broader reach concerning the recruitment pool. On-line introduction to occur prior to final sign of. Branding part of EES plan , on-boarding program complete ees .
General Manager	Communication	Lisa Davis	2.4.6.1 Creation and implementation of a revised branding strategy to facilitate improved marketing for Council, business and industry.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		We have continued on our mission to ' Break down boundaries' and place Council as an approachable organisation. YONDER Magazine has been designed and developed to change the image of Council and is the beginning step in an overhaul of Council branding, starting with Tourism and the Cultural Precinct. Council continues its strong focus to enhancing its corporate image predominantly on the basis of continuous improvement practices and simply 'doing things better' with the community at the heart of decision making. Specifically, we have focused on lifting Council's brand through improvement of customer service standards and delivery, effective communication, community engagement, becoming more accessible and available to the community, realigning practices and (with) stakeholder expectation and delivering on our commitments. Examples include the voice and tone of marketing and communication, innovation and creativity, service and product packaging, facility renovations (Elgin Street Foyer) and our interpersonal approaches to building and supporting partnerships with customers, business and industry.
General Manager	Saleyards	Doc Morrison	1.2.8.5 Ensure financially sustainable operation of the Gunnedah Regional Saleyards.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Numbers fell short of budgeted numbers. will not make budgeted income but costs will be less as well. will meet \$2000.000.00 dividend to council

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Tourism	Lisa Davis	2.4.1.4 Provide advice and in-kind support to community groups conducting events in a tourism capacity.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Council's Tourism Team is an active partner and supporter of local community events with the team providing advice, support and assistance to community events and is proactive in promoting and marketing events through its systems and services. Examples of where support was provided include Annual Porchetta Day, Ag Quip, Chamber of Commerce Spirit of Christmas Fair, Country Music Muster, Gunnedah Show Jumping Festival. The Event Planning tool for community groups remains available on visitgunnedah.com.au and can be obtained in hard copy form. VIC coordinates the listing of local events and programs the display of local event details on the electronic LED Event Sign and maintains the State Data Warehouse Database to ensure local events are promoted state-wide on various websites.
General Manager	GM Management	Eric Groth	1.3.1.1 Identify opportunities to advocate our interests with local community groups and organisations and the State and Federal Government on issues such as planning, development and the provision of services and facilities.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		In addition to those opportunities identified through Council's Community Strategic Plan and included in the Delivery Program and Operational Plan, other opportunities are identified through Council's customer service systems and as a result of direct contact from community members and other members of the public. Council is currently considering its Urban Land Use Strategy and submissions following exhibition. Council is also working closely with the local Chamber of Commerce to encourage development and investment in Gunnedah Shire.
General Manager	Human Resources	Glenn Learmont	1.2.3.1 Talent management and succession plan developed and actioned to facilitate best practice through continuous improvement by demonstrable leadership.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	In order to grow our talent of the future we must act today. To assist in this charter Gunnedah Shire Council has developed a leadership program that through target learning outcomes will unleash the potential of tomorrow's leaders today. This program also met a take away from the engagement project being to "Develop a Targeted Leadership and Internal Promotions Program to further build our leadership capacity towards the future."

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
General Manager	Tourism	Lisa Davis	2.4.4.3 Market the Gunnedah Shire to potential tourists to encourage growth of the visitor economy.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Whilst the marketing of the Gunnedah Shire remains consistent with the application of a mix of traditional, digital and direct marketing techniques, the team is enthusiastic about future opportunities for diversification and innovation with the implementation of the Destination Management Plan in 2016. Council continues to represent its tourism industry and stakeholders on core industry boards and working groups including Inland Tourism, Kamilaroi Highway and New England North West Tourism and is an active participant in joint marketing initiatives and trade shows. Some structural changes to these governing bodies will influence GSC's participation going forward. In June 2016, through a Kamilaroi Highway promotion in Sydney during the Sydney Film Festival, Gunnedah and the highway was promoted to Sydney-siders for 10 days on an 20m2 outdoor screen in Pitt Street Mall. Throughout the year, VIC staff representatives attended and interacted with potential visitors at tourism related consumer shows in Sydney, Newcastle and Penrith. Over 5,000 copies of YONDER have been distributed across the state since its launch in June.
General Manager	Tourism	Lisa Davis	2.4.1.1 Coordinate activities and events for the Week of Speed.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Planning and coordination of 2016 Weeks of Speed Festival was successfully implemented in March. The event was well supported, attracting both local and visiting spectators and competitors. Over 10 events were held over 3 consecutive weekends, hosted at a variety of local venues and facilities. Unfortunately one of the signature events - the Porcupine Hill Climb had to be postponed due to track conditions. The Working Group has commenced planning for the 2017 event.

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General Manager	Customer Service	Lisa Davis	1.2.5.5 Ensure effective and efficient delivery of customer service across the organisation and to the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		A targeted customer satisfaction campaign using Customer Pulse Surveys has been developed and implemented to gauge satisfaction levels from customers that have recently received a service from Council. This involves customers completing a short online survey and providing a review specific to their experience. Each survey is customised to the service received, and results communicated to Executive Managers to inform continual improvement planning for the business. Council's highly successful, customised Customer Service Training Package continues to be delivered to new recruits as part of their induction program. Monitoring of Customer Service Requests are ongoing with 1419 customer requests recorded and actioned within the last 6 months. Customer Requests are tabled on a monthly basis and reported to Senior Management for quality control and continuous improvement purposes. Opportunities to broaden the scope of customer service functions undertaken by frontline customer service staff are continuing to be investigated as a result of internal department audits and reviews.
General Manager	Human Resources	Glenn Learmont	1.2.6.5 Work, health and safety and employee wellbeing articulated into action.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A number of key actions have been completed these include: 1:Externally funded (StateCover) fitness program for out door workers targeting aged workforce concerns. 2 :Ergonomic Audit as part of State Cover findings. 3:Health assessments inc BMI, Glucose levels etc. 4: Easier accessibility for employees regarding EAP 5. Integration of Due Diligence frame-work 6. Economics of injury safety day 7. Aging work force initiative
General Manager	Human Resources	Glenn Learmont	1.6.3.1 Opportunities explored and promoted concerning traineeships, apprenticeships and cadetships in the wider	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Information packages were developed with input from key stakeholders such as TAFE and training apprenticeship centre for dispersal through chamber of commerce.
Infrastructure Services	Sewer Services	Kevin Sheridan	2.2.2.2 Creation and implementation of upgrade works for improvement of infrastructure and increased capacity for Sewage Treatment Works	01/07/2013 0:00	30/06/2017 0:00	Completed	100	STP upgrade detailed design has been completed. Specific equipment has been ordered and the construction contract is currently being advertised on tenderlink for the four selected contractors to submit proposals.
Infrastructure Services	Parks and Gardens	Geoff Phillips	3.4.1.1 Collaborate with Village progress associations to ensure effective and efficient delivery of maintenance of the Village open spaces.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Village maintenance is undertaken through a contract agreement with Village Progress Associations, this is to provide the Associations with ownership and involvement with their villages. Council ensures effective and efficient support & service delivery through regular inspections and consultation with the Progress Associations. Contracts are reviewed and renewed as required.
Infrastructure Services	Rural Sealed Roads	Richard Baxter	2.2.1.28 Review and update Rural Sealed Roads Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The capital works program for the reporting period included shoulder widening and pavement renewal on Wandobah Road completed early 2016.



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Infrastructure Services	Noxious Weeds	Lee Amidy	4.2.1.1 Provide systems and processes to ensure compliance with noxious weeds legislation	01/07/2013 0:00	30/06/2017 0:00	In Progress	40	Continued aerial weed inspection and personal follow up on known outbreaks.
Infrastructure Services	Airport	Wayne Kerr	2.3.4.1 Creation and implementation of Airport Master Plan	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Master Plan completed - issue workshopped with Council and the Aero Club.
Infrastructure Services	Urban Streets	Richard Baxter	2.2.1.34 Ongoing maintenance of Urban Streets.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Maintenance as and when required.
Infrastructure Services	Airport	Wayne Kerr	2.2.1.2 Ongoing maintenance and reseal Runway 11-29.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Main taxiway and apron scoped for resurfacing.
Infrastructure Services	Footpaths and Bike Tracks	Richard Baxter	2.2.1.18 Review and update Footpaths and Bike Tracks Capital	01/07/2013 0:00	30/06/2017 0:00	Not Started	0	
Infrastructure Services	Bridges	Richard Baxter	2.2.1.5 Replacement of Simpsons Bridge.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		We have been successful in receiving a grant for the Simpson Bridge upgrade, however the specifications have been prepared for tender
Infrastructure Services	Car Parks	Richard Baxter	2.2.1.9 Review and update Car Parks Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Negotiations are ongoing with regard to the purchase and/or ongoing lease of Kepreotes Carpark (Little Barber Street).
Infrastructure Services	Halls and Centres	Geoff Phillips	3.9.1.2 Ongoing maintenance and repairs of Council's building assets (halls and centres) to meet operational standards.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Councils Halls and centres maintenance & repairs schedules are based on regular inspections along with engaging cyclic, reactive, historical and planned processes. Stage 1 Emerald Hill Hall completed Renew guttering Re place piers Level flooring Re grade surrounds to direct water away from piers
Infrastructure Services	Kerb and Gutter	Richard Baxter	2.2.1.20 Review and update Kerb and Gutter Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	New kerb and gutter constructed in Bloomfield Street from Osric to Wentworth Streets, Conadilly Street from Warrumbungle to Rosemary Streets. Kerb and gutter replacement works completed in Beulah Street, from Wilga to Wareena Streets. Wentworth Street from Conadilly Street to Little Barber Street, in final stages of completion.
Infrastructure Services	Design	John "Sam" Devine	2.2.5.4 Creation and implementation of traffic studies to improve the safety of the community.	01/07/2013 0:00	30/06/2017 0:00	In Progress	95	Traffic studies have been completed for all major roads. New counters have been purchased to enable permanent counter sites to be implemented for developments where VPA agreements have been implemented.
Infrastructure Services	Stormwater Drainage	Richard Baxter	2.2.1.31 Review and update Stormwater Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Work was completed in Ashfords Watercourse including low flow stormwater program which captures runoff from minor storms and kerbing and diverts into stormwater infrastructure. Currently in planning and design stage with works identified to be undertaken in 2015/16, including George Street.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Infrastructure Services	Commercial Properties	Geoff Phillips	4.8.3.2 Provide systems and processes to identify opportunities to reduce the energy consumption of the organisation.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Energy audit completed on Council key buildings, Solar installed with high energy use assets Solar systems have been serviced to ensure energy efficiency is maintained , energy efficient lighting options being investigated Replacement program in place for aging unserviceable & high energy use air conditioning units, with more energy efficient systems
Infrastructure Services	Stormwater Drainage	Richard Baxter	4.4.6.1 Ongoing maintenance of gross pollutant traps across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council's four gross pollutant traps are inspected and cleaned after every rain event. Cleaning includes the removal of bottles, personal items (eg wallets, clothing, shoes), and other foreign items which are collected by the stormwater system.
Infrastructure Services	Bus Shelters	Richard Baxter	2.2.1.7 Ongoing maintenance of bus shelters across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A replacement program has been put in place in relation to damaged and vandalised bus shelters requiring glass replacement steel mesh with these repairs undertaken on an as required basis. When notified of damage by the public, staff undertake remedial work immediately, particularly in relation to graffiti.
Infrastructure Services	Parks and Gardens	Geoff Phillips	2.2.5.5 Investigate and pursue opportunities for increased usage of Open Spaces (parks and gardens) throughout the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A playground equipment & park furniture replacement program has been instigated on an annual basis with replacement of aging infrastructure and replacement with new equipment suitable to the park and immediate community through a consultation and survey process. New parks are being established in conjunction with the development of new housing estates. New equipment installed into Jae-high park
Infrastructure Services	Assets	John "Sam" Devine	2.2.4.1 Coordinate asset revaluation programs.	01/07/2013 0:00	30/06/2017 0:00	In Progress	90	Revaluation of Land and Buildings has been completed. Plant and equipment is almost completed with the updating of conditions and impairments.
Infrastructure Services	Footpaths and Bike Tracks	Richard Baxter	2.2.1.17 Ongoing maintenance and upgrade of footpaths and bike tracks across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Footpath replaced in Hunter Street (from View Street to Bridge Street). A number of footpath trip hazards/defects were identified as requiring remediation, including: Conadilly Street, from Chandos to Rosemary Streets, and Bloomfield Street, from Osric to Elgin Streets. Any trip hazards/defects reported are inspected to determine priority and placed on Council's works program for attention.
Infrastructure Services	Emergency Services and Fire Control	Wayne Kerr	4.2.4.1 Review and update the DISPLAN annually, including sub-plans for bushfires, wildfires, evacuation procedures, floods and	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Sub-plans for flood updated April 2014. Bushfire Risk Management Plan updated August 2015 prior to fire season. Aerodrome Emergency Plan updated December 2016. DISPLAN contacts updated every four months.
Infrastructure Services	Sporting Grounds	Geoff Phillips	1.7.6.1 Creation and implementation of the Gunnedah Racecourse Master Plan.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Race Course Master Plan is completed

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Infrastructure Services	Water Services	Kevin Sheridan	2.2.3.4 Review and update Water Capital Works Programs.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Program updated regularly
Infrastructure Services	Stormwater Drainage	Richard Baxter	4.4.4.2 Provide systems and processes to identify opportunities to harvest stormwater runoff.	01/07/2013 0:00	30/06/2017 0:00	Not Started	0	
Infrastructure Services	Depot	Wayne Kerr	2.2.1.15 Review and update Depot Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Capital Works Program consistent with Asset Management Plan.
Infrastructure Services	Urban Streets	Richard Baxter	2.2.1.35 Review and update Urban Streets Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	In Progress	90	Works consisting of pavement reconstruction was commenced and completed within the reporting period in Bloomfield Street. Pavement renewals has been completed in Links Road, from Lincoln Street to Gallen Avenue.
Infrastructure Services	Water Services	Kevin Sheridan	2.2.3.1 Ensure effective and efficient delivery of water services across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		On going maintenance and repairs undertaken as required. Regular inspections completed in-line with DPI-Water requirements
Infrastructure Services	Administration Buildings	Geoff Phillips	4.8.3.1 Provide systems and processes to identify opportunities to reduce the energy consumption of the organisation.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Energy audit completed on Council key buildings, Solar installed with high energy use assets Solar systems have been serviced to ensure energy efficiency, reviewing energy efficient lighting options Audit being undertaken on the efficiency, capacity, costs/KLW savings and carbon foot print of the solar systems 12months after installation Estimated 15% cost saving achieved Replacement program in place for aging unserviceable & high energy use air conditioning units, with more energy efficient systems
Infrastructure Services	State Roads	Richard Baxter	2.2.1.29 Review and complete Roads Maintenance Council Contract (RMCC - Roads and Maritime Services) Maintenance Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	During the reporting period, the RMCC contract works completed included the completion of Conadilly/Warrumbungle Roundabout, 1km on the Kamilaroi Highway (Black Mountain South), with continuing work to be completed as the year progresses, including a further km at Black Mountain, and the Tamworth/Curlewis Roundabout on the Kamilaroi Highway and Oxley Highway intersection. With regard to the Conadilly Warrumbungle Roundabout, 1,500 cubic metres of concrete was used, seven months to complete, at a an estimated cost of \$1.9 million. Council staff were involved in various stages of the construction, including blister construction, kerb and gutter, concrete pavement construction, and asphaltting.

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Infrastructure Services	Bridges	Richard Baxter	2.2.1.4 Ongoing maintenance of bridges and culverts across the Shire.	01/07/2013 0:00	30/06/2016 0:00	Completed	100	Culverts on Wandobah Road have been inspected, with those requiring upgrading identified for future works. Repairs and maintenance were undertaken on ten culverts across the Shire during the reporting period. Concrete reinforcement was undertaken on Longpoint Low Level Bridge on Longpoint Road, between Breeza and Carroll.
Infrastructure Services	Private Works	Richard Baxter	2.2.7.1 Creation and implementation of private works program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Due to climate factors and the current financial economy in the area, private works during this period has been limited.
Infrastructure Services	Sporting Grounds	Geoff Phillips	3.6.2.1 Review and update Capital Works Program - Sporting Grounds.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Construction of a three turfed Cricket wicket table at Namoi Playing fields has been completed. Remaining works are associated with the Riverine Sporting Precinct field improvement capital works, which is 100% completed. Maintenance programs & schedules are established to improve the facility.
Infrastructure Services	Emergency Services and Fire Control	Wayne Kerr	3.2.5.1 Ensuring that appropriate access for emergency services is available across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	As 2.3.3.1 with respect to second road over rail bridge construction.
Infrastructure Services	Quarry Operations	Richard Baxter	2.2.1.23 Ongoing maintenance of Council's quarries.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Maintenance as and when required.
Infrastructure Services	Sewer Services	Kevin Sheridan	2.2.2.4 Review and update Sewer Capital Works Programs.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Sewer main relining program completed with new lines investigated and previous relined junctions surveyed. Preferred relining contractors selected for the next two years
Infrastructure Services	Bridges	Richard Baxter	2.2.1.6 Review and update Bridges Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A Grant has been applied for to inspect and assess all our Bridges across the shire to prepare for Higher Mass Limits
Infrastructure Services	Cemeteries	Geoff Phillips	2.2.5.3 Review and update Maintenance Programs - Cemeteries, across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Ongoing process of review dependant on seasonal and burial requirements. Maintenance schedules are displayed for the communities information at the entrance to the Memorial Park Cemetery. Village maintenance programs are undertaken through contractual services
Infrastructure Services	Infrastructure Management	Wayne Kerr	2.2.9.1 Investigate strategies to ensure the local road network and regional transport are sustainable and provide for future growth of Gunnedah Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Participation in intermodal discussions with Transport for NSW and Regional Councils and freight operators. Working with Namoi Councils to undertake regional freight strategy. Working with RMS for B triple access on Oxley Highway to Tamworth.
Infrastructure Services	Water Services	Kevin Sheridan	4.4.5.1 Implement strategies to ensure permanent water allocation retained.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		On going discussions with DPI-Water to insure water allocation remains.

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Infrastructure Services	Sporting Grounds	Geoff Phillips	4.9.4.3 Review and update Maintenance Programs - Sporting Grounds across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		This is an ongoing process, maintenance programs are reviewed constantly based on seasonal aspects, environmental considerations, communities usage and sporting organisations requirements/events.
Infrastructure Services	Kerb and Gutter	Richard Baxter	2.2.1.19 Ongoing maintenance and upgrade of kerbs and gutters across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	A inspection regime of all kerb and guttering within Gunnedah township was undertaken during the reporting period with the corner of Carroll and Conadilly Streets and Barber and Elgin Streets identified as requiring urgent attention which is proposed to be undertaken in early 2016.
Infrastructure Services	Parks and Gardens	Geoff Phillips	4.9.4.2 Review and update Maintenance Programs - Parks and Gardens across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		This is an ongoing process, maintenance programs are reviewed constantly based on seasonal aspects, environmental considerations and communities usage and requirements.
Infrastructure Services	Sewer Services	Kevin Sheridan	2.2.2.3 Ensure effective and efficient delivery of sewerage services across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		On going maintenance and repairs undertaken as required. Regular inspections completed in-line with EPA requirements
Infrastructure Services	Stormwater Drainage	Richard Baxter	2.2.1.30 Ongoing maintenance and upgrade of stormwater infrastructure in the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	An ongoing maintenance and upgrade plan is under development which will include cleaning stormwater enviro traps, clean out gully pits and repair lintels and grates.
Infrastructure Services	Community Housing	Geoff Phillips	2.2.1.12 Ongoing maintenance and repairs of Council's building assets (community housing) to meet operational standards.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Councils community housing maintenance & repairs schedules are based on regular inspections and consultation with tenants along with engaging cyclic, reactive, historical and planned processes. Maintenance programs are an ongoing process
Infrastructure Services	Sporting Grounds	Geoff Phillips	2.2.5.8 Investigate and pursue opportunities for increased usage of open spaces (sporting grounds) throughout the Shire.	01/07/2013 0:00	30/06/2017 0:00	In Progress	80	Consultation with sporting organisations in respect to their requirements has been undertaken & will be an ongoing process of evaluation to meet their service requirements. Sporting facilities are being improved in conjunction with the Riverine Precinct Project to cater for sporting organisations events.
Infrastructure Services	Depot	Wayne Kerr	2.2.1.14 Ensure effective and efficient operation of the Depot Facility.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Depot secure and accessible for all users.
Infrastructure Services	Parks and Gardens	Geoff Phillips	2.2.5.6 Provide systems and processes to manage Council and crown land leases and licenses.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council maintains a Council & Crown lands lease/Licence/agreement portfolio with various stakeholders/organisations, these agreements are managed for currency and inspected regularly to ensure compliance.

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Infrastructure Services	Parks and Gardens	Geoff Phillips	4.9.4.1 Implementation of Street Tree Strategy.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Stage 1 of the Street tree strategy has been completed with the removal of the trees in the footpaths along Conadilly Street between Chandos and Rosemary streets. Trees have now been planted in the Street corridor
Infrastructure Services	Design	John "Sam" Devine	2.2.1.16 Undertake survey and design work.	01/07/2013 0:00	30/06/2017 0:00	In Progress	80	Survey under way for George St Stormwater augmentation project to be constructed in November 2016. Survey has shown a number of issues with services and low grades at the outlets requiring review of the proposed design. 7 Designs have been completed including Black Stump Way, Redbank Rd intersection, Rosemary St, Goolhi Rd, and completion of the Warrumbungle St Roundabout.
Infrastructure Services	Community Housing	Geoff Phillips	2.2.1.13 Review and update Capital Works Programs - Community Housing.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Capital works are undertaken as and when scheduled, no capital works identified for the 2015/16 financial year. Maintenance programs are an ongoing process.
Infrastructure Services	Urban Streets	Richard Baxter	2.2.6.1 Ongoing review and maintenance of urban streets to ensure car, bicycle and pedestrian safety.	01/07/2015 0:00	30/06/2016 0:00	Not Started	0	
Infrastructure Services	GIS/LIS	John "Sam" Devine	1.2.10.4 Ensure effective and efficient delivery of geographical information services across Council and to the community.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	All Rural and urban maps have been updated. Council mapping systems are currently under review to improve processes.
Infrastructure Services	Street Lighting	Richard Baxter	4.8.3.3 Identify opportunities to reduce costs to deliver efficient and effective lighting to streets across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Investigations have been undertaken for additional lighting in Wandobah Road, with solar energy options also being considered.
Infrastructure Services	Airport	Wayne Kerr	2.2.1.3 Review and update Airport Capital Works Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Capital Works Program consistent with Asset Management Plan.
Infrastructure Services	Swimming Pools	Geoff Phillips	2.2.1.33 Ensure effective and efficient swimming pool complex is available to the community.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The Gunnedah Pool Complex is managed to Royal Life Saving guidelines and has been audited for compliance to ensure the operation provides a safe, effective and efficient service given the age and infrastructure currently in place. The upgrade process of the complex will increase operational standards and compliance by replacing old infrastructure with state of the art facilities and equipment. The management & maintenance of the complex is an ongoing process
Infrastructure Services	Rural Sealed Roads	Richard Baxter	2.2.1.26 Ongoing maintenance of pavement reconstruction programs across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Refer to comments with regard to Rural Sealed Roads Capital Works Program



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Infrastructure Services	Administration Buildings	Geoff Phillips	2.2.1.1 Review and update Capital Works Programs - Administration Buildings.	01/07/2013 0:00	30/06/2017 0:00	In Progress	80	Internal painting completed Replacement of unserviceable air conditioners 80% completed Installation of carpet will commence when alterations to administration building have been finalised
Infrastructure Services	Caravan Parks and Camping Grounds	Geoff Phillips	2.4.7.1 Ensure ongoing access for caravans and recreational vehicles to South Street Caravan Park.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	South Street caravan park is currently under Licence to the Gunnedah & District Kennel Club, Council engages/consults with the organisation to maintain standards and access to all Caravans and Recreational vehicles under the Licence agreement terms
Infrastructure Services	Rural Sealed Roads	Richard Baxter	2.2.1.27 Ongoing maintenance of Rural Sealed Roads.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Maintenance has been undertaken on all of Council's rural sealed road network, including Wandobah Road, Clifton Road, Normans Road, Kelvin Road, Old Buelvale Road,
Infrastructure Services	Car Parks	Richard Baxter	2.2.1.8 Ongoing maintenance and upgrade of car parks within the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Maintenance undertaken as required.
Infrastructure Services	Water Services	Kevin Sheridan	4.4.3.1 Collaborate with Save Water Alliance delivering educational strategies on water consumption reduction.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Undertaking joint water education and conservation program through Water and Energy Group with Namoi Water alliance.
Infrastructure Services	Stormwater Drainage	Richard Baxter	4.4.4.1 Creation and implementation of Stormwater Education Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Ongoing works with Council's stormwater infrastructure are undertaken on a regular basis.
Infrastructure Services	Cemeteries	Geoff Phillips	2.2.5.2 Provide timely burial service for the Gunnedah Memorial Park Cemetery, Hunter Street Cemetery and Villages.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Burial services take the highest priority within Council and all required infrastructure is allocated to the process to achieve a timely outcome for the client. Timely Service delivery was achieved for the period.
Infrastructure Services	Commercial Properties	Geoff Phillips	2.2.1.11 Review and update Capital Works Programs - Commercial Properties.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Capital works are undertaken as and when scheduled, no capital works identified for the 2015/16 financial year. Maintenance programs are ongoing
Infrastructure Services	Noxious Weeds	Lee Amidy	4.2.2.1 Identify and provide noxious weed spraying services to the community.	01/07/2015 0:00	30/06/2017 0:00	In Progress	40	Continued education programs including Ag-Quip, Keepit Dam, etc.
Infrastructure Services	Assets	John "Sam" Devine	2.2.4.2 Review and update Asset Management Plans across the organisation.	01/07/2013 0:00	30/06/2017 0:00	In Progress	90	New Asset management plan has been written and near completion. Currently updating life cycle costings with available data and creating a central spreadsheet to enable easier updating.
Infrastructure Services	Water Services	Kevin Sheridan	2.2.3.3 Main replacement program for Gunnedah Water Services (CAPITAL).	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Water main replacement program completed. Main replaced in Daniel Keane Crescent, Porcupine St, South St, Westerweller St Kamilaroi Rd and Hopedale Ave

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Infrastructure Services	Water Services	Kevin Sheridan	2.2.3.2 Implementation of Water Quality Assurance Framework in accordance with the Public Health Act.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Water Quality Management System currently being implemented inline with quality assurance plan.
Infrastructure Services	Regional Roads	Richard Baxter	2.2.1.24 Ongoing maintenance of Regional Roads.	01/07/2015 0:00	30/06/2017 0:00	Completed	100	Shoulder and grading maintenance undertaken on Black Stump Way, Grain Valley Way and Rangari Road. The State Government has confirmed that Bloomfield Street has been declared a Regional Road and is now identified as such in Council's works program.
Infrastructure Services	Parks and Gardens	Geoff Phillips	3.12.1.1 Identify suitable areas for the implementation and installation of outdoor gym equipment in conjunction with the current and future cycleway and walkway network.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	An outdoor gym equipment installation program has been identified and instigated and is an ongoing process in conjunction with existing pathways along with future developments of the cycleway and walkway program through out town.
Infrastructure Services	Street Cleaning	Richard Baxter	2.2.1.32 Ongoing maintenance and cleaning of streets across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Ongoing program in place. A tracking program is being investigated to assist with gaining efficiencies, with the system to be installed on the machine and will track the cleaning route.
Infrastructure Services	Commercial Properties	Geoff Phillips	2.2.1.10 Ongoing maintenance and repairs of Council's building assets (commercial properties) to meet operational standards.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Councils commercial property maintenance & repairs schedules are based on regular inspections along with engaging cyclic, reactive, historical and planned processes. This is an ongoing program
Infrastructure Services	Infrastructure Management	Wayne Kerr	2.3.3.2 Identify strategies to maintain long term infrastructure.	01/07/2013 0:00	30/06/2017 0:00	In Progress	60	Continuing to work with RMS to construct the second road over rail bridge.
Infrastructure Services	Rural Sealed Roads	Richard Baxter	2.2.1.25 Ongoing maintenance of pavement reconstruction programs across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Refer to comments with regard to Rural Sealed Roads Capital Works Program.
Infrastructure Services	Halls and Centres	Geoff Phillips	3.9.1.3 Review and update Capital Works Programs - Halls and Centres.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Capital works are undertaken as and when scheduled, no capital works identified for the 2015/16 financial year. Halls and Centres maintenance program completed
Planning and Environmental Services	Public Health	Blake O'Mullane	3.2.2.1 Provide systems and processes to ensure compliance with food legislation and standards.	01/07/2013 0:00	30/06/2017 0:00	Not Started	0	A Food Premises Inspection Register has been developed to track what inspections have been undertaken for the reportable year.

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Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.2.6.1 Ensure ongoing delivery of a broad range of community and cultural services that respond to the needs of the growing Gunnedah Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The delivery of an array of community events that are free. Consideration for socially isolated and transport disadvantaged residents through the Shire. Events and activities seek to increase participation and enhance access opportunities, eg free movie screenings, free community BBQs, library activities for children and adults, School Holiday Program, 1000 Books Before School, shop bound program, Community Hub Service.
Planning and Environmental Services	Animal Control	Blake O'Mullane	4.3.2.1 Administer the Companion Animals legislation across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Companion Animals legislation has been administered across the shire.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	4.9.3.3 Ensure that the community is provided with high quality environmental management services.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Kerbside waste and recycling services maintained in accordance with contractual arrangements. Ongoing environmental management initiatives undertaken at Gunnedah Waste Management Facility to improve environmental outcomes, improve waste disposal and life span of facility. Litter management program initiated through Waste Less Recycle More grant funding to mitigate unauthorised dumping of waste. Blackjack Creek flood plain management program moving toward construction program - private land acquisition being finalised.
Planning and Environmental Services	Environmental Management	Carolyn Hunt	4.5.1.1 Creation and implementation of the Blackjack Creek Riparian Corridor/Channel Reconstruction project.	01/07/2013 0:00	30/06/2017 0:00	In Progress	15	Blackjack Creek Riparian Corridor and Channel Reconstruction project is being undertaken in accordance with the approved work plan.
Planning and Environmental Services	Events	Debra Hilton	3.10.1.1 Coordinate and promote events and initiatives that contribute to the community and cultural amenity of the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		As per previous progress comments regarding support provided to events conducted by Council and other organisations within the Shire. The promotion of the Cultural Precinct venues and amenities as a premier wedding and conference venue. Development of an Exhibition program that showcases new and emerging talent. sourcing of National touring shows (Melbourne Comedy Festival) that enhance access opportunities. Initiation of development of cultural Plan and Public Art Community Engagement Strategy. Completion of Cultural Audit
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.1.3.1 Consideration of inclusion of suitable koala habitat during assessment of major developments.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The implementation of Council's Koala Strategy and other state legislation to protect the koala and its habitat, is undertaken with each development application. Where koala habitat is located, Koala Plans of Management may be required.

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Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.9.2.1 Encourage appropriate development of items of heritage significance.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Appropriate development of items of heritage significance is being undertaken through the development application process. The provisions of the Gunnedah Local Environmental Plan 2012 that refer to the preservation of heritage items are being applied.
Planning and Environmental Services	Economic Development	Andrew Johns	2.4.3.1 Identify potential partners to enhance access to and delivery of telecommunications activities across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Ongoing monitoring of progress of NBN rollout.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	2.2.1.21 Oversee the swimming pool complex renewal project.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Concept design finalised and adopted with architectural consultants progressing to complete development application documentation for lodgement. Development Application lodged and approved by Joint Regional Planning Panel. Preparation of Tender documentation authorised by Council. Architect progressing completion of tender and construction contract documentation.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.2.3.1 Identify and promote legislative rehabilitation requirements for new developments across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council's Development Control Plan 2012 requires commercial and industrial development to provide a landscaping plan for the proposed development. For major developments, landscaping in the form of rehabilitation would be determined during the development application process.
Planning and Environmental Services	Building Control	Blake O'Mullane	4.8.1.1 Assess and process construction certificate applications in accordance with legislation and the Building Code of Australia.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Construction certificate applications have been assessed and processed in accordance with relevant legislation and the Building Code of Australia. Assessment templates have been developed to assist in ensuring that applications are assessed against the relevant parts of the Building Code of Australia.
Planning and Environmental Services	Environmental Management	Carolyn Hunt	4.3.3.1 Creation and implementation of strategies to sustain the koala population across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Gunnedah Koala Strategy has been adopted by Council. Implementation of the Strategy and the state legislation for the protection of the koala and its habitat is being undertaken through the development application process.
Planning and Environmental Services	Sanitation	Blake O'Mullane	2.2.2.1 Ensure efficient provision of Section 68 Septic Tank Approvals.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Sec 68 Septic Tank Approvals have been issued within 10 working days, where all required information has been provided.
Planning and Environmental Services	Economic Development	Debra Hilton	2.4.5.1 Identify opportunities to attract economic, sporting and cultural events to the area.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Support the delivery of Council information via the Gunnedah Shire Council stand at Ag-Quip. The development of the annual Cultural Program has sourced numerous events for delivery prior to the end of the reporting period. The Program includes six annual exhibitions, four touring shows and four live performances. Staff have worked in partnership with the Gunnedah Conservatorium to deliver cultural events.

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Planning and Environmental Services	Community and Cultural Development	Debra Hilton	2.5.5.1 Advocate for the delivery of health services to the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	3.8.2.2 Ensure that the community is provided with high quality community and cultural services that meets community expectations, demands and need.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Working and interacting with community and cultural groups to ensure and facilitate implementation of community based cultural activities. In particular working with the Two Rivers Arts Council and Gunnedah Eisteddfod Society and associated groups in the delivery of events in an efficient and cost effective manner that ensures customer and patron satisfaction.
Planning and Environmental Services	Economic Development	Debra Hilton	2.5.1.1 Review and provide updated business and organisation's details via range of promotional activities.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Regular contact with local businesses to ensure business listing up to date.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	2.1.6.1 Promote the Gunnedah Shire as a liveable community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Numerous place-making events held throughout the year to facilitate participation and inclusion. eg The Gunnedah White Ribbon Guinness World Record attempt was held in November 2015 with over 1,100 participants. The event was held to highlight and strengthen the community's resolve to stand against domestic violence community. Promotion of the Cultural Precinct as a wedding and conference venue following the purchase of equipment (eg tables, table cloths) and upgrade of amenities within the precinct to enable the delivery of these types of functions. Marketing via local businesses and community "word of mouth". The delivery of local events promoting community pride and promotion of local artists, eg NAIDOC Exhibition promoting indigenous art. Encouraging youth participation in local events to enhance social connectedness to the community and foster sense of place.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	4.9.3.2 Ensure that the community is provided with a high quality built environment that meets regulatory standards and community expectations.	01/07/2013 0:00	30/06/2017 0:00	Not Started	0	Provisions of the Building Code of Australia and relevant standards consistently applied by accredited certifiers. Monitoring of swimming pools registrations undertaken and application of statutory responsibilities of Council as Principal Certifying Authority in a succinct manner.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	1.2.2.1 Assess and process development proposals in accordance with the Environmental Planning and Assessment Act.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	All development applications are assessed and processed in accordance with the provisions of the Environmental Planning and Assessment Act. Relevant conditions of consent are imposed to ensure that Council's Local Environmental Plan and Development Control Plan provisions are implemented.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Economic Development	Debra Hilton	3.10.3.1 Coordinate and promote effective and sustainable community development and cultural programs and assist community organisations to build capacity.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The development of a diverse annual cultural program to support new and emerging artists within the Region. The delivery of community development initiatives that raise awareness for areas of social disadvantage. The attraction of touring shows to the Region to support local business and industry.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	3.6.3.1 Enforce Safer by Design principles in development applications.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The principles of Safer by Design are considered during the processing of each development application. Where required, relevant conditions of consent are applied to ensure that the principles are implemented.
Planning and Environmental Services	Public Health	Blake O'Mullane	4.9.3.5 Provide systems and processes to manage excess vegetation to ensure land and premises are in a safe and/or healthy condition.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		A system has been implemented to track and manage properties which have excess vegetation/are overgrown.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	1.2.2.3 Ongoing implementation of floodplain management strategies into the development application assessment process.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Floodplain Management strategies are implemented through the development process. Development which is subject to flooding is required to undertake additional investigation in regard to the impact of flooding on the proposed development. Conditions of consent are applied where required.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	2.2.8.1 Implement Council's Section 94A Contributions Plan where applicable.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Consideration and implementation, where applicable, of Council's Section 94A Contributions Plan is undertaken with the assessment of each development application. When applicable, a condition of consent is imposed for a monetary contribution to facilitate identified local services and facilities.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	2.1.4.1 Support business and economic development organisations across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Oversee and implement Business Partner Program. Attend and interact with Chamber of Commerce at monthly meetings with Council executive. Support implementation of business development through Northern Inland Regional Development Australia business technology initiative. Sought funding from Commonwealth Stronger Regions Fund and New South Wales Resources for Regions Fund.
Planning and Environmental Services	Economic Development	Andrew Johns	2.5.5.2 Creation and implementation of strategies to facilitate and market economic growth in the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Monthly interaction with Chamber of Commerce to identify business needs. Establishment of Western Sewerage Zone to support industrial and commercial development in north west industrial area. Exhibition of Land Use Strategy with particular focus on 'game changers' in business zones - proposed realignment of State Highway and identifying potential business development site. Urban Land Use Strategy adopted by Council. Interaction with potential developers at eastern and western gateways to Gunnedah urban area.



Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.4.2.1 Collaborate with Government Agencies to implement catchment management strategies across the region.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Catchment Management Action Plan strategies have been reviewed. Where applicable, catchment management strategies are considered in the assessment of the development application and strategic planning.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	2.5.2.1 Review Development Control Plan provisions.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The provisions of the Development Control Plan are applied to each development application. Any provisions that require review are noted and will be incorporated into the Review of the plan.
Planning and Environmental Services	Public Health	Blake O'Mullane	2.2.5.7 Provide systems and processes to manage removal and destruction of abandoned vehicles in accordance with the	01/07/2013 0:00	30/06/2017 0:00	In Progress	25	A draft Standard Operating Procedure (SOP) detailing systems and processes to manage removal and destruction of abandoned vehicles has been prepared.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	1.4.1.1 Identify funding opportunities for local services and facilities through developer contributions, voluntary planning agreements and lobbying government agencies.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council's developer contributions plans are applied to all development applications, where applicable. The funds collected from these contributions are utilised in the provision of Council's Delivery Plan and in accordance with the works identified in the contributions plans. Council has resolved to enter into Voluntary Planning Agreements with developers to ensure that local services and facilities are provided.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.5.2.1 Implement protection measures in respect of European heritage and items of Aboriginal significance.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The provisions of the Gunnedah Local Environmental Plan 2012 that refer to the preservation of heritage items are being applied. Appropriate development conditions are applied for the development of items of heritage significance through the development application process.
Planning and Environmental Services	Library	Debra Hilton	3.2.6.2 Ensure ongoing delivery of broad range of community, cultural and library services that	01/07/2013 0:00	30/06/2017 0:00	Not Started	0	
Planning and Environmental Services	Development and Planning	Carolyn Hunt	1.2.2.2 Implement Open Space Strategy initiatives.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The Open Space Strategy initiatives are regularly considered in strategic planning projects. Council's Development Control Plan includes the provision of open space areas in the master plans for implementation by future development.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	1.8.3.1 Identify educational requirements through submission on major development proposals.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Through the lodgement of submissions in regard to major development proposals, Council highlights the need for consideration of education requirements within the community as a result of the proposed development. The submission is considered by the Department of Planning during the assessment of the development.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Domestic Waste Management	Blake O'Mullane	4.7.3.1 Investigate strategies to reduce waste produced by households and industry in the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		As part of the Northern Inland Regional Waste Group, Gunnedah Shire Council has been investigating strategies to reduce waste produced by households and industry. Projects propose by NIRW to achieve this include: Promote reuse of discarded products (Council has run the 'Garage Sale Trail' event); Promote home composting; and Guide the community in reducing waste.
Planning and Environmental Services	Parking Control	Blake O'Mullane	2.3.1.1 Regulate parking control in the Gunnedah Central Business District.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Parking control has been regulated in the Gunnedah CBD.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	2.3.3.1 Ongoing liaison with rail and government agencies in relation to State Government approved major projects impacting rail infrastructure.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Through the lodgement of submissions in regard to major development proposals, Council liaises with rail and government agencies to encourage consideration of impacts on rail infrastructure as a result of the major development projects. The submission is considered by the Department of Planning during the assessment of the development.
Planning and Environmental Services	Cultural Precinct - The Civic	Debra Hilton	3.8.2.1 Increase participation and access to the venues and amenities within the Cultural Precinct.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Access to venue via hire and internal use continues to increase within the cultural precinct during reporting period. Expansion of focus to include weddings and conferences in 1516 period.
Planning and Environmental Services	Economic Development	Debra Hilton	3.11.1.1 Ensure delivery of best practice cultural and community events.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		A review of the Hall Booking Form to support financial risk management outcomes. The hall booking process has been streamlined to enhance customer service outcomes. An overall event risk management strategy has been adopted. A Community and Cultural Development risk Management Plan has also been developed.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	1.1.4.1 Collaborate with Progress Associations and Hall Committees to enhance access opportunities for the residents.	01/07/2013 0:00	30/06/2016 0:00	Completed	100	Maintaining contact with Village Halls and Progress Associations to increase participation in local and regional events.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.4.1.1 Support the Catchment Management Action Plan strategies.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Catchment Management Action Plan strategies have been reviewed. Where applicable, catchment management strategies are considered in the assessment of the development application and strategic planning.
Planning and Environmental Services	Parking Control	Blake O'Mullane	2.3.2.1 Investigate strategies to maximise use of existing parking spaces in the Gunnedah Central Business District.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Strategies have been investigated to maximise the use of existing parking spaces in the Gunnedah CBD - Inspections of parking spaces (line marking) has been carried out in Conadilly Street and public car parks.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.6.1.1 Undertake a review of Alcohol Free Zones within the Gunnedah Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The designated zones will expire on 1 July 2016, and a review in relation to suitability of location and gaps in coverage. A correlation to crime statistics will be made to determine success of designated areas. Signage will be amended to cover new approval periods.
Planning and Environmental Services	Environmental Management	Carolyn Hunt	1.2.2.4 Investigate environmental and natural resource management programs.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Ongoing investigation of available programs for environmental and natural resource management is being undertaken.
Planning and Environmental Services	Community Planning and Development	Debra Hilton	3.3.3.1 Continue to participate in forums and initiatives aimed at supporting the low socio economic members of the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Participation ongoing via interagency meetings, involvement in Crime Prevention community initiatives, support via attendance at community events, eg Gunnedah Family Support, Red Chief Local Land Council, Challenge.
Planning and Environmental Services	Environmental Management	Carolyn Hunt	4.3.1.1 Investigate funding opportunities with Government Agencies for additional habitat construction.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Funding opportunities are being investigated when presented. However, no additional opportunities have been taken up to date.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.8.3.1 Identify opportunities to develop multi cultural resources that promote access and increase knowledge.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Library houses extensive multicultural language resource collection (8 languages). Discussions with webmaster on multi-lingual conversion have been initiated.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.3.2.2 Review legislation to facilitate identification of threatened species and the implementation of provisions for their protection.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Legislation is regularly reviewed to ensure that threaten species requirements are implemented through the development application process. The relevant investigation reports are requested where required for development assessment to ensure that threatened species are protected.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.6.4.1 Identify and develop opportunities that reduce crime and enhance community safety throughout the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Ongoing implementation of the recommendations within the Crime Prevention Plan 2014-2017. The Crime Prevention Working Group support for community based community safety and crime prevention initiatives with bi-monthly meetings conducted. Attendance at Community Safety Conference in Sydney to determine to determine best practice approaches with report delivered to Council on outcomes.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	2.4.2.1 Ongoing delivery of community and cultural events promoted to current and prospective residents and visitors to the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Corporate and community events delivered within the Cultural Precinct, including support of Grandparents Day and White Ribbon Day. The delivery of awareness of events such as the Candlelight Vigil in the Park as part of Domestic Violence Week. The Community Hub Worker supported various events including: Challenge BBQ, Gunnedah Family Support Events, NAIDOC Week.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	4.9.1.2 Ensure that the community is provided with high quality planning through a rigorous regulatory process that meets regulatory standards and community expectations.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Regulatory management implemented in building control and development management. In particular provisions of Development Control Plans consistently applied with various supported where robust justification to provide a better planning or outcome solution is justified or validated. Community expectation addressed through notification, exhibition and engagement of the community in accordance with notification and engagement processes. Internal Audit Committee undertook audit of Planning Department operations. Implementation of recommendations well advanced.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	2.5.5.3 Support economic development within Gunnedah Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Meeting monthly with Chamber of Commerce. Interaction with various development and business proponents to progress proposals in areas associated with agri-business, retail expansion, commercial development and activity. Finalisation and implementation of Business Partner funding initiatives.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	1.4.1.2 Represent Council on regional and strategic planning matters through consultation with Government agencies.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Attendance at meetings of Regional Planners Group of Namoi Councils and interaction with government agencies on development matters of regional significance.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	1.1.4.2 Identify opportunities to support and build capacity of local community groups and organisations to enhance service delivery.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Connected with Village Halls and Progress Associations via regular meetings to share event information to increase participation and to develop youth opportunities, eg outreach movie nights and cultural exhibitions.
Planning and Environmental Services	Domestic Waste Management	Blake O'Mullane	4.7.1.1 Ensure effective and efficient delivery of recycling services across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Recycling services have been delivered across the Shire in accordance with the existing contractual arrangements in place with the service provider.
Planning and Environmental Services	Building Control	Blake O'Mullane	4.8.2.1 Provision of advice and guidance on legislative compliance for the construction of dwellings and commercial/industrial buildings to applicants.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Pre-lodgement advice on compliance with relevant pieces of legislation has been provided to applicants of both residential and commercial/industrial developments.
Planning and Environmental Services	Domestic Waste Management	Blake O'Mullane	4.7.4.1 Provide systems and processes to manage the future waste management services across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		The following systems and processes have been implemented to manage future waste management services across the shire: Monitoring to ensure adequate landfill life and replacement needs of the Gunnedah Waste Management Facility are met (a trial has been completed to measure the compaction rates being achieved at the Gunnedah Landfill); and Provisioning for closure and remediation of the Gunnedah landfill.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Economic Development	Debra Hilton	2.1.9.1 Support Gunnedah and District Chamber of Commerce.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Supported through participation in Chamber events, dissemination of information regarding Chamber initiatives to the broader community to increase participation and support the local economy.
Planning and Environmental Services	Public Health	Blake O'Mullane	4.9.3.4 Assess and process Fire Permit Applications during Bush Fire Danger Periods.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Fire Permit Applications have been assessed/processed and returned to applicants prior to the dates of the proposed "burns".
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.9.1.1 Participate in Village community group meetings to communicate available services across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		As per previous progress comments regarding liaison with Village Hall groups and Progress Associations.
Planning and Environmental Services	Building Control	Blake O'Mullane	2.2.5.1 Assess and process swimming pool barrier compliance certificate applications in accordance with the Swimming Pools Act 1992 and Swimming Pools Regulation 2008.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		All Swimming Pool Barrier Compliance Certificates have been processed in accordance with the Swimming Pools Act 1992 and the Swimming Pools Regulation 2008.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	1.1.3.1 Identify opportunities to support and build capacity of local community groups and organisations to enhance service delivery.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council initiated Connected Communities Forum delivered December 2015 to identify network and resource sharing opportunities in relation to service delivery. Interagencies facilitated and participated in to encourage cross service collaboration. Ongoing support of local events to raise awareness of social issues.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	3.3.3.2 Consideration of affordable housing during the development review of strategies and plans.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	During the review of Council's strategic plans, consideration is given to the location and provisions for affordable housing. Council has received limited applications for affordable housing, which are assessed in accordance with the provisions of the State Environmental Planning Policy.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	3.3.4.1 Encourage development incorporating residential blocks to attract new residents to the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Development applications for the creation of residential lots are assessed to ensure that they are attractive for future development within the Shire. Council's Local Environmental Plan and Development Control Plan provisions ensure that new residential development incorporate utility services, access, open space and landscaping.
Planning and Environmental Services	Economic Development	Debra Hilton	3.10.5.1 Advocate and administer grant funding to support community and cultural activities across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		4 grant opportunities were utilised during the reporting period to deliver a refugee focussed event in March 2016 and a proposed ANZAC Ball in April 2016.

Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Domestic Waste Management	Blake O'Mullane	4.7.2.1 Investigate strategies to increase the amount of waste recycled by households and industry in the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		As part of the Northern Inland Regional Waste Group, Gunnedah Shire Council has been investigating strategies to increase the amount of waste recycled by households. Projects proposed by NIRW include: Develop waste processing/recycling facilities; Improve kerbside recycling performance; and Consider processing residual waste as a long term option.
Planning and Environmental Services	Economic Development	Debra Hilton	2.1.5.1 Ensure a diversified economy by supporting existing industry and encouraging new industry to the Shire.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Ongoing liaison with business leaders and the Gunnedah and District Chamber of Commerce within the Shire to facilitate a business forum which will provide an opportunity for businesses to access industry information, information regarding grant funding, start-up funding, etc. Investigating opportunities to include Government stakeholders. Ongoing support provided to the Chamber.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.9.3.1 Implement the provisions of the Local Environmental Plan 2012.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Through the development application process, the provisions of the Gunnedah Local Environmental Plan 2012 are being implemented. Each development application is assessed against the relevant clauses of the plan.
Planning and Environmental Services	Economic Development	Debra Hilton	3.11.2.1 Identify opportunities to partner with Aboriginal organisations and the community to recognise and retain Aboriginal heritage and culture.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Participation in NAIDOC Week activities including financial support of \$4,500 for the community, and events included a free movie day, a NAIDOC Week exhibition, exhibited the Back to Burrabee by local artist Warwick Keen, and supported community events via participation at Winanga-Li and Red Chief Local Area Land Council.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.9.1.1 Implement Council's Development Control Plan with regard to streetscape consistency across the Shire.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council's Development Control Plan, which contains provisions for attractive streetscapes is implemented through the assessment of each application. The potential impact on the streetscape is considered for each application and appropriate conditions are applied.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	1.1.2.1 Celebrate volunteers and role models in our community.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Library volunteers supported and recognised regularly. Whilst no specific corporate event or function was conducted, ongoing support for volunteers assisting the organisation to deliver services to the community.x
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.12.2.1 Administer financial assistance to community and sporting groups with Section 356 Community and Sports Small Grants Program.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	The 2015 Section 356 grant funds were disseminated in August 2015, with the seven community organisations being awarded a total of \$18,983.80 in funding. The community organisations included: Challenge Community Services, Gunnedah Woodturners, Carroll Progress Association Inc, Gunnedah Rural Museum, Gunnedah Pottery Club In, Mullaley P&C Association and Plains Pipes and Drums. Four sporting organisations were awarded a total of \$12,640.00 in funding and included: Namoi Horse Association, Gunnedah Little Athletics, Gunnedah Junior Cricket Association and Gunnedah Bender and Stocker Club.



Directorate	Business Unit	Responsible Person	Action	Start Date	End Date	Action Status	Percent Complete	Comments
Planning and Environmental Services	Cultural Precinct - The Civic	Debra Hilton	3.2.7.1 Promote the services offered by the Community and Cultural Development Department across a broad range of service areas.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Multi marketing strategies including flyers, posters, interagency access, website, facebook, Village Hall groups and Progress Associations, Gunnedah and District Chamber of Commerce, Civic Program delivery, cultural flyer, Library Lines published locally, radio announcements, media releases and broad based marketing.
Planning and Environmental Services	Economic Development	Debra Hilton	2.5.3.1 Identify new business opportunities and assist in the expansion of existing businesses in the Shire by providing incentives through the Business Partner Program	01/07/2013 0:00	30/06/2017 0:00	Ongoing		\$10,600 awarded against three Business Partner Program grant applications in the reporting period to support business initiatives and new ventures.
Planning and Environmental Services	Community and Cultural Development	Debra Hilton	3.2.3.1 Advocate for delivery of health services to the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Advocacy provided through the delivery of the Connecting Our Communities Forum which identified gaps in services and made recommendations for service enhancement. Advocated via support of specific awareness raising events, eg drug and alcohol initiatives, domestic and family violence, child safety.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.1.1.1 Identify and promote reductions in energy and water consumption for new developments across the Shire through BASIX.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Where required by legislation, BASIX Certificates are provided at the development application stage. The requirements of the certificate are implemented at the require stages and checked prior to issue of a final occupation certificate to ensure reductions in energy and water consumption.
Planning and Environmental Services	Planning and Environmental Services Management	Andrew Johns	4.1.4.1 Support the development of Gunnedah as a vibrant and resilient community through strategic initiatives that support the future needs of the community.	01/07/2013 0:00	30/06/2017 0:00	Ongoing		Exhibition of the draft Gunnedah Urban Land Use Plan and interaction with interested community groups and individuals to ensure that "game changer" developments such as the second road over rail bridge and realignment of the state highway regional road network. Public exhibition of documents and workshopping of draft strategy with councillors and business community undertaken. Lodgement of funding application through Commonwealth Stronger Regions Fund for flood lighting of Donnelly Field to support Namoi Parklands open space strategy. Further application for Commonwealth Stronger Regions funding sought - awaiting outcome. Embellishment of Namoi Parklands as major sporting precinct proceeding. Additional land at corner of Bloomfield and Tempest Streets acquired to support long term development of sporting precinct.
Planning and Environmental Services	Development and Planning	Carolyn Hunt	4.1.2.1 Implement Council's Development Control Plan with regard to provisions and location of open space areas.	01/07/2013 0:00	30/06/2017 0:00	Completed	100	Council's Development Control Plan, which contains master plans for future subdivision areas is implemented through the assessment of each application. The location of open space areas is identified in the master plans and are required to be provided in the subdivision of land.



# Gunnedah Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



## Gunnedah Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2016

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#### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Gunnedah Shire Council.
- (ii) Gunnedah Shire Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the *Local Government Act 1993* (LGA).

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 19 October 2016. Council has the power to amend and reissue these financial statements.
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## Gunnedah Shire Council

### General Purpose Financial Statements for the year ended 30 June 2016

#### Understanding Council's financial statements

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##### Introduction

Each year, individual local governments across New South Wales are required to present a set of audited financial statements to their council and community.

##### What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

##### About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year, and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

##### About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

##### 1. The Income Statement

This statement summarises Council's financial performance for the year, listing all income and expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

##### 2. The Statement of Comprehensive Income

This statement primarily records changes in the fair values of Council's infrastructure, property, plant and equipment.

##### 3. The Statement of Financial Position

An end of year snapshot of Council's financial position indicating its assets, liabilities and equity ('net wealth').

##### 4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's 'net wealth'.

##### 5. The Statement of Cash Flows

This statement indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

##### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

##### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise in local government). In NSW, the auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. Their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

##### Who uses the financial statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the Audit Report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

## Gunnedah Shire Council

### General Purpose Financial Statements for the year ended 30 June 2016

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

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

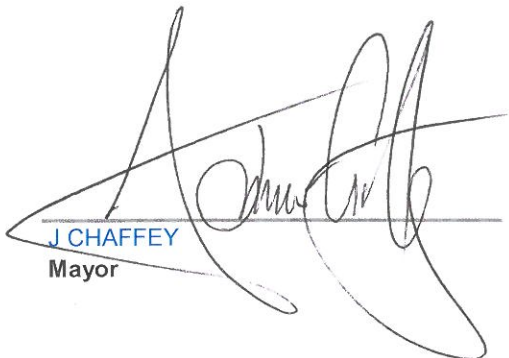
- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these financial statements:

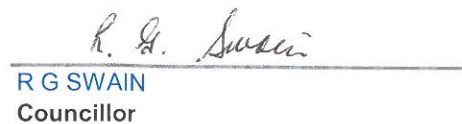
- present fairly the Council's operating result and financial position for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 19 October 2016.



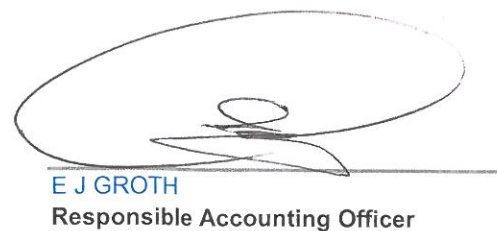
J CHAFFEY  
Mayor



R G SWAIN  
Councillor



E J GROTH  
General Manager



E J GROTH  
Responsible Accounting Officer



## Gunnedah Shire Council

## Income Statement

for the year ended 30 June 2016

Budget <sup>1</sup> 2016	\$ '000	Notes	Actual 2016	Actual 2015
<b>Income from continuing operations</b>				
<b>Revenue:</b>				
15,959	Rates and annual charges	3a	16,157	14,864
10,249	User charges and fees	3b	11,800	10,985
1,400	Interest and investment revenue	3c	1,693	1,597
727	Other revenues	3d	819	814
10,159	Grants and contributions provided for operating purposes	3e,f	12,218	10,478
1,828	Grants and contributions provided for capital purposes	3e,f	8,864	2,197
<b>Other income:</b>				
–	Net share of interests in joint ventures and associates using the equity method	19	–	–
<b>40,322</b>	<b>Total income from continuing operations</b>		<b>51,551</b>	<b>40,935</b>
<b>Expenses from continuing operations</b>				
13,196	Employee benefits and on-costs	4a	13,215	12,950
909	Borrowing costs	4b	728	541
10,242	Materials and contracts	4c	9,741	9,036
9,255	Depreciation and amortisation	4d	9,341	9,035
–	Impairment	4d	57	–
3,110	Other expenses	4e	2,809	2,621
–	Net losses from the disposal of assets	5	497	230
<b>36,712</b>	<b>Total expenses from continuing operations</b>		<b>36,388</b>	<b>34,413</b>
<b>3,610</b>	<b>Operating result from continuing operations</b>		<b>15,163</b>	<b>6,522</b>
<b>Discontinued operations</b>				
–	Net profit/(loss) from discontinued operations	24	–	–
<b>3,610</b>	<b>Net operating result for the year</b>		<b>15,163</b>	<b>6,522</b>
3,610	Net operating result attributable to Council		15,163	6,522
–	Net operating result attributable to non-controlling interests		–	–
<b>1,782</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>6,299</b>	<b>4,325</b>

<sup>1</sup> Original budget as approved by Council – refer Note 16



## Gunnedah Shire Council

Statement of Comprehensive Income  
for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
<b>Net operating result for the year</b> (as per Income Statement)		<b>15,163</b>	<b>6,522</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	3,075	71,771
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>3,075</b>	<b>71,771</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the year</b>		<b>3,075</b>	<b>71,771</b>
<b>Total comprehensive income for the year</b>		<b>18,238</b>	<b>78,293</b>
<b>Total comprehensive income attributable to Council</b>		18,238	78,293
<b>Total comprehensive income attributable to non-controlling interests</b>		-	-

## Gunnedah Shire Council

## Statement of Financial Position

as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	3,777	4,454
Investments	6b	52,294	44,294
Receivables	7	5,092	5,886
Inventories	8	470	404
Other	8	238	44
Non-current assets classified as 'held for sale'	22	–	–
<b>Total current assets</b>		<b>61,871</b>	<b>55,082</b>
<b>Non-current assets</b>			
Investments	6b	–	–
Receivables	7	31	33
Inventories	8	–	–
Infrastructure, property, plant and equipment	9	392,616	380,597
Investments accounted for using the equity method	19	–	–
Investment property	14	–	–
Intangible assets	25	–	–
<b>Total non-current assets</b>		<b>392,647</b>	<b>380,630</b>
<b>TOTAL ASSETS</b>		<b>454,518</b>	<b>435,712</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	3,226	3,463
Borrowings	10	308	291
Provisions	10	4,523	4,212
<b>Total current liabilities</b>		<b>8,057</b>	<b>7,966</b>
<b>Non-current liabilities</b>			
Payables	10	–	–
Borrowings	10	8,881	9,189
Provisions	10	7,563	6,778
<b>Total non-current liabilities</b>		<b>16,444</b>	<b>15,967</b>
<b>TOTAL LIABILITIES</b>		<b>24,501</b>	<b>23,933</b>
<b>Net assets</b>		<b>430,017</b>	<b>411,779</b>
<b>EQUITY</b>			
Retained earnings	20	193,853	178,690
Revaluation reserves	20	236,164	233,089
<b>Council equity interest</b>		<b>430,017</b>	<b>411,779</b>
<b>Non-controlling equity interests</b>		<b>–</b>	<b>–</b>
<b>Total equity</b>		<b>430,017</b>	<b>411,779</b>

## Gunnedah Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total equity
<b>2016</b>						
<b>Opening balance</b> (as per last year's audited accounts)		178,690	233,089	411,779	–	411,779
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance (as at 1/7/15)</b>		<b>178,690</b>	<b>233,089</b>	<b>411,779</b>	<b>–</b>	<b>411,779</b>
<b>c. Net operating result for the year</b>		<b>15,163</b>	<b>–</b>	<b>15,163</b>	<b>–</b>	<b>15,163</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsv	20b (ii)	–	3,075	3,075	–	3,075
– Revaluations: other reserves	20b (ii)	–	–	–	–	–
– Transfers to Income Statement	20b (ii)	–	–	–	–	–
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	–	–	–	–	–
– Joint ventures and associates	19b	–	–	–	–	–
<b>Other comprehensive income</b>		<b>–</b>	<b>3,075</b>	<b>3,075</b>	<b>–</b>	<b>3,075</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>15,163</b>	<b>3,075</b>	<b>18,238</b>	<b>–</b>	<b>18,238</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>193,853</b>	<b>236,164</b>	<b>430,017</b>	<b>–</b>	<b>430,017</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total Equity
<b>2015</b>						
<b>Opening balance</b> (as per last year's audited accounts)		171,760	161,318	333,078	–	333,078
a. Correction of prior period errors	20 (c)	408	–	408	–	408
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance (as at 1/7/14)</b>		<b>172,168</b>	<b>161,318</b>	<b>333,486</b>	<b>–</b>	<b>333,486</b>
<b>c. Net operating result for the year</b>		<b>6,522</b>	<b>–</b>	<b>6,522</b>	<b>–</b>	<b>6,522</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsv	20b (ii)	–	71,771	71,771	–	71,771
– Revaluations: other reserves	20b (ii)	–	–	–	–	–
– Transfers to Income Statement	20b (ii)	–	–	–	–	–
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	–	–	–	–	–
– Joint ventures and associates	19b	–	–	–	–	–
<b>Other comprehensive income</b>		<b>–</b>	<b>71,771</b>	<b>71,771</b>	<b>–</b>	<b>71,771</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>6,522</b>	<b>71,771</b>	<b>78,293</b>	<b>–</b>	<b>78,293</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>178,690</b>	<b>233,089</b>	<b>411,779</b>	<b>–</b>	<b>411,779</b>

## Gunnedah Shire Council

Statement of Cash Flows  
for the year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
15,896	Rates and annual charges		16,242	15,165
9,939	User charges and fees		13,819	9,845
1,357	Investment and interest revenue received		1,599	1,452
12,010	Grants and contributions		13,954	12,974
661	Other		1,591	2,225
<b>Payments:</b>				
(13,193)	Employee benefits and on-costs		(13,500)	(12,277)
(10,038)	Materials and contracts		(11,992)	(10,538)
(760)	Borrowing costs		(549)	(368)
(3,111)	Other		(2,609)	(2,899)
<b>12,761</b>	<b>Net cash provided (or used in) operating activities</b>	11b	<b>18,555</b>	<b>15,579</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
3,840	Sale of investment securities		67,500	57,541
608	Sale of infrastructure, property, plant and equipment		406	473
3	Deferred debtors receipts		2	6
<b>Payments:</b>				
–	Purchase of investment securities		(75,500)	(61,490)
(25,260)	Purchase of infrastructure, property, plant and equipment		(11,349)	(12,498)
<b>(20,809)</b>	<b>Net cash provided (or used in) investing activities</b>		<b>(18,941)</b>	<b>(15,968)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
10,500	Proceeds from borrowings and advances		–	4,000
<b>Payments:</b>				
(458)	Repayment of borrowings and advances		(291)	(516)
<b>10,042</b>	<b>Net cash flow provided (used in) financing activities</b>		<b>(291)</b>	<b>3,484</b>
<b>1,994</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(677)</b>	<b>3,095</b>
1,000	Plus: cash and cash equivalents – beginning of year	11a	4,454	1,359
<b>2,994</b>	<b>Cash and cash equivalents – end of the year</b>	11a	<b>3,777</b>	<b>4,454</b>
Additional Information:				
	plus: Investments on hand – end of year	6b	52,294	44,294
<b>Total cash, cash equivalents and investments</b>			<b>56,071</b>	<b>48,748</b>

**Please refer to Note 11 for information on the following:**

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

# Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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n/a – not applicable

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

##### (a) Basis of preparation

###### (i) Background

These financial statements are general purpose financial statements, which have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the *Local Government Act (1993)* and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

###### (ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the not-for-profit sector (including local government) which are not in compliance with IFRSs, or
- (b) specifically exclude application by not-for-profit entities.

Accordingly, in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the *Local Government Act (LGA)*, Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

###### (iii) New and amended standards adopted by Council

There have been no new accounting standards adopted in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

###### (iv) Early adoption of accounting standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015, except for AASB2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

For summary information relating to the effects of standards with future operative dates refer further to paragraph (ab).

###### (v) Basis of accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, which are all valued at fair value,
- (ii) the write down of any asset on the basis of impairment (if warranted), and
- (iii) certain classes of non-current assets (eg. infrastructure, property, plant and equipment and investment property) that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

###### (vi) Changes in accounting policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20 (d)].

##### **(vii) Critical accounting estimates**

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

##### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment,
- (iii) Estimated remediation provisions.

Significant judgements in applying Council's accounting policies include the impairment of receivables – Council has made significant judgements about the impairment of a number of its receivables in Note 7.

##### **(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 it, and specific criteria have been met for each of the Council's activities as described below.

Council bases any 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.

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.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets/contributed 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 from contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** 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).

Note 3 (g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s94 of the *EPA Act 1979*.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and accordingly would not be payable to Council.

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.

A detailed note relating to developer contributions can be found at Note 17.

#### User charges, fees and other income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

#### Sale of infrastructure, property, plant and equipment

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

#### Interest and rents

Rental income is accounted for on a straight-line basis over the lease term.

Interest income from cash and investments is accounted for using the effective interest rate at the date that interest is earned.

#### Dividend income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Other Income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

#### (c) Principles of consolidation

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

#### (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 Fund*
- *Gunnedah Water Supply Local Fund*
- *Curlewis Water Supply Local Fund*
- *Mullaley Water Supply Local Fund*
- *Tambar Springs Water Supply Local Fund*
- *Gunnedah Sewerage Local Fund*
- *Curlewis Sewerage Local Fund*

#### (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 that must be applied only for the purposes of or in accordance with the trusts relating to those monies.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Trust monies and property subject to Council's control have been included in these statements.

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

A separate statement of monies held in the trust fund is available for inspection at the Council office by any person free of charge.

#### (iii) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint arrangements

Council has no interest in any joint arrangements.

##### Associates

Council has no interest in any associates.

##### County councils

Council is not a member of any county councils.

#### (d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a finance lease or an operating lease.

##### Finance leases

Leases of property, plant and equipment where the Council 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 lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed 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.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

##### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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 is recognised in income on a straight-line basis over the lease term.

#### (e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) 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 that 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 but are incorporated into cash and cash equivalents for presentation of the Cash Flow Statement.

#### (f) Investments and other financial assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

- **loans and receivables,**
- **held-to-maturity investments,** and
- **available-for-sale financial assets.**

Each classification depends on the purpose or intention for which the investment was acquired and at the time it was acquired.

Management determines each investment classification at the time of initial recognition and 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 include financial assets that are 'held for trading'.

A financial asset is classified in the 'held for trading' category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are primarily classified as current assets as they are primarily held for trading and/or are expected to be realised within 12 months of the balance sheet date.

##### **(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 arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

##### **(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the 'loans and receivables' classification, these investments are generally quoted in an active market.

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.

Investments must be 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.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

##### **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 the 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.

Council may also 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.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

#### General accounting and measurement of financial instruments:

##### (i) Initial recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at 'fair value through profit or loss', directly attributable transactions costs.

Purchases and sales of investments are recognised on trade-date – the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

##### (ii) Subsequent measurement

**Available-for-sale financial assets and financial assets at fair value through profit and loss** are subsequently carried at fair value.

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as '**fair value through profit or loss**' category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as '**available-for-sale**' are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as '**available-for-sale**' are sold or impaired, the accumulated fair value

adjustments are included in the income statement as gains and losses from investment securities.

#### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of 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) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

##### (iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its Investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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 that Council holds are no longer prescribed (eg. managed funds, CDOs, 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.

Council has now disposed of all Investments no longer prescribed by the Ministers order.

#### **(g) Fair value estimation – financial instruments**

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.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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.

#### **(h) Receivables**

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding rates and annual charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (i.e. an allowance account) relating to receivables is established when objective evidence shows that Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are 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 in respect of business undertakings



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

are all 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.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

#### (ii) Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

#### (iii) 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.

#### (j) Infrastructure, property, plant and equipment (I,PP&E)

##### Acquisition of assets

Council's non-current assets are continually revalued (over a 5-year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

At balance date, the following classes of I,PP&E were stated at their fair value:

- **Plant and equipment**  
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (external valuation)
- **Land under roads (Post 30/6/08)** (external valuation)
- **Buildings – specialised/non-specialised**  
(external valuation)
- **Other structures** (external valuation)
- **Roads assets including roads, bridges and footpaths** (internal valuation)
- **Bulk earthworks** (internal valuation)
- **Stormwater drainage** (internal valuation)
- **Water and sewerage networks** (internal valuation)
- **Swimming pools** (external valuation)
- **Other open space/recreational assets**  
(external valuation)
- **Other infrastructure** (external valuation)
- **Other assets**  
(as approximated by depreciated historical cost)
- **Investment properties** – refer Note 1(p),

##### Initial recognition

On initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (i.e. date of exchange) of the asset to arrive at fair value.

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.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date – being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

#### Subsequent costs

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.

#### Asset revaluations (including indexation)

In accounting for asset revaluations relating to infrastructure, property, plant and equipment:

- increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve,
- to the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss,
- net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income Statement.

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.

#### Capitalisation thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

<b>Land</b>	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised

<b>Plant &amp; Equipment</b>	
Office Furniture	> \$2,000
Office Equipment	> \$2,000
Other Plant & Equipment	> \$2,000

<b>Buildings &amp; Land Improvements</b>	
Park Furniture & Equipment	> \$5,000

<b>Building</b>	
- construction/extensions	100% Capitalised
- renovations	> \$10,000

Other Structures	> \$2,000
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<b>Water &amp; Sewer Assets</b>	
Reticulation extensions	> \$5,000
Other	> \$5,000

<b>Stormwater Assets</b>	
Drains & Culverts	> \$5,000
Other	> \$5,000

<b>Transport Assets</b>	
Road construction & reconstruction	> \$10,000
Reseal/Re-sheet & major repairs:	> \$10,000

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Bridge construction & reconstruction > \$10,000

#### Other Infrastructure Assets

Swimming Pools > \$ 2,000  
Other Open Space/Recreational Assets > \$ 2,000  
Other Infrastructure > \$ 5,000

#### Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight-line method in order to allocate an asset's cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

#### Plant & Equipment

- Office Equipment 3 to 10 years  
- Office furniture 5 to 10 years  
- Computer Equipment 3 years  
- Vehicles 5 to 8 years  
- Heavy Plant/Road Making equip. 5 to 10 years  
- Other plant and equipment 5 to 15 years

#### Other Equipment

- Playground equipment 5 to 15 years  
- Benches, seats etc 10 to 20 years

#### Buildings

- Buildings: Masonry 50 to 100 years  
- Buildings: Other 20 to 80 years

#### Stormwater Drainage

- Drains 100 to 120 years  
- Culverts 50 to 100 years

#### Transportation Assets

- Sealed Roads: Surface 21 to 28 years  
- Sealed Roads: Structure 60 to 75 years  
- Unsealed roads 60 to 75 years  
- Bridge: Concrete 100 years  
- Bridge: Other 100 years  
  
- Road Formation 150 years (Urban)  
- Road Formation Indefinite (Rural)  
- Kerb, Gutter & Paths 80 years

#### Water & Sewer Assets

- Dams and reservoirs 80 to 100 years

- Bores 20 to 60 years

- Reticulation pipes: PVC 80 years  
- Reticulation pipes: Other 80 to 110 years  
- Pumps and telemetry 10 to 20 years

#### Other Infrastructure Assets

- Bulk earthworks Infinite  
  
- Swimming Pools 50 years  
- Other Open Space/  
Recreational Assets 30 to 60 years  
  
- Other Infrastructure 20 to 100 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting 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 – refer Note 1 (s) on asset impairment.

#### Disposal and derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

#### (k) Land

Land (other than land under roads) is in accordance with Part 2 of Chapter 6 of the *Local Government Act (1993)* classified as either operational or community.

This classification of land is disclosed in Note 9 (a).

#### (l) Land under roads

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

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

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

#### (m) Intangible assets

Council has not classified any assets as intangible.

#### (n) 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 are currently being sought across state and local government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

#### (o) Rural fire service assets

Under section 119 of the *Rural Fires 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'.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to exclude the

assets, their values and depreciation charges from these financial statements.

#### (p) Investment property

Investment property comprises land and/or buildings that are principally held for long-term rental yields, capital gains or both, that is not occupied by Council.

Council does not classify any land or buildings as Investment Property.

#### (q) Provisions for close down, restoration and for environmental clean-up costs – including tips and quarries

Close down, restoration and remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the 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 that are expected to arise from future disturbance.

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, restoration and remediation costs are a normal consequence of tip and quarry operations, and the majority of 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.

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

This amortisation of the discount is disclosed as a borrowing cost in Note 4 (b).

Other movements in the provisions for close down, restoration and remediation 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.

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, for example, in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Specific information about Council's provisions relating to close down, restoration and remediation costs can be found at Note 26.

#### **(r) Non-current assets (or disposal groups) 'held for sale' and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either **(i)** their carrying amount and **(ii)** fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in non-current assets under the classification of infrastructure, property, plant and equipment – unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as non-current assets 'held for sale', an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets 'held for sale' are not depreciated or amortised while they are classified as 'held for sale'.

Non-current assets classified as 'held for sale' are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of Council that has been disposed of or is classified as 'held for sale' and that represents a separate 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.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (s) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed 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.

Where an asset is not held principally for cash-generating purposes (for example infrastructure assets) and would be replaced if the Council was deprived of it, then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and other intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

##### (t) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year that are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

##### (u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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 balance sheet date.

##### (v) Borrowing costs

Borrowing costs are expensed.

##### (w) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events,
- it is more likely than not 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



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

#### **(x) Employee benefits**

##### **(i) Short-term obligations**

Short-term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

Council hold 30% of Employee Entitlement Funds in a ELE reserve.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

All other short-term employee benefit obligations are presented as payables.

Liabilities for non-vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

##### **(ii) Other long-term obligations**

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made 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 then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how long service leave can be taken, all long service leave for employees with 4 or more years of service has been classified as current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

##### **(iii) 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.

##### **Defined benefit plans**

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 can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the 'Local Government Superannuation Scheme – Pool B'.

This scheme has been deemed to be a 'multi-employer fund' for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

However the position is monitored annually and the actuary has estimated that as at 30 June 2016 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016.

The amount of additional contributions included in the total employer contribution advised above is \$ 186,380.

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 these financial statements.

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.

#### Defined contribution plans

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.

#### (iv) Employee benefit on-costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities accrued as at 30/06/16.

#### (y) Self-insurance

Council does not self-insure.

#### (z) Allocation between current and non-current assets and liabilities

In the determination of whether an asset or liability is classified as 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 next 12 months, being the Council's operational cycle.

#### Exceptions

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 it is not expected to be settled within the next 12 months.

In the case of inventories that are 'held for trading', these are also classified as current even if not expected to be realised in the next 12 months.

#### (aa) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does, however, have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Goods and Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, i.e. they are inclusive of GST where applicable.

Investing and financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows that are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

##### (ab) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

Apart from the AASB disclosures below, there are no other standards that are 'not yet effective' that are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Council's assessment of the impact of upcoming new standards and interpretations that are likely to have an effect are set out below.

##### AASB 9 – Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets and financial liabilities.

These requirements are designed to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value, and
- amortised cost (where financial assets will only be able to be measured at amortised cost when very specific conditions are met).

Council is yet to undertake a detailed assessment of the impact of AASB 9.

##### AASB 15 – Revenue from Contracts with Customers and associated amending standards

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

AASB 15 will introduce a 5-step process for revenue recognition with the core principle of the new standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements, as well as additional disclosures.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2018.

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

Council is yet to undertake a detailed assessment of the impact of AASB 15.

##### **AASB ED 260 Income of Not-for-Profit Entities**

The AASB previously issued exposure draft AASB ED 260 on Income of Not-for-Profit Entities in April 2015.

The exposure draft proposed specific not-for-profit entity requirements and guidance when applying the principles of AASB 15 to income from certain transactions.

Much of the material in AASB 1004 is expected to be replaced by material included in AASB ED 260.

Specific revenue items that may considerably change are Grants and Contributions.

The most likely financial statement impact is the deferred recognition of Grants and Contributions (i.e. recognition as unearned revenue [liability]) until Council has met the associated performance obligation/s relating to the Grants or Contribution.

At this stage there is no specific date of release for a standard or a date of applicability.

##### **AASB16 – Leases**

AASB 116 Leases replaces AASB 117 Leases and some associated lease-related Interpretations.

AASB 16 introduces a single lease accounting model (for lessees) that will require all leases to be accounted for on the balance sheet (ie. recognition of both a right-of-use asset and a corresponding lease) for all leases with a term of more than 12 months unless the underlying assets are determined to be of 'low value'. There will also be detailed disclosure requirements for all lessees.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2019.

Council is yet to undertake a detailed assessment of the accounting impacts from AASB 16. However, based on preliminary assessments, impacts from the first time adoption of the standard are likely to include:

- a significant increase in lease assets and financial liabilities recognised on the balance sheet,
- a reduction in reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities,
- lower operating cash outflows and higher financing cash flows in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

##### **AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities**

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

##### **(ac) Rounding of amounts**

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

##### **(ad) Comparative figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### **(ae) Disclaimer**

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual
	2016	2016	2015	2016	2016	2015	2016	2016	2015	2016	2015	2016	2015
Governance	1	2	38	683	600	668	(682)	(598)	(630)	–	–	92	50
Administration	92	221	425	1,583	1,262	5,813	(1,491)	(1,041)	(5,388)	2	25	9,564	9,523
Public order and safety	83	265	115	558	632	552	(475)	(367)	(437)	8	–	1,544	1,485
Health	31	48	64	44	64	33	(13)	(16)	31	17	33	416	343
Environment	3,721	3,819	3,189	3,784	3,701	2,945	(63)	118	244	169	359	36,298	34,078
Community services and education	3,612	4,604	4,201	3,962	4,099	3,343	(350)	505	858	4,396	4,083	3,447	2,807
Housing and community amenities	715	970	717	1,128	1,106	1,282	(413)	(136)	(565)	125	119	7,970	6,941
Water supplies	3,306	4,816	4,293	3,051	3,251	2,664	255	1,565	1,629	39	40	55,601	52,548
Sewerage services	2,624	3,586	3,707	1,924	1,645	1,269	700	1,941	2,438	36	37	44,385	41,586
Recreation and culture	677	904	793	4,509	4,424	3,120	(3,832)	(3,520)	(2,327)	110	94	39,963	39,221
Mining, manufacturing and construction	7	8	5	1,150	902	873	(1,143)	(894)	(868)	–	–	2,089	1,300
Transport and communication	7,477	14,348	6,783	12,292	12,808	10,461	(4,815)	1,540	(3,678)	2,667	1,166	236,504	227,960
Economic affairs	1,475	1,382	1,276	2,044	1,894	1,390	(569)	(512)	(114)	–	–	7,117	7,168
<b>Total functions and activities</b>	<b>23,821</b>	<b>34,973</b>	<b>25,606</b>	<b>36,712</b>	<b>36,388</b>	<b>34,413</b>	<b>(12,891)</b>	<b>(1,415)</b>	<b>(8,807)</b>	<b>7,569</b>	<b>5,956</b>	<b>444,990</b>	<b>425,010</b>
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income <sup>1</sup>	16,501	16,578	15,329	–	–	–	16,501	16,578	15,329	4,190	4,186	9,528	10,702
<b>Operating result from continuing operations</b>	<b>40,322</b>	<b>51,551</b>	<b>40,935</b>	<b>36,712</b>	<b>36,388</b>	<b>34,413</b>	<b>3,610</b>	<b>15,163</b>	<b>6,522</b>	<b>11,759</b>	<b>10,142</b>	<b>454,518</b>	<b>435,712</b>

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 2(b). Council functions/activities – component descriptions

**Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:**

##### **GOVERNANCE**

Includes costs relating to 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, public disclosure (e.g. GIPA), and legislative compliance.

##### **ADMINISTRATION**

Includes corporate support and other support services, engineering works, and any Council policy compliance.

##### **PUBLIC ORDER AND SAFETY**

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

##### **HEALTH**

Includes immunisation, food control, health centres etc.

##### **ENVIRONMENT**

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

##### **COMMUNITY SERVICES AND EDUCATION**

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's' services, including family day care; child care; and other family and children services.

##### **HOUSING AND COMMUNITY AMENITIES**

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

##### **RECREATION AND CULTURE**

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

##### **MINING, MANUFACTURING AND CONSTRUCTION**

Includes building control, quarries and pits, mineral resources, and abattoirs.

##### **TRANSPORT AND COMMUNICATION**

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

##### **ECONOMIC AFFAIRS**

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.



## Gunnedah Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 3. Income from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential		3,557	3,223
Farmland		4,494	4,109
Mining		1,468	1,229
Business		1,936	1,789
<b>Total ordinary rates</b>		<b>11,455</b>	<b>10,350</b>
<b>Special rates</b>			
Nil			
<b>Annual charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		2,002	1,892
Stormwater management services		94	95
Water supply services		796	787
Sewerage services		1,810	1,740
<b>Total annual charges</b>		<b>4,702</b>	<b>4,514</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>16,157</b>	<b>14,864</b>

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Notes	Actual 2016	Actual 2015
<b>(b) User charges and fees</b>			
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)			
Domestic waste management services		501	575
Water supply services		2,865	2,316
Sewerage services		561	563
Waste management services (non-domestic)		44	44
<b>Total user charges</b>		<b>3,971</b>	<b>3,498</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation		321	232
Private works – section 67		177	223
Regulatory/ statutory fees		67	53
Registration fees		22	28
Section 149 certificates (EPA Act)		35	34
Section 603 certificates		31	38
<b>Total fees and charges – statutory/regulatory</b>		<b>653</b>	<b>608</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome		13	19
Aged care		106	92
Caravan park		5	11
Cemeteries		112	110
Library and art gallery		7	7
Noxious weeds		20	25
Park rents		71	82
Public halls		7	4
RMS (formerly RTA) charges (state roads not controlled by Council)		5,545	5,206
Saleyards		789	916
Swimming pools		165	176
Theatre		194	199
Tourism		28	22
Events		106	–
Other		8	10
<b>Total fees and charges – other</b>		<b>7,176</b>	<b>6,879</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>11,800</b>	<b>10,985</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Notes	Actual 2016	Actual 2015
<b>(c) Interest and investment revenue (including losses)</b>			
<b>Interest</b>			
– Interest on overdue rates and annual charges (incl. special purpose rates)		79	83
– Interest earned on investments (interest and coupon payment income)		1,614	1,505
<b>Fair value adjustments</b>			
– Fair valuation movements in investments (at fair value or held for trading)		–	9
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>		<b>1,693</b>	<b>1,597</b>
<b>Interest revenue is attributable to:</b>			
<b>Unrestricted investments/financial assets:</b>			
Overdue rates and annual charges (general fund)		79	67
General Council cash and investments		854	726
<b>Restricted investments/funds – external:</b>			
Development contributions			
– Section 94		49	58
– Section 64		91	97
Water fund operations		250	274
Sewerage fund operations		239	273
Domestic waste management operations		131	102
<b>Total interest and investment revenue recognised</b>		<b>1,693</b>	<b>1,597</b>
<b>(d) Other revenues</b>			
Rental income – other council properties		185	86
Fines		19	19
Fines – parking		2	2
Legal fees recovery – rates and charges (extra charges)		114	127
Commissions and agency fees		51	40
Diesel rebate		37	34
Insurance claim recoveries		17	3
Reimbursements		75	53
Sales – tourism		29	12
Sales – theatre		68	75
Sales – swimming pools		85	96
Sales – domestic waste		15	102
Government paid parental leave		36	30
Workers compensation – wages recoveries		64	105
Other		22	30
<b>TOTAL OTHER REVENUE</b>		<b>819</b>	<b>814</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance – general component	2,610	2,599	–	–
Financial assistance – local roads component	1,491	1,499	–	–
Pensioners' rates subsidies – general component	89	88	–	–
<b>Total general purpose</b>	<b>4,190</b>	<b>4,186</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Water	39	40	–	–
– Sewerage	36	37	–	–
– Domestic waste management	36	37	–	–
Community care	4,413	4,083	–	–
Environmental protection	–	52	–	–
Library	47	52	–	–
Noxious weeds	116	154	–	–
Recreation and culture	26	6	37	55
Street lighting	19	19	–	–
Transport (roads to recovery)	2,020	595	–	–
Transport (other roads and bridges funding)	647	571	–	–
Domestic waste management	–	–	17	150
Other	116	105	–	–
<b>Total specific purpose</b>	<b>7,515</b>	<b>5,751</b>	<b>54</b>	<b>205</b>
<b>Total grants</b>	<b>11,705</b>	<b>9,937</b>	<b>54</b>	<b>205</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	8,779	7,107	–	–
– State funding	2,757	2,714	54	205
– Other funding	169	116	–	–
	<b>11,705</b>	<b>9,937</b>	<b>54</b>	<b>205</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
<b>(f) Contributions</b>				
<b>Developer contributions:</b>				
<b>(s93 &amp; s94 – EP&amp;A Act, s64 of the LGA):</b>				
S 93F – contributions using planning agreements	–	–	76	–
S 94 – contributions towards amenities/services	–	–	256	159
S 64 – water supply contributions	–	–	468	186
S 64 – sewerage service contributions	–	–	317	108
S 64 – stormwater contributions	–	–	79	10
<b>Total developer contributions</b>	<b>–</b>	<b>–</b>	<b>1,196</b>	<b>463</b>
<b>Other contributions:</b>				
Community services	2	3	–	–
Drainage	–	–	893	–
ELE contributions – other councils	–	2	–	–
Emergency services	197	80	–	–
Kerb and gutter	–	–	982	–
Paving	–	–	7	–
Recreation and culture	2	45	75	–
Riverine project	–	20	–	–
Roads and bridges	183	316	4,835	–
Saleyards	76	70	–	–
Sewerage (excl. section 64 contributions)	–	–	552	914
Water supplies (excl. section 64 contributions)	53	–	261	615
Weeds	–	5	–	–
Waste	–	–	9	–
<b>Total other contributions</b>	<b>513</b>	<b>541</b>	<b>7,614</b>	<b>1,529</b>
<b>Total contributions</b>	<b>513</b>	<b>541</b>	<b>8,810</b>	<b>1,992</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>12,218</b>	<b>10,478</b>	<b>8,864</b>	<b>2,197</b>

\$ '000	Actual 2016	Actual 2015
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**(g) Restrictions relating to grants and contributions****Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:**

Unexpended at the close of the previous reporting period	8,511	6,914
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:	2,652	2,072
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:	(1,070)	(475)
<b>Net increase (decrease) in restricted assets during the period</b>	<b>1,582</b>	<b>1,597</b>
<b>Unexpended and held as restricted assets</b>	<b>10,093</b>	<b>8,511</b>
<b>Comprising:</b>		
– Specific purpose unexpended grants	3,811	3,168
– Developer contributions	6,282	5,343
	<b>10,093</b>	<b>8,511</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Employee benefits and on-costs</b>			
Salaries and wages		11,101	10,863
Travel expenses		105	139
Employee leave entitlements (ELE)		1,335	1,320
Superannuation		1,342	1,277
Workers' compensation insurance		218	290
Fringe benefit tax (FBT)		47	40
Payroll tax		35	36
Training costs (other than salaries and wages)		211	223
Protective clothing		54	–
Other		38	79
<b>Total employee costs</b>		<b>14,486</b>	<b>14,267</b>
Less: capitalised costs		(1,271)	(1,317)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>13,215</b>	<b>12,950</b>
Number of 'full-time equivalent' employees (FTE) at year end		<b>170</b>	<b>175</b>
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)		<b>174</b>	<b>179</b>
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on overdraft		1	–
Interest on loans		549	369
<b>Total interest bearing liability costs expensed</b>		<b>550</b>	<b>369</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	178	172
<b>Total other borrowing costs</b>		<b>178</b>	<b>172</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>728</b>	<b>541</b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(c) Materials and contracts</b>			
Raw materials and consumables		17,383	16,958
Contractor and consultancy costs			
– Environmental consultants		–	1
– Domestic waste management		10	27
– Community services		63	81
– Tourism/economic development		1	8
– Community planning and development		14	13
– Human resources		39	31
– Swimming Pools		26	–
– Finance		–	4
– Engineering		–	27
– Planning		68	11
– Parking		–	1
– Information technology		20	30
– Governance		5	62
– Contractor and consultancy costs		11	–
Auditors remuneration <sup>(1)</sup>		69	24
Legal expenses:			
– Legal expenses: planning and development		22	19
– Legal expenses: debt recovery		137	128
– Legal expenses: other		14	12
<b>Total materials and contracts</b>		<b>17,882</b>	<b>17,437</b>
Less: capitalised costs		(8,141)	(8,401)
<b><u>TOTAL MATERIALS AND CONTRACTS</u></b>		<b><u>9,741</u></b>	<b><u>9,036</u></b>
<b>1. Auditor remuneration</b>			
During the year, the following fees were incurred for services provided by the Council's Auditor:			
<b>(i) Audit and other assurance services</b>			
– Audit and review of financial statements: Council's Auditor		32	24
– Due diligence services		27	–
– Other audit and assurance services - Asset Preparedness		10	–
<b>Remuneration for audit and other assurance services</b>		<b>69</b>	<b>24</b>
<b>Total Auditor remuneration</b>		<b>69</b>	<b>24</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2016	Actual 2015	Actual 2016	Actual 2015
Plant and equipment		4	–	1,581	1,629
Office equipment		8	–	255	239
Furniture and fittings		45	–	92	63
Infrastructure:					
– Buildings – non-specialised		–	–	276	250
– Buildings – specialised		–	–	386	319
– Other structures		–	–	101	100
– Roads		–	–	3,952	3,963
– Bridges		–	–	137	98
– Footpaths		–	–	88	52
– Stormwater drainage		–	–	308	222
– Water supply network		–	–	884	875
– Sewerage network		–	–	735	692
– Swimming pools		–	–	47	27
– Other open space/recreational assets		–	–	51	47
Other assets					
– Library books		–	–	15	12
– Other		–	–	84	99
Asset reinstatement costs	9 & 26	–	–	349	348
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		<b>57</b>	<b>–</b>	<b>9,341</b>	<b>9,035</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(e) Other expenses</b>			
Advertising		105	70
Bad and doubtful debts		15	4
Bank charges		39	35
Computer software charges		240	205
Contributions/levies to other levels of government			
– Emergency Services levy (includes FRNSW, SES, and RFS levies)		21	18
– NSW Rural Fire Service levy		237	158
Councillor expenses – mayoral fee		35	34
Councillor expenses – councillors' fees		72	85
Councillors' expenses (incl. mayor) – other (excluding fees above)		45	40
Donations, contributions and assistance to other organisations (Section 356)		29	35
– Donations, contributions and assistance		149	47
Electricity and heating		669	740
Gas		8	8
Insurance		432	469
Postage		44	39
Printing and stationery		146	104
Street lighting		176	187
Subscriptions and publications		143	119
Telephone and communications		155	145
Valuation fees		47	46
Other		28	33
<b>Total other expenses</b>		<b>2,835</b>	<b>2,621</b>
Less: capitalised costs		(26)	–
<b>TOTAL OTHER EXPENSES</b>		<b>2,809</b>	<b>2,621</b>

## Note 5. Gains or losses from the disposal of assets

<b>Plant and equipment</b>			
Proceeds from disposal – plant and equipment		380	499
Less: carrying amount of plant and equipment assets sold/written off		(152)	(292)
<b>Net gain/(loss) on disposal</b>		<b>228</b>	<b>207</b>
<b>Infrastructure</b>			
Less: carrying amount of infrastructure assets sold/written off		(725)	(437)
<b>Net gain/(loss) on disposal</b>		<b>(725)</b>	<b>(437)</b>
<b>Financial assets</b>			
Proceeds from disposal/redemptions/maturities – financial assets		67,500	57,541
Less: carrying amount of financial assets sold/redeemed/matured		(67,500)	(57,541)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(497)</b>	<b>(230)</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 6a. – Cash assets and Note 6b. – investments

\$ '000	Notes	2016 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 Actual Non-current
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		477	–	454	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		3,300	–	4,000	–
<b>Total cash and cash equivalents</b>		<b>3,777</b>	<b>–</b>	<b>4,454</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Long term deposits		52,294	–	44,294	–
<b>Total investments</b>		<b>52,294</b>	<b>–</b>	<b>44,294</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>56,071</b>	<b>–</b>	<b>48,748</b>	<b>–</b>
<sup>1</sup> Those investments where time to maturity (from date of purchase) is < 3 mths.					
<b>Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:</b>					
<b>Cash and cash equivalents</b>					
a. 'At fair value through the profit and loss'		3,777	–	4,454	–
<b>Investments</b>					
b. 'Held to maturity'	6(b-ii)	52,294	–	44,294	–
<b>Investments</b>		<b>52,294</b>	<b>–</b>	<b>44,294</b>	<b>–</b>
<b>Note 6(b-i)</b>					
<b>Reconciliation of investments classified as 'at fair value through the profit and loss'</b>					
Balance at the beginning of the year		–	–	1,532	–
Revaluations (through the Income Statement)		–	–	9	–
Disposals (sales and redemptions)		–	–	(1,541)	–
<b>Balance at end of year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Note 6(b-ii)</b>					
<b>Reconciliation of investments classified as 'held to maturity'</b>					
Balance at the beginning of the year		44,294	–	38,804	–
Additions		75,500	–	61,490	–
Disposals (sales and redemptions)		(67,500)	–	(56,000)	–
<b>Balance at end of year</b>		<b>52,294</b>	<b>–</b>	<b>44,294</b>	<b>–</b>
<b>Comprising:</b>					
– Long term deposits		52,294	–	44,294	–
<b>Total</b>		<b>52,294</b>	<b>–</b>	<b>44,294</b>	<b>–</b>

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 6c. Restricted cash, cash equivalents and investments – details

\$ '000	2016	2016	2015	2015
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	56,071	–	48,748	–
<b>attributable to:</b>				
External restrictions (refer below)	34,182	–	29,755	–
Internal restrictions (refer below)	13,055	–	10,064	–
Unrestricted	8,834	–	8,929	–
	<b>56,071</b>	<b>–</b>	<b>48,748</b>	<b>–</b>

2016 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

## Details of restrictions

## External restrictions – included in liabilities

Nil

## External restrictions – other

Developer contributions – general	(D)	1,895	460	(397)	1,958
Developer contributions – water fund	(D)	2,476	533	–	3,009
Developer contributions – sewer fund	(D)	972	343	–	1,315
Specific purpose unexpended grants	(F)	3,168	643	–	3,811
Water supplies	(G)	8,889	1,489	–	10,378
Sewerage services	(G)	8,261	731	–	8,992
Domestic waste management	(G)	4,089	625	–	4,714
Other		5	–	–	5
<b>External restrictions – other</b>		<b>29,755</b>	<b>4,824</b>	<b>(397)</b>	<b>34,182</b>
<b>Total external restrictions</b>		<b>29,755</b>	<b>4,824</b>	<b>(397)</b>	<b>34,182</b>

**D** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

**F** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))

**G** Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 6c. Restricted cash, cash equivalents and investments – details (continued)

2016 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions</b>				
Plant and vehicle replacement	961	–	–	961
Employees leave entitlement	1,276	85	–	1,361
Strategic planning	164	–	–	164
Storm water – contingency	123	55	–	178
Saleyards	1,046	106	–	1,152
Roads	318	–	–	318
Parking areas	83	–	–	83
Information technology	155	–	–	155
Land	45	–	–	45
Gravel pit restoration	253	–	–	253
Future works	3,693	6,668	(3,693)	6,668
Contract works	189	–	–	189
Community facilities fund	571	–	(100)	471
Business partnering program	15	32	–	47
Aerodrome	481	–	(74)	407
Tourism	186	–	–	186
Depot refuelling upgrade	142	–	–	142
Cycleways	38	–	–	38
Kerb and gutter works	77	–	(77)	–
Noxious weeds washdown bay	100	–	(100)	–
Other	148	89	–	237
<b>Total internal restrictions</b>	<b>10,064</b>	<b>7,035</b>	<b>(4,044)</b>	<b>13,055</b>
<b>TOTAL RESTRICTIONS</b>	<b>39,819</b>	<b>11,859</b>	<b>(4,441)</b>	<b>47,237</b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 7. Receivables

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>Purpose</b>					
Rates and annual charges		716	–	801	–
Interest and extra charges		159	–	155	–
User charges and fees		1,030	–	4,002	–
Private works		2,123	–	429	–
Contributions to works		401	–	21	–
Capital debtors (being sale of assets)					
– Other asset sales		–	–	26	–
Accrued revenues					
– Interest on investments		568	–	460	–
– Other income accruals		13	–	9	–
Deferred debtors		–	31	–	33
Government grants and subsidies		111	–	5	–
Net GST receivable		58	–	50	–
<b>Total</b>		<b>5,179</b>	<b>31</b>	<b>5,958</b>	<b>33</b>
<b>Less: provision for impairment</b>					
Rates and annual charges		(11)	–	(11)	–
Interest and extra charges		(76)	–	(58)	–
User charges and fees		–	–	(3)	–
<b>Total provision for impairment – receivables</b>		<b>(87)</b>	<b>–</b>	<b>(72)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>		<b>5,092</b>	<b>31</b>	<b>5,886</b>	<b>33</b>
<b>Externally restricted receivables</b>					
<b>Water supply</b>					
– Rates and availability charges		67	–	86	–
– Other		468	–	425	–
<b>Sewerage services</b>					
– Rates and availability charges		140	–	158	–
– Other		61	–	59	–
<b>Total external restrictions</b>		<b>736</b>	<b>–</b>	<b>728</b>	<b>–</b>
<b>Internally restricted receivables</b>					
Nil					
<b>Unrestricted receivables</b>		<b>4,356</b>	<b>31</b>	<b>5,158</b>	<b>33</b>
<b>TOTAL NET RECEIVABLES</b>		<b>5,092</b>	<b>31</b>	<b>5,886</b>	<b>33</b>

**Notes on debtors above:**

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015 8.50%).  
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 8. Inventories and other assets

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>(a) Inventories</b>					
<b>(i) Inventories at cost</b>					
Stores and materials		470	–	404	–
<b>Total inventories at cost</b>		<b>470</b>	<b>–</b>	<b>404</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>					
Nil					
<b>TOTAL INVENTORIES</b>		<b>470</b>	<b>–</b>	<b>404</b>	<b>–</b>
<b>(b) Other assets</b>					
Prepayments		238	–	44	–
<b>TOTAL OTHER ASSETS</b>		<b>238</b>	<b>–</b>	<b>44</b>	<b>–</b>
<b>Externally restricted assets</b>					
<b>Water</b>					
Stores and materials		123	–	113	–
<b>Total water</b>		<b>123</b>	<b>–</b>	<b>113</b>	<b>–</b>
<b>Sewerage</b>					
Nil					
<b>Domestic waste management</b>					
Nil					
<b>Other</b>					
Nil					
<b>Total externally restricted assets</b>		<b>123</b>	<b>–</b>	<b>113</b>	<b>–</b>
<b>Total internally restricted assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>		<b>585</b>	<b>–</b>	<b>335</b>	<b>–</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>		<b>708</b>	<b>–</b>	<b>448</b>	<b>–</b>

**Other disclosures****Inventory write downs**

\$ -7,250 was recognised as an expense relating to the write down of inventory balances held during the year.

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

## Gunnedah Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2015					Asset movements during the reporting period						as at 30/6/2016				
	At cost	At fair value	Accumulated		Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in P/L)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated		Carrying value
			depreciation	impairment										depreciation	impairment	
Capital work in progress	2,901	–	–	–	2,901	333	865	–	–	–	–	4,099	–	–	–	4,099
Plant and equipment	–	18,788	10,651	–	8,137	–	1,948	(152)	(1,581)	(4)	–	–	19,336	10,988	–	8,348
Office equipment	–	2,417	1,513	–	904	–	101	–	(255)	(8)	–	–	2,353	1,611	–	742
Furniture and fittings	–	1,057	500	–	557	–	5	–	(92)	(45)	–	–	997	572	–	425
<b>Land:</b>																
– Operational land	–	8,432	–	–	8,432	–	40	–	–	–	–	–	8,472	–	–	8,472
– Community land	–	5,797	–	–	5,797	–	–	–	–	–	198	–	5,995	–	–	5,995
– Land under roads (post 30/6/08)	–	–	–	–	–	–	3,268	–	–	–	–	–	3,268	–	–	3,268
<b>Infrastructure:</b>																
– Buildings – non-specialised	–	20,176	7,734	–	12,442	93	153	–	(276)	–	–	–	20,422	8,010	–	12,412
– Buildings – specialised	–	30,174	10,395	–	19,779	1	–	–	(386)	–	–	–	30,175	10,781	–	19,394
– Other structures	–	4,791	1,269	–	3,522	–	–	–	(101)	–	510	–	6,120	2,189	–	3,931
– Roads	–	285,880	84,340	–	201,540	4,818	2,570	(267)	(3,952)	–	–	–	292,736	88,027	–	204,709
– Bridges	–	13,697	6,081	–	7,616	–	–	–	(137)	–	–	–	13,697	6,218	–	7,479
– Footpaths	–	7,089	1,353	–	5,736	101	7	(58)	(88)	–	–	–	7,112	1,414	–	5,698
– Stormwater drainage	–	31,545	8,355	–	23,190	–	982	–	(308)	–	–	–	32,528	8,664	–	23,864
– Water supply network	–	65,876	26,048	–	39,828	1,483	261	(400)	(884)	–	578	–	67,870	27,004	–	40,866
– Sewerage network	–	52,923	22,134	–	30,789	–	1,141	–	(735)	–	461	–	54,875	23,219	–	31,656
– Swimming pools	–	1,912	921	–	991	–	–	–	(47)	–	1,154	–	3,973	1,875	–	2,098
– Other open space/recreational assets	–	1,952	781	–	1,171	103	136	–	(51)	–	174	–	3,447	1,914	–	1,533
<b>Other assets:</b>																
– Library books	–	159	36	–	123	23	–	–	(15)	–	–	–	183	52	–	131
– Other	–	1,893	427	–	1,466	35	100	–	(84)	–	–	–	2,029	512	–	1,517
<b>Reinstatement, rehabilitation and restoration assets (refer Note 26):</b>																
– Tip assets	–	5,208	362	–	4,846	–	–	–	(309)	–	–	–	5,208	671	–	4,537
– Quarry assets	–	1,066	236	–	830	652	–	–	(40)	–	–	–	1,718	276	–	1,442
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	<b>2,901</b>	<b>560,832</b>	<b>183,136</b>	<b>–</b>	<b>380,597</b>	<b>7,642</b>	<b>11,577</b>	<b>(877)</b>	<b>(9,341)</b>	<b>(57)</b>	<b>3,075</b>	<b>4,099</b>	<b>582,514</b>	<b>193,997</b>	<b>–</b>	<b>392,616</b>

Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000	Actual 2016				Actual 2015			
	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
<b>Water supply</b>								
WIP	178	–	–	178	751	–	–	751
Plant and equipment	–	418	273	145	–	481	285	196
Office equipment	–	21	10	11	–	22	10	12
Land								
– Operational land	–	164	–	164	–	164	–	164
– Community land	–	9	–	9	–	–	–	–
Infrastructure	–	67,870	27,003	40,867	–	65,876	26,048	39,828
<b>Total water supply</b>	<b>178</b>	<b>68,482</b>	<b>27,286</b>	<b>41,374</b>	<b>751</b>	<b>66,543</b>	<b>26,343</b>	<b>40,951</b>
<b>Sewerage services</b>								
WIP	1,482	–	–	1,482	1,023	–	–	1,023
Plant and equipment	–	137	85	52	–	196	134	62
Office equipment	–	94	68	26	–	96	61	35
Land								
– Operational land	–	465	–	465	–	465	–	465
– Community land	–	110	–	110	–	–	–	–
Infrastructure	–	54,874	23,219	31,655	–	52,924	22,134	30,790
<b>Total sewerage services</b>	<b>1,482</b>	<b>55,680</b>	<b>23,372</b>	<b>33,790</b>	<b>1,023</b>	<b>53,681</b>	<b>22,329</b>	<b>32,375</b>
<b>Domestic waste management</b>								
WIP	41	–	–	41	19	–	–	19
Plant and equipment	–	341	292	49	–	341	285	56
Office equipment	–	2	2	–	–	2	2	–
Furniture and fittings	–	25	9	16	–	25	6	19
Land								
– Operational land	–	661	–	661	–	661	–	661
– Community land	–	113	–	113	–	134	–	134
Buildings	–	1,250	229	1,021	–	1,097	206	891
Other structures	–	320	112	208	–	163	76	87
Other assets	–	557	75	482	–	297	34	263
<b>Total DWM</b>	<b>41</b>	<b>3,269</b>	<b>719</b>	<b>2,591</b>	<b>19</b>	<b>2,720</b>	<b>609</b>	<b>2,130</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>1,701</b>	<b>127,431</b>	<b>51,377</b>	<b>77,755</b>	<b>1,793</b>	<b>122,944</b>	<b>49,281</b>	<b>75,456</b>

## Note 9c. Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	Actual 2016	Actual 2015
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## (i) Impairment losses recognised in the Income Statement:

IplanIt Pilot Program GoCo not used		(8)	–
Jackaroo Toolbox - Destroyed Car Accident		(1)	–
Visitor Centre Display Room - Obsolete		(6)	–
Tourist Office - Refurbishment - now included in revalued Asset		(40)	–
Showground Lighting Towers - Removed not replaced.		(2)	–

**IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L**

4(d)

**(57)****–**

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>Payables</b>					
Goods and services – operating expenditure		1,399	–	1,715	–
Goods and services – capital expenditure		1,302	–	787	–
Payments received in advance		266	–	208	–
Accrued expenses:					
– Borrowings		11	–	10	–
– Salaries and wages		248	–	743	–
<b>Total payables</b>		<b>3,226</b>	<b>–</b>	<b>3,463</b>	<b>–</b>
<b>Borrowings</b>					
Loans – secured <sup>1</sup>		305	8,866	289	9,174
Government advances		3	15	2	15
<b>Total borrowings</b>		<b>308</b>	<b>8,881</b>	<b>291</b>	<b>9,189</b>
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		1,569	–	1,422	–
Long service leave		2,779	187	2,601	231
Rostered days off		121	–	136	–
Wages – time in lieu		47	–	46	–
<b>Sub-total – aggregate employee benefits</b>		<b>4,516</b>	<b>187</b>	<b>4,205</b>	<b>231</b>
Asset remediation/restoration (future works)	26	–	7,376	–	6,547
Other		7	–	7	–
<b>Total provisions</b>		<b>4,523</b>	<b>7,563</b>	<b>4,212</b>	<b>6,778</b>
<b><u>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</u></b>		<b><u>8,057</u></b>	<b><u>16,444</u></b>	<b><u>7,966</u></b>	<b><u>15,967</u></b>
<b>(i) Liabilities relating to restricted assets</b>					
		2016		2015	
		Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>					
Water		9	–	7	–
Sewer		1	–	1	–
<b>Liabilities relating to externally restricted assets</b>		<b>10</b>	<b>–</b>	<b>8</b>	<b>–</b>
<b>Internally restricted assets</b>					
Nil					
<b>Total liabilities relating to restricted assets</b>		<b>10</b>	<b>–</b>	<b>8</b>	<b>–</b>
<b>Total liabilities relating to unrestricted assets</b>		<b>8,047</b>	<b>16,444</b>	<b>7,958</b>	<b>15,967</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b><u>8,057</u></b>	<b><u>16,444</u></b>	<b><u>7,966</u></b>	<b><u>15,967</u></b>

<sup>1</sup> Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Actual 2016	Actual 2015
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**(ii) Current liabilities not anticipated to be settled within the next twelve months**

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	3,777	3,444
Other liabilities	7	7
	<u>3,784</u>	<u>3,451</u>

## Note 10b. Description of and movements in provisions

Class of provision	2015		2016			
	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/16
Annual leave	1,422	853	(706)	–	–	1,569
Long service leave	2,832	395	(261)	–	–	2,966
Other leave (enter detai	182	464	(478)	–	–	168
Asset remediation	6,547	177	–	652	–	7,376
Other	7	–	–	–	–	7
<b>TOTAL</b>	<b>10,990</b>	<b>1,889</b>	<b>(1,445)</b>	<b>652</b>	<b>–</b>	<b>12,086</b>

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset remediation, reinstatement and restoration provisions represent the present value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations.
- c. Provision for replacement of the Community Transport Bus



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	3,777	4,454
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>3,777</b>	<b>4,454</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>15,163</b>	<b>6,522</b>
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		9,341	9,035
Net losses/(gains) on disposal of assets		497	230
Non-cash capital grants and contributions		(7,355)	(1,504)
Impairment losses recognition – I,PP&E		57	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		–	(9)
– Other non cash - developer contributions (water and sewer assets)		–	1,504
Unwinding of discount rates on reinstatement provisions		178	172
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		753	(1,327)
Increase/(decrease) in provision for doubtful debts		15	(45)
Decrease/(increase) in inventories		(66)	7
Decrease/(increase) in other assets		(194)	(16)
Increase/(decrease) in payables		(316)	224
Increase/(decrease) in accrued interest payable		1	1
Increase/(decrease) in other accrued expenses payable		(495)	293
Increase/(decrease) in other liabilities		58	38
Increase/(decrease) in employee leave entitlements		267	454
Increase/(decrease) in other provisions		651	–
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>18,555</b>	<b>15,579</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(c) Non-cash investing and financing activities</b>			
Other non-cash items		6,717	–
Developer Contributions to the Gunnedah Sewerage Network		377	913
Developer Contributions to the Gunnedah Water Network		261	591
<b>Total non-cash investing and financing activities</b>		<b>7,355</b>	<b>1,504</b>

**(d) Financing arrangements****(i) Unrestricted access was available at balance date to the following lines of credit:**

Bank overdraft facilities <sup>(1)</sup>		500	500
Credit cards/purchase cards		50	50
<b>Total financing arrangements</b>		<b>550</b>	<b>550</b>

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

Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

**(ii) Secured loan liabilities**

Loans are secured by a mortgage over future years rate revenue only.

## Note 12. Commitments for expenditure

**(a) Capital commitments (exclusive of GST)**

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

**Property, plant and equipment**

Plant and equipment		292	–
<b>Total commitments</b>		<b>292</b>	<b>–</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		292	–
<b>Total payable</b>		<b>292</b>	<b>–</b>
<b>Sources for funding of capital commitments:</b>			
Future grants and contributions		292	–
<b>Total sources of funding</b>		<b>292</b>	<b>–</b>

**(b) Finance lease commitments**

Nil

**(c) Operating lease commitments (non-cancellable)**

Nil

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
<b>Local government industry indicators – consolidated</b>				
<b>1. Operating performance ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>6,796</u>	<b>15.92%</b>	11.74%	10.31%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<u>42,687</u>			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>30,469</u>	<b>59.10%</b>	69.03%	73.08%
Total continuing operating revenue <sup>(1)</sup>	<u>51,551</u>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions <sup>(2)</sup>	<u>26,830</u>	<b>6.29x</b>	5.43x	4.95x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	<u>4,263</u>			
<b>4. Debt service cover ratio</b>				
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>16,922</u>	<b>16.61x</b>	13.36x	22.49x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>1,019</u>			
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>				
Rates, annual and extra charges outstanding	<u>788</u>	<b>4.57%</b>	5.46%	7.96%
Rates, annual and extra charges collectible	<u>17,237</u>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<u>56,071</u>	<b>23.25 mths</b>	22.0 mths	20.0 mths
Payments from cash flow of operating and financing activities	<u>2,412</u>			

## Notes

<sup>(1)</sup> Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

<sup>(2)</sup> Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

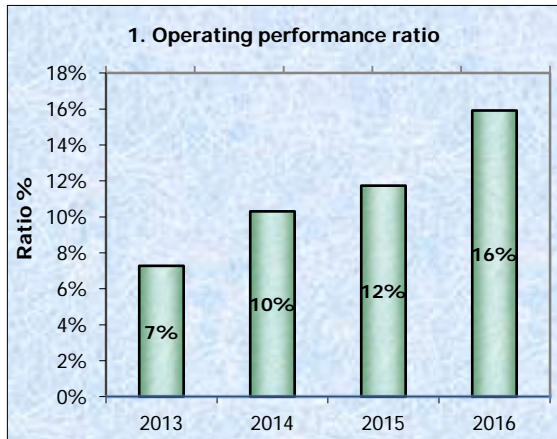
<sup>(3)</sup> Refer to Note 10(a).

<sup>(4)</sup> Refer to Note 10(a)(ii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

# Gunnedah Shire Council

## Notes to the Financial Statements for the year ended 30 June 2016

### Note 13a(ii). Local government industry indicators – graphs (consolidated)



**Purpose of operating performance ratio**

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

**Commentary on 2015/16 result**

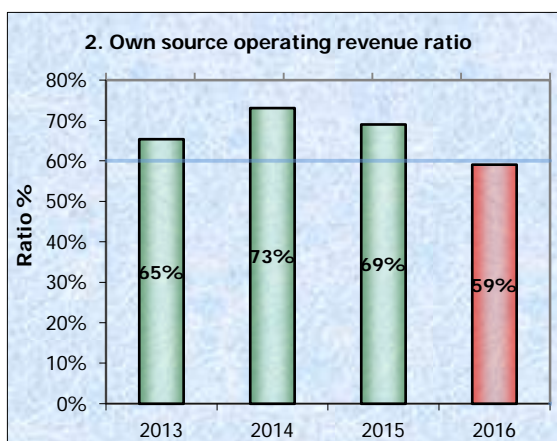
**2015/16 ratio 15.92%**

Council continues to maintain operating expenditures within operating revenues. The result is an improvement on the previous year and reflects increased revenues reflecting increased operating expenditures. Additional revenue has been received due to the Special Rate Variation.

Benchmark: ——— Minimum >=0.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



**Purpose of own source operating revenue ratio**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

**Commentary on 2015/16 result**

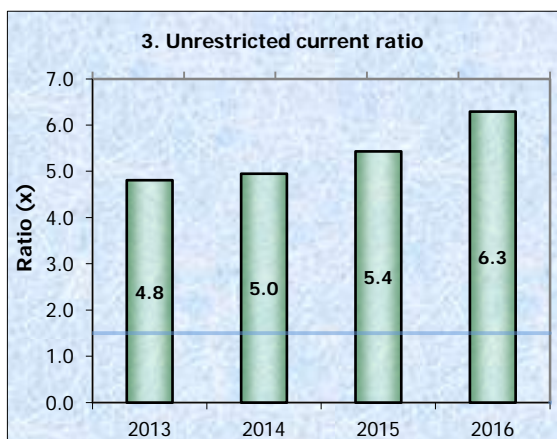
**2015/16 ratio 59.10%**

This ratio reflects councils reliance on Rating income. This result reflects the greater amount of income received by Grants and Contributions. This year council recognised and additional \$7.355 million in developer contributed assets.

Benchmark: ——— Minimum >=60.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



**Purpose of unrestricted current ratio**

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

**Commentary on 2015/16 result**

**2015/16 ratio 6.29x**

Council continues to remain in a very healthy situation with regards to the Unrestricted Current Ratio. Council should have no problems in meeting it's short term obligations as they fall due. Council is well above the Local Government Benchmark of 1.5.

Benchmark: ——— Minimum >=1.50

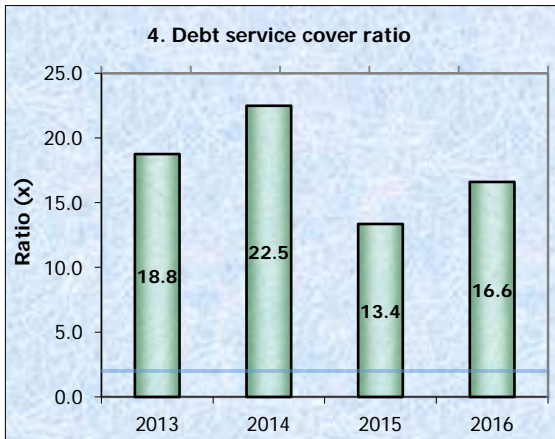
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark

# Gunnedah Shire Council

## Notes to the Financial Statements for the year ended 30 June 2016

### Note 13a(ii). Local government industry indicators – graphs (consolidated)



**Purpose of debt service cover ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

**Commentary on 2015/16 result**

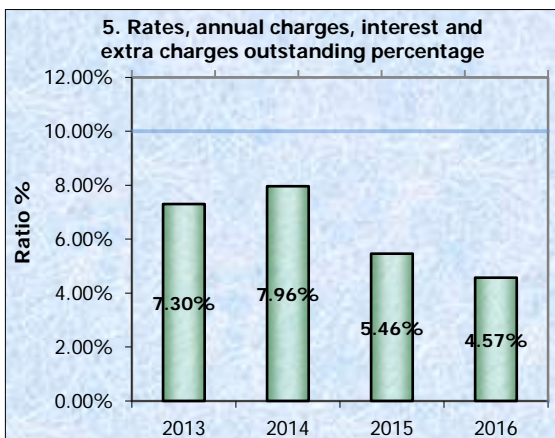
**2015/16 ratio 16.61x**

This result has been effected by the improved operating result for the year. Council has deferred the 2015/16 borrowing to 2016/17 in line with the expected out expenditure. Council is still well above the Local Government benchmark of 2%. This keeps Council in a strong position to borrow in the future in line with the Long Term Financial Plan.

Benchmark: Minimum >=2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



**Purpose of rates and annual charges outstanding ratio**

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

**Commentary on 2015/16 result**

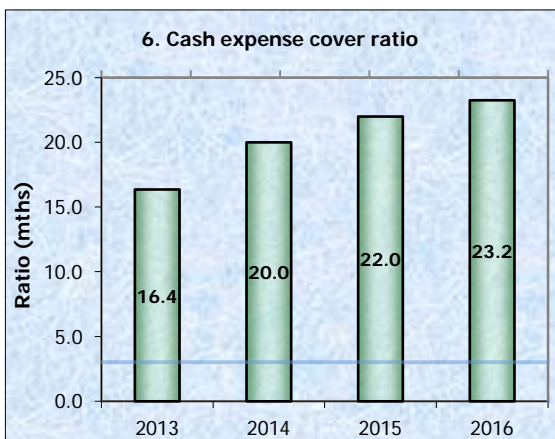
**2015/16 ratio 4.57%**

This year has seen an additional decrease in this ratio. Council Rating staff are continuing there concerted push to collect outstanding debts. This ratio reflects a great improvement over a number of years and is well below the country councils benchmark of 10%.

Benchmark: Maximum <10.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio is within Benchmark  
 Ratio is outside Benchmark



**Purpose of cash expense cover ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

**Commentary on 2015/16 result**

**2015/16 ratio 23.25 mths**

Councils Cash Expense Ratio is well above the benchmark of 3 months. This is reflected by Council investing in safe and liquid term deposits. The Council Investment Portfolio has increased by \$7.3million over the past 12 months.

Benchmark: Minimum >=3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 13b. Statement of performance measurement – indicators (by fund)

\$ '000	Water 2016	Sewer 2016	General <sup>5</sup> 2016
<b>Local government industry indicators – by fund</b>			
<b>1. Operating performance ratio</b>			
<u>Total continuing operating revenue<sup>(1)</sup> excluding capital grants and contributions less operating expenses</u>	<b>34.42%</b>	<b>41.53%</b>	<b>11.53%</b>
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	prior period: 11.23%	31.73%	10.12%
<b>2. Own source operating revenue ratio</b>			
<u>Total continuing operating revenue<sup>(1)</sup> excluding all grants and contributions</u>	<b>84.07%</b>	<b>74.86%</b>	<b>54.77%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period: 82.01%	71.53%	66.88%
<b>3. Unrestricted current ratio</b>			
<u>Current assets less all external restrictions<sup>(2)</sup></u>	<b>1226.22x</b>	<b>9193.00x</b>	<b>6.29x</b>
Current liabilities less specific purpose liabilities <sup>(3,4)</sup>	prior period: No liabilities	No liabilities	5.43x
<b>4. Debt service cover ratio</b>			
<u>Operating result<sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation</u>	<b>0.00</b>	<b>0.00</b>	<b>12.29x</b>
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	prior period: 0.00x	0.00x	10.60x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>			
<u>Rates, annual and extra charges outstanding</u>	<b>8.10%</b>	<b>7.68%</b>	<b>3.98%</b>
Rates, annual and extra charges collectible	prior period: 10.54%	9.02%	4.70%
<b>6. Cash expense cover ratio</b>			
<u>Current year's cash and cash equivalents plus all term deposits</u> x12	<b>0.00</b>	<b>0.00</b>	<b>23.08 mths</b>
Payments from cash flow of operating and financing activities	prior period: 0.00 mths	0.00 mths	21.72 mths

## Notes

(1) - (4) Refer to Notes at Note 13a(i) above.

(5) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

#### Note 15. Financial risk management

##### Risk management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** 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 Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2016	2015	2016	2015
<b>Financial assets</b>				
Cash and cash equivalents	3,777	4,454	3,777	4,454
Investments				
– 'Held to maturity'	52,294	44,294	52,294	44,294
Receivables	5,123	5,919	5,036	5,703
<b>Total financial assets</b>	<b>61,194</b>	<b>54,667</b>	<b>61,107</b>	<b>54,451</b>
<b>Financial liabilities</b>				
Payables	2,960	3,255	2,960	3,255
Loans/advances	9,189	9,480	9,189	9,480
<b>Total financial liabilities</b>	<b>12,149</b>	<b>12,735</b>	<b>12,149</b>	<b>12,735</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 15. Financial risk management (continued)

\$ '000

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

#### (a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2016</b>				
Possible impact of a 1% movement in interest rates	536	536	(536)	(536)
<b>2015</b>				
Possible impact of a 1% movement in interest rates	424	424	(424)	(424)

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 15. Financial risk management (continued)

\$ '000

## (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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 subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
<b>(i) Ageing of receivables – %</b>				
Current (not yet overdue)	0%	100%	0%	100%
Overdue	100%	0%	100%	0%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

		2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
<b>(ii) Ageing of receivables – value</b>					
<b>Rates and annual charges</b>	<b>Other receivables</b>				
Current	Current	–	3,791	–	4,219
< 1 year overdue	0 – 30 days overdue	525	247	567	216
1 – 2 years overdue	30 – 60 days overdue	121	40	115	202
2 – 5 years overdue	60 – 90 days overdue	43	15	90	268
> 5 years overdue	> 90 days overdue	27	401	29	285
		<b>716</b>	<b>4,494</b>	<b>801</b>	<b>5,190</b>

**(iii) Movement in provision for impairment of receivables**

	2016	2015
Balance at the beginning of the year	72	117
+ new provisions recognised during the year	18	4
– amounts already provided for and written off this year	–	(49)
– amounts provided for but recovered during the year	(3)	–
<b>Balance at the end of the year</b>	<b>87</b>	<b>72</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 15. Financial risk management (continued)

\$ '000

## (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – 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 (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2016</b>									
Trade/other payables	–	2,960	–	–	–	–	–	2,960	2,960
Loans and advances	–	308	328	347	366	389	7,451	9,189	9,189
<b>Total financial liabilities</b>	<b>–</b>	<b>3,268</b>	<b>328</b>	<b>347</b>	<b>366</b>	<b>389</b>	<b>7,451</b>	<b>12,149</b>	<b>12,149</b>
<b>2015</b>									
Trade/other payables	–	3,255	–	–	–	–	–	3,255	3,255
Loans and advances	–	291	308	328	347	366	7,840	9,480	9,480
<b>Total financial liabilities</b>	<b>–</b>	<b>3,546</b>	<b>308</b>	<b>328</b>	<b>347</b>	<b>366</b>	<b>7,840</b>	<b>12,735</b>	<b>12,735</b>

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

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

	2016		2015	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Bank overdraft	–	8.34%	–	0.00%
Trade/other payables	2,960	0.00%	3,255	0.00%
Loans and advances – fixed interest rate	9,189	5.35%	9,480	5.50%
	<u>12,149</u>		<u>12,735</u>	

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 16. Material budget variations

\$ '000

Council's original financial budget for 15/16 was adopted by the Council on 24 June 2015.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

**Note that for variations\* of budget to actual :**

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

**F** = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2016 Budget	2016 Actual	2016 Variance*		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	<b>15,959</b>	<b>16,157</b>	<b>198</b>	1%	<b>F</b>
<b>User charges and fees</b>	<b>10,249</b>	<b>11,800</b>	<b>1,551</b>	15%	<b>F</b>
The user charges and fees have exceeded the budget in the following areas: Water usage charge, an additional \$842,557 reflecting the dry summer and \$795,782 additional works under the RMCC contract.					
<b>Interest and investment revenue</b>	<b>1,400</b>	<b>1,693</b>	<b>293</b>	21%	<b>F</b>
This variance is a result of the increase in Council's investment portfolio. The portfolio rose from \$48.7 million as at 30th June 2015 to \$55.8 million as at 30th June 2016.					
<b>Other revenues</b>	<b>727</b>	<b>819</b>	<b>92</b>	13%	<b>F</b>
Various factors have affected this variance including additional rent recovery on Council properties and revenue from shared services with other Council's.					
<b>Operating grants and contributions</b>	<b>10,159</b>	<b>12,218</b>	<b>2,059</b>	20%	<b>F</b>
Operating grants and contributions have increased with additional funding received for the GoCo programmes, additional Roads to Recovery Grants and various other project funding.					
<b>Capital grants and contributions</b>	<b>1,828</b>	<b>8,864</b>	<b>7,036</b>	385%	<b>F</b>
This variation has come from the recognition of various Infrastructure Assets that have been contributed to Council via developers. The areas include Land Under Roads, road additions, stormwater, kerb & gutter, water and sewerage network additions. These total \$7.3 million.					

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 16. Material budget variations (continued)

\$ '000	2016 Budget	2016 Actual	2016 ----- Variance* -----		
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	<b>13,196</b>	<b>13,215</b>	<b>(19)</b>	(0%)	<b>U</b>
<b>Borrowing costs</b>	<b>909</b>	<b>728</b>	<b>181</b>	20%	<b>F</b>
New loan funding was not taken out in 2015/16 and this has been revised and will be taken out in 2016/17 in line with the expenditure on the relevant projects.					
<b>Materials and contracts</b>	<b>10,242</b>	<b>9,741</b>	<b>501</b>	5%	<b>F</b>
<b>Depreciation and amortisation</b>	<b>9,255</b>	<b>9,341</b>	<b>(86)</b>	(1%)	<b>U</b>
<b>Impairment expenses</b>	<b>–</b>	<b>57</b>	<b>(57)</b>	0%	<b>U</b>
A review of assets was undertaken in the 2015/16 year and assets have been identified as being unworkable, previously disposed or out of date.					
<b>Other expenses</b>	<b>3,110</b>	<b>2,809</b>	<b>301</b>	10%	<b>F</b>
<b>Net losses from disposal of assets</b>	<b>–</b>	<b>497</b>	<b>(497)</b>	0%	<b>U</b>
Council has traded out various plant & equipment and disposed of infrastructure assets during the year. The plant and equipment assets have resulted in a gain on disposal of \$228,457. It was necessary to dispose of footpaths, kerb & gutter and water assets during renewal of these assets with a net value of \$725,223.					

## Budget variations relating to Council's Cash Flow Statement include:

<b>Cash flows from operating activities</b>	<b>12,761</b>	<b>18,555</b>	<b>5,794</b>	45.4%	<b>F</b>
During the year Council has received additional Cash Flows especially from the RMCC work on State Roads, developer contributions, additional water sales with the dry summer. Council has made additional efforts to reduce outstanding rates.					
<b>Cash flows from investing activities</b>	<b>(20,809)</b>	<b>(18,941)</b>	<b>1,868</b>	(9.0%)	<b>F</b>
<b>Cash flows from financing activities</b>	<b>10,042</b>	<b>(291)</b>	<b>(10,333)</b>	(102.9%)	<b>U</b>
New loan funding was not taken out in 2015/16 and this has been revised and will be taken out in 2016/17 in line with the expenditure on the relevant projects.					



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their future use.

## SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	288	79	–	8	–	–	375	–
Parking	136	–	–	3	–	–	139	–
Open space	20	–	–	–	–	–	20	–
Community facilities	27	–	–	1	–	–	28	–
<b>S94 contributions – under a plan</b>	<b>471</b>	<b>79</b>	<b>–</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>562</b>	<b>–</b>
<b>S94A levies – under a plan</b>	<b>1,425</b>	<b>256</b>	<b>–</b>	<b>37</b>	<b>(321)</b>	<b>–</b>	<b>1,397</b>	<b>–</b>
<b>Total S94 revenue under plans</b>	<b>1,896</b>	<b>335</b>	<b>–</b>	<b>49</b>	<b>(321)</b>	<b>–</b>	<b>1,959</b>	<b>–</b>
S93F planning agreements	–	76	–	–	(76)	–	–	–
S64 contributions	3,447	785	–	91	–	–	4,323	–
<b>Total contributions</b>	<b>5,343</b>	<b>1,196</b>	<b>–</b>	<b>140</b>	<b>(397)</b>	<b>–</b>	<b>6,282</b>	<b>–</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 17. Statement of developer contributions (continued)

\$ '000

## S94 CONTRIBUTIONS – UNDER A PLAN

## CONTRIBUTION PLAN NUMBER 1

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	288	79	–	8	–	–	375	–
Parking	136	–	–	3	–	–	139	–
Open space	20	–	–	–	–	–	20	–
Community facilities	27	–	–	1	–	–	28	–
<b>Total</b>	<b>471</b>	<b>79</b>	<b>–</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>562</b>	<b>–</b>

## S94A LEVIES – UNDER A PLAN

## CONTRIBUTION PLAN NUMBER 01

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	1,425	256	–	37	(321)	–	1,397	–
<b>Total</b>	<b>1,425</b>	<b>256</b>	<b>–</b>	<b>37</b>	<b>(321)</b>	<b>–</b>	<b>1,397</b>	<b>–</b>

## S93F planning agreements

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	–	76	–	–	(76)	–	–	–
<b>Total</b>	<b>–</b>	<b>76</b>	<b>–</b>	<b>–</b>	<b>(76)</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

###### (i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

###### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

###### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

###### (iv) Other guarantees

Council has provided no other guarantees other than those listed above.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

##### LIABILITIES NOT RECOGNISED (continued):

##### 2. Other liabilities

##### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

##### (ii) S94 plans

Council levies section 94/94A contributions upon various development across the Council area through the required contributions plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

##### (iii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

##### (iii) Potential land acquisitions due to planning restrictions imposed by Council (continued)

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

##### ASSETS NOT RECOGNISED:

##### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

##### (ii) Infringement notices/fines

Fines and penalty income, 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 unpaid 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 other entities

Council has no interest in any controlled entities, joint arrangements or associates.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Retained earnings</b>			
<b>Movements in retained earnings were as follows:</b>			
Balance at beginning of year (from previous years audited accounts)		178,690	171,760
a. Correction of prior period errors	20 (c)	–	408
b. Net operating result for the year		15,163	6,522
<b>Balance at end of the reporting period</b>		<b>193,853</b>	<b>178,690</b>
<b>(b) Revaluation reserves</b>			
<b>(i) Reserves are represented by:</b>			
– Infrastructure, property, plant and equipment revaluation reserve		236,164	233,089
<b>Total</b>		<b>236,164</b>	<b>233,089</b>
<b>(ii) Reconciliation of movements in reserves:</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		233,089	161,318
– Revaluations for the year	9(a)	3,075	71,771
– <b>Balance at end of year</b>		<b>236,164</b>	<b>233,089</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>236,164</b>	<b>233,089</b>
<b>(iii) Nature and purpose of reserves</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			
<b>(c) Correction of error/s relating to a previous reporting period</b>			
<b>Correction of errors as disclosed in last year's financial statements:</b>			
Developer Contributions - Gunnedah Sewerage not added 2014		–	419
Developer Contributions - Gunnedah Sewerage not added 2014 (depreciation)		–	(11)
<b>In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.</b>			
<b>These amounted to the following equity adjustments:</b>			
– Adjustments to opening equity – 1/7/14 (relating to adjustments for the 30/6/14 reporting year end and prior periods)		–	408
<b>Total prior period adjustments – prior period errors</b>		<b>–</b>	<b>408</b>
<b>(d) Voluntary changes in accounting policies</b>			
Council made no voluntary changes in any accounting policies during the year.			

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2016	Actual 2016	Actual 2016
<b>Continuing operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from continuing operations</b>			
Rates and annual charges	827	1,823	13,507
User charges and fees	3,166	604	8,030
Interest and investment revenue	315	265	1,113
Other revenues	19	1	799
Grants and contributions provided for operating purposes	92	36	12,090
Grants and contributions provided for capital purposes	728	869	7,267
<b>Other income</b>			
Net gains from disposal of assets	8	2	–
Share of interests in joint ventures and associates using the equity method	–	–	–
<b>Total income from continuing operations</b>	<b>5,155</b>	<b>3,600</b>	<b>42,806</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	704	374	12,137
Borrowing costs	–	–	728
Materials and contracts	548	245	8,948
Depreciation and amortisation	929	754	7,658
Impairment	–	–	57
Other expenses	679	325	1,805
Net losses from the disposal of assets	399	–	108
<b>Total expenses from continuing operations</b>	<b>3,259</b>	<b>1,698</b>	<b>31,441</b>
<b>Operating result from continuing operations</b>	<b>1,896</b>	<b>1,902</b>	<b>11,365</b>
<b>Discontinued operations</b>			
Net profit/(loss) from discontinued operations	–	–	–
<b>Net operating result for the year</b>	<b>1,896</b>	<b>1,902</b>	<b>11,365</b>
<b>Net operating result attributable to each council fund</b>	<b>1,896</b>	<b>1,902</b>	<b>11,365</b>
<b>Net operating result attributable to non-controlling interests</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>1,168</b>	<b>1,033</b>	<b>4,098</b>

<sup>1</sup> General fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

## Gunnedah Shire Council

## Notes to the Financial Statements

as at 30 June 2016

## Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 2016	Actual 2016	Actual 2016
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current assets</b>			
Cash and cash equivalents	410	–	3,367
Investments	12,977	10,307	29,010
Receivables	535	201	4,356
Inventories	123	–	347
Other	–	–	238
Non-current assets classified as 'held for sale'	–	–	–
<b>Total current assets</b>	<b>14,045</b>	<b>10,508</b>	<b>37,318</b>
<b>Non-current assets</b>			
Investments	–	–	–
Receivables	–	–	31
Inventories	–	–	–
Infrastructure, property, plant and equipment	41,374	33,790	317,452
Investments accounted for using the equity method	–	–	–
Investment property	–	–	–
Intangible assets	–	–	–
<b>Total non-current assets</b>	<b>41,374</b>	<b>33,790</b>	<b>317,483</b>
<b>TOTAL ASSETS</b>	<b>55,419</b>	<b>44,298</b>	<b>354,801</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	1	3,216
Borrowings	–	–	308
Provisions	–	–	4,523
<b>Total current liabilities</b>	<b>9</b>	<b>1</b>	<b>8,047</b>
<b>Non-current liabilities</b>			
Payables	–	–	–
Borrowings	–	–	8,881
Provisions	–	–	7,563
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>	<b>16,444</b>
<b>TOTAL LIABILITIES</b>	<b>9</b>	<b>1</b>	<b>24,491</b>
<b>Net assets</b>	<b>55,410</b>	<b>44,297</b>	<b>330,310</b>
<b>EQUITY</b>			
Retained earnings	31,614	16,277	145,962
Revaluation reserves	23,796	28,020	184,348
<b>Total equity</b>	<b>55,410</b>	<b>44,297</b>	<b>330,310</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 22. 'Held for sale' non-current assets and disposal groups

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\$ '000

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Council did not classify any non-current assets or disposal groups as 'held for sale'.

#### Note 23. Events occurring after the reporting date

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Events that occur between the end of the reporting period (30 June 2016) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 19/10/16.

Events that occur after the reporting period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the reporting period**

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2016.

##### **(ii) Events that provide evidence of conditions that arose after the reporting period**

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2016 and which are only indicative of conditions that arose after 30 June 2016.

**Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.**

#### Note 24. Discontinued operations

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Council has not classified any of its operations as 'discontinued'.

#### Note 25. Intangible assets

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Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/operation	Estimated year of restoration	NPV of provision	
		2016	2015
Quarry Sites	2036	1,882	1,177
Waste Management Tip Sites	2065	5,494	5,370
<b>Balance at end of the reporting period</b>		<b>7,376</b>	<b>6,547</b>

10(a)

Under AASB 116 – Property, Plant and Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 – Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

**Reconciliation of movement in provision for year:**

Balance at beginning of year	6,547	6,375
Amounts capitalised to new or existing assets:		
Quarries Revised Remediation Costs	651	–
Amortisation of discount (expensed to borrowing costs)	178	172
<b>Total – reinstatement, rehabilitation and restoration provision</b>	<b>7,376</b>	<b>6,547</b>

**Amount of expected reimbursements**

Of the above provisions for reinstatement, rehabilitation and restoration works, those applicable to garbage services and waste management are able to be funded through future charges incorporated within Council's annual domestic waste management charge.

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 26. Reinstatement, rehabilitation and restoration liabilities (continued)

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\$ '000

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##### Provisions for close down and restoration and for environmental clean up costs – tips and quarries

###### **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, eg 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 tip and quarry operations, and the majority of 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.

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.

###### **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 reporting 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 reporting 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 unwinding 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, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:**

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/16	–	–	8,348	8,348
Office equipment	30/06/16	–	–	742	742
Furniture and fittings	30/06/16	–	–	425	425
Operational land	30/06/13	–	–	8,472	8,472
Community land	30/06/16	–	–	5,995	5,995
Land Under Roads (post 30/6/2008)	30/06/16	–	–	3,268	3,268
Buildings - non specialised	30/06/13	–	–	12,412	12,412
Buildings - specialised	30/06/13	–	–	19,394	19,394
Other structures	30/06/16	–	–	3,931	3,931
Roads	30/06/15	–	–	204,709	204,709
Bridges	30/06/15	–	–	7,479	7,479
Footpaths	30/06/15	–	–	5,698	5,698
Stormwater drainage	30/06/15	–	–	23,864	23,864
Water supplies networks	30/06/12	–	–	40,866	40,866
Sewerage networks	30/06/12	–	–	31,656	31,656
Swimming pools	30/06/16	–	–	2,098	2,098
Other open space/ recreational assets	30/06/16	–	–	1,533	1,533
Library books	30/06/16	–	–	131	131
Other assets	30/06/16	–	–	1,517	1,517
Tip remediation assets	30/06/14	–	–	4,537	4,537
Quarry remediation assets	30/06/16	–	–	1,442	1,442
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>–</b>	<b>388,517</b>	<b>388,517</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

2015	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/11	—	—	8,137	8,137
Office equipment	30/06/11	—	—	904	904
Furniture and fittings	30/06/11	—	—	557	557
Operational land	30/06/13	—	—	8,432	8,432
Community land	30/06/13	—	—	5,797	5,797
Buildings - non specialised	30/06/13	—	—	12,442	12,442
Buildings - specialised	30/06/13	—	—	19,779	19,779
Other structures	30/06/13	—	—	3,522	3,522
Roads	30/06/15	—	—	201,540	201,540
Bridges	30/06/15	—	—	7,616	7,616
Footpaths	30/06/15	—	—	5,736	5,736
Stormwater drainage	30/06/15	—	—	23,190	23,190
Water supplies networks	30/06/12	—	—	39,828	39,828
Sewerage networks	30/06/12	—	—	30,789	30,789
Swimming pools	30/06/13	—	—	991	991
Other open space/ recreational assets	30/06/13	—	—	1,171	1,171
Library books	30/06/11	—	—	123	123
Other assets	30/06/11	—	—	1,466	1,466
Tip remediation assets	30/06/14	—	—	4,846	4,846
Quarry remediation assets	30/06/11	—	—	830	830
<b>Total infrastructure, property, plant and equipment</b>		<b>—</b>	<b>—</b>	<b>377,696</b>	<b>377,696</b>

## (2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

\$ '000

#### **(3) Valuation techniques used to derive level 2 and level 3 fair values**

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

#### **Infrastructure, property, plant and equipment (IPP&E)**

##### **Plant & Equipment, Office Equipment and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Example of assets in these classes are as follows:

- Plant & Equipment - Graders, trucks, Motor Vehicles
- Office Equipment - Computer Equipment
- Furniture & Fittings - Desks, Chairs.

The key unobservable inputs to the valuation are the remaining life and residual value. Council reviews the classes of assets each year for signs of impairment. There has been no change in the valuation process during the reporting year.

##### **Operational Land**

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuations is the price per square metre. The last valuation was undertaken at 30 June 2013 and was performed by Peter Spackman Valuations, Jarad R Ewing, Registered Valuer NSW #7298 B. Comm (Property Economics).

All operational land has been valued at market value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price including but not limited to the land description, area and dimensions, planning and other constraints on development and potential for alternate use. There has been no change to the valuation process during the reporting period.

##### **Community Land**

Valuations of all Council's Community Land were performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer, QLD #3258 B.App. Sc (Property Economics) AAPI. The Council controlled Crown Land was valued using NSW Valuer General's valuations. Where there was no specific land values from the Valuer General's it was based on the pro rata valuation from adjoining properties.

All Community Land has been valued at market value (highest and best use). As these rates were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting year.

##### **Land Under Roads (Post 1 July 2008)**

The Roads have been valued in a comparison basis with reference to the Australian Accounting Standard AASB116 Property, Plant & Equipment.

Land under roads acquired after 1 July 2008 is to be recognised in accordance with AASB 116, but should be consistent with the valuation methodology for land under roads held up to 1 July 2008 where that land has been recognised.

Fair value is based on highest and best possible use. Therefore, the valuation of the land under roads would be based in its potential rather than as a road. The Land under roads have been valued by Donoghue property valuations, Thomas Donoghue AAPI (CPV) Registered Valuer NSW VAL024883.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### Buildings - Non Specialised and Specialised

Valuations of all Council's Buildings Specialised & Non-Specialised were based on valuations performed by Peter Spackman valuations, Jarad R Ewing, Registered Valuer NSW 7298 B. Comm (Property Economics).

The value of non-specialised buildings, which are predominately houses and units for which there is a secondary market, have been determined on the basis of market value.

Buildings that have been determined as specialised, meaning they are designed for a particular purpose for which there is generally little or no market based evidence available, they have been valued on the basis of depreciated replacement cost taking into consideration a reduction for physical wear and tear and functional obsolescence. The valuations take into account different components of buildings and different useful lives.

While all buildings were physically inspected, inputs such as estimates of residual values and pattern of consumption required extensive judgement and impacted on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

There has been no change to the valuation process during the period.

###### Other Structures

Other Structures class generally comprises memorials, weighbridges and saleyards.

Valuations of all Council's - Other Structures were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

###### Roads

This class of assets comprises Urban Roads, Sealed Rural Roads, Unsealed Rural Roads, Road Furniture, Islands & Pedestrian Refuges, Guard Rails, Causeways, Culverts, Parking Areas, Aerodrome, Bus Shelters & Kerb & Gutter. Council uses the "Cost Approach" using Level 3 inputs for all Road infrastructure. Valuations for Road Infrastructure are componentised generally into surface, pavement & formation to reflect the different nature of the assets. Valuations were completed in June 2015 by the Manager of Mapping, Assets, Design and Development and reviewed Director of Infrastructure Services utilising detailed pavement information residing in councils BizeAssets Management System.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. A full revaluation of the Roads have been completed as at 30th June 2015.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### Bridges

Bridges were valued in 30th June 2015 by the Director of Infrastructure Services using the cost approach.

The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure, Bridge Abutments/Foundations and Bridge rails/handrails. The information is maintained in the BizeAssets Management System.

Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. A full revaluation of Bridges have been completed as at 30th June 2015.

###### Footpaths

Footpaths were valued in June 2015 by the Manager of Mapping, Assets, Design & Development and reviewed by the Director of Infrastructure and Services using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a physical inspection by the Roads inspector. The information is maintained in the BizeAssets Management System.

Condition are updated as changes in the networks are observed through regular inspections. There has been a full revaluation of Footpaths as at 30th June 2015.

###### Stormwater Drainage

Stormwater Assets comprise pits, pipes, open channels, headwalls and various types of water quality devices in the Urban Areas. Stormwater Drainage was valued by the Manager of Mapping, Assets, Design & Development and reviewed by the Director of Infrastructure and Services using the cost approach.

The 'Cost Approach' is the estimated replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with the Institute of Public Works Engineers Australia Infrastructure Management Manual (IMM). Inputs such as estimates of pattern of consumption, residual value, Asset Condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been a valuation of Stormwater Assets as at 30th June 2015.

###### Water Supplies

The valuation of the Water Supplies was completed in June 2012 by AssetVal Pty Ltd. The Water supplies comprise the Gunnedah, Curlewis, Tambar Springs & Mullaley water schemes. The components of the Water Systems include the Mains, Bores, Reservoirs and Pumping Stations. The information is maintained on the BizeAsset Management System.

Due to the nature of much of the Water Network being inaccessible (subsurface) there are limitations in the inputs such as pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impact significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### Sewerage Systems

The valuation of the Sewerage Systems was completed in June 2012 by AssetVal Pty Ltd. The Sewerage Systems comprise the Gunnedah & Curlewis Sewerage Systems. The components include the pipelines, Treatment works and Pump Stations. The assets are maintained on the BizeAssets Management System.

Due to the nature of much of the Sewer Network being inaccessible (subsurface) there are limitations in the inputs such as pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impact significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

###### Swimming Pools

Swimming Pools class comprises the 3 pools, diving board & shade sails at the Gunnedah Swimming complex

Valuations of Council's Swimming Pools were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

###### Other Open Space/ Recreational Assets

Other Open Space/ Recreational Assets comprise tennis courts, showground structures such as lighting towers, Grandstands and Park structures such as play equipment, Rotundas, seating etc.

Valuations of Council's Other Open Space/Recreational Assets were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

###### Library Book/Other Assets

Library Books & Other Assets are valued at cost but are disclosed at fair value in the Notes

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The key unobservable inputs to the valuation are the remaining life and residual value. Council reviews the classes of assets each year for signs of impairment. There has been no change in the valuation process during the reporting year.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### Tip Remediation

Gunnedah Shire Council has 3 landfills being at Gunnedah, Curlewis & Carroll and 3 transfer stations at Mullaey, Breeza and Tambar Springs. The Waste management service includes a wide range of waste disposal services, resource recovery services, recycled and reclaimed products and waste management educational activities. It is recognised that there will be significant costs in the closure of the landfill sites.

Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill, site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removal of infrastructure and equipment.

The evaluation of costs for the landfill closure and post closure management was prepared by the Manager of Building & Environment. The key unobservable inputs are the discount rate, cost excavation rate, actual timing of costs and future environmental requirements. This valuation was reviewed at June 2014.

###### Quarries Remediation

Gunnedah Shire Council has some 51 Quarries that will require remediation in the future. Quarries provide council with Gravel as part of the Road maintenance and construction activities.

Closure of the Quarries will require remediation including earth works to restore the quarries and reseed and plant native trees.

The Quarry remediation Valuation was completed in June 2016 by the Director of Infrastructure & Services.

The key unobservable inputs are the discount rate, Cost escalation, timing of future costs and future environmental requirement. There has been no change to the valuation process during the year.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3)

## a. The following tables present the changes in level 3 fair value asset classes.

	Investments at fair value through P&L	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community land	Buildings non - specialised	Buildings specialised	Total
<b>Opening balance – 1/7/14</b>	1,532	8,034	846	535	8,432	5,797	12,615	19,886	57,677
Purchases (GBV)	–	2,024	297	85	–	–	77	212	2,695
Disposals (WDV)	(1,540)	(292)	–	–	–	–	–	–	(1,832)
Depreciation and impairment	–	(1,629)	(239)	(63)	–	–	(250)	(319)	(2,500)
FV gains – Income Statement <sup>1</sup>	8	–	–	–	–	–	–	–	8
<b>Closing balance – 30/6/15</b>	<b>–</b>	<b>8,137</b>	<b>904</b>	<b>557</b>	<b>8,432</b>	<b>5,797</b>	<b>12,442</b>	<b>19,779</b>	<b>56,048</b>
Purchases (GBV)	–	1,948	102	6	40	–	246	1	2,343
Disposals (WDV)	–	(155)	(8)	(46)	–	–	–	–	(209)
Depreciation and impairment	–	(1,582)	(256)	(92)	–	–	(276)	(386)	(2,592)
Revaluations to Equity	–	–	–	–	–	198	–	–	198
<b>Closing balance – 30/6/16</b>	<b>–</b>	<b>8,348</b>	<b>742</b>	<b>425</b>	<b>8,472</b>	<b>5,995</b>	<b>12,412</b>	<b>19,394</b>	<b>55,788</b>

<sup>1</sup> FV gains recognised in the Income Statement relating to assets still on hand at year end total:

YE 14/15	8	–	–	–	–	–	–	–	8
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## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) continued

## a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Other structures	Roads	Bridges	Footpaths	Stormwater	Water supplies	Sewerage network	Swimming pools	Total
<b>Opening balance – 1/7/14</b>	3,529	139,106	6,728	3,487	16,736	39,403	29,543	1,018	239,550
Purchases (GBV)	93	5,270	–	131	186	1,166	1,511	–	8,357
Disposals (WDV)	–	–	–	–	–	(437)	–	–	(437)
Depreciation and impairment	(100)	(3,963)	(98)	(52)	(222)	(875)	(692)	(27)	(6,029)
Revaluations to equity	–	61,127	986	2,170	6,490	571	427	–	71,771
<b>Closing balance – 30/6/15</b>	<b>3,522</b>	<b>201,540</b>	<b>7,616</b>	<b>5,736</b>	<b>23,190</b>	<b>39,828</b>	<b>30,789</b>	<b>991</b>	<b>313,212</b>
Purchases (GBV)	–	7,388	–	108	982	1,744	1,141	–	11,363
Disposals (WDV)	–	(267)	–	(58)	–	(400)	–	–	(725)
Depreciation and impairment	(101)	(3,952)	(137)	(88)	(308)	(884)	(735)	(47)	(6,252)
Revaluations to Equity	510	–	–	–	–	578	461	1,154	2,703
<b>Closing balance – 30/6/16</b>	<b>3,931</b>	<b>204,709</b>	<b>7,479</b>	<b>5,698</b>	<b>23,864</b>	<b>40,866</b>	<b>31,656</b>	<b>2,098</b>	<b>320,301</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) continued

## a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Land Under Roads Post 1/7/2008	Open space recreational assets	Library books	Other assets	Tip remediation asset	Quarry remediation	Total
<b>Opening balance – 1/7/14</b>	–	1,122	103	1,565	5,155	869	8,814
Purchases (GBV)	–	96	32	–	–	–	128
Depreciation and impairment	–	(47)	(12)	(99)	(309)	(39)	(506)
<b>Closing balance – 30/6/15</b>	<b>–</b>	<b>1,171</b>	<b>123</b>	<b>1,466</b>	<b>4,846</b>	<b>830</b>	<b>8,436</b>
Purchases (GBV)	3,268	239	23	135	–	–	3,665
Depreciation and impairment	–	(51)	(15)	(84)	(309)	(40)	(499)
Restatement Quarry Assets	–	–	–	–	–	652	652
Revaluations to Equity	–	174	–	–	–	–	174
<b>Closing balance – 30/6/16</b>	<b>3,268</b>	<b>1,533</b>	<b>131</b>	<b>1,517</b>	<b>4,537</b>	<b>1,442</b>	<b>12,428</b>

## b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

Nil

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) (continued)

## c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E</b>			
Plant & Equipment	19,336	Approximate Fair Value	Remaining Life, Residual Value
Office Equipment	2,353	Approximate Fair Value	Remaining Life, Residual Value
Furniture & Fittings	997	Approximate Fair Value	Remaining Life, Residual Value
Land - Operational	8,472	Market Value (highest & best use)	Price per square metre
Land - Community	5,995	Market Value (highest & best use)	Not considered to have observable market evidence
Land under roads (post 30/6/2008)	3,268	Highest and best possible use.	Based on potential rather than a road.
Buildings - non specialised	20,422	Depreciated replacement costs taking into account physical wear and tear.	Estimates of residual values and pattern of consumption require extensive judgement.
Buildings - Specialised	30,175	Depreciated replacement costs taking into account physical wear and tear.	Estimates of residual values and pattern of consumption require extensive judgement.
Other Structures	6,120	Replacement cost taking into a range of factors.	Pattern of consumption, residual value, asset condition and useful life.
Roads	292,736	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Bridges	13,697	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Footpaths	7,112	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) (continued)

## c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value. (continued)

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E (continued)</b>			
Stormwater Drainage	32,528	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Water Supply Network	67,870	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement. The nature of water assets is they are unassessable being subsurface.
Sewerage Network	54,875	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement. The nature of sewer assets is they are unassessable being subsurface.
Swimming Pools	3,973	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Other Open Space	3,447	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Library Books	183	Approximate Fair Value	Remaining Life, Residual Value
Other Assets	2,029	Approximate Fair Value	Remaining Life, Residual Value
Tip Assets	5,208	Evaluation of costs for the landfill closure as per closure plan	Discount Rates, excavation rates, timing and future environmental requirements.
Quarry Assets	1,718	Evaluation of costs for the quarry closure.	Discount Rates, cost escalation, timing and environmental requirements.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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#### (4). Fair value measurements using significant unobservable inputs (level 3) (continued)

##### d. The valuation process for level 3 fair value measurements

Gunnedah Shire Council value their assets on a fair value basis, in accordance with the NSW Department of Local Government's Guidelines and standards AASB13, AASB116 each year. For the 2016 financial year council has opted to utilise AASB 2015-7 for level 3 unobservable inputs. These assets are valued utilising the cost approach identifying actual plant, staff and material costs where available.

Construction estimates have been completed based on current Australian standards and guidelines to gain unit rates based on the various asset components within each asset class. For example Rural Sealed Roads has been broken down to Formation, Pavement and Seal. The cost to construct each asset component has been calculated on a standard length, depth and width in accordance with Austroads and RMS guidelines and then calculated to give appropriate rates for each component. Distances used for cartage etc. have been averaged over the Shire. Material costs are current prices evidenced by either invoices or current quotes.

Bridges, due to their complexity, have been calculated from tender documents provided by Tamworth Regional Council for a bridge constructed in 2013/14 and applied to Gunnedah Shire bridges at a component level by the Director of Infrastructure Services.

In the case of urban Stormwater the NSW References Rates Manual for water, sewer and stormwater was used.

All other assets have had works estimated by the Manager - Mapping, Assets, Design and Developments in consultation with the Manager - Infrastructure Works and the Director - Infrastructure Services. Once verified these rates were then applied across Council asset classes.

The resulting values were then compared against previous values and verified by the Director Infrastructure Services and Manager, Assets, Design and Development.

Valuations for Community Land were performed by AssetVal Pty Ltd and information from the NSW Valuer Generals department. AssetVal Pty Ltd also performed the valuation on other structures, pools and other openspace/recreation assets. The valuation of land under roads was undertaken by Donoghue property valuations.

Valuations have been undertaken by Gunnedah Shire Council utilising Councils Asset Management System (Biz E Asset). The unit rates and useful lives utilised in this have been compared to a variety of other rural councils.

#### (5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.

# Gunnedah Shire Council

## Notes to the Financial Statements for the year ended 30 June 2016

### Note 28. Council information and contact details

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**Principal place of business:**

63 Elgin Street  
GUNNEDAH NSW 2380

**Contact details****Mailing address:**

PO Box 63  
GUNNEDAH NSW 2380

**Opening hours:**

Business Hours  
Monday to Friday  
8:30am to 5:00

**Telephone:** 02 6740 2100

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**Officers****GENERAL MANAGER**

E J GROTH

**RESPONSIBLE ACCOUNTING OFFICER**

E J GROTH

**PUBLIC OFFICER**

L E ROWE

**AUDITORS**

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PO BOX 654  
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**Elected members****MAYOR**

O HASLER

**COUNCILLORS**

H ALLGAYER (PASSED 29/8/2015)

G SWAIN

T DUDDY (RESIGNED 23/9/2015)

C FULLER

G GRIFFEN

D QUINCE

R RYAN

S SMITH

**Other information**

**ABN:** 80 183 655 793

**Crowe Horwath Auswild**

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## **INDEPENDENT AUDITORS' REPORT TO GUNNEDAH SHIRE COUNCIL (SECTION 417(2) – REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS)**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Gunnedah Shire Council ('the Council'), which comprises the statement of financial position as at 30 June 2016 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 28 and the Statement by Councillors and Management of the Council. The financial statements and Council's statement are in the approved form as required by Section 413(2)(c) of the Local Government Act, 1993.

### **COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Councillors and management of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls relevant to the entity'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 entity's internal controls. 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.

We performed the procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting and Australian Accounting Standards, a view which is consistent with our understanding of the Council's financial position and of its performance.

Our audit responsibilities do not extend to the Original Budget figures disclosed in the income statement, cash flow statement, Notes 2(a) and 16 to the financial statements nor the attached Special Schedules and accordingly, we express no opinion on them.

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

The audit opinion expressed in this report has been formed on the above basis.

## AUDITOR'S OPINION

In our opinion:

- a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993 Chapter 13, Part 3, Division 2;
- b) the Council's financial statements:
  - have been properly prepared in accordance with the requirements of this Division;
  - are consistent with the Council's accounting records;
  - present fairly the Council's financial position and result of its operations; and
  - 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 statements that have come to light during the course of the audit.

*Crowe Horwath Auswild*  
CROWE HORWATH AUSWILD

*Clare Wagner*

**Clare Wagner**  
**Audit Partner**

Dated at Dubbo this 20th day of October 2016

# Report on the Conduct of the Audit

Gunnedah Shire Council

Year Ended 30 June 2016

12 October 2016

Mr Eric Groth  
General Manager  
Gunnedah Shire Council  
PO Box 63  
GUNNEDAH NSW 2380

Dear Eric,

Having completed an audit examination of the books of account and associated records of the Gunnedah Shire Council for the twelve month period ended 30 June 2016 we have pleasure in submitting our report on the conduct of the audit in accordance with Section 417 (3) of the Local Government Act 1993.

## **BACKGROUND**

Council is required to prepare two sets of financial statements for audit each year, these being:

### **General Purpose Financial Statements**

These financial statements present the actual financial position and performance of the Council. Council has prepared the general purpose financial statements in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act 1993 and Regulations and
- the Local Government Code of Accounting Practice and Financial Reporting (the Code).

For the purpose of preparing these financial statements Council has been deemed to be a not-for-profit entity.

These financial statements have been prepared in much the same manner as those of the previous year.



### **Special Purpose Financial Statements**

These financial statements have been prepared in accordance with the requirements of the National Competition Policy which requires separate financial statements for each declared business activity. Council's declared business activities for the 2016 financial year were:

- Water Supplies
- Sewerage Service

The principle differences between the general purpose financial statements and the special purpose financial statements are that:

- certain taxes and other costs that would apply if these business activities were operating in the commercial sector have been imputed in the special purpose financial statements (ie income tax and land tax),
- the special purpose financial statements contain additional disclosures such as council subsidies, return on investments and dividends paid.

These financial statements have been prepared in much the same manner as those of the previous year.

### **Auditor's Responsibility**

As part of our role as auditor of Council, Section 415 (3) of the Local Government Act 1993 and the Local Government (General) Regulation requires us to consider and provide comment on the material items affecting the general purpose financial statements and other matters pertinent to the audit. The following section of this report provides an understanding of Council's financial position as at 30 June 2016, its performance for the year then ended its cash flows and other material financial matters.

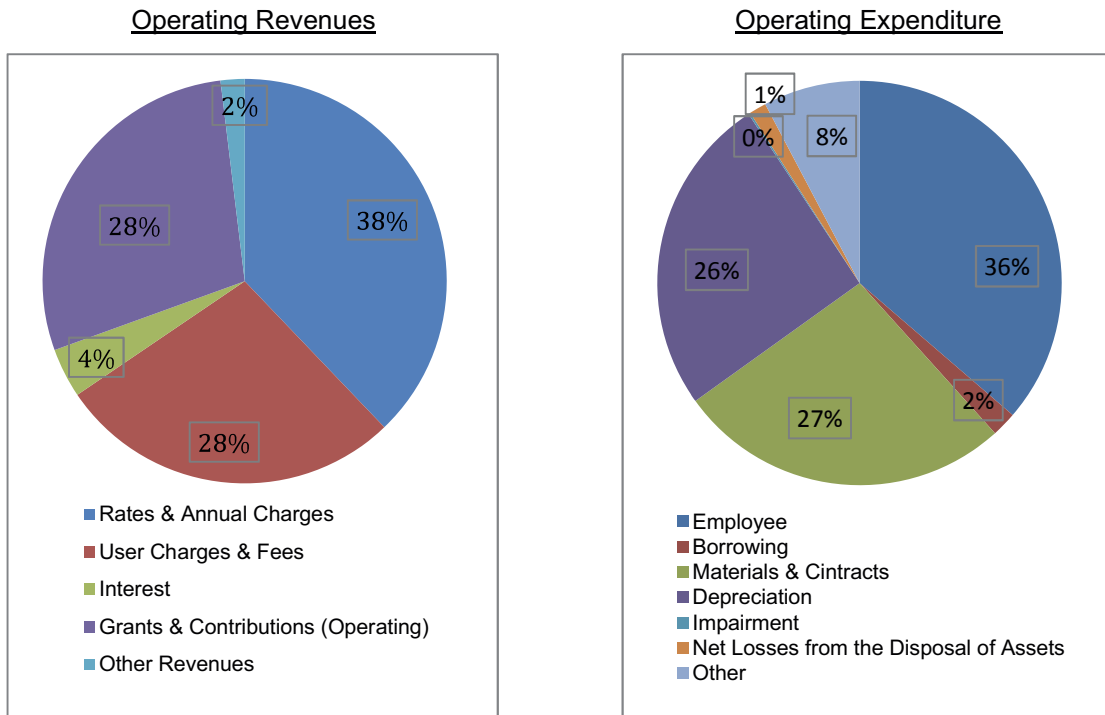
## FINANCIAL RESULTS

The net operating result for the year before grants and contributions provided for capital purposes is a \$6,299,000 surplus (2015: \$4,325,000). The significant variance in Council's reported financial results for the current year has been due to a number of major factors including:

- The increases in rates and annual charges in 2015/2016 is being attributable to the 9.5% special approval rate granted Council to achieve its "Sustainable Services" program. This contributed an additional \$1,293,000 in revenue for rates and annual charges.
- Raw materials and consumables expenditure increased by \$685,000 from \$8,557,000 (excluding capitalised costs) in 2015 to \$9,242,000 (excluding capitalised costs) in the current financial year. The contractor and consultancy costs have also increased by \$20,000. Materials and contracts overall has increase by \$705,000 (an overall increase of 7.80%).
- Employee benefits and on-costs increased by \$265,000 mainly due to an increase in salaries and wages from \$10,863,000 in 2015 to \$11,101,000 in 2016 as a result of wages increase by 2.25% across all Council staff, this increment in salaries and wages impacted on superannuation which increased from \$1,277,000 in 2015 to \$1,342,000 in 2016, employee leave entitlements increased from \$1,320,000 in 2015 to \$1,335,000 in 2016. However, this has been offset by a reduction in travel expenses by \$34,000, worker compensation by \$72,000, and a reduction in training costs by \$12,000.
- In turn Council have seen a significant increase in infrastructure, property, plant and equipment in the current financial period where a total of \$18,567,000 in asset additions and asset renewals were recognised. This is compared with \$12,620,000 in the previous year.

Excluding capital grants & contributions operating revenues for the year (\$42,687,000) have increased approximately 10.19% on those of the previous year (\$38,738,000) whilst during the same period operating expenses have also increased approximately 5.7% to \$36,388,000.

A breakdown of Council's operating revenues and expenses for the year are as follows:



In addition to operating revenues, Council received capital grants and contributions amounting to \$8,864,000 (2015: \$2,197,000). In the twelve month period to 30 June 2016 Council's operating result from continuing operations' (including capital grants and contributions) was a surplus of \$15,163,000 compared with a surplus of \$6,522,000 in the previous year.

## **BUDGET COMPARISON**

The net operating surplus for the year of \$6,299,000 was significantly higher than the original budget expectations which anticipated a surplus of \$1,782,000.

Details of material variations between the original budget and actual results are detailed in Note 16 to the General Purpose Financial Statements. In essence, the variations from the expected result have been attributed to:

### **Favourable Variances**

- Significant variance in User Charges and Fees due to water usage charge, an additional \$842,557 reflecting the dry summer and \$795,782 additional works under the RMCC contract.
- Interest and Investment Revenue was higher than budget due to Council portfolio increase from \$48.7 million in 2015 to \$55.8 million in 2016. Council's cash position has remained sound leading to interest income being greater than expected.
- Other revenue was higher than budgeted amount due to additional rent recovery on Council properties and revenue from shared services with other Council's.
- Operating grants and contributions have increased with additional funding received from the GoCo programmes and additional roads to recovery grants and various other project funding.
- Large increase in Capital Grant and Contributions due to recognition of various Infrastructure assets that have been contributed to Council via developers. The areas include Land under roads, road, stormwater, kerb & gutter, water and sewerage network.
- Borrowing costs was lower than budget as a result of anticipated new loan not taken out in 2015/16 until 2016/17.
- Decrease in Materials and Contracts reflects the Council deferred of new loan until 2016/17 as the new loan would have been spent on materials and contract as initially budgeted.
- Large variance in Cash flows from operating activities due to additional Cash flows received by Council especially from the RMCC work on State roads, developer contributions, additional water sales due to dry summer and efforts made by Council to reduce outstanding rates.

### **Unfavourable Variances**

- Employee benefits and on-cost due to there being less capitalised wages during the year.
- Net losses from disposal of assets variance relates to various plant and equipment traded and infrastructure assets disposed off during the year. The plant and equipment assets resulted in a gain on disposal of \$228,457 and infrastructure disposal resulted in loss of \$725,223.

## DETAILED AUDIT OBSERVATIONS

### OPERATING INCOME

#### Rates and Annual Charges

Revenue from rates and annual charges (excluding Council owned properties) amounted to \$16,157,000 (2015: \$14,864,000).

In setting the **ordinary rates** for the year Council resolved to adopt the special approved maximum increase available of 9.5%. This action has resulted in revenues from ordinary rates increasing from \$10,350,000 in 2014/2015 to \$11,455,000 in the current year.

Council's **ordinary rating base** remained fairly static in the current year with 6,133 assessments subject to **ordinary rates** at year end.

Council further resolved that other charges be adjusted as follows:

- Basic water availability charges increased 3.8% to \$170 per meter.
- Sewerage annual charges increased 2.6% to \$505.
- Domestic waste management access charges increased 4.1% to \$358.

Such increases have resulted in revenues as follows:

<b>Annual Charges</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Domestic Waste Management	2,002,000	1,892,000
Stormwater management services	94,000	95,000
Water Supply Services	796,000	787,000
Sewerage Services	1,810,000	1,740,000

Interest and extra charges on overdue rates for the year was \$79,000 and outstanding rates were subject to interest at the rate of 8.50% pa (2015: 8.50%).

#### User Charges and Fees

Council derived \$3,971,000 from **specific user charges** (2015: \$3,498,000 and a further \$653,000 from **fees** (2015: \$608,000) imposed during the twelve month period ended 30 June 2016.

Impacting significantly on user charges and fees revenues for the year were:

Water Consumption Charges (increased \$549,000)

Water charges for usage were increased by 3.8% as follows:

	<b>2016</b>	<b>2015</b>
	\$	\$
Usage charge 0-400 kilolitres	\$1.08 per kl	\$1.04 per kl

Revenue from water supply services amounted to \$2,865,000 (2015: \$2,316,000).

Other major revenues received from user charges and fees included:

	<b>2016</b>	<b>2015</b>
	\$	\$
Aged care	106,000	92,000
Cemeteries	112,000	110,000
RMS Charges	5,545,000	5,206,000
Saleyards	789,000	916,000
Swimming pools	165,000	176,000
Theatre	194,000	199,000
Events	106,000	-

**Interest**

Interest and investment revenues increased during the twelve month period with income being earned as follows:

	<b>2016</b>	<b>2015</b>
	\$	\$
Overdue Rates and Charges	79,000	67,000
General Council Investments	854,000	726,000
Development Contributions – s94	49,000	58,000
Development Contributions – s94	91,000	97,000
Water Fund Operations	250,000	274,000
Sewerage Fund Operations	239,000	273,000
Domestic waste management operations	131,000	102,000
	<b>1,693,000</b>	<b>1,597,000</b>

Interest on investments for the year represented approximately 14.1% (2015: 14.5%) of ordinary rating income.

### **Other Revenues**

Other revenue income in the current year (\$819,000) is slightly higher than the previous year (\$814,000). The difference was due to an increase in rental income from \$86,000 in 2015 to \$185,000 in 2016. This was partially offset by reduction in legal fees by \$13k, workers compensation by \$41k and sales in theatre & swimming pools by \$18k.

### **Grants, Subsidies and Contributions**

#### Operating Grants and Contributions

Operating grants and contributions amounting to \$12,218,000 were received in 2015/2016 compared with \$10,478,000 received in the previous year.

Other major specific purpose operating grants and contributions were received for, Community care (\$4,413,000) and RMS Contributions (\$2,667,000).

#### Capital Grants and Contributions

Total capital grants and contributions received for the year amounted to \$8,864,000 compared with \$2,197,000 received in the previous year. This increase is predominantly due to increase in capital developer contributions by \$733,000. Capital contributions have significantly increased by \$6,085,000 mainly due to contributions of \$893,000 received for drainage, \$982,000 received for kerb & gutter, \$4,835,000 received for roads and bridges. This was partially offset with a reduction contributions received for sewerage & water supplies from \$1,529,000 in 2014/15 to \$813,000 in 2015/16.

In accordance with the Code of Accounting Practice all grant and contribution monies received in 2015/2016 (both expended and unexpended) have been brought to account as income. At year end Council held unexpended grants and contributions amounting to \$3,811,000 (2015 - \$3,168,000) and such funds have been identified as an externally restricted asset.



## **OPERATING EXPENDITURE**

Expenses from continuing operations (\$36,388,000) were slightly lower than both budget expectations (\$36,712,000) and significantly higher than previous year (\$34,413,000).

Impacting significantly on operating expenses for the year were:

### **Employee Costs**

Total employee costs (\$13,215,000) increased approximately 2.05% in the twelve months period to 30 June 2016 principally due to:

- Employee benefits and on-costs increased by \$265,000 mainly due to an increase in salaries and wages from \$10,863,000 in 2015 to \$11,101,000 in 2016 as a result of wages increase by 2.25% across all Council staff, this increment in salaries and wages impacted on superannuation which increased from \$1,277,000 in 2015 to \$1,342,000 in 2016, employee leave entitlements increased from \$1,320,000 in 2015 to \$1,335,000 in 2016. However, this has been offset by a reduction in travel expenses by \$34,000, worker compensation by \$72,000, and a reduction in training costs by \$12,000.

At year end Council's full time equivalent employees numbered 170 (2014: 175).

### **Materials and Contracts**

Materials and contracts expenditure (\$9,741,000) increased by \$705,000 in the current year, due to raw materials and consumables expenditure increased by \$685,000 from \$8,557,000 (excluding capitalised costs) in 2015 to \$9,242,000 (excluding capitalised costs) in the current financial year. The contractor and consultancy costs increased by \$39,000.

### **Depreciation Expenses**

Depreciation expenses (\$9,341,000) have increased by \$306,000 from the previous year (\$9,035,000). This is comparable to the prior year and is consistent with the movement in assets. For the 2016 financial year asset additions totalled \$18,567,000.

Depreciation expenses account for approximately 26% of Council's total expenses which is comparable with most Councils with whom we are associated.

## ASSETS

### **Cash & Investments**

At balance date Council controlled cash and investments totalling \$56,071,000 (2015: \$48,748,000).

Council utilises its investments to cover both externally and internally imposed requirements and comprises of developer contributions - general (\$1,958,000), developer contributions – water fund (\$3,009,000), developer contributions – sewer fund (\$1,315,000), specific purpose unexpended grants (\$3,811,000), domestic waste management (\$4,714,000), water supplies (\$10,378,000), sewerage services (\$8,992,000), employee leave entitlements (\$1,361,000), plant and vehicle replacement (\$961,000), saleyards (\$1,152,000), and future works (\$6,668,000).

Externally restricted investments amounted to \$34,182,000 whilst internally restricted investments amounted to \$13,055,000.

Council's cash and investments were held as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	477,000	454,000
Deposits at Call	3,300,000	4,000,000
Long Term Deposits	52,294,000	44,294,000
	<b>56,071,000</b>	<b>48,748,000</b>

### **Debtors**

#### Rates and Annual Charges

At balance date outstanding rates and annual charges and interest amounted to \$788,000 (2015: \$887,000) which represented 4.57% of total receivable (2015: 5.46%).

It is apparent that Council has implemented and enforced stringent recovery action against ratepayers which reflects on reduction in rates and annual charges outstanding in current year compared to previous year.

Outstanding rates and annual charges have been subject to interest at the rate of 8.50% and Council has determined that a provision for doubtful debts is not necessary as all arrears are secured by a charge over the land.

## Property, Plant and Equipment

During the reporting period Council expended / acquired assets with the value of \$18,567,000 (2015: \$12,620,000).

The principal items being:

	2016	2015
	\$	\$
Plant and Equipment	1,948,000	2,024,000
Roads, Bridges, Footpaths	7,496,000	5,401,000
Water Supply Network	1,744,000	1,166,000
Sewerage Network	1,141,000	1,511,000
Land under road (post 30/06/08)	3,268,000	-

Additionally, we note that Council sold assets with a written down value of \$877,000. The sale of these assets has resulted in a loss of \$497,000 being brought to account (2015: loss of \$230,000).

Further, we report that in accordance with the requirements of the Code of Accounting Practice, Council's water and sewerage assets were indexed upwards in accordance with the latest indices provided by the NSW Office of Water.

These revaluations have resulted in Council's assets being adjusted as follows:

Water Supply Network	increased \$1,994,000 to \$67,870,000
Sewerage Network	increased \$1,952,000 to \$54,875,000

In 2016 Council was required to complete a revaluation of the community land, other assets, other structures, land improvements. The revaluation movement for each is shown below:

Community land revalued from	\$5,797,000 to \$5,995,000
Other structures revalued from	\$4,791,000 to \$6,120,000
Swimming pools revalued from	\$2,061,000 to \$3,973,000

The total amount of the revaluation was \$3,075,000 and is shown as other comprehensive income and increases the revaluation reserve from \$233,089,000 to \$234,164,000.

The combined action of asset movements and revaluations has resulted in the written down value of property plant and equipment increasing from \$380,597,000 in 2014/2015 to \$392,616,000 as at 30 June 2016.

Major acquisitions during the year were again funded from grants, contributions and cash and investments.

## Provisions

At 30 June 2016 the Provision for Employee Accrued Entitlements totalled \$4,703,000.

The components of the liability are:

	<b>2016</b>	<b>2015</b>
	\$	\$
Annual Leave	1,569,000	1,422,000
Long Service Leave	2,966,000	2,832,000
Rostered days off	121,000	136,000
Wages – time in lieu	47,000	46,000
	<b>4,703,000</b>	<b>4,436,000</b>

The average leave entitlement per full time employee as at 30 June 2016 was \$27,665 (2015: \$25,349).

At year end Council had set aside funds amounting to \$1,361,000 or 29% of the employees leave entitlement liability. Such funds have been identified as an internally restricted asset.

Council's provision for asset remediation/restoration increased by \$829,000 in the current year and amounted to \$7,376,000 at year end.

## Loans and Debt Servicing

During the year there were no new loans raised. Council repaid borrowings of \$291,000 and at year end Council's borrowings amounted to \$9,189,000 (2015: \$9,480,000).

The loan liability is apportioned as follows:

	<b>2016</b>	<b>2015</b>
	\$	\$
Current	319,000	301,000
Non Current	8,881,000	9,189,000

Council required \$1,019,000 to service its loan commitments in 2015/2016, which has given Council a favourable debt service ratio of 16.61 against benchmark of 2.

## SUMMARY

In analysing Council's financial results for the year, particular attention must be given to the following:

- Operating Result
- Cash Flow
- Reserves (internally restricted and unrestricted assets)
- Performance Ratios

### **Operating Result**

Council reported an operating surplus before capital amounts of \$6,299,000 for the twelve month period to 30 June 2016. This surplus result has been reported after allowing for depreciation expenses of \$9,341,000. The Council budgeted for an operating surplus of \$1,782,000 but the actual result is well above the budget expectations and also above the operating surplus of \$4,325,000 reported in 2014/2015.

#### Operating Surplus/(Deficit) before Capital Amounts

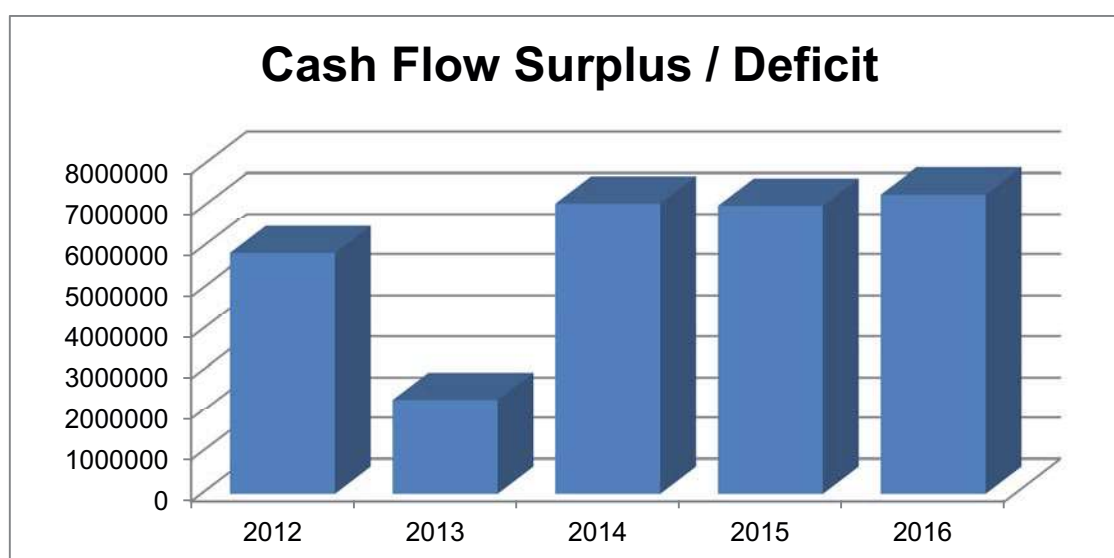


## Cash Flow

Council achieved a cash surplus of \$18,555,000 (2015: \$15,579,000) from its general operating activities which was principally utilised to purchase assets and repay loans.

These actions together with the proceeds from the sale of assets have resulted in Council having a net increase in cash and investments of \$7,323,000 for the year (2015: \$7,053,000 increase).

### Cash Flow Surplus/Deficit (movement)



For comparative purposes, we note the following factors that have impacted on the cash flow surplus in 2015/2016.

- Materials and contracts expenditure \$11,992,000 increased \$1,454,000 in the current year.
- Borrowing costs amounted to \$549,000 in the current year compared to \$368,000 in 2014/2015.
- Additional user fees and charges received \$3,974,000.

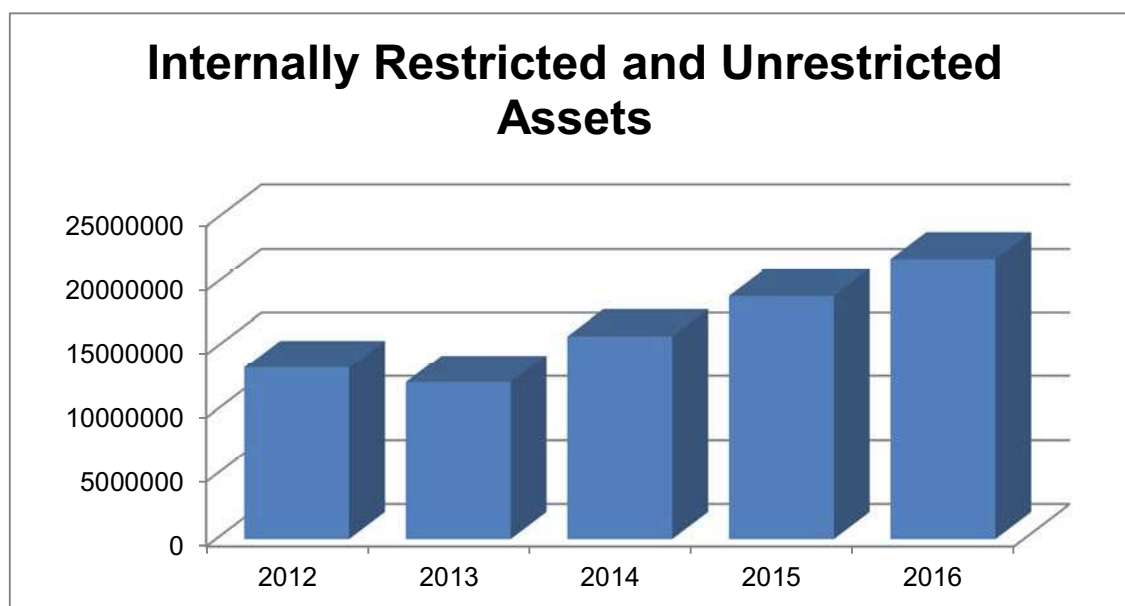
Upon analysis the cash flow deficit can be identified as follows:

<u>Activity</u>	<u>Surplus/(Deficit)</u>	
	2016 \$	2015 \$
Externally Restricted	4,427,000	3,913,000
Internally Restricted & Unrestricted	2,896,000	3,140,000

### Reserves (Internally Restricted and Unrestricted Assets)

As noted previously, Council's internal and unrestricted funds have increased by \$2,896,000 during the twelve month period and at year end Council held internally restricted investments amounting to \$13,055,000 (2015 - \$10,064,000) whilst a further \$8,834,000 was maintained as unrestricted investments (2015 - \$8,929,000).

#### Internal and Unrestricted Reserve Funds



As illustrated, Council's reserve funds have been consistently increased since 2012, except in 2013 which were slightly down. However, it appears Council has maintained reasonable reserve across the years. We still encourage Council to ensure that reserve funding is commensurable with Council's long term plans.

### Performance Ratios

Note 13 to the financial statements provide a measure of Council's performance using a number of selected ratios as follows:

#### Operating Performance Ratio

This ratio measures a Council's ability to contain operating expenditure within operating revenue.

The ratio of a surplus of 15.92% (2015 – 11.74%) is above the benchmark of 0%. Council's continues to maintain operating expenditures within operating revenues.

We stress the importance of considering these ratios in conjunction with other performance indicators and not in isolation. The fact that these ratios are based upon consolidated funds should also be kept in mind as the ratios for individual funds (i.e General, Water, Sewer, etc.) may vary significantly.



### **Own source operating revenue**

This ratio measures the fiscal flexibility of Council and its degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue.

The ratio of 59.10% (2015 – 69.03%) is slightly lower than the benchmark of 60%. It is worth noting that Council have maintained higher ratios in the past 3 years which were well above the benchmark. Therefore, it indicates Council is not reliant on government grants and contributions to provide services to the community. This year Council recognised and additional \$7.355 million in developer contributed assets.

### **Unrestricted Current Ratio**

The unrestricted current ratio is a measure of Council's liquidity and demonstrates Council's ability to satisfy obligations in the short-term and immediate asset balances.

Council's ratio of 6.29:1 (2015 – 5.43:1) is considered strong, as the benchmark is a minimum of 1.5:1.

### **Debt Service Cover Ratio**

The debt service cover ratio measures the availability of operating cash to service debt including interest, principal and lease payments.

Council's ratio of 16.61 (2015 – 13.36) is considered sound, as the benchmark is a minimum of 2.00. This result means that Council has \$16.61 of cash to meet every \$1 of debt. This result has been impacted by the improved operating result for the year.

### **Rates and Annual Charges Outstanding Ratio**

The rates and annual charges outstanding percentage is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficiency and application of collection procedures are still the largest determinant of this ratio.

Council's rates and annual charges outstanding percentage of 4.57% (2015 – 5.46%) is within the benchmark of 10%. By achieving rates recovery of 95.43% is indicative that Council is maintaining diligent recovery procedures.

### **Cash Expense Cover Ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Council's ratio of 23.25 months (2015 – 22.0 months) is well above the minimum benchmark of 3 months and indicates that Council is in a very strong cash and investment position.

## **OTHER MATTERS**

Several performance improvement observations were noted during our year end audit visits. A final audit memo will be issued to management. There were no major control deficiencies noted in Council's systems.

### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### **Reliance on the Report**

The report on the conduct of the audit has been prepared for distribution to Council. We disclaim any assumption of responsibility for any reliance on this report to any person other than Council or for any purpose other than that for which it was prepared.

*Crowe Horwath Auswild*  
CROWE HORWATH AUSWILD

*Clare Wagner*

Clare Wagner  
Audit Partner

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A Crowe Horwath Australasia Limited Firm



# Gunnedah Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

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#### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
  - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.  
  
These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
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## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

### Statement by Councillors 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:**

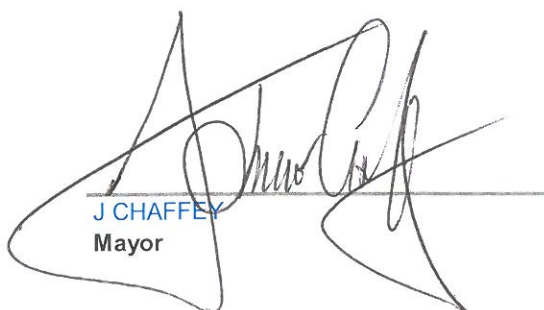
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

**To the best of our knowledge and belief, these financial statements:**

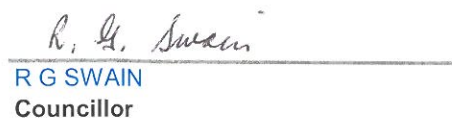
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

**We are not aware of any matter that would render these statements false or misleading in any way.**

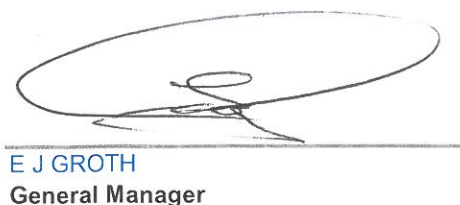
**Signed in accordance with a resolution of Council made on 19 October 2016.**



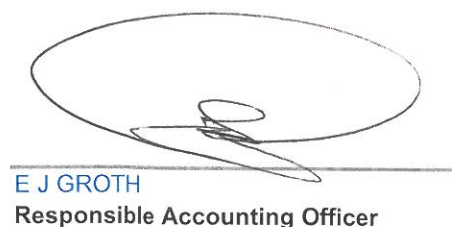
J CHAFFEY  
Mayor



R G SWAIN  
Councillor



E J GROTH  
General Manager



E J GROTH  
Responsible Accounting Officer

## Gunnedah Shire Council

## Income Statement of Council's Water Supply Business Activity

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>Income from continuing operations</b>		
Access charges	827	816
User charges	3,166	2,660
Fees	–	–
Interest	315	344
Grants and contributions provided for non-capital purposes	92	61
Profit from the sale of assets	8	–
Other income	19	4
<b>Total income from continuing operations</b>	<b>4,427</b>	<b>3,885</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	704	631
Borrowing costs	–	–
Materials and contracts	548	600
Depreciation and impairment	929	921
Water purchase charges	–	–
Loss on sale of assets	399	437
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	679	841
<b>Total expenses from continuing operations</b>	<b>3,259</b>	<b>3,430</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,168</b>	<b>455</b>
Grants and contributions provided for capital purposes	728	778
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,896</b>	<b>1,233</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>1,896</b>	<b>1,233</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(350)	(137)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,546</b>	<b>1,097</b>
<b>Plus opening retained profits</b>	29,718	28,483
<b>Plus/less: prior period adjustments</b>	–	2
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	350	137
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>31,614</b>	<b>29,718</b>
<b>Return on capital %</b>	<b>2.8%</b>	<b>1.1%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>782</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,546	1,097
Less: capital grants and contributions (excluding developer contributions)	(260)	(591)
<b>Surplus for dividend calculation purposes</b>	<b>1,286</b>	<b>506</b>
<b>Potential dividend calculated from surplus</b>	<b>643</b>	<b>253</b>



## Gunnedah Shire Council

## Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>Income from continuing operations</b>		
Access charges	1,823	1,751
User charges	604	607
Liquid trade waste charges	–	–
Fees	–	–
Interest	265	300
Grants and contributions provided for non-capital purposes	36	37
Profit from the sale of assets	2	–
Other income	1	–
<b>Total income from continuing operations</b>	<b>2,731</b>	<b>2,695</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	374	377
Borrowing costs	–	–
Materials and contracts	245	285
Depreciation and impairment	754	711
Loss on sale of assets	–	–
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	325	467
<b>Total expenses from continuing operations</b>	<b>1,698</b>	<b>1,840</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,033</b>	<b>855</b>
Grants and contributions provided for capital purposes	869	1,021
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,902</b>	<b>1,876</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>1,902</b>	<b>1,876</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(310)	(257)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,592</b>	<b>1,620</b>
<b>Plus opening retained profits</b>	14,375	12,091
<b>Plus/less: prior period adjustments</b>	–	408
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	310	257
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>16,277</b>	<b>14,375</b>
<b>Return on capital %</b>	<b>3.1%</b>	<b>2.6%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>123</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,592	1,620
Less: capital grants and contributions (excluding developer contributions)	(552)	(913)
<b>Surplus for dividend calculation purposes</b>	<b>1,040</b>	<b>707</b>
<b>Potential dividend calculated from surplus</b>	<b>520</b>	<b>353</b>

## Gunnedah Shire Council

## Statement of Financial Position – Council's Water Supply Business Activity

as at 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	410	374
Investments	12,977	10,991
Receivables	535	511
Inventories	123	113
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total current assets</b>	<b>14,045</b>	<b>11,989</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	41,374	40,951
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>41,374</b>	<b>40,951</b>
<b>TOTAL ASSETS</b>	<b>55,419</b>	<b>52,940</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	9	7
Borrowings	–	–
Provisions	–	–
<b>Total current liabilities</b>	<b>9</b>	<b>7</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>9</b>	<b>7</b>
<b>NET ASSETS</b>	<b>55,410</b>	<b>52,933</b>
<b>EQUITY</b>		
Retained earnings	31,614	29,718
Revaluation reserves	23,796	23,215
Council equity interest	55,410	52,933
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>55,410</b>	<b>52,933</b>

## Gunnedah Shire Council

## Statement of Financial Position – Council's Sewerage Business Activity

as at 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	–	239
Investments	10,307	8,994
Receivables	201	217
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total Current Assets</b>	<b>10,508</b>	<b>9,450</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	33,790	32,375
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>33,790</b>	<b>32,375</b>
<b>TOTAL ASSETS</b>	<b>44,298</b>	<b>41,825</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	1	1
Borrowings	–	–
Provisions	–	–
<b>Total current liabilities</b>	<b>1</b>	<b>1</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>1</b>	<b>1</b>
<b>NET ASSETS</b>	<b>44,297</b>	<b>41,824</b>
<b>EQUITY</b>		
Retained earnings	16,277	14,375
Revaluation reserves	28,020	27,449
Council equity interest	44,297	41,824
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>44,297</b>	<b>41,824</b>

## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

#### Contents of the notes accompanying the financial statements

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2	Water Supply Business Best-Practice Management disclosure requirements	11
3	Sewerage Business Best-Practice Management disclosure requirements	13

## Gunnedah Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

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, *Application of National Competition Policy to Local Government*.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality*, issued by the Office 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 standards for disclosure. 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 and 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 gross operating turnover is over \$2 million)

##### a. Water Supply Service

Comprising the whole of the water supply operations and net assets servicing the towns of Gunnedah, Curlewis, Mullaley & Tambar Springs.

##### b. Sewerage Service

Comprising the whole of the sewerage reticulation and treatment operations and net assets system servicing the towns of Gunnedah & Curlewis.

##### Category 2

(where gross operating turnover is less than \$2 million)

Nil

#### Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

#### (i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where

## Gunnedah Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

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 income tax rate – 30%

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, 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 Guidelines 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 Best-Practice Management of Water Supply and Sewerage Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

While income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account 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 or 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 this taxation equivalent is notional – that is, it is payable to 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 Council's General Purpose Financial Statements.

The 30% rate applied 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 payable on all category 1 businesses has been applied to all land 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 Council's borrowing rate for its business activities.

#### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

## Gunnedah Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

Subsidies occur when 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 service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

#### (iii) Return on investments (rate of return)

The policy statement requires that councils with category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

#### Operating result before capital income + interest expense

##### Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.99% at 30/6/16.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

#### (iv) 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 of

Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2016 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.



## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 2. Water supply business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2016

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i)	Calculated tax equivalents	-
(ii)	Number of assessments multiplied by \$3/assessment	14,646
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	642,800
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	146,460
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	2,853,100

2016 Surplus	1,285,600	2015 Surplus	505,500	2014 Surplus	1,062,000
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	146,460
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 6 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	– Complying charges [item 2 (b) in table 1]	YES
	– DSP with commercial developer charges [item 2 (e) in table 1]	YES
	– If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii)	Sound water conservation and demand management implemented	YES
(iv)	Sound drought management implemented	YES
(v)	Complete performance reporting form (by 15 September each year)	YES
(vi)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 2. Water supply business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2016


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**National Water Initiative (NWI) financial performance indicators**

<b>NWI F1</b>	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	4,832
<b>NWI F4</b>	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	75.14%
<b>NWI F9</b>	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	41,044
<b>NWI F11</b>	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	1,931
<b>NWI F14</b>	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	806
<b>NWI F17</b>	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	4.77%
<b>NWI F26</b>	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
  2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
    - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2016

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i)	Calculated tax equivalents	-
(ii)	Number of assessments multiplied by \$3/assessment	12,126
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	520,050
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	121,260
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	2,546,900

2016 Surplus	1,040,100	2015 Surplus	706,500	2014 Surplus	800,300
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	121,260
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 4 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	Complying charges	
	(a) Residential [item 2 (c) in table 1]	YES
	(b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1]	YES
	DSP with commercial developer charges [item 2 (e) in table 1]	YES
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2016


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**National Water Initiative (NWI) financial performance indicators**

<b>NWI F2</b>	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	3,333
<b>NWI F10</b>	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	33,138
<b>NWI F12</b>	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	943
<b>NWI F15</b>	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	1,220
<b>NWI F18</b>	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	4.84%
<b>NWI F27</b>	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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**National Water Initiative (NWI) financial performance indicators  
Water and sewer (combined)**

<b>NWI F3</b>	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	7,775
<b>NWI F8</b>	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.96%
<b>NWI F16</b>	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	2,026
<b>NWI F19</b>	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	4.80%
<b>NWI F20</b>	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
<b>NWI F21</b>	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2016


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National Water Initiative (NWI) financial performance indicators  
Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-23.76%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest  Earnings before interest and tax (EBIT): <span style="border: 1px solid black; padding: 2px;">3,608</span> Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c)  Net interest: <span style="border: 1px solid black; padding: 2px;">- 580</span> Interest expense (w4a + s4a) – interest income (w9 + s10)		> 100
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	3,798
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	75

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
  2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
    - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

## **INDEPENDENT AUDITORS' REPORT TO GUNNEDAH SHIRE COUNCIL REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements, being special purpose financial statements, of Gunnedah Shire Council (the Council), which comprises the statements of financial position by business activity as at 30 June 2016, and the income statements by business activity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

### **COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Councillors' and management of the Council are responsible for the preparation and fair presentation of the financial statements and have determined that the basis of preparation described in Note 1 to the financial statements, are appropriate to meet the requirements of the 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 and The Department of Water and Energy Practice Management of Water Supply and Sewerage Guidelines and are appropriate to meet the needs of the Council and the Division of Local Government.

### **AUDITORS' 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 auditors' 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 controls relevant to the entity'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 entity's internal controls. An audit also includes evaluating the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

## OPINION

In our opinion the financial statements of Gunnedah Shire Council are in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

## BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Councils' financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose.

The financial statements have been prepared for distribution to Council for the purpose of fulfilling the Council's financial reporting obligations under the Local Government Code of Accounting Practice and Financial Reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council and the Division of Local Government, or for any purpose other than that for which it was prepared.

*Crowe Horwath Auswild*  
CROWE HORWATH AUSWILD

*Clare Wagner*

**Clare Wagner**  
**Audit Partner**

Dated at Dubbo this 20th day of October 2016





# Gunnedah Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2016

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



# Gunnedah Shire Council

## Special Schedules for the year ended 30 June 2016

Contents		Page
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<b>Special Schedule 2(a)</b>	Statement of Long Term Debt (all purposes)	4
<b>Special Schedule 2(b)</b>	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
<b>Special Schedule 3</b>	Water Supply Operations – incl. Income Statement	5
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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

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### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Gunnedah Shire Council

Special Schedule 1 – Net Cost of Services  
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>600</b>	<b>2</b>	<b>–</b>	<b>(598)</b>
<b>Administration</b>	<b>1,262</b>	<b>221</b>	<b>–</b>	<b>(1,041)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	455	212	–	(243)
Beach control	–	–	–	–
Enforcement of local government regulations	9	2	–	(7)
Animal control	168	51	–	(117)
Other	–	–	–	–
<b>Total public order and safety</b>	<b>632</b>	<b>265</b>	<b>–</b>	<b>(367)</b>
<b>Health</b>	<b>64</b>	<b>48</b>	<b>–</b>	<b>(16)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	334	139	–	(195)
Other environmental protection	24	–	(100)	(124)
Solid waste management	2,623	2,688	26	91
Street cleaning	348	–	–	(348)
Drainage	–	–	–	–
Stormwater management	372	94	972	694
<b>Total environment</b>	<b>3,701</b>	<b>2,921</b>	<b>898</b>	<b>118</b>
<b>Community services and education</b>				
Administration and education	292	2	–	(290)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	3,552	4,527	–	975
Children's services	255	75	–	(180)
<b>Total community services and education</b>	<b>4,099</b>	<b>4,604</b>	<b>–</b>	<b>505</b>
<b>Housing and community amenities</b>				
Public cemeteries	146	112	–	(34)
Public conveniences	–	–	–	–
Street lighting	187	19	–	(168)
Town planning	738	546	256	64
Other community amenities	35	37	–	2
<b>Total housing and community amenities</b>	<b>1,106</b>	<b>714</b>	<b>256</b>	<b>(136)</b>
<b>Water supplies</b>	<b>3,251</b>	<b>4,087</b>	<b>729</b>	<b>1,565</b>
<b>Sewerage services</b>	<b>1,645</b>	<b>2,717</b>	<b>869</b>	<b>1,941</b>

## Gunnedah Shire Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	518	53	–	(465)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	344	1	–	(343)
Performing arts venues	610	252	–	(358)
Other performing arts	–	–	–	–
Other cultural services	170	45	–	(125)
Sporting grounds and venues	839	42	175	(622)
Swimming pools	1,097	262	–	(835)
Parks and gardens (lakes)	846	37	37	(772)
Other sport and recreation	–	–	–	–
<b>Total recreation and culture</b>	<b>4,424</b>	<b>692</b>	<b>212</b>	<b>(3,520)</b>
<b>Fuel and energy</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Agriculture</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Mining, manufacturing and construction</b>				
Building control	418	8	–	(410)
Other mining, manufacturing and construction	484	–	–	(484)
<b>Total mining, manufacturing and const.</b>	<b>902</b>	<b>8</b>	<b>–</b>	<b>(894)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	1,565	926	4,340	3,701
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	2,322	702	494	(1,126)
Sealed rural roads (SRR) – regional	6,180	6,155	–	(25)
Unsealed rural roads (URR) – local	2,451	616	76	(1,759)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	137	–	–	(137)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	22	–	–	(22)
Footpaths	228	–	7	(221)
Aerodromes	164	13	–	(151)
Other transport and communication	(261)	36	983	1,280
<b>Total transport and communication</b>	<b>12,808</b>	<b>8,448</b>	<b>5,900</b>	<b>1,540</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	16	19	–	3
Other economic affairs	1,878	1,363	–	(515)
<b>Total economic affairs</b>	<b>1,894</b>	<b>1,382</b>	<b>–</b>	<b>(512)</b>
<b>Totals – functions</b>	<b>36,388</b>	<b>26,109</b>	<b>8,864</b>	<b>(1,415)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>16,578</b>		<b>16,578</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>36,388</b>	<b>42,687</b>	<b>8,864</b>	<b>15,163</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

## Gunnedah Shire Council

## Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2016

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
<b>Loans (by source)</b>											
Commonwealth government	–	–	–							–	–
Treasury corporation	–	–	–							–	–
Other state government	–	–	–							–	–
Public subscription	–	–	–							–	–
Financial institutions	289	9,173	<b>9,462</b>	–	289	–	–	548	305	8,868	<b>9,173</b>
Other	–	–	–							–	–
<b>Total loans</b>	<b>289</b>	<b>9,173</b>	<b>9,462</b>	<b>–</b>	<b>289</b>	<b>–</b>	<b>–</b>	<b>548</b>	<b>305</b>	<b>8,868</b>	<b>9,173</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–							–	–
Government advances	2	16	<b>18</b>	–	2	–	–	1	3	13	<b>16</b>
Finance leases	–	–	–							–	–
Deferred payments	–	–	–							–	–
<b>Total long term debt</b>	<b>2</b>	<b>16</b>	<b>18</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>16</b>
<b>Total debt</b>	<b>291</b>	<b>9,189</b>	<b>9,480</b>	<b>–</b>	<b>291</b>	<b>–</b>	<b>–</b>	<b>549</b>	<b>308</b>	<b>8,881</b>	<b>9,189</b>

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Gunnedah Shire Council

## Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	366	529
b. Engineering and supervision	234	200
<b>2. Operation and maintenance expenses</b>		
– <b>dams and weirs</b>		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– <b>Mains</b>		
c. Operation expenses	–	–
d. Maintenance expenses	627	656
– <b>Reservoirs</b>		
e. Operation expenses	–	–
f. Maintenance expenses	93	64
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	331	343
i. Maintenance expenses	186	144
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	–	–
k. Chemical costs	16	14
l. Maintenance expenses	1	3
– <b>Other</b>		
m. Operation expenses	19	62
n. Maintenance expenses	29	23
o. Purchase of water	29	28
<b>3. Depreciation expenses</b>		
a. System assets	882	874
b. Plant and equipment	45	47
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	6
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	2	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>2,860</b>	<b>2,993</b>

## Gunnedah Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	689	665
b. Usage charges	2,082	1,805
<b>7. Non-residential charges</b>		
a. Access (including rates)	137	151
b. Usage charges	1,084	855
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	315	344
<b>10. Other income</b>	19	4
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>11. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	39	40
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	53	208
b. Developer provided assets	729	591
c. Other contributions	–	–
<b>13. Total income</b>	<b>5,147</b>	<b>4,663</b>
<b>14. Gain (or loss) on disposal of assets</b>	(391)	(437)
<b>15. Operating result</b>	<b>1,896</b>	<b>1,233</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	1,896	1,233



## Gunnedah Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	225	125
b. New assets for growth	26	804
c. Renewals	551	236
d. Plant and equipment	4	29
<b>17. Repayment of debt</b>	–	–
<b>18. Totals</b>	<b>806</b>	<b>1,194</b>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	–	–
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	4,251	3,980
b. Residential (unoccupied, ie. vacant lot)	218	205
c. Non-residential (occupied)	409	422
d. Non-residential (unoccupied, ie. vacant lot)	4	–
<b>23. Number of ETs for which developer charges were received</b>	7 ET	22 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 70,773	\$ 72,303

## Gunnedah Shire Council

## Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	3,009	–	3,009
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	10,378	–	10,378
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	67	–	67
c. User charges	467	–	467
d. Other	1	–	1
<b>27. Inventories</b>	123	–	123
<b>28. Property, plant and equipment</b>			
a. System assets	–	41,044	41,044
b. Plant and equipment	–	330	330
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>14,045</b>	<b>41,374</b>	<b>55,419</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	9	–	9
<b>33. Borrowings</b>	–	–	–
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<b>9</b>	<b>–</b>	<b>9</b>
<b>36. NET ASSETS COMMITTED</b>	<b>14,036</b>	<b>41,374</b>	<b>55,410</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			30,992
<b>38. Asset revaluation reserve</b>			24,418
<b>39. TOTAL EQUITY</b>			<b>55,410</b>
<b>Note to system assets:</b>			
<b>40. Current replacement cost</b> of system assets			68,048
<b>41. Accumulated current cost</b> depreciation of system assets			(27,004)
<b>42. Written down current cost</b> of system assets			<b>41,044</b>

## Gunnedah Shire Council

## Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	256	399
b. Engineering and supervision	145	131
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	–	–
b. Maintenance expenses	182	199
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	68	68
e. Maintenance expenses	30	45
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	–	–
g. Chemical costs	4	3
h. Energy costs	–	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	193	206
– Other		
l. Operation expenses	17	–
m. Maintenance expenses	48	78
<b>3. Depreciation expenses</b>		
a. System assets	735	693
b. Plant and equipment	19	18
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>1,697</b>	<b>1,840</b>

## Gunnedah Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	1,823	1,751
<b>7. Non-residential charges</b>		
a. Access (including rates)	–	–
b. Usage charges	560	565
<b>8. Trade waste charges</b>		
a. Annual fees	10	9
b. Usage charges	34	33
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	265	300
<b>11. Other income</b>	1	–
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>12. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	36	37
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	694	1,021
b. Developer provided assets	–	–
c. Other contributions	175	–
<b>14. Total income</b>	<b>3,598</b>	<b>3,716</b>
<b>15. Gain (or loss) on disposal of assets</b>	1	–
<b>16. Operating result</b>	<b>1,902</b>	<b>1,876</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	1,902	1,876

## Gunnedah Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	1,124	1,259
c. Renewals	96	252
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	–	–
<b>19. Totals</b>	<b>1,220</b>	<b>1,511</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	–	–
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	3,451	3,466
b. Residential (unoccupied, ie. vacant lot)	195	146
c. Non-residential (occupied)	392	10
d. Non-residential (unoccupied, ie. vacant lot)	4	–
<b>24. Number of ETs for which developer charges were received</b>	44 ET	14 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 65,511	\$ 67,335

## Gunnedah Shire Council

## Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	1,315	–	1,315
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	8,992	–	8,992
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	140	–	140
c. User charges	60	–	60
d. Other	1	–	1
<b>28. Inventories</b>	–	–	–
<b>29. Property, plant and equipment</b>			
a. System assets	–	33,138	33,138
b. Plant and equipment	–	652	652
<b>30. Other assets</b>	–	–	–
<b>31. Total assets</b>	<u>10,508</u>	<u>33,790</u>	<u>44,298</u>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	1	–	1
<b>34. Borrowings</b>	–	–	–
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>36. Total liabilities</b>	<u>1</u>	<u>–</u>	<u>1</u>
<b>37. NET ASSETS COMMITTED</b>	<u>10,507</u>	<u>33,790</u>	<u>44,297</u>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			16,111
<b>39. Asset revaluation reserve</b>			28,186
<b>40. TOTAL EQUITY</b>			<u>44,297</u>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			56,356
<b>42. Accumulated current cost</b> depreciation of system assets			(23,218)
<b>43. Written down current cost</b> of system assets			<u>33,138</u>

## Gunnedah Shire Council

### Notes to Special Schedules 3 and 5 for the year ended 30 June 2016

#### 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.

**Operational 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) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Impairment losses** (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**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 usage 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 usage charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

**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) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.



## Gunnedah Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Commercial Buildings	40	40	116	114	9,188	13,313	8%	8%	61%	23%	0%
	Community Housing	–	–	6	3	1,053	1,636	40%	40%	20%	0%	0%
	Halls, Community Centres	120	–	112	152	21,565	35,648	13%	25%	44%	13%	5%
	<b>Sub-total</b>	<b>160</b>	<b>40</b>	<b>234</b>	<b>269</b>	<b>31,806</b>	<b>50,597</b>	<b>12.6%</b>	<b>21.0%</b>	<b>47.7%</b>	<b>15.2%</b>	<b>3.5%</b>
<b>Other structures</b>	Other Structures	8	8	11	6	3,931	6,120	24%	36%	20%	20%	0%
	<b>Sub-total</b>	<b>8</b>	<b>8</b>	<b>11</b>	<b>6</b>	<b>3,931</b>	<b>6,120</b>	<b>24.0%</b>	<b>36.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	57	57	530	515	57,035	81,810	45%	26%	29%	0%	0%
	Unsealed roads	216	216	1,373	1,494	72,836	95,962	31%	25%	43%	1%	0%
	Bridges / Culverts	821	821	9	–	21,724	32,820	42%	34%	19%	5%	0%
	Footpaths	27	27	57	45	5,698	7,112	59%	29%	11%	1%	0%
	Other road assets	141	141	6	5	6,207	7,907	29%	21%	41%	9%	0%
	Urban Roads	318	318	298	382	39,586	54,896	45%	24%	30%	1%	0%
	Kerb & Gutter	–	–	33	31	13,342	26,948	16%	74%	10%	0%	0%
	Aerodrome	490	490	36	30	1,013	5,045	24%	2%	20%	54%	0%
	Parking Areas	–	–	5	2	445	1,043	41%	49%	10%	0%	0%
	<b>Sub-total</b>	<b>2,070</b>	<b>2,070</b>	<b>2,347</b>	<b>2,504</b>	<b>217,886</b>	<b>313,543</b>	<b>37.5%</b>	<b>29.9%</b>	<b>30.5%</b>	<b>2.1%</b>	<b>0.0%</b>

## Gunnedah Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Gunnedah Water	846	846	653	716	36,037	59,662	76%	10%	6%	8%	0%
	Curlewis Water	85	85	38	50	3,220	5,455	71%	6%	19%	3%	1%
	Mullaley Water	182	182	21	42	387	889	8%	10%	41%	41%	0%
	Tambar Springs Water	138	138	24	15	1,222	1,964	10%	64%	12%	14%	0%
	<b>Sub-total</b>	<b>1,251</b>	<b>1,251</b>	<b>736</b>	<b>823</b>	<b>40,866</b>	<b>67,970</b>	<b>72.8%</b>	<b>11.2%</b>	<b>7.7%</b>	<b>8.2%</b>	<b>0.1%</b>
Sewerage network	Gunnedah Sewerage	3,745	3,745	337	361	29,316	51,550	59%	10%	8%	22%	1%
	Curlewis Sewerage	162	162	84	72	2,340	3,325	43%	40%	3%	13%	1%
	<b>Sub-total</b>	<b>3,907</b>	<b>3,907</b>	<b>421</b>	<b>433</b>	<b>31,656</b>	<b>54,875</b>	<b>58.0%</b>	<b>11.8%</b>	<b>7.7%</b>	<b>21.5%</b>	<b>1.0%</b>
Stormwater drainage	Stormwater drainage	–	–	30	25	23,864	32,528	46%	27%	26%	0%	1%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>30</b>	<b>25</b>	<b>23,864</b>	<b>32,528</b>	<b>46.0%</b>	<b>27.0%</b>	<b>26.0%</b>	<b>0.0%</b>	<b>1.0%</b>
Open space/recreational assets	Swimming Pools	1,500	1,500	47	41	2,098	3,973	0%	0%	75%	25%	0%
	Other Recreational Assets	58	58	–	–	1,533	3,447	35%	45%	20%	0%	0%
	<b>Sub-total</b>	<b>1,558</b>	<b>1,558</b>	<b>47</b>	<b>41</b>	<b>3,631</b>	<b>7,420</b>	<b>16.3%</b>	<b>20.9%</b>	<b>49.4%</b>	<b>13.4%</b>	<b>0.0%</b>
<b>TOTAL – ALL ASSETS</b>		<b>8,954</b>	<b>8,834</b>	<b>3,826</b>	<b>4,101</b>	<b>353,640</b>	<b>533,053</b>	<b>41.8%</b>	<b>24.6%</b>	<b>26.7%</b>	<b>6.4%</b>	<b>0.5%</b>

## Notes:

a Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Gunnedah Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
<b>Infrastructure asset performance indicators * consolidated</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(1)</sup>	<u>6,599</u>	<b>94.75%</b>	103.87%	121.79%
Depreciation, amortisation and impairment	<u>6,965</u>			
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	<u>8,954</u>	<b>2.53%</b>	2.91%	4.27%
Carrying value of infrastructure assets	<u>353,640</u>			
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	<u>4,101</u>	<b>1.07</b>	0.99	0.95
Required asset maintenance	<u>3,826</u>			
<b>4. Capital expenditure ratio</b>				
Annual capital expenditure	<u>18,342</u>	<b>1.96</b>	1.32	1.85
Annual depreciation	<u>9,341</u>			

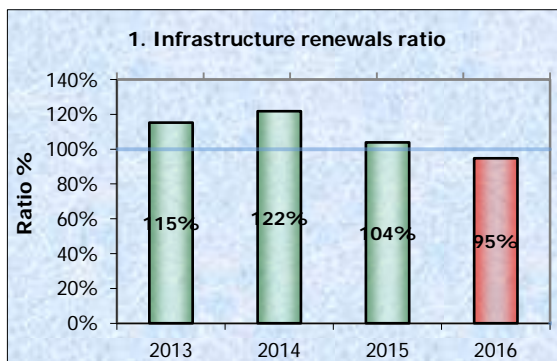
## Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# Gunnedah Shire Council

## Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016



### Purpose of asset renewals ratio

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

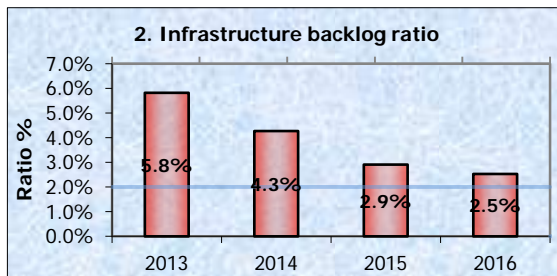
### Commentary on 2015/16 result

**2015/16 Ratio 94.75%**

Council's long term objective is to match spending on infrastructure renewals with their systematic deterioration. This requires the renewal ratio to approach 100% over the long term. This year council achieved 94.75%. More detailed information is available from Council's Strategic Asset Management Plans.

Benchmark: Minimum  $\geq 100.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



### Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

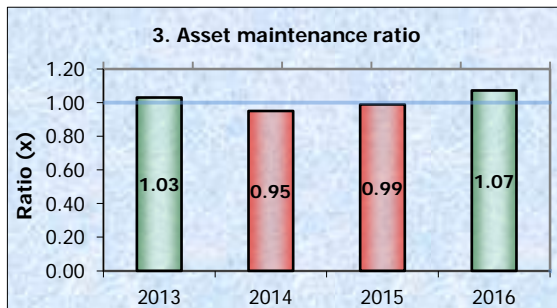
### Commentary on 2015/16 result

**2015/16 Ratio 2.53%**

The Ratio shows a positive trend as Council continues to tackle its Infrastructure Backlog.

Benchmark: Maximum  $< 2.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



### Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

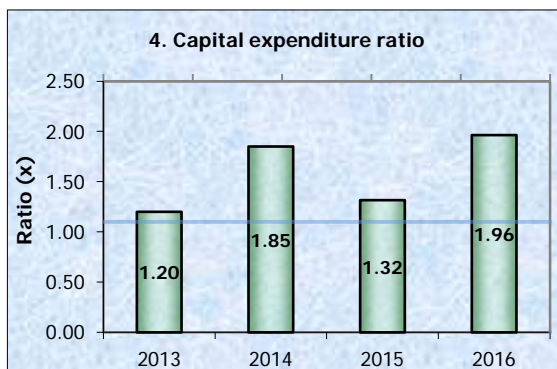
### Commentary on 2015/16 result

**2015/16 Ratio 1.07 x**

This ratio reflects Council's commitment to maintaining current assets and improving where fiscally responsible.

Benchmark: Minimum  $> 1.00$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



### Purpose of capital expenditure ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

### Commentary on 2015/16 result

**2015/16 Ratio 1.96 x**

Council is currently renewing assets at a greater rate than deterioration in improve the asset renewal backlog. Council's long term goal is for a ratio of 1.0.

Benchmark: Minimum  $> 1.10$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark

## Gunnedah Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General <sup>(1)</sup> 2016
<b>Infrastructure asset performance indicators by fund</b>			
<b>1. Infrastructure renewals ratio</b>			
<u>Asset renewals <sup>(2)</sup></u>	<b>167.76%</b>	<b>0.00%</b>	<b>95.70%</b>
Depreciation, amortisation and impairment			
prior period:	76.91%	86.56%	110.87%
<b>2. Infrastructure backlog ratio</b>			
<u>Estimated cost to bring assets to a satisfactory standard</u>	<b>3.06%</b>	<b>12.34%</b>	<b>1.35%</b>
Carrying value of infrastructure assets			
prior period:	1.54%	0.92%	3.32%
<b>3. Asset maintenance ratio</b>			
<u>Actual asset maintenance</u>	<b>1.12</b>	<b>1.03</b>	<b>1.07</b>
Required asset maintenance			
prior period:	0.96	1.00	0.99
<b>4. Capital expenditure ratio</b>			
<u>Annual capital expenditure</u>	<b>0.87</b>	<b>1.62</b>	<b>2.13</b>
Annual depreciation			
prior period:	0.82	2.13	1.30

## Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

## Gunnedah Shire Council

Special Schedule 8 – Permissible Income Calculation  
for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	10,660	11,698
Plus or minus adjustments <sup>(2)</sup>	b	30	(415)
<b>Notional general income</b>	c = (a + b)	<b>10,690</b>	<b>11,283</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	9.50%	7.50%
Or rate peg percentage	e	0.00%	0.00%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	1,016	846
Or plus rate peg amount	i = c x e	–	–
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>11,706</b>	<b>12,129</b>
Plus (or minus) last year's carry forward total	l	1	9
Less valuation objections claimed in the previous year	m	–	–
<b>Sub-total</b>	n = (l + m)	<b>1</b>	<b>9</b>
<b>Total permissible income</b>	o = k + n	<b>11,707</b>	<b>12,138</b>
Less notional general income yield	p	11,698	12,136
<b>Catch-up or (excess) result</b>	q = o – p	<b>9</b>	<b>2</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	–	–
Less unused catch-up <sup>(5)</sup>	s	–	(2)
<b>Carry forward to next year</b>	t = q + r – s	<b>9</b>	<b>(0)</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

**GUNNEDAH SHIRE COUNCIL  
INDEPENDENT AUDITORS' REPORT**

**REPORT ON SPECIAL SCHEDULE NO. 8**

**Crowe Horwath  
Central West**

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We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Gunnedah Shire Council, for 2016/17.

***Responsibility of Council for Special Schedule No. 8***

The Council is responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines), update No. 24. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's' Responsibility***

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we considered internal controls relevant to the entity's preparation of Special Schedule No. 8 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 entity's internal control.

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



***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Audit Opinion***

In our opinion, Special Schedule No. 8 of Gunnedah Shire Council for 2016/17, is properly drawn up in accordance with the requirements of Local Government, and in accordance with the books and records of the Council.

***Basis of Accounting***

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result the schedule may not be suitable for another purpose.

*Crowe Horwath Auswild*  
CROWE HORWATH AUSWILD

*Clare Wagner*

Clare Wagner  
Audit Partner

Dated at Dubbo the 20th day of October 2016



## GUNNEDAH SHIRE COUNCIL

# Government Information (Public Access) Act 2009

## ANNUAL REPORT 2015/16

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# Purpose of Annual Report

Council is required to prepare an annual report in accordance with the requirements of section 125 of the Government Information (Public Access) Act (GIPA Act) and clause 7 of the Government Information (Public Access) Regulation (GIPA Regulation) and submit it to the Minister of Local Government by 31 October each year. A copy of the report is provided to the information Commissioner.

## 1. Review of proactive release program – Clause 7(a)

Under Section 7 of the GIPA Act, Council must review its programs for the release of government information to identify the kinds of information held by Council that should, in the public interest, be made publicly available without imposing unreasonable additional costs on Council. This review must be undertaken at least once every 12 months.

Council's program for the proactive release of information involves maintaining and promoting to staff a practice of openness and accountability of corporate information and decision making, which is embodied in Council's organisational values as "Open, Accountable, and Customer Satisfaction". The program is achieved by providing information through extensive publication on Councils website or through inspection and/or paper of electronic copy of information. Requests for access to information that cannot be sourced from Councils website may be made verbally or in writing. In order to reduce costs to customers, Council encourages applications to be made, in the first instance, under the informal request provisions of the GIPA Act.

During the reporting period, the program was reviewed by:

- i) Regular monitoring of Councils website for content and currency of information, paying particular attention to ensuring the timely release of information relating to new proposals, developments, programs, services and initiatives of Council.
- ii) Maintain three websites and landing page to ensure the community has access to accurate and timely information on activities, events, hot topics and news.
- iii) Briefing customer service staff, management, and new staff to reinforce Council's open and accountable ethos, combined with Councils responsibilities under the GIPA Act and its relationship to other legislation that restricts access to certain information such as the Privacy & Personal Information Protection Act, Health Records & Information Privacy Act and the Companion Animals Act.
- iv) Checking Councils Access to Information procedures to ensure they are operationally efficient and effective.
- v) Analysing informal requests and formal Access Applications to evaluate if it is possible to proactively release this information, given Councils technological and human resource capabilities.
- vi) Implement a process for providing Development Application information online.

During the reporting period Council continued to proactively release information, in addition to the statutory release of open access information, by:

- i) Reporting to the community through prominent display on its website (which are forwarded to local radio and newspapers) details of proposed activities, policies and strategies which invites community feedback during the decision making process.
- ii) Publishing a monthly page in the Namoi Valley Independent newspaper highlighting matters of importance to the community.
- iii) Participating in fortnightly broadcasts on local radio station 2MO, providing an opportunity for the Mayor or his representative to comment on key events, activities and news items.
- iv) Providing opportunity for community engagement through community forums, workshops, written submission processes, online surveys, pop up info stands and social media.
- li) Maintaining two separate Calendar of Events for the Tourism website and Civic website.

- iii) Hosting a range of community events promoting what we do and enhance community engagement.
- iv) Releasing a weekly Library Lines newspaper promoting news, events and library updates.
- v) Developing and distributing a weekly Civic newsletter and Civic movie program highlighting upcoming cultural events, exhibitions and movie times.
- vi) Maintaining an active social media platform through Facebook, allowing for two way communication between Council and the community.
- vii) Maintaining noticeboard displays in key Council buildings including Administration Building, Library and the Civic Precinct.
- viii) Commencing a process for an online DA tracking facility on Councils website.
- vi) Releasing specific information on a number of projects, initiatives and developments on its website, and to the media, including:
  - a) Local Government Week
  - b) Blackjack Creek drainage
  - c) Koala management
  - d) ARTC overhead rail bridge
  - e) Road closure notices
  - f) Go Co Community Care
  - g) Inclusive playground
  - h) Community Scholarship Fund
  - i) Agquip and home hosting
  - j) Memorial Pool upgrade
  - k) Destination Management Plan
  - l) Website upgrades
  - m) Responsible Pet Ownership
  - n) Crime Prevention Plan
  - o) 2016 NSW ALGWA Conference
  - p) Australia Day celebrations
  - q) Infrastructure upgrades
  - r) Delivery Program and Operational Plan
  - s) Annual Report
  - t) Playground Renewal Program
  - u) ANZAC Centenary
  - v) White Ribbon World Record Attempt

## **2. Number of access applications received – Clause 7(b)**

During the reporting period, 1 July 2015 to 30 June 2016, Council received a total of four formal access applications (including withdrawn applications but not invalid applications).

## **3. Number of refused applications for Schedule 1 Information – Clause 7(c)**

During the reporting period, Council refused a total of one formal access applications, because the information requested was information referred to in Schedule 1 to the GIPA Act. Of these applications, none were refused in full, while one was refused in part.

#### 4. Statistical information about access applications – Clause 7(d) and Schedule 2

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of parliament	0	0	0	0	0	0	0	0
Private sector businesses	1	1	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Member of the public (application by legal representative)	0	2	0	0	0	0	0	0
Members of the public (other)	0	0	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.

**Table B: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	3	0	0	0	0	0	0

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

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is not 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	0
Invalid applications that subsequently became valid applications	0

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in**

	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 consideration is to be recorded (but only once per application). This also applies in relation to Table E.	

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

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

**Table F: Timeliness**

	No of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
TOTAL	4

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
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
TOTAL	0	0	0

\* 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.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0





**GUNNEDAH SHIRE COUNCIL**

**Public Interest Disclosures Act**

**ANNUAL REPORT 2015/16**

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## Background

Council is required to report annually on its obligations under the Public Interest Disclosures Act 1994 (PID Act). The report must be in accordance with the requirements of Section 31 of the PID Act and clause 4 of the Public Interest Disclosures Regulation 2011 (PID Regulation).

This PID Act Annual Report is for the period July 2015 to June 2016.

### 1. Statistical Information on Public Interest Disclosures (clause 4(2)(a)-(c) – PID Regulation)

Information, in the detail required by clause 4(2)(a)-(c) of the PID Regulation, is shown in the following table.

July 2014 – June 2015	
Number of public officials who made PIDs	0
Number of PIDs received	0
Number of PIDs received relating to:	
▪ Corrupt conduct	0
▪ Maladministration	0
▪ Serious and substantial waste of local government money	0
▪ Government information contraventions	0
▪ Local government pecuniary interest contraventions	0
Number of PIDs finalised	0

### 2. Internal Reporting Policy (clause 4(2)(d) – PID Regulation)

Council's current Internal Reporting Policy was adopted in May 2015 and is based on the NSW Ombudsman's model internal reporting policy for local government.

### 3. Staff Awareness of Internal Reporting Policy (clause 4(2)(e) – PID Regulation)

Council undertook the following actions to meet its staff awareness obligations:

- Specialised training on the Internal Reporting System and the importance of public interest disclosures has been provided to administration staff by an external trainer.
- Information on public interest disclosures is included in Council's Employee Manual which is provided to all new staff.
- Information on the Internal Reporting System is provided to all new staff during Council's induction process.
- The Internal Reporting Policy is available on Council's intranet and website.