



# Gunnedah Shire Council

Annual Report 2016/17



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## Message from the Mayor and General Manager

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We are pleased to present the 2016/17 Annual Report for Gunnedah Shire Council which outlines Council's numerous achievements in what has been a busy, challenging and rewarding year.

The considerable progress made against outcomes contained in the Community Strategic Plan is 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. This includes the community consultation and work undertaken by the Council, elected in September 2016, in reviewing and updating its Integrated Planning and Reporting documents, including the; Community Strategic Plan, Delivery Program, Operation Plan and Resourcing Strategy. Together these documents form the blueprint for our future.

Collaboration with our community in developing and clearly documenting required outcomes and a genuine yet measured commitment by the Council to realising that vision has enabled significant achievements over the last year, and the laying of solid foundations for more to come. A few highlights of achievements detailed are included below.

### ***Improved vibrancy and liveability of our community***

- Finalisation of concept and design for an Inclusive Playground with the Touched by Olivia Foundation, and a financial commitment by Council of up to \$500,000 and application for state funding of \$850,000;
- An Air Quality Monitoring System for Gunnedah, with preparation being made for a monitoring station at Kitchener Park;
- Beautification of the CBD, entrances to Gunnedah and the Villages;
- Community collaboration on invigoration of the CBD with \$50,000 Future Towns grants secured;
- Equalisation of water charges between Village and Gunnedah;
- Adoption of the Disability Inclusion Action Plan 2017-2021;
- Adoption of the Crime Prevention Plan 2017-2021;
- Adoption of the CBD CCTV Strategy 2018-2022;
- Adoption of the Pedestrian Access and Mobility Action Plan (PAMP) 2016;
- Adoption of the Bike Plan 2016;
- Completion of concept design and costings for the 1<sup>st</sup> Australian Armoured Division Memorial;
- Support of local stalwart, Mrs Judith Law, in her initiative of the Say No To Drugs Walk

### ***Improving and maintaining our Infrastructure***

- Application to the State and Federal Governments for key roads projects, including Bloomfield Street, Grain Valley Road and the Barber Street access to the Second Road Over Rail Bridge;
- Continued collaboration with the State Government to ensure delivery of the Second Road Over Rail Bridge;
- Significant progress in the delivery of Simpson Bridge, with grant funding of \$800,000 secured and targeted completion during 2017/18 at an estimated saving of \$600,000;
- Continued efforts to ensure renewal of the Gunnedah Memorial Swimming Pool have delivered on the recent awarding of the tender to undertake \$11.4 million works on Stage 1, and enabling of Council to apply for Resources for Regions funding for the next stage;
- Planning for Apex Reservoir has continued with review of tender documents and targeted completion of the \$2.2million works by December 2018;
- Blackjack Creek flood mitigation works have progressed to earthworks commencing in November 2017 under the \$3.2 million project;
- Council secured \$1.98 million funding under the Resources for Regions program towards the \$8.1 million augmentation of the Gunnedah Sewerage Treatment Plant;
- Tenders have now been called for the \$5.9 million Curlewis Water Pipeline Project, with \$2.6 million secured in funding under the Building Better Regions Fund.



- In addition to the above, Council has undertaken capital works during 2016/17 of \$5 million on roads, \$1.8 million in plant renewals, \$0.4 million on Waste Management Facility and \$0.4 million on the airport.

***Economic Development and Diversification***

- Economic Development Manager engaged;
- Support of Ironbark Energy in their proposed development and the clean-up of the former abattoir site;
- Review and enhancement of the Business Partner Program, with increased annual recurrent funding;
- Support of and participation in Trade Mission to China in March 2017;
- Support and received trade delegations from China;
- Development of Friendly Exchange Relationship, and progression to Sister City relationship with Yinzhou, China;
- Securing of the Caravan and Motorhome Club of Australia Rally;
- Successful expression of interest and progression to detailed application for \$6.5 million for World Class Koala Park;
- Attraction of the NSW Regional Fire Fighting Championships at Woolshed Reserve;
- Continued strong development activity with 180 development approvals totalling \$53.4 million in value and including 52 dwellings, 16 commercial and 14 industrial developments.

***Enhanced Governance, Accountability and Financial Sustainability***

- Implementation of the monthly Project Progress Report;
- Implementation of the Major Projects Steering Committee with oversight by the Audit Committee;
- Review and update of IP&R documents, including engagement with the community;
- Chief Engineer engaged;
- Conduct of the 2016 Local Government Elections in-house at a cost of \$45 thousand, representing a savings of \$46 thousand against the least expensive external quote of \$91 thousand;
- Provision of opportunity for public input into the Department of Health initiative of introducing fluoride to the Gunnedah Water Supply;
- Excellent financial results for the year ended 30 June 2017, continuing to meet all recommended benchmarks for Local Government and maintaining Council’s standing according to the NSW State Government of being Fit for The Future.

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 2016/17 is to demonstrate achievements during the year based on the actions identified in the Delivery Program 2016/17 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.

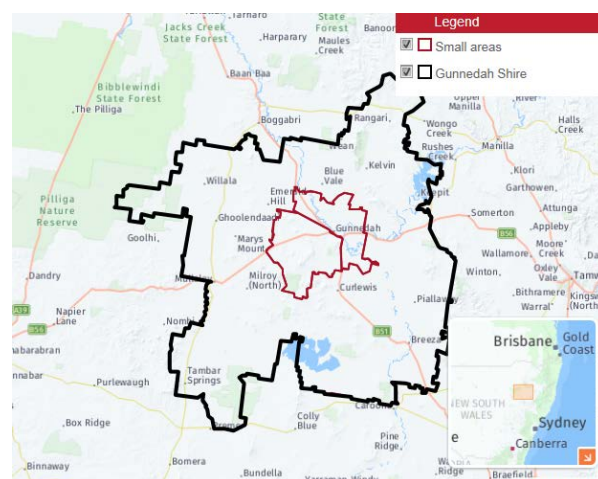
- Celebrate role models and volunteers through positive community and media campaigns.

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 2016 the Shire population was 12,551. 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

# KEY ACHIEVEMENTS 2016/17

The following key achievements of Council's Delivery Program in 2016/17 are listed under the four strategic themes of the Community Strategic Plan 2012-2022.

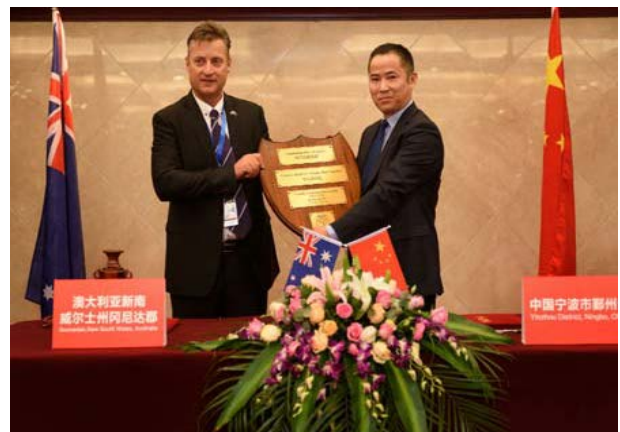
## Theme – Engaging and Supporting the Community

### *Community leadership encouraged and strengthened*

- Gunnedah Youth Council (GYC) convened in 2016 with 9 members - the GYC focussed on youth engagement initiatives and identifying opportunities for youth empowerment and inclusion.
- Continued pursuit of resource sharing and shared service opportunities with neighbouring, and other regional Councils. Council continues to benefit from successful relationships with Northern Inland Regional Waste and various regional Weeds Committees and Advisory Groups. These groups provide opportunities to participate in joint tenders, funding applications and works programs in conjunction with member Councils across the region.
- The Namoi Joint Organisation (Namoi JO) meets monthly and has reviewed issues affecting the region, including: Murray Darling Basin; regional road network; inland rail project; Namoi Regional Investment Prospectus; Emergency Services Levy; and the NBN.
- Continued support of the Joint Organisation Leadership Team (JOLT) is made up of Namoi JO member Council's General Managers. JOLT aims to identify and remove roadblocks to achieving the aims of the JO and provides direction for General Managers to deploy their staff resources and make them accountable for assisting with regional initiatives.

### Major Projects

- The Mayor and Director Planning and Environmental Services visited China to showcase the opportunities Gunnedah has to offer and to encourage joint venture partnerships to assist in developing processing facilities and encourage both import and export opportunities. Business Plans were developed to demonstrate each potential project with a clear path from concept to delivery of the project outlined. The purpose of the visit was to strengthen ties between Gunnedah agribusiness and select potential business partners in China, investigate opportunities for our agribusiness sector to increase trade and investment that will be mutually beneficial and research the potential to establish sister city relationships that will enable social, cultural and education cooperation that is supported by Government.
- A Friendly Exchange Relationship Agreement between Yinzhou District, Ningbo Municipality, China and Gunnedah was signed in March 2017.



*Signing of the Friendly Exchange Relationship Agreement between Gunnedah and Yinzhou District, Ningbo Municipality, China.*

- Council supported the 16 days of activism against gender violence from 25 November 2016. The event highlighted the International Day of Elimination of Violence Against Women and International Human Rights Day. During the 16 day period, a banner was installed on the Kitchener Park fencing highlighting the importance of associated activities.



## Council as an organisation

- Council funds were invested in line with the Investment Policy, with \$58.3 million held in various investment funds as at 31 December 2016 and \$59.3 million invested as at 30 June 2017. The average % of interest during the 2016/17 period was just under 3% and the average \$ invested was \$57.5 million.
- Review of the 2017-2021 Long Term Financial Plan (LTFP) commenced in late 2016 and the final LTFP was adopted in June 2017. The plan provides a framework for sustainable financial management, balancing our environment, social, economic and governance objectives whilst delivering services and facilities to the people of the Gunnedah Shire.
- Review of Council's fleet management processes and procedures is ongoing, with 17 vehicles sold during the 12 months to 30 June 2017, and 15 new vehicles purchased.
- In 2016/17, six corporate induction sessions have been conducted with 15 new employees participating in the one day workshops designed to provide an overview of Council's operations.
- In-house staff training was delivered to 156 staff covering: records management, Exponare, performance assessment system, bullying and harassment/code of conduct.
- Two leadership forums were held during the year. The forums provide an opportunity to deliver specific training to supervisors, managers and team leaders.
- The June Leadership Forum provided valuable advice and guidance to staff in relation to dealing with mental health.
- 19 strategic risks and 105 operational risks have been identified and managed within Council's Risk Register. The high risk items are reviewed by the Audit Committee each meeting.
- Following the audit of Council's procurement and tendering practices, the Internal Auditor identified 11 recommendations requiring attention, with the final recommendation being actioned in 2016/17.
- Ten tenders were completed, including two major tenders now commencing works, being: Simson Bridge and Blackjack Creek Riparian Corridor.



## Quick Facts

- 11 Ordinary Meetings and two Extraordinary Meetings were conducted in 2016/17.
- 1,045 boxes of records that were no longer required and had been kept for the authorised retention period were destroyed in accordance with the State Records Act.
- 104 boxes of documents were archived in Council's Records Storage Shed in accordance with the State Records Act.
- 411 legal documents were reviewed to determine whether each document is current, requires sentencing as a State Archive or can be destroyed in accordance with the General Disposal Schedule.
- 480 Section 149 Certificates were processed.

**281**

resolutions during 2016/17 with 34 outstanding as at 30 June 2017

**822**

IT support tickets were logged in 2016/17

**3,538**

customer requests were registered in the 12 months 01/07/16 to 30/06/17

**March**

was the busiest month for customer requests with 359 received

**36,572**

documents were scanned and/or registered during 2016/17

Council's rate base for 2016/17 was estimated to supply general rates of approximately

**\$12.3 million**

across all rating categories

## Major Projects

- The 2016 Local Government election was held on 10 September 2016 and Council engaged the services of Mr Ian Horwood as Returning Officer and Mr Terry Curran as Assistant Returning Officer. Feedback received from the candidates confirms the process was professional and the staff knowledgeable on all facets of the election process. Candidates were declared Friday 16 September 2016. The initial count was completed at the close of voting, preference count commencing Monday and finalised Wednesday. Staff contributed a significant amount of time to assist in the conduct of the election, with the total cost of \$56,200, under the allocated budget of \$60,000. As the only Council in NSW to successfully conduct the election in-house, Council was asked to provide a report providing an insight into the advantages and cost savings of coordinating an election utilising staff and appropriately trained election officers.



*Prospective candidates campaigning during the 2016 Local Government Election.*

- Eight internal audits were undertaken during 2016/17 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: Cash Handling – 6 actions; Employee Performance Management – 8 actions; Project Management – 11 actions; Communication and Community Engagement Strategy – 6 actions; Work Health and Safety – 14 actions; Fraud Prevention Policy – 12 actions; IT Control Environment – 13 actions; and Payroll Processes and Procedures – 8 actions.

- A review of the Community Strategic Plan commenced in early 2017. The document identifies the community's priorities which guide Council's direction over 10 years. A Stakeholder Engagement and Communication Plan was adopted by Council in December 2016 which outlined the activities and tools used to achieve the project objectives and facilitate effective communication with key stakeholders. These included: briefings with Councillors, staff and the media, website updates, postcards to the Mayor, community wide survey, tear off sheet in rates instalment notice, community 'brainstorm' meetings, presentations to Village and Progress Associations and Village Hall Committees, community ideas spot, pulse check polls and a youth video project.
- The End of Term Report, which outlines the progress in implementing the Community Strategy Plan over the previous four years, was presented to the August Ordinary Council Meeting.
- Council has significantly reduced the balance of rates and charges outstanding. Council's current rates, annual charges, interest and extra charges outstanding percentage is 4.34%, down from 7.96% in 2014, and below the Local Government benchmark of 10%.
- Income from rates forms the largest single portion of Council's total overall revenue and is approximately 31% of the total income received.

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

- Weekly meetings are held with the executive of the Gunnedah and District Chamber of Commerce and as a result, a closer relationship has been developed with a focus on encouraging development and investment in Gunnedah Shire. The Chamber is notified of Council's tenders as they are advertised to ensure local business with the capacity to tender are aware of the opportunity.

- The Hunter Street Roundabout was funded from Roads and Maritime Blackspot Funding consisting of \$200,000, with final expenditure totalling \$207,000. The project included realignment of the Hunter and Marquis Streets kerb, installation of concrete blisters and the concrete centre circle, and realignment of the pram ramps and footpaths was also undertaken. The Project was undertaken during the day as well as at night to ensure minimal interruption to the surrounding residences, businesses and the Gunnedah High School, particularly in relation to school bus movements.



*Construction of roundabout at Hunter Street/Rodney Street/Marquis Street intersection.*



*Hunter Street/Rodney Street/Marquis Street Roundabout.*



### Quick Facts

The Hunter Street Roundabout:

- Used 60m<sup>3</sup> of concrete.
- Consisted of 295 tonnes of asphalt.

### Major Projects

- Council's application to the Restart NSW Resources for Regions Funding Program was successful, with \$1.9million being awarded to be utilised for funding the Gunnedah Sewerage Upgrade project. The Program is provided to communities impacted by mining with the right infrastructure to stimulate jobs growth and to advance services.

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

- 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.

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

- A free Meet and Greet Event was held in August 2016 and provided an opportunity to promote community groups and encourage inclusion, acknowledgement and acceptance into the Gunnedah community.
- A performance of the Music of War and Peace saw the attendance of over 520 patrons to the event and offered a free matinee for all schools within Gunnedah Shire, as well as numerous community groups and businesses. This event included several community groups and was a platform to enhance the understanding and acknowledgement of the ANZAC legacy and pay tribute to those fallen. This successful, emotional event, was granted funding by the Department of Communications and the Arts (Ministry for the Arts).

- The promotion of Council functions, activities, events and services is ongoing. A carefully 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 the community is informed of Council activities.
- Council has been proactive in the facilitation of 'out of the box' promotion of activities and events, with the focus on providing greater opportunity for community involvement and engagement. Examples include Local Government Week initiatives, main street exhibitions of major projects (Draft Land Use Strategy, Draft Pool Renewal, Garage Sale Trail, Koala Count, Sister City Q&A, Book Fridge Social Project).

### Major Projects

- The YONDER Lifestyle Magazine was produced during 2016/17 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 the second edition has been widely applauded. It has been sought and retained by households as a useful, quality reference magazine and conversation piece when visitors are around.

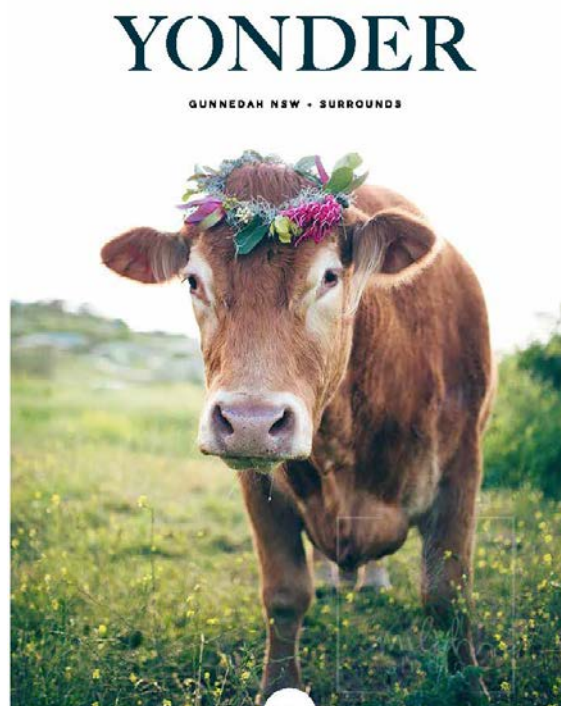


### Quick Facts

- The Visitor Information Centre distributes Z-Cards that are the ideal pocket sized companion with information on what to see and do in Gunnedah, plus a map of the town.
- The Z-Cards provide an introduction to Gunnedah's precincts – the Poetry, Cultural, Downtown and Riverside Precincts, plus the Porcupine and Pensioners' Hill Lookouts.



- The second edition of YONDER was delivered to 82 Gunnedah businesses and 66 selected Visitor Information Centres covering NSW and SE Queensland. It was also distributed at the Newcastle Caravan, Camping and Holiday Expo and the NSW Caravan, Camping and Holiday Supershow in Sydney.



YONDER (second edition) Magazine Cover.



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

- A number of trainees continue to be engaged across Council to assist and promote retention of youth in the community, through providing direct career opportunities.
- Events in support of the Gunnedah Community Scholarship Fund commenced in November with a very successful Charity Golf Day held on 15 January 2017.
- A website that enables online Community Scholarship Fund applications to be lodged and collated was created in 2016/17. Applicants can log into Council's website and lodge their applications completely online. The online process has resulted in a more efficient and effective way for students to apply for a scholarship, as well as being more streamlined for Council once applications close.
- Club Creative is a diverse, fun and educational program targeting the health, wellbeing and resilience of 8-12yr olds in the Gunnedah Shire. Enrolments in Club Creative grew from 12 initially, to 28 within the first year of its operation. Council partnered with the Gunnedah Conservatorium, who provided ukulele workshops to participants and provided other arts based activities, such as Circus Skills, drawing and signing. The program is delivered in collaboration with various service providers to meet the needs of the various children that attend.



*School holiday program activities.*



### Quick Facts

- Recipients of the 2017 Community Scholarship Fund were completing studies in the following subjects:
  - Agriculture
  - Arts
  - Business or Law
  - Construction or Engineering
  - Education
  - Medical Professions and Allied Health

**\$22,750**

was awarded to students through the Community Scholarship Fund in 2016/17

**25**

students received funding

**8 of 25**

recipients are studying medical professional or allied health courses

- 107 activities were delivered under the School Holiday Program with over 400 local children participating.
- School holiday activities include: art workshops, craft sessions, AFL clinics, soccer clinics, tennis clinics, health and wellbeing workshops, Xbox gaming sessions, drop-in activities afternoons (Club Y), outdoor fitness sessions, bubble soccer, cooking classes, Tamworth excursions, dance workshops, drama workshops, music workshops, remote control car racing, computer coding workshops and gardening sessions.



*School Holiday Program bubble soccer.*



*Artwork promoting the highly successful 2017 Youth Art Exhibition.*

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

- Community engagement has been a focus in driving community involvement in decision making, as well as to encourage cross organisation collaboration on projects. Initiatives include: Urban Land Strategy Pop Up Information Stand, Park Playground Equipment Selection Facebook Surveys and the implementation of the Customer Satisfaction Pulse Surveys for service delivery, National Garage Sale Trail, National Koala Count, National Water Taste Testing Championships and the Community Strategic Plan.
- The Access Working Group was reformed to advocate for people with access issues. The Group consists of Councillors, staff, and five community representatives and two organisation representatives, as well as a representative from the Gunnedah and District Chamber of Commerce. The Group's purpose is to support obligations under Section 12 of the NSW Disability Inclusion Act 2014, which requires Local Government Authorities to have in place a Disability Inclusion Action Plan setting out the measures it intends to put in place so that people with a disability can access general support and services in the community.

### **Major Projects**

- The Racecourse Master Plan was completed in August 2016. The intended outcomes of the Master Plan are:
  - To protect and enhance the site for the benefit of the entire community now and into the future;
  - To improve the quality of horse racing and training facilities and increase the recreational opportunities within the Racecourse;
  - To ensure that the Racecourse is effectively managed and sustainably developed for the benefit of all users;
  - To provide a safe environment for all stakeholders, users and visitors to the Racecourse; and
  - To maximise the utilisation of the Racecourse and its facilities.

### ***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 submissions are considered by the Department of Planning during the assessment of the development.



*School holiday activities in the Smithurst Theatre.*

# Theme – Building our Shire’s Economy

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## *Our economic employment base diversified*

- Council has collaborated with the Gunnedah and District Chamber of Commerce to develop an investment prospectus that has been translated into the Mandarin, Japanese and Korean languages.
- The Business Partner Program was reviewed in March/April 2017 with a view to improve the flexibility of the program, increase the amount of money available and provide clarity. Council resolved to support the reviewed guidelines and application form and increase the funding available through this program to \$40,000 annually.

## *Our infrastructure strategically managed*

- Council’s plant has been effectively managed within budget. During the 12 months to 30 June 2017, 23 items of plant were sold and/or traded and 25 items of plant were tendered through government contract or procured in accordance with Council’s Procurement and Tendering Policy.
- Runway 11-29 at the Gunnedah Aerodrome was resealed and line marked with minor defects rectified.
- Footpath trip hazards were remediated in Conadilly Street, Bloomfield Street and Barber Street.
- Kerb and gutter works were completed in Links Road, Johnson Street, Barber Street, Gallen Avenue, Bloomfield Street, Little Barber Street and Elgin Street.
- Shoulder widening and pavement renewal on rural sealed roads, including Bluevale Road, Black Stump Way, Kelvin Road and Goolhi Road.
- Water main replacements included Hopedale Avenue, Barber Street, Little Bloomfield Street, Conadilly Street, Beulah Street and McDonagh Place. A Water main extension was also completed in O’Neil Road.

- The Gunnedah Drought Management Plan was publicly exhibited and subsequently adopted by Council. The Plan outlines the various demand and supply side drought response actions that should be employed at various stages during an extended drought period. The Plan also outlines Council’s Water Restrictions Policy and documents various backup supply sources and emergency supply options.



*Gunnedah Drought Management Plan implemented in 2016/17.*

- A memorial plaque was placed on Pensioners’ Hill by the Nurturing Evolutionary Development Foundation in honour of Mr Ned Icton. Mr Icton’s family has a strong link to Gunnedah, particularly his mother, whose support of members of the community and leadership during the Great Depression was highly regarded.
- The tender for the design and construction of Simson Bridge replacement was evaluated in March 2017, with the construction of the new bridge due for completion in late 2017.

## **Major Projects**

- Extensive work was undertaken at the Town Hall to secure commercial lease opportunities. Works included: replacement of all exit door and door handles, replacement of all door locking mechanisms, upgrade to surface of stairs to slip resistant surface, provision of extra emergency exit signage, walls and ceiling painted, carpet removed and installation of new carpet, dismantle existing work stations and installation of new workstations.



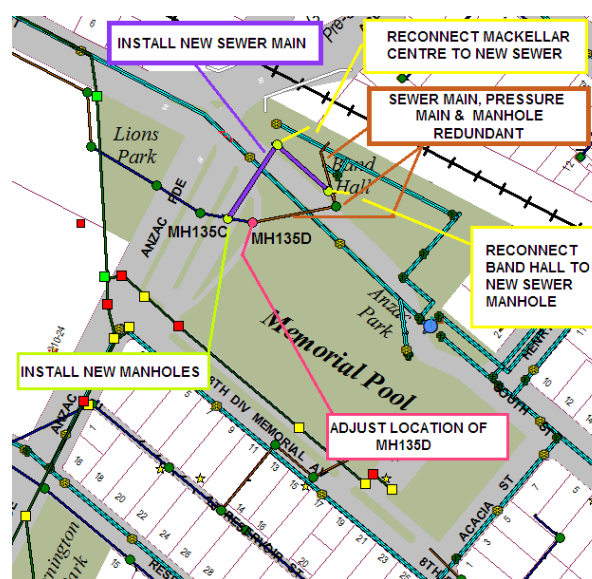
- Extensive work was undertaken on approximately 1.782km of Goolhi Road, including:
  - Stabilising existing road to a depth of 200mm;
  - Strengthen pavement with 150mm of overlay gravel;
  - 200mm of stabilising overlay;
  - Provision of a 9m pavement with a 7m bitumen seal;
  - 10mm primer seal; and
  - 14mm C240 final seal.



*Eastern overtaking lane.*

- A new eastern overtaking lane was constructed at Carroll on the Oxley Highway, 52km west of Tamworth under contract to the Roads and Maritime Services (RMS). The works consisted of installing a new culvert, 500mm benching to allow for the import of new material construction of 150mm layers, and stabilising the subgrade. The total cost of the works was \$1,382,189.86, which was funded by the RMS, which included 3,970m<sup>3</sup> of general earthworks, import of 1,860m<sup>3</sup> selected material, 930m<sup>3</sup> of subbase and 930m<sup>3</sup> of base materials.
- Council was also contracted by the RMS to extend the overtaking lane 47.9km west of Tamworth from 400m to 715m. Due to obstructions on the western extension discovered in the early construction stages, it was determined to build a lane on the eastern side of the existing highway, realigning at completion. The works consisted of culvert widening, 600m benching to allow for the import of new material constructing in 150mm layers, 1,550m<sup>3</sup> of general earthworks, import of 2,080m<sup>3</sup> selected material, 1,040m<sup>3</sup> of subbase and 1,040m<sup>3</sup> of base materials. To ensure the uniformity of the project, it was stabilised utilising hydrated lime and tri blend additive.

- The ANZAC Park Sewer Main Realignment Project was undertaken in 2016/17. The Project addressed several issues around the Band Hall, Dorothea Mackellar Centre and the Gunnedah Memorial Pool to ensure that all buildings have appropriate and effective access to the sewer main system. The works involved sewer main works plus installation of three new manholes. The existing sewer main extending to the Band Hall and the rising main from the Dorothea Mackellar Centre were terminated and made redundant. The budget for the works was \$70,000, which included the reinstatement of infrastructure disturbed by installation of the realigned sewer main, however the project was delivered under budget for \$62,361.



*ANZAC Park sewer main realignment map.*

- The Pedestrian Access and Mobility Plan was adopted in March 2017, following public exhibition. The Plan was prepared to guide the future provision and management of pedestrian facilities within the Gunnedah Shire Council Local Government Area. The aim of the Plan is to develop a long-term strategy and action plan for the development of pedestrian facilities within the Gunnedah region, in a coordinated and strategic approach that provides safe, convenient and connected pedestrian routes and infrastructure to the community. Extensive consultation was undertaken with various community groups and organisations, including: taxi companies, primary and high schools, health services, bus services, as well as the Paraplegic and Quadriplegic Association of NSW.





Conadilly Street pedestrian crossing.

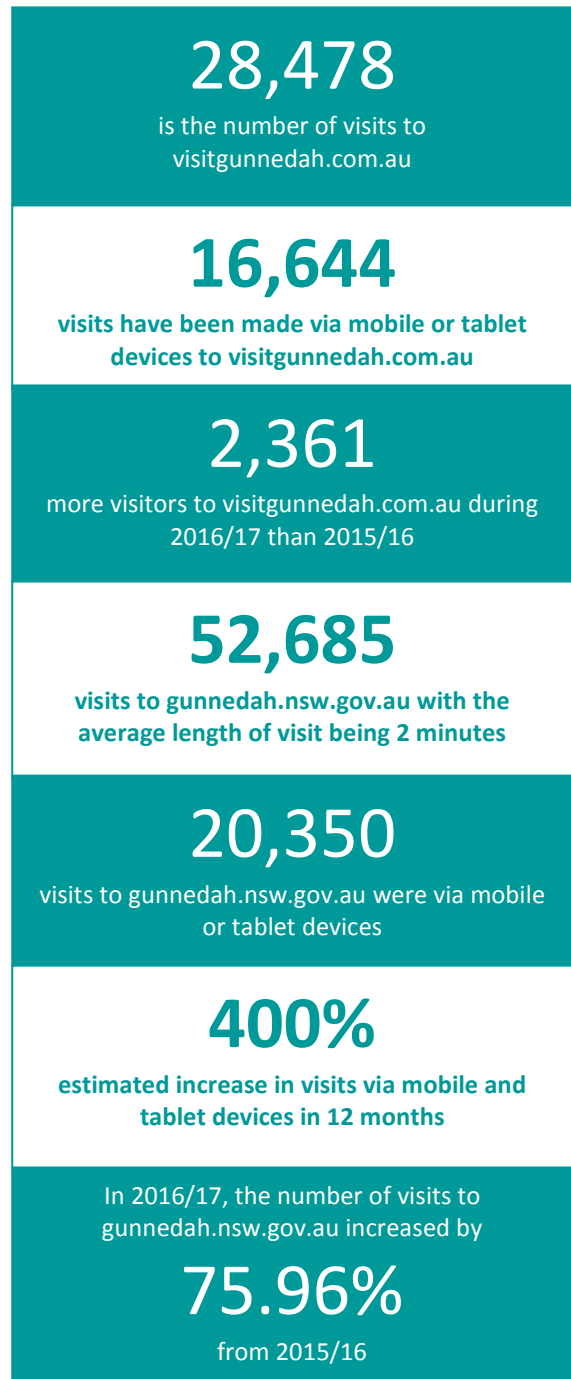
### ***Our identity and reputation promoted to tourists***

- 22 clients booked in with Council’s Home Hosting program, with 22 host homes providing 153 bed nights over the course of AgQuip in 2016. Total income received was \$15,147, with \$10,846 paid out to hosts.
- Several live performances were conducted during the year, including: Earth Dinosaur Zoo, Music of War and Peace, Comedy Hypnotist Issac Lomman, and An Evening with Groucho. Support was provided to community events such as the Eisteddfod, pre-school and school presentations, community fundraising events and Sing Australia performances. The 48th Annual Arts and Ceramics Exhibition was held with over 364 entries.
- Income opportunities for local artists has increased through support with art sales and income and employment of local artists facilitating programs within the School Holiday Program. Collaborations with The Gunnedah Conservatorium, Dorothea Mackellar Memorial Society, Two Rivers Arts Council, Arts Gunnedah, Acting Out, Totally Dance Studio, 2TK and Rhana's Academy of Dance are ongoing. Local organisations are given the opportunity to generate income through delivery of services, such as sale of food and beverages and by holding special movie screenings at The Civic.



### **Quick Facts**

- The VIC is open for business 7 days a week, 363 days a year.
- The VIC is maintained as a Level 2 Accredited service.
- Council’s Facebook page increased from 200 likes to 1,016 likes in 2016/17.



## ***Entrepreneurs and developers contribute to local economic growth***

- Establishment of Western Sewerage Zone to support industrial and commercial development in the 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 June 2016, and is a comprehensive review of strategies dealing with residential, commercial and industrial land uses in Gunnedah. 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 development of infrastructure to support the future expansion of Gunnedah.
- Council signed a Voluntary Planning Agreement with MacKellar Excavations in December 2015.

## **Theme – Retaining our Quality of Life**

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

- Service Provision Reports for GoCo Packages were collected and delivered to funding bodies on time. GoCo Packages brokered a range of support services for customers from a panel of suppliers across five Local Government Areas during the reporting period. These support services included case management, personal care, domestic assistance, respite care, social support (both group and individual), transport, assistive equipment and allied health services. The Annual Customer Services Satisfaction Survey was completed in the 3rd Quarter of 16/17.
- GoCo was accredited as complying with the National Aged Care Standards by the Aged Care Quality Agency in August 2016.

**13,038**

hours of social support services were provided to groups and individuals in 2016/17

**1,629**

hours of lawn mowing were provided

**5,664**

hours of service were provided by volunteers to GoCo clients

There has been a

**6.7%**

increase in GoCo services provided from the previous year

**159,494km**

driven by community transport volunteers in 2016/17

**14,242**

services provided to

**107**

Home Care Package recipients

**9,976**

hours of care provided to

**113**

disability clients

**18,560**

hours of care provided to

**243**

aged care clients

- The Community Hub Program continued providing an accessible single point access for information, resources and services for a wide variety of individuals, groups and other local and visiting community services. The Hub acts like a drop-in service where anyone can get information, assistance and resources to access local services that might help them. Anyone from the community can access the Hub and particularly, those members of the community who are financially or socially disadvantaged, or are of Aboriginal or Torres Strait Islander background, including young people.
- In November 2016, Council, along with the Gunnedah Community College and GoCo, facilitated the Gunnedah's Young Access Group to participate in the 'Putting Pieces Together' project supported by Arts North West and Accessible Arts. Young Access provides a chance for artists and young people with disabilities to explore and socialise through art and various hobbies in a supported environment.



*Artwork celebrating Youth Week in Gunnedah.*

### Major Projects

- 2016 Grandparents Day was celebrated in October 2016 and celebrated family relationships and strong communities. The event focused on shared time and knowledge, encouraging older people in the community to share their wisdom and experience with the younger generation.
- Council provided financial support to the Koori Kids organisation, which engages young people in a range of school initiatives to promote education and awareness of Aboriginal and Torres Strait Islander culture. Koori Kids conducts the NAIDOC Week School Initiative Competitions for school-aged children.
- Youth Week 2017 was held in March, with Council providing opportunities for young people to express their ideas and views, act on issues that affect their lives, and create and enjoy activities and events, including: a launch party, skate fest at Gunnedah Skate Park, Youth Expo at the Gunnedah Town Hall, Try-a-Trade presentation by Gunnedah Chamber of Commerce and TAFE, and 'Be Here Be Heard' youth art exhibition.



### Quick Facts

- 20,632 community transport trips provided in 2016/17.
- This is a 6.7% increase in services.

### Enhanced access to essential services

- In April 2017, Council adopted a Smoke Free Environment Policy following public exhibition and specific notification provided to building owners and businesses located within the Smoke Free Zone. The purpose of the Policy is to identify indoor and outdoor smoke free areas regulated by the *Smoke Free Environment Act 2000* as well as establish a Smoke Free Zone within a portion of the Gunnedah Central Business District.
- Council's Library staff made a presentation on Brain Training at the NSW Public Libraries Association SWITCH Conference held in November 2016. Over 300 Librarians attended the conference and over 70 information packs outlining the program have been disseminated to Libraries across Australia. The program is open to all ages and seeks to assist participants to stimulate brain activity by offering a series of timed activities.

- Gunnedah Shire Library achieved eSmart Library Accreditation in 2016/17, with Gunnedah identified as the first Library in the north east zone and fourth regional Library service in Australia to achieve this status.
- Advocacy provided through the delivery of the Connecting Our Communities Forum, which identifies gaps in services and makes recommendations for service enhancement. Advocated via support of specific awareness raising events, eg drug and alcohol initiatives, domestic and family violence, child safety.
- 41 'high risk' food businesses were inspected during 2016/17. High risk is determined as those businesses which handle and serve ready-to-eat foods.
- 20 'low risk' food businesses were inspected during 2016/17. Low risk is determined as those businesses which serve pre-packaged food and supplied foods not ready-to-eat.
- 40 temporary food premises operated in the Gunnedah Local Government Area during 2016/17.

#### Major Projects

- Council introduced the 1,000 Books Before School Program in 2014, and the State Library of Victoria advised that they have launched the same program in 2016/17 as part of their Library services across the State.
- Gunnedah Shire Library won the 2017 Summer Reading Club – Space Utilisation Award presented by State Library of Queensland. The Summer Reading Club is a literacy initiative for preschool and high school students to encourage reading during summer holidays. The Space Utilisation Award recognises Libraries that through the use of displays, activities, storage facilities and decorations, highlight the Summer Reading Program as part of their Library services.



#### Quick Facts

- 170 books per month were delivered to 18 shopbound residents in 2016/17.
- 8 multicultural language resource collections are housed in the Library.
- 1800 Wi-Fi requests received in 2016/17 with 5657 PC bookings.
- 990 Inter-Library Loans were transacted through the year.



The 'Bat Cave' display during the Summer Reading Club at Gunnedah Shire Library.

6,227

library members in 2016/17

538

of those were new members in 2016/17

220

books on average were housebound deliveries every month during the year

31,329

Library loans were transacted

4,461

children and adults attended

538

events held at the Library during the year

3,162

new Library materials were acquired during 2016/17





*Gunnedah Shire Library.*

### **Improved housing affordability**

- Council’s community housing maintenance and repairs schedules are based on regular inspections and consultation with tenants along with engaging cyclic, reactive and historical and planned processes. Council has two units in Goodwin Road and four units in Reservoir Street specifically to house members of the community who are vulnerable financially and socially. All the units have been home to long-term tenants for a number of years.

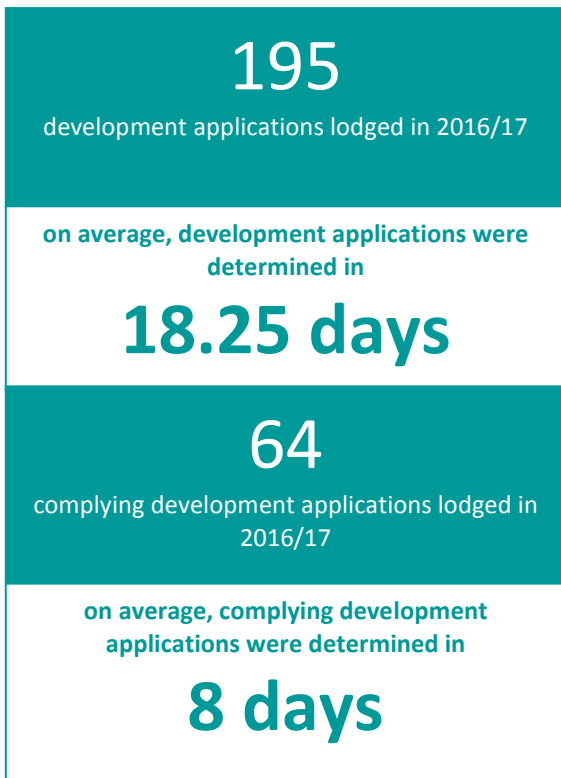
### **Villages are sustainable**

- Extensive refurbishment was undertaken at Emerald Hill Hall including: interior and roof painting, replacement of toilets, upgrade of kitchen wiring, upgrade of switchboard and external power supply, replacement of downpipes to water tank and repairs to the entry doors.



*Painting of Emerald Hill Hall.*

- Council resolved to provide up to \$20,000 assistance for Village Hall Associations/ Committees to assist in meeting public liability and other insurance premium requirements. These types of insurances are required in the normal running of an incorporated association, which is a requirement of Council’s license agreement.
- Playground equipment was installed at Mullaley Park and Jae High Park in Gunnedah.



*Playground equipment installed at Mullaley Park.*

- Upgrade works were undertaken at Mullaley Hall during 2016/17, including: installation of security lighting for the entry to the Hall, amenities light switches, repairs to the Hall annex ceiling and painting, improvements to the front doors and painting of the Hall toilets.
- Improvements and protective strips were applied to the Tambar Springs Hall doors as well as vermin protection and treatment undertaken.

- A concrete ramp and rails for access to the toilets was installed at Curlewis Hall. A lighting upgrade was also undertaken.
- All Village Halls were inspected for pests and vermin as well as fire protection, with the appropriate treatments and repairs being undertaken.



#### Quick Facts

- The Tambar Springs War Memorial is noted as one of the oldest war memorials in Australia, which was established in June 1919 following the end of the World War I.

### *Police continue to work in partnership with the community*



#### Quick Facts

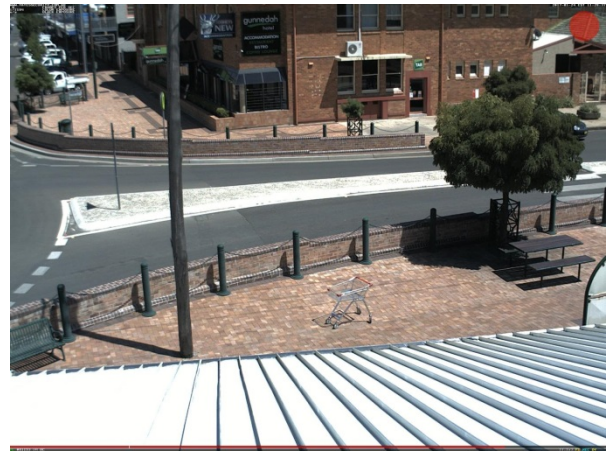
- 18 requests from the NSW Police Service were received for CCTV footage from one or more of the 16 cameras within the Gunnedah Central Business District in 2016/17.
- Requests were responded to within five working days.

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

- Council pledged support for the Say No to Drugs event, 'Walk Around Wolseley'. The Crime Prevention Working Group and the Gunnedah Community Action Team also supported the event with the focus on raising awareness of drugs and their impact.

#### Major Projects

- Council was successful in securing \$20,000 in grant funding through the Safer Streets Program delivered by the Commonwealth Attorney-General's Department. The funding was utilised to extend the CBD CCTV network and resulted in the installation of six closed circuit television cameras and associated signage to the eastern end of the Gunnedah Central Business District.



*Footage from one of the CCTV installations in Conadilly Street.*

- Investigations commenced into the development of a Gunnedah CBD Closed Circuit Television (CCTV) Strategy 2018-2022. The Strategy will consider existing CCTV system and locations, crime trends, gaps in network coverage, proposed CCTV priority locations, budgetary considerations and alignment with Integrated Planning and Reporting processes. It is envisaged that the Strategy will be presented to Council in early 2018.



#### Quick Facts

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

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

- During 2016/17, the School Holiday Program has gone through a shift from the previous primary school aged focus, to providing more activities for an older demographic (12-25yrs). This previously disengaged age bracket has had a significant increase in participation and engagement with the School Holiday Program in the past six months. Activities such as all-night movie nights, Xbox afternoons, youth forums, skateboarding, yoga classes and dance workshops have contributed to this increased engagement.

- Four young people and two volunteer staff attended the 2016 Luminosity Youth Summit. The aim of the Summit is to inspire youth to follow their dreams, challenge them to be the best person they can be and take a chance on themselves, and excel and exceed in their chosen journey. Leadership, selflessness and gratitude were key themes of the Summit, along with the ability to follow your instinct and bounce back after tough times.

### Major Projects

- The Homework Centre was revamped in 2016/17 following a change to the Department of Education's homework guidelines. The change shifted the focus from homework based to general learning which was identified as a need. The reformed program, called Club Creative, runs once per week, and currently has 18 enrolments. The Youth Development Officer commenced negotiations to form partnerships with organisations to make the delivery of Club Creative more enriching and sustainable as a service.

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

- Council coordinated the 2016 Christmas Tree Toy and Food Appeal along with the Gunnedah Shire Library's Food For Fines initiative, which encourages payment of Library fines with donations of non-perishable food items to the value of Library fines. Support was provided to members of our community who may be experiencing financial difficulty during the Christmas season.
- Council's Tourism Team provides advice, support and assistance to community events and is proactive in promoting and marketing events through its systems and services, including: Gunnedah Show Jumping Festival, AgQuip, Chamber of Commerce Spirit of Christmas Fair, and Dog Shows.
- The Event Planning Tool for community groups remains on [visitgunnedah.com.au](http://visitgunnedah.com.au) and can be obtained in hard copy form.

- The Visitor Information Centre maintains information on the State Tourism Data Warehouse Database which ensures local events are promoted on a state wide level.
- Council continued to represent the tourism industry and potential tourists through core industry boards and working groups including: Country & Outback NSW Destination Network, Kamilaroi Highway Group and New England North West Tourism and is an active participant in joint marketing initiatives and trade shows.
- Staff representatives attended the Newcastle Caravan & Camping Show.

### Major Projects

- September 2016 saw the opening of the Dorothea Mackellar Memorial Centre. Council also financially supported the Centre to provide adequate lighting, hanging systems and roofing upgrades to ensure the security of the collection. The Centre has been developed as an interpretive centre to celebrate Dorothea Mackellar, promote Australian literature and poetry and also to permanently house the Jean Isherwood 'My Country' watercolour collection.



*Dorothea Mackellar Centre.*



*Memorabilia at the Dorothea Mackellar Centre.*



- Successful conduct of the 2017 Weeks of Speed Festival which was held over 4 weekends in March. The events involved various organisations and sporting groups including: Gunnedah Motorcycle Club, Keepit Aquatic Club, Rural Museum, Lake Keepit Sailing Club, Gunnedah Bluevale Speedway, and the Gunnedah Aeromodellers Club.
- 18 specific speed events were conducted over the 4 weeks of the program including: triathlon events, greyhound race meeting, NSW Senior Bike Track Championships, Rural Museum tractor trek and car, bike and ute street parade, drag racing and speed chess. Several events were also held at Lake Keepit with activities such as the Keepit Regatta.
- NAIDOC Week celebration activities took place in July 2016 and included: the Desert Song Exhibition of local artists Vicki Devine and Des Mullion, free movie screening, and School Holiday Program activities.
- Council contributed a total of \$12,000 to the Two Rivers Arts Council (TRAC) and Arts Gunnedah during 2016/17. Both groups are community based incorporated bodies who seek to coordinate and promote arts and cultural activities to the wider community to enjoy.
- Council also contributed \$5,000 to the Gunnedah Conservatorium to assist the community to engage with and experience the arts through music related skill development, performance and tuition.

### ***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***

- 11 exhibitions were held during the year; including: Desert Song – NAIDOC Week; Arts and Ceramics 46th Annual Exhibition; Around and About; The Retrospective Exhibition of Marius Vanderkley; Stitches Through Time; Putting the Pieces Together; Gavin Coote – the Non-Humans of the North West; Annabel Hoskins, Louise and Judy Baker – Pots and Paints; Community Contribution – Youth Week Exhibition; Linda Lockyer – Country Meetings Coat; and Community Contribution – Waste to Art.
- Consultation with service providers, led by the Community Hub Worker, identified gaps for service provision for young people with disabilities. In partnership with Adult Community College, GoCo and the CRCL, "Young Access" was developed focusing on inclusion and skills development. "Our Place" disability consultation is a partnership with Council, Accessible Arts NSW, Gunnedah Conservatorium, House with No Steps and individual community members for disability consultation to inform disability practices for our community. Through these projects, best practices strategies have been implemented on exhibition displays and event considerations.



### **Quick Facts**

- 652 external user activities were held in the Cultural Precinct during 2016/17, including 207 meetings in the Creative Arts Centre Studio Room and 135 events in the Smithurst Theatre.



*Entry in the 2016 Waste to Art Exhibition at the Gallery in the Cultural Precinct.*



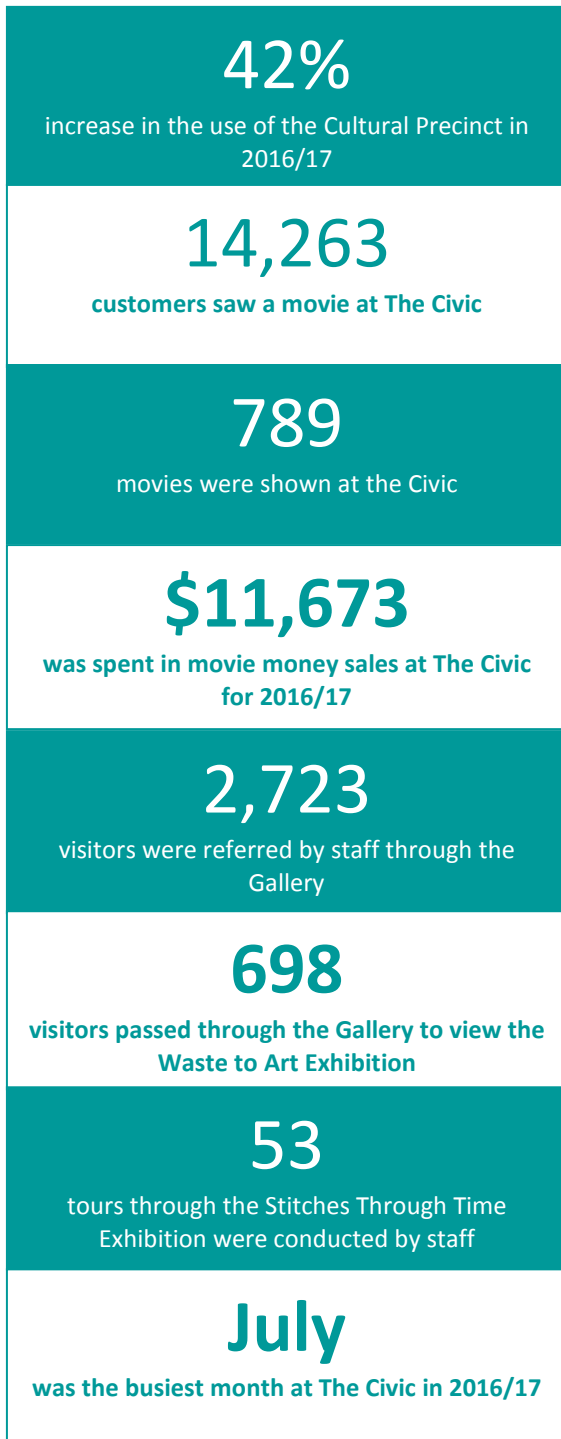
*Entry in the 2016 Waste to Art Exhibition at the Gallery in the Cultural Precinct.*





### Quick Facts

- 11 community organisations regularly utilise various areas of the Cultural Precinct, including: Plains, Pipes and Drums; Alcoholics Anonymous; Pensioners Association; Porcelain Painters; and Acting Out Drama and Theatre.



### Major Projects

- Council was successful in securing funding of \$50,000 from the NSW Government Department of Industry for the Future Towns Program. The funding allocated aims to deliver site activation through a number of ways, including improving the CBD and developing skill sets and practices of local business owners within the Gunnedah Shire.
- Council supported the Dorothea Mackellar Memorial Society (DMMS) in-kind and with a \$17,425 financial contribution during 2016/17.

### *Our community values retained over time*

- Council provided financial and in-kind support for NAIDOC Week activities including a free movie day, NAIDOC Week art exhibition, and participation in community events in collaboration with Winanga-Li and Red Chief Local Aboriginal Land Council.

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

### Major Projects

- Applications for Council's Community Small Grants Program were awarded in November 2016, with nine community organisations being awarded \$18,698.40 in funding. The community organisations were: Mullaley Gymkhana Association, CWA Emerald Hill Branch, CWA Gunnedah Branch, Emerald Hill Progress Association, Gunnedah Family Support, Gunnedah Turningpoint Christian Outreach Centre, Plains of Plenty Cooperative, Gunnedah and District Historical Society and Apex Club of Gunnedah.
- Five sporting organisations also received funding under the Sports Small Grants Program totalling \$15,300.00. Funds were awarded to: Gunnedah Motoring Enthusiasts, Gunnedah Cycling and Triathlon Club, Curlewis Campdraft, Lake Keepit Sailing Club and Gunnedah and District Soccer Club.



*Section 356 Community and Sports Grants recipients and Councillors.*

## Theme - Protecting and Enjoying our Beautiful Surrounds

### *Balance between development and environmental protection*

- Council submitted formal comment on the NSW Local Land Services proposed NSW Travelling Stock Reserves (TSR) Review. The Review sought feedback on the use and community values surrounding TSR's and the criteria used to assess individual proposals to access. The popularity of the Gunnedah network is primarily based on the route traversing relatively flat terrain, making it suitable for stock to travel, contains suitable vegetation for grazing and has a number of water points, providing adequate water supplies for travelling stock. Council's submission requested that the Review give consideration to the use of some TSR's as a Category 2 (recreational purposes) to enable recreational use in accordance with the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 and improved management practices be incorporated into the Review.

**36**  
applications for residential dwellings lodged in 2016/17

**10**  
applications for rural residential dwellings (more than 10 hectares) lodged in 2016/17

**64**  
construction certificates issued in 2016/17

**100**  
occupancy certificates issued in 2016/17

### Major Projects

- In conjunction with the Gunnedah Lions Club, Council resolved to provide financial assistance in the installation of gym equipment adjacent to the playground equipment at Lions Park to enhance the park's community use. Two sets of gym equipment were installed.



*Gym equipment installed at Lions Park.*

- Council submitted comment on the Draft New England North West Regional Plan, which was prepared by the NSW Planning and Environment Department. The Draft Plan proposed to identify a holistic approach to land, environmental, water and natural resource management through an overarching framework to guide development and investment in the New England North West to 2036. A thorough review of the Plan was undertaken, with several issues included in Council's submission including: stronger focus on growth and development of smaller communities in the region, vision should acknowledge what specific towns/areas are doing to leverage foreign markets for the betterment of their communities', rural residential lot sizes in relation to housing stock, expanding on poultry and livestock development within the region, and acknowledgement of GoCo which provides home care services to Tamworth, Narrabri, Moree and Gunnedah.
- Tenders for reconstruction of Blackack Creek commenced, with the successful tenderer being awarded in late 2017. The reconstruction spans a length of 1.9km of Blackjack Creek, from approximately 200m south of the Oxley Highway to approximately 200m north of Lincoln Street and traverses Wandobah Reserve. The reconstruction is proposed as a result of the Blackjack Creek Floodplain Risk Management Study and Plan which recommended channel realignment/reconstruction, with the aim of mitigating the impacts of flooding, be investigated. Works are due to commence in November 2017.



#### Quick Facts

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

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

- Quarterly inspections to identify noxious weeds are undertaken at: grain handling sites; rural outlets and machinery dealers; nurseries; State Highways (1462km) and local roads; and rest areas.
- Local noxious weeds programs were ongoing through the year, with African Boxthorn (Carroll and Gunnedah Commons); Tree Pear (Boori and Voca Road) specifically targeted.
- A Noxious Weeds Field Day was conducted by Council staff for the Carroll Fishing Club.
- The Noxious Weeds Team secured grants for the eradication of weeds in our region, including:
  - \$20,000 from NSW DPI New Incursion Funding for Alligator Weed;
  - \$79,000 from NSW DPI Weeds Action Program Grant;
  - \$13,000 from NWLLS for Boori Road Tree Pear Program;
  - \$17,000 from NWLLS Honey Locust education; and
  - \$32,000 from NSW DPI Aquatic Weeds for Alligator Weed.

**\$161,000**

in grants secured for the eradication of noxious weeds in Gunnedah Shire and Region

**258**

high risk noxious weeds property inspections undertaken in 2016/17

**113**

general property noxious weeds inspections undertaken in 2016/17

**63**

private property noxious weeds inspections were undertaken in 2016/17

**39**

LLS Reserves noxious weeds inspections were undertaken in 2016/17



*Alligator Weed inspection.*



*Gunnedah Shire Council Noxious Weeds Display at AgQuip.*

### Major Projects

- Several major regional noxious weed identification and eradication programs were undertaken, including: Peel and Namoi Rivers from Sandy Creek, Somerton, to Narrabri boundary as part of the Regional Alligator Weed Program; contract work carried out for New England Weeds Advisory MacLeay River and Moree Plains Shire Council at Gravesend (generating \$17,500 in income).



#### Quick Facts

- 5 State Parks were inspected for noxious weed infestations during 2016/17.
- 39 LLS Reserves were also inspected during this period.

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

- The implementation of the Gunnedah Koala Strategy (adopted in late 2015) and the state legislation for the protection of the koala and its habitat is being undertaken through the development application process.

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

- Gunnedah Shire's local water utility performed well in 2016/17 when compared to other similar size local water utilities in non-metropolitan NSW. Some areas are dependent on climatic conditions such as the percentage of revenue derived from usage charges and water supply pumping costs are a reflection of the scheme structure with a heavy reliance on electricity and maintenance costs.

### Major Projects

- Council adopted a Drinking Water Management System to ensure that the water supply is 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

- The Gunnedah Water Supply services 4,040 connected properties.
- Water is drawn from 17 bores and the Namoi River.
- The water supply network comprises 13 service reservoirs and 21 pumping stations, 74km of transfer and trunk mains and 151km of reticulation.
- 100% of water supplied is potable and considered good quality untreated groundwater.



- Council provides an after hours emergency service for water and sewer issues 365 days a year.

### Protect our heritage



#### Quick Facts

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

### Dealing with our waste

- A review of Council's Asbestos Waste Disposal Management Policy was undertaken in March 2017, with Council resolving to adopt the Asbestos Management Policy which provides for a more holistic approach to dealing with asbestos. The new Policy is based on the Model Asbestos Policy for NSW Councils developed by the Heads of Asbestos Coordination Authorities to promote a consistent Local Government approach to asbestos management across NSW. It provides advice on the role of Council, development approval processes, waste management procedures and other general information.



*Gunnedah koala stopping traffic.*

### 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 transported offsite.



*Gunnedah Community Recycling Centre.*



#### Quick Facts

- The Gunnedah Waste Management Facility received:
  - 8,123 tonnes of domestic waste;
  - 4,044 tonnes of commercial and industrial waste;
  - 22,334 tonnes of construction and demolition waste;
  - 2,454 tonnes of waste received was diverted into resource recovery (recycled).
- The Breeza Transfer Station received:
  - 12.82 tonnes of domestic waste;
  - 4.59 tonnes was diverted into resource recovery (recycling).

- The Carroll Waste Management Facility received:
  - 49.12 tonnes of domestic waste;
  - 3.743 tonnes was diverted into resource recovery (recycling).
- The Curlewis Waste Management Facility received:
  - 176.02 tonnes of domestic waste;
  - 4.38 tonnes of construction and demolition waste;
  - 66.746 tonnes was diverted into resource recovery (recycling).
- The Emerald Hill Mobile Collection received:
  - 0.7 tonnes of domestic waste;
  - 2.75 tonnes was diverted into resource recovery (recycling).
- The Kelvin Mobile Collection received:
  - 13.77 tonnes of domestic waste;
  - 11.394 tonnes was diverted into resource recovery (recycling).
- The Mullaley Transfer Station received:
  - 41.18 tonnes of domestic waste;
  - 18.044 tonnes was diverted into resource recovery (recycling).
- The Tambar Springs Transfer Station received:
  - 27.166 tonnes of domestic waste;
  - 11.224 tonnes was diverted into resource recovery (recycling).

**40**

Council owned properties underwent asset maintenance and repairs during 2016/17

**450ha**

of parks, sports fields, open space/bushland reserves and cemeteries were maintained by Council staff

**41**

notices to give excess vegetation orders were issued in 2016/17

**4,277**

households are serviced with a weekly kerbside waste collection

**2,202**

Customers visited the Bower Bird Shop at the Gunnedah Waste Management Facility.

**5,114**

trucks over 1 tonne went over the weighbridge at the Gunnedah Waste Facility during 2016/17

**January**

is the busiest month on average with

**107**

people per day using the Gunnedah Waste Management Facility

**34,459**

users delivered waste to the Gunnedah Waste Management Facility in 2016/17.

**Curlewis**

is the busiest village waste management facility with

**1,572**

customers delivering waste.

**Emerald Hill**

waste management facility had

**158**

customers delivering waste

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

- Solar power installed with high energy use assets.
- Ongoing review being undertaken for energy efficient lighting options for the Council Administration Building.
- Replacement of ageing, unserviceable and inefficient air conditioning units in Council's building assets complete.
- Namoi Councils JO continues to seek opportunities for support from other government agencies for renewable energy systems. The Namoi JO has convened an energy and sustainability group which will identify opportunities for Councils in the New England North West Climate Adaptation Plan and how Councils can assist each other in delivering more energy efficient technologies and funding in collaboration with member Councils. The Group will also review street lighting funding across the region.

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

- Construction of three turfed cricket wicket tables at Namoi Playing Fields completed.
- Stage 2 of the Street Tree Strategy commenced with the removal of trees in the footpaths along Conadilly Street between Rosemary Street and Blackjack Creek trees were planted in the corridor.



### **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.

# 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 2016/17.

	GENERAL	POSTPONED	PENSIONER	TOTAL
Ordinary Rates	65.13	92,303.91	168,868.51	261,237.55
Water Charges	5,770.45	-	70,985.15	76,755.60
Sewer Charges	346.97	-	65,285.83	65,632.80
Waste Management	133.21	-	63,054.54	63,187.75
Stormwater	0.05	-	-	0.05
Legal Costs	-	-	-	-
Interest	415.13	34,656.69	-	34,241.56
<b>TOTALS</b>	<b>5,900.68</b>	<b>126,960.60</b>	<b>368,194.03</b>	<b>501,055.31</b>

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

In March 2017, 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 a Councillor and senior staff member as part of this delegation including other members of the Gunnedah business community. Total net cost to Council was \$20,826.90.

## 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 2016/17 was as follows:

Expense/Facility	Net \$
Mayoral allowance	35,653.31
Councillor fees	85,048.92
Provision of dedicated office equipment allocated to Councillors	4,149.07
Telephone expenses	6,564.67
Attendance at conferences and seminars	8,850.67
Training and skill development expenses	6,712.73
Interstate visits undertaken by Councillors	1,881.37
Overseas visits undertaken by Councillors	--
Expenses of spouse or partners	161.01
Expenses involved in the provision of child care	--
Travel expenses in NSW	18,0182.01
Meals (excluding Council meeting catering)	1,846.23
<b>Total</b>	<b>\$169,049.98</b>



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

Council awarded the following contracts in excess of \$150,000 during 2016/17.

CONTRACTOR	NATURE OF GOODS AND SERVICES PROVIDED	DURATION OF CONTRACT	AMOUNT SPENT THIS FINANCIAL YEAR \$
Boral Construction Materials	Roadwork and emulsion services	30/06/17	2,655,898.47
Roadwork Industries	Civil construction and plant hire	30/06/17	1,072,246.65
Gongues Constructions Pty Ltd	Civil construction – STP Upgrade	30/06/17	982,740.00
Hope's Fuel Services	Fuel and oil supplies	30/06/17	844,226.45
Workforce International Pty Ltd	Labour Hire	30/06/17	810,174.96
WesTrac Equipment Pty Ltd	Mechanical plant part supply	30/06/17	734,907.18
JR & EG Richards (NSW) Pty Ltd	Waste services	30/06/17	608,868.05
Alliance Automation Pty Ltd	STP telemetry engineering	30/06/17	579,307.30
Peel Valley Machinery	Mechanical plant part supply	30/06/17	\$565,449.45
Statewide Mutual	Insurance	30/06/17	501,534.81
Statecover Mutual Limited	Insurance	30/06/17	457,012.76
Ray Priestley Earthmoving Pty Ltd	Gravel carting	30/06/17	449,421.58
Hunter H2O Holdings Pty Ltd	Waste water treatment	30/06/17	442,759.96
ERM Power Retail Pty Ltd	Electricity	30/06/17	385,197.41
Somerville Earthmoving Pty Ltd	Civil construction	30/06/17	379,536.20
Daracon Contractors Pty Ltd	Civil construction	30/06/17	377,881.00
Kevin Smith Contracting	Gravel carting	30/06/17	353,301.79
Powerdirect	Electricity	30/06/17	349,980.69
Rollers Australia Pty Ltd	Plant hire	30/06/17	321,202.61
Coates Hire Operations Pty Ltd	Plant hire	30/06/17	318,682.68
GHD Pty Ltd	Civil construction	30/06/17	315,564.16
Norwest Plant Hire	Plant hire	30/06/17	298,507.00
Ishigaki Oceania Pty Ltd	Dewatering supply	30/06/17	296,526.00
VOR Environmental Australia Pty Ltd	STP servicing	30/06/17	292,422.08
Independent Cement & Lime Pty Ltd	Cement supply	30/06/17	291,703.72
Fulton Hogan Industries Pty Ltd	Roadwork materials	30/06/17	266,936.91
Jobs Australia Armidale	Labour hire	30/06/17	266,576.02
Premium Aged Care Services	Aged care services	30/06/17	258,672.06
Abergeldie Watertech	Sewer main monitoring	30/06/17	256,154.32
Taylor Automotive Centre	Automotive purchases	30/06/17	247,238.50
BMR Quarries Pty Ltd	Roadwork materials	30/06/17	245,784.00
Challenge Community Services	Aged care services	30/06/17	225,050.37
Humes Ltd	Roadwork construction supplies	30/06/17	220,155.15
Position Partners Pty Ltd	GPS service and maintenance	30/06/17	215,603.94
Nandebri Home Nursing Pty Ltd	Aged care services	30/06/17	215,054.57
Mr RJ Gold and Mrs A Veli-Gold	Land buyer	30/06/17	213,000.00
Department of Justice	Levies and contributions	30/06/17	209,899.76
THE Mining Pty Ltd	Stabiliser hire	30/06/17	205,436.00
JT Fossey Sales Pty Ltd	Automotive purchases	30/06/17	205,209.01
Gunnedah Workshop Enterprises Ltd	Recycling services	30/06/17	201,453.73
Australian Unity Home Care Services	Aged care services	30/06/17	177,130.25
Whiteline Road Services	Line marking services	30/06/17	176,785.89
Precision Drill and Blast Pty Ltd	Drilling and blasting services	30/06/17	174,680.10
Telstra	Telephone	30/06/17	172,666.57
Workforce Extension	Labour hire	30/06/17	163,054.31

## 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	2,994.00
Debt Recovery **	Recovery of rates and charges	Ongoing	126,040.48
Human Resources	Workplace investigations	Ongoing	24,864.30
Public Halls	Lease preparation	Resolved	363.64
Commercial Property	Lease preparation	Resolved	334.86
Animal Control	Legal advice – nuisance dog	Resolved	420.00

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

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

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During 2016/17 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 2016/17 Council made grants under Section 356, Local Government Act 1993, totaling \$32,649.55 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 2016/17:

- 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 2016/17.

## 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 2016/17, 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 robust subscription in providing an environment that supports and facilitates inclusion, awareness, understanding and mutual respect within its workforce.

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 March 2017, Council applied for funding under the 2017/18 Elsa Dixon Aboriginal Employment Program. The aim of the EDAEP is to promote diversity, innovation and service responsiveness in the NSW workforce by reducing barriers to employment and improving promotional opportunities for Aboriginal people. Gunnedah Shire Council was successful in obtaining The School Based Traineeship (SBAT) Element funds \$10,000 grant for an Aboriginal school student to undertake a School Based Traineeship. Recruitment is scheduled for November 2017.

Council's Leadership Forum in June 2017 saw the commencement of an orchestrated focus on mental health with a training delivered by Rural Mental Health focused on Workplace Support Skills covering:

- Stress – impacts and coping techniques.
- Effective communication skills.
- Delivering unwelcome information.
- How to deal with an angry or distressed person.
- Signs that someone may not be travelling well.
- Understanding services and how to access them.
- How to have a conversation with someone you're worried about and encourage them to seek help.
- How to help someone at risk of suicide.
- How to look after your mental wellbeing.

This event served as a precursor to a mental health program covering further aspects and initiatives of Council such as mental health first aid, recruitment and proactive intervention. While Council has had an EAP program embedded for a number of years, a more affirmative subscription assists in meeting our due diligence requirements.

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 work force. Aboriginal or Torres Strait Islander employee representation increased from 8.2% in 2014/15 to 9.5% in 2015/16 to 10.73% in 2016/17. Culturally and linguistically diverse employees increased from 0.5% 2014/15 to 2.2% 2015/16 to 2.83 2016/17 and employees with disabilities increased from 0.5 in 2014/15 to 0.6%.in 2015/16 to 0.6% in 2016/17

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

The General Manager's remuneration for 2016/17 consisted of:

Salary	\$219,106.68
Bonus Payments	-
Superannuation	\$20,014.55
Non Cash Benefits	-
Fringe Benefits Tax Payable	-
<b>TOTAL REMUNERATION</b>	<b>\$239,921.81</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 2016/17 together with the projected stormwater management services that were proposed to be made available are shown below:

Operational Expenditure	2016/17 Budget	Carryover	Adjust	Total Budget	2016/17 Actual	To Future Works
Stormwater Maintenance and Repair	\$42,836	-	-	\$45,836	\$51,881	-

Capital Expenditure	2016/17 Budget	Carryover	Adjust	Total Budget	2016/17 Actual	To Future Works
George Street (View to Westerweller)	\$125,272	\$361,311	-\$200,000	\$287,583	\$45,714	\$241,869
Links Road (George to Stock)	-	-	\$200,000	\$200,000	\$19,887	\$180,113
Development Servicing Plan	-	\$35,000	-	\$35,000	-	\$35,000
<b>Total Capital</b>	<b>\$125,272</b>	<b>\$396,311</b>	<b>-</b>	<b>\$521,583</b>	<b>\$65,601</b>	<b>\$456,982</b>

## Environmental Upgrade Agreements [LGA S54P]

Council did not enter Environmental Upgrade Agreements during 2016/17.

## 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:

	Year	Annual Increase in General Income (%)	Cumulative increase in General Income (%)
Y1	2013/14	9.4	9.4
Y2	2014/15	8.5	18.7
Y3	2015/16	9.5	29.98
Y4	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**

Below is a listing of capital projects submitted with the Special Rate Variation and actual expenditure for the years 2013/14, 2014/15, 2015/16 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 2016/17	Actual 2016/17			%
Income from Continuing Operations	\$'000	\$'000	Variance		Variance Comments (Major Variances)
<b>Revenue:</b>					
Rates & Annual Charges	14,198	14,068	- 130	-0.92%	Additional rateable properties with developments within the shire. This has been offset by a change in categorisation of a mining property reducing Rate income by \$400,000.
User Charges & Fees	6,338	8,040	1,702	26.85%	Additional RMS Revenue for state roads projects. Received \$5.3mil in 2016/17
Interest & Interest Revenue	854	1,055	201	23.54%	Additional Investment portfolio earning interest. Postfolio at \$66 mil
Other Revenues	361	701	340	94.18%	Additional Revenue from Rates Legal costs recharged & Income from Rental properties.
Grants & Contributions provided for Operating Purposes	11,404	13,955	2,551	22.37%	Additional funding received from Community Services & Roads to Recovery. Council received advanced payment of the Financial Assistance Grant in June 2017.
Grants & Contributions provided for Capital Purposes	397	1,371	974	245.34%	Developer contributed assets. Additional Grants received for Capital purposes including Environmental works at Blackjack Creek.
<b>Other Income:</b>					
Net gains from the disposal of assets	-	80	80		Better than expected returns on disposal of assets
Joint Ventures & Associated Entities	-	-	-		
<b>Total Income from Continuing Operations</b>	<b>33,552</b>	<b>39,270</b>	<b>5,718</b>		
<b>Expenses from Continuing Operations</b>					
Employee Benefits & On-Costs	13,004	12,540	- 464	-3.57%	Award & internal salary incremented less than anticipated. Staffing requirements constantly under review.
Borrowing Costs	1,459	712	- 747	-51.20%	Deferred loan has now been taken up in 2017/18 for \$4.7 million for Pool construction and Blackjack Creek. Interest Rates lower than originally forecasted.
Materials & Contracts	7,352	8,345	993	13.51%	Additional Expenditures relating to RMS extra works and this has been offst by Cost reduction initiatives.
Depreciation & Amortisation	7,881	7,658	- 223	-2.83%	
Impairment	-	8	8		
Other Expenses	3,435	1,979	- 1,456	-42.39%	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	129	-	- 129	-100.00%	
Joint Ventures & Associated Entities	-	-	-		
<b>Total Expenses from Continuing Operations</b>	<b>33,260</b>	<b>31,242</b>	<b>- 2,018</b>		
<b>Operating Result from Continuing Operations</b>	<b>292</b>	<b>8,028</b>	<b>7,736</b>		
Discontinued Operations - Profit/(Loss)	-	-	-		
Net Profit/Loss from Discontinued Operations	-	-	-		
<b>Net Operating Result for the Year</b>	<b>292</b>	<b>8,028</b>	<b>7,736</b>		
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>- 105</b>	<b>6,657</b>			

## SRV CAPITAL PROJECTS - SUMMARY

	SRV Budget 2013/14	SRV Budget 2014/15	SRV Budget 2015/16	SRV Budget 2016/17	Total SRV Capital Budget	Actual Expenditure 2013/14	Actual Expenditure 2014/15	Actual Expenditure 2015/16	Actual Expenditure 2016/17	Total Expenditure	Remain
<b>Asset Renewal</b>											
Urban, regional and rural roads <sup>1</sup>	5,261,224	4,709,501	4,945,436	5,029,299	19,945,460	4,007,866	4,544,194	3,226,227	5,004,674	16,782,961	3,162,499
Bridges, kerb & gutter <sup>2</sup>	411,000	382,000	1,763,000	405,000	2,961,000	299,761	295,514	367,369	836,592	1,799,236	1,161,764
Plant <sup>3</sup>	1,905,000	2,005,000	1,805,000	1,755,000	7,470,000	1,944,310	1,601,357	1,321,087	1,762,621	6,629,375	840,625
Swimming Pool <sup>4</sup>	500,000	1,551,000	6,595,000	-	8,646,000	4,999	176,656	311,983	114,333	607,971	8,038,029
Other (Saleyards, IT, parks & reserves) <sup>5</sup>	1,012,531	1,249,159	1,008,940	2,160,867	5,431,497	622,668	415,994	471,208	1,567,978	3,077,848	2,353,649
<b>Total Asset Renewal</b>	<b>9,089,755</b>	<b>9,896,660</b>	<b>16,117,376</b>	<b>9,350,166</b>	<b>44,453,957</b>	<b>6,879,604</b>	<b>7,033,715</b>	<b>5,697,874</b>	<b>9,286,198</b>	<b>28,897,391</b>	<b>15,556,566</b>
<b>Asset Upgrades</b>											
Public Buildings <sup>6</sup>	650,000	40,000	-	-	690,000	20,039	25,739	-	-	45,778	644,222
Depot rehabilitation	202,500	21,000	21,000	21,000	265,500	119,996	54,390	29,411	9,043	212,840	52,660
Regional roads	206,000	-	-	-	206,000	182,658	164,545	-	-	347,203	141,203
Other upgrades (footpaths, cycleways) <sup>7</sup>	216,900	1,700,500	1,895,500	145,000	3,957,900	162,713	172,050	125,832	254,912	715,507	3,242,393
<b>Total Asset Upgrades</b>	<b>1,275,400</b>	<b>1,761,500</b>	<b>1,916,500</b>	<b>166,000</b>	<b>5,119,400</b>	<b>485,406</b>	<b>416,724</b>	<b>155,243</b>	<b>263,955</b>	<b>1,321,328</b>	<b>3,798,072</b>
<b>New Assets</b>											
Saleyards <sup>8</sup>	300,000	-	-	-	300,000	-	-	-	-	-	300,000
Domestic Waste <sup>9</sup>	300,000	60,000	75,000	-	435,000	9,392	73,031	-	-	82,423	352,577
Stormwater <sup>10</sup>	178,000	38,000	583,000	105,000	904,000	124,768	165,098	247,937	65,601	603,404	300,596
Other New Assets (parks & reserves, Commercial property) <sup>11</sup>	543,700	787,500	502,000	126,500	1,959,700	242,032	305,034	443,625	555,299	1,545,990	413,710
<b>Total New Assets</b>	<b>1,321,700</b>	<b>885,500</b>	<b>1,160,000</b>	<b>231,500</b>	<b>3,598,700</b>	<b>376,192</b>	<b>543,163</b>	<b>691,562</b>	<b>620,900</b>	<b>2,231,817</b>	<b>1,366,883</b>
<b>TOTAL ASSET CAPITAL EXPENDITURE</b>	<b>\$ 11,686,855</b>	<b>\$ 12,543,660</b>	<b>\$ 19,193,876</b>	<b>\$ 9,747,666</b>	<b>\$ 53,172,057</b>	<b>\$ 7,741,202</b>	<b>\$ 7,993,602</b>	<b>\$ 6,544,679</b>	<b>\$ 10,171,053</b>	<b>\$ 32,450,536</b>	<b>\$ 20,721,521</b>

### Notes:

1. Significant increases in State Roads projects awarded to Council have resulted in Council needing to reallocate resources to those works. The majority of deferred works are being undertaken in the first half of 2017-18.
2. Simpsons Bridge is scheduled for completion during the first half of 2017-18.
3. Plant items which had not reached its changeover date have been held back where not economically beneficial to replace. The budgeted replacements are expected to be made by December 2017.
4. The Swimming Pool renewal project has commenced following delays associated with ensuring the project met required outcomes within reasonable costs and is expected to be completed by December 2018.
5. (a) Fleet Vehicles - Changes to operations and reduction in fleet have resulted in a reduction in changeover costs of \$620,000 over the 4 year period.
5. (b) Domestic Waste - Improvements in compaction rates at the Waste Management Facility has enabled the deferral of costs for a new cell, and along with the removal of the need for transfer stations, a saving over the 4 year period of \$650,000 has been achieved. It is also noted that costs related to Domestic Waste are funded from Waste Annual Charges and User Fees, and therefore not reliant upon or related to the SRV revenue.
5. (c) Depot refuelling facility - changes to operations have enabled a saving of \$544,000 over the 4 year period, with \$200,000 in capital costs being deferred until 2021-22.
5. (d) Saleyards - Costs have been reduced over the 4 year period by \$92,000, with \$20,000 of that being for a Nightwatchman Building, deferred until 2017-18. These costs are entirely funded from Saleyards revenue and not the SRV.
6. Works to the value of \$644,000 have not proceeded which relate to the renewal of the Elgin Street office complex and second story of the Town Hall. This has been held over pending master planning to be conducted in 2017-18.
7. (a) Information Technology - Savings of \$205,000 have been realised in Information Technology equipment and software costs over the 4 year period.
7. (b) Blackjack Creek - \$2.9 million of costs related to this project has been delayed with respect to land acquisition processes and is now due for completion by the end of 2017-18.
7. (c) Amenities - \$114,000 for the extension of Donnelly Fields Amenities Block will be finalised by the end of November 2017.
8. Holding Pens to the value of \$300,000 are currently no longer required. Saleyards costs are funded entirely from Saleyards operations and do not rely upon or relate to the SRV.
9. Due to a review of operational requirements at Council's Domestic Waste Management sites, the projects related to these costs are no longer required and savings have been realised. These costs are not funded from the SRV.
10. These costs, related primarily to the Goerge Street Drainage Line, are scheduled for completion by March 2018.
11. \$400,000 related to the purchase of carpark land has been held in restricted asset until the further review of car parking requirements within the Shire.

# Capital Works Report [LG Capital Expenditure Guidelines 2010]

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 2016/17 financial year Gunnedah Shire Council had no projects that fell within these guidelines.

During the 2016/17 financial year, Gunnedah Shire Council had one project in the greater than \$10million cost (GST exclusive).

### **Swimming Pool Upgrade**

- Budget \$8,796,000 (now increased to \$12,297,010 as per Council resolution)
- Actual expenditure to 30 June 2017 - \$607,972

Projects greater than \$1million but less than \$10million:

### **Blackjack Creek Flood Mitigation**

- Budget - \$3,363,226
- Actual expenditure to 30 June 2017 - \$532,382

Projects Exempt under the guidelines but still noted:

<b>PROJECT</b>	<b>BUDGET</b>	<b>ACTUAL EXPENDITURE as at 30 June 2017</b>
Simpsons Bridge Replacement	\$2,228,094	\$202,113
Apex Reservoir Construction	\$3,363,226	\$15,051
Gunnedah Sewer Treatment Upgrade	\$8,068,460	\$2,739,737

Below are details of major Gunnedah Shire council capital expenditure for 2016/17 in excess of \$150,000:

▪ Kerb and Gutter – Bloomfield Street	\$191,404.89
▪ Urban Roads – Pavement Renewal Links Road	\$328,400.78
▪ Urban Roads – Bloomfield Street Construction	\$511,258.15
▪ Regional Roads – Black Stump Way Reconstruction	\$401,770.25
▪ Rural Sealed Roads – Kelvin Road Construction	\$209,992.30
▪ Rural Sealed Roads – Ghooli Road Reconstruction	\$214,417.04
▪ Rural Sealed Roads – Willala Road	\$231,381.41
▪ Rural Sealed Roads – Kelvin Road	\$259,577.78
▪ Rural Sealed Roads – Bluevale Road Construction	\$433,040.71
▪ Rural Unsealed Roads – Prairies Road Resheeting	\$177,048.29
▪ Rural Unsealed Roads – Beesons Road Resheeting	\$201,567.61
▪ Waste Management Facility – Leachate Pond	\$435,510.23
▪ Aerodrome – Reseal/Heavy Patch	\$390,393.63
▪ Plant - 3DMC Grader Control Unit	\$329,000.03
▪ Plant – P32 Caterpillar 953D Crawler Loader	\$372,269.36
▪ Gunnedah Water – Main Replacement Carroll Street	\$228,844.16
▪ Gunnedah Water – Telemetry System Upgrade	\$606,049.56
▪ Gunnedah Sewerage – Sewer Main Relining	\$404,541.99



## 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 2015/16	ACTUALS TO JUNE 2016	ORIGINAL ESTIMATE 2016/17	ACTUALS TO JUNE 2017
Expenditure				
• Impound and control companion animals	\$126,556	\$112,620.33	\$152,968.00	\$148,009.07
• Dog and cat pound M&R	\$2,252.00	\$745.28	\$5,000.00	\$4,975.61
• Depreciation	\$1,668.00	\$1,612.80	\$1,758.00	\$1,612.80
• Overheads – corporate support	\$43,280.00	\$52,958.89	\$48,343.00	\$45,956.36
<b>TOTAL EXPENDITURE</b>	<b>\$173,756</b>	<b>\$167,926.90</b>	<b>\$152,968.00</b>	<b>\$200,553.84</b>
Revenues				
Companion animals – registration fees	\$10,000.00	\$15,636.00	\$7,612.00	\$21,956.86
Dogs – impounding fees	\$3,000.00	\$4,101.00	\$6,392.00	\$4,193.00
Dogs – fines and costs	\$16,000.00	\$19,091.00	\$15,866.00	\$17,371.36
Dogs – sales			\$518.00	\$343.65
Equipment hire			\$155.00	\$4,956.70
<b>TOTAL REVENUES</b>	<b>\$29,000</b>	<b>\$38,828.00</b>	<b>\$30,543.00</b>	<b>\$48,821.67</b>

SUMMARY OF POUND DATA	DOGS	CATS	TOTAL
Seized and transferred to Council's facility	283	78	361
Returned to Owner	-	-	-
Dumped	-	-	-
Surrendered by owners	8	-	8
Released to Owners	77	1	78
Euthanized	151	65	216
Sold	-	-	-
Released for rehoming	62	2	64
Died at Council facility	-	-	-
Stolen or escaped from Council facility	2	-	2
Holding pending Court Action	-	-	-

## 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.

All conditions have been satisfied and the VPA was withdrawn in March 2017.

## 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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On 21 June 2017, Council endorsed the 2017-2021 Disability Inclusion Action Plan, articulating a clear set of priority actions aimed at enhancing access and participation for all over the next four years. The Plan has been developed in consultation with over 340 internal and external stakeholders, and provides Council with an opportunity to assist residents and visitors of all abilities to actively engage with, and contribute to, the diverse fabric of the Shire.

While community satisfaction with Council's services in relation to access and inclusion overall was strong, employment and infrastructure rates as the two key priority areas for enhancements. The consultation process highlighted the barriers that still remain for people with disability and their carers when accessing information and services, and when getting around our community, and based on the feedback and ideas received, the Plan sets out strategies to address those barriers. Council's Access Working Group will support the implementation of the Plan, and Council looks forward to continuing our conversations with the community, and in particular, people with disability and their carers, in order to maximize the potential that this Plan provides.

To accommodate a range of users, the Plan has been made available in both a full and easy read version as well as a text only version and is available in hard copy format and is downloadable from Council's webpage.

## 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 \$593.075 million and a Carrying Value of \$391.082 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:

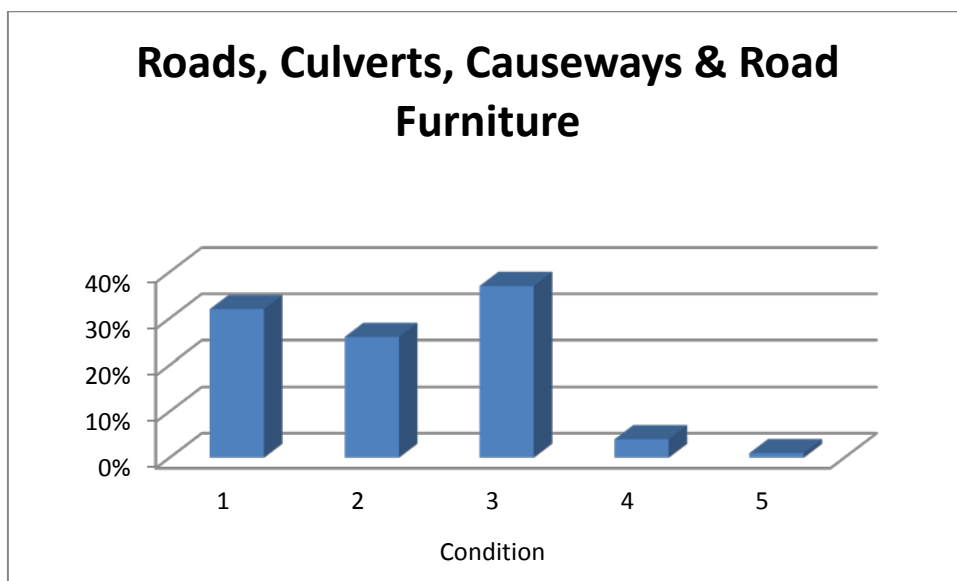
1. Excellent Condition
2. Good Condition
3. Average condition
4. Poor Condition
5. Very Poor Condition

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

Council’s Roads, Culverts, Causeways & Road Furniture have a Current Replacement Value of \$265.139 million with a written down value of \$191.804 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 2016/17 year Council has spent \$7,931 million on Road Maintenance and Renewals. Due to incomplete asset renewals, an amount of \$210,801 has been carried forward from 2016/17 to 2017/18.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$7,862,659	\$8,067,364	\$8,236,472	\$8,429,772
Asset Renewals	\$4,188,099	\$4,267,673	\$4,357,294	\$3,938.477



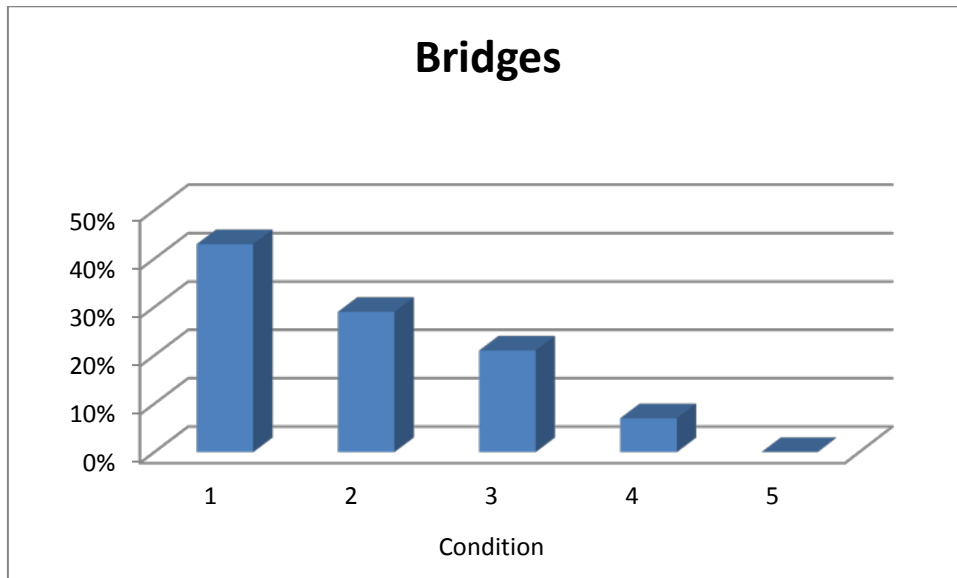
**Bridges:**

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 \$7.342 million. The bridges were valued in June 2015. The Annualised maintenance/renewal cost is approximately \$119,000 with current maintenance funding of \$9,000. Due to incomplete asset renewals (Simpsons Bridge), an amount of \$225,981 has been carried forward from 2016/17 to 2017/18.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$164,338	\$167,620	\$167,904	\$168,221
Asset Renewals	-	-	-	-



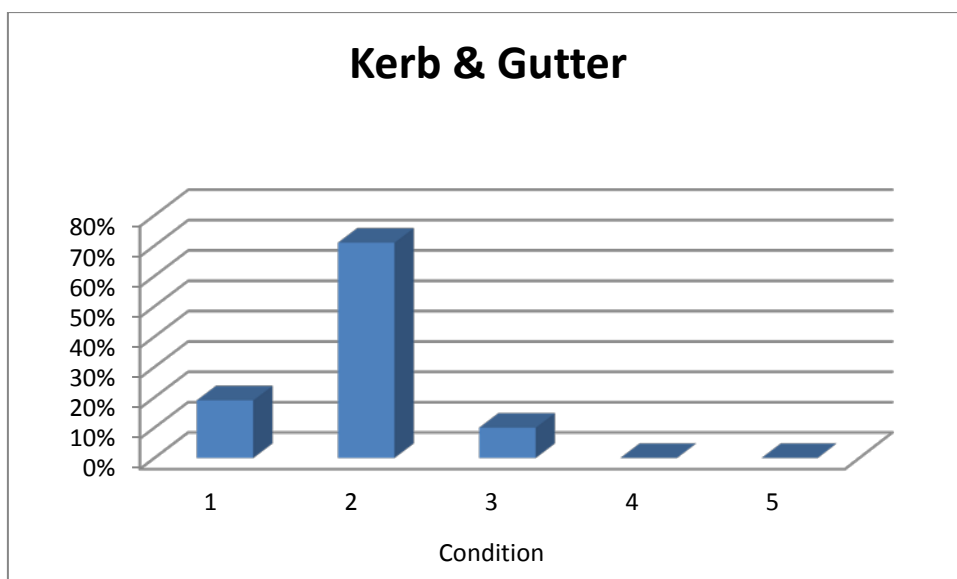


**Kerb and Gutter:**

Council is responsible for maintaining Kerb and Gutter to a length of 142.511km. The Current Replacement Value of Kerb and Gutter is \$27.346 million with a written down value of \$13.523 million. The valuation of the Kerb and 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 2016/17 council spent \$646,117 on renewal works and \$43,395 on asset maintenance. Due to incomplete asset renewals, an amount of \$20,923 has been carried forward from 2016/17 to 2017/18.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$401,286	\$407,626	\$414,096	\$421,008
Asset Renewals	\$412,071	\$419,900	\$428,719	\$438,50

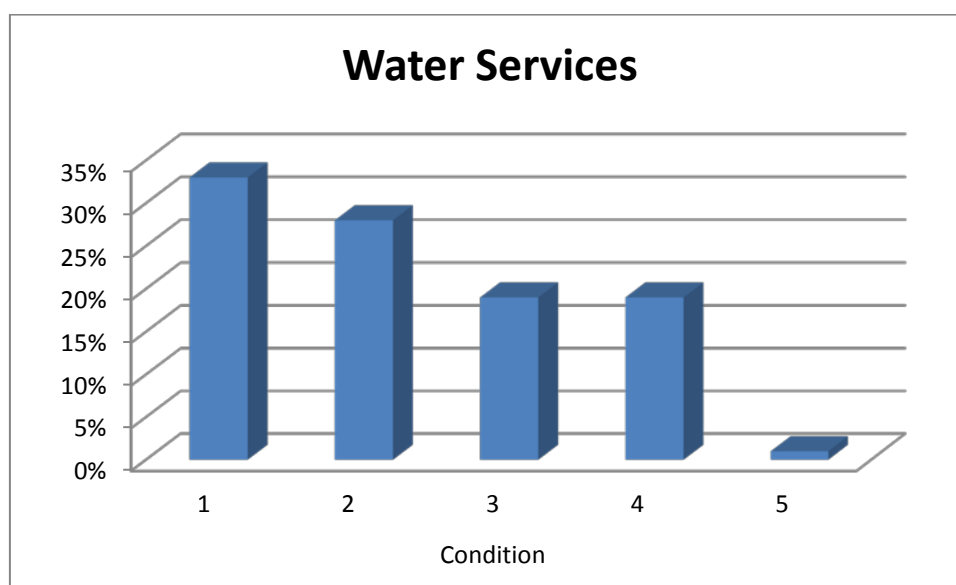


### Water Services:

Council has four Water Supplies being Gunnedah, Curlewis, Mullaley & Tambar Springs. The Water Services network is 207.59 km long. The Current Replacement Value of the Water Systems is \$62.655 million with a written down value of \$36.452 million. The valuation of the Water System was carried out in 2017 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 2016/17 Council has spent \$562,031 on asset renewals and \$1.037 million on maintenance. Due to incomplete asset renewals, an amount of \$2.423 million has been carried forward from 2016/17 to 2017/18.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$3,316,952	\$3,414,920	\$3,482,800	\$3,616,396
Asset Renewals	\$811,113	\$899,414	\$646,205	\$661,068
New Assets	\$5,941,000	-	-	\$2,500,000

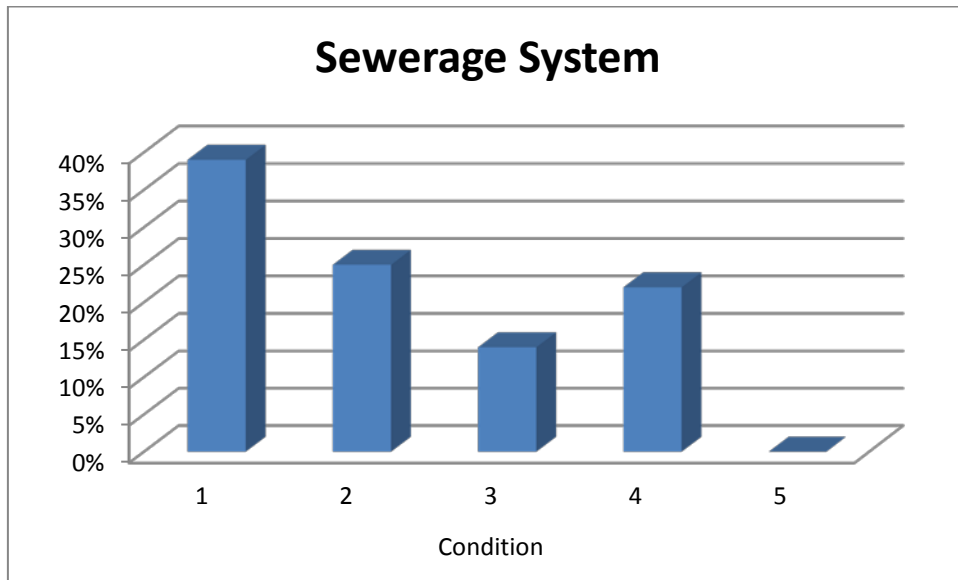


### Sewerage System:

Council has two Sewerage Schemes being the Gunnedah and Curlewis. The Sewerage Schemes have 131.36 km of pipelines plus Treatment Works. The Current Replacement Value of the Sewerage Schemes is \$54.536 million with a written down value of \$28.239 million. The valuations are based on the 2017 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. Continuation of works on the Sewer Treatment Plant upgrade will continue in 2017/18. During 2016/17 Council has spent \$163,065 on Asset Renewals and \$672,616 on maintenance. Due to incomplete asset renewals, an amount of \$5,503,166 million (STP - \$5,328 million) has been carried forward from 2016/17 to 2017/18.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$2,106,829	\$2,276,227	\$2,322,891	\$2,396,501
Asset Renewals	\$494,607	\$333,262	\$844,631	\$586,753
New Assets	\$200,000	-	-	-

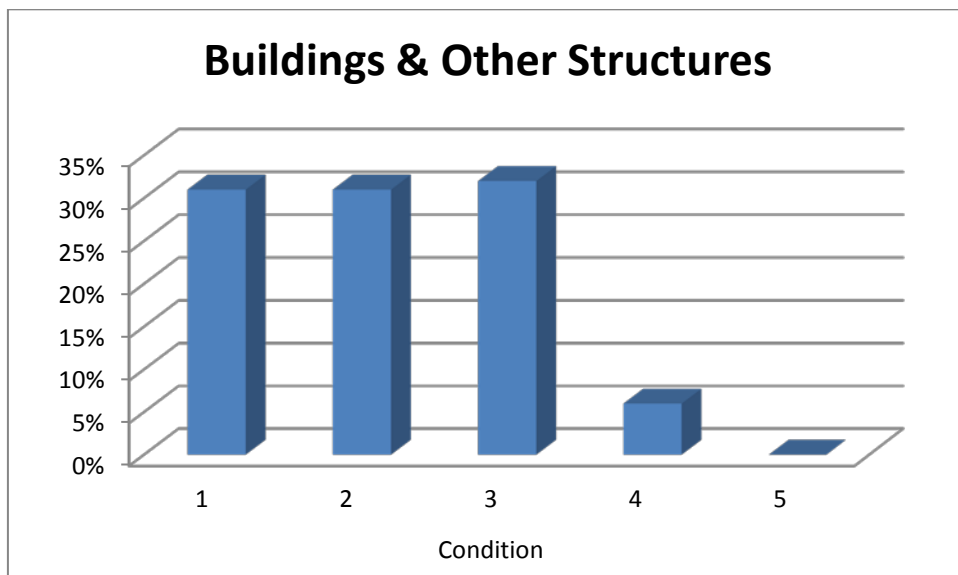


**Buildings and Other Structures:**

Council Buildings & Other Structures have a replacement cost of \$64.724 million with a written down value of \$39.078 million. The graph below is based on an Asset Val Pty Ltd valuation in 2016. 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 \$377,732. During 2016/17 Council has spent \$51,757 on asset renewals.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$905,253	\$891,575	\$903,624	\$945,894
Asset Renewals	\$41,133	\$296,665	\$42,795	\$43,779
New Assets	\$77,000	-	-	-

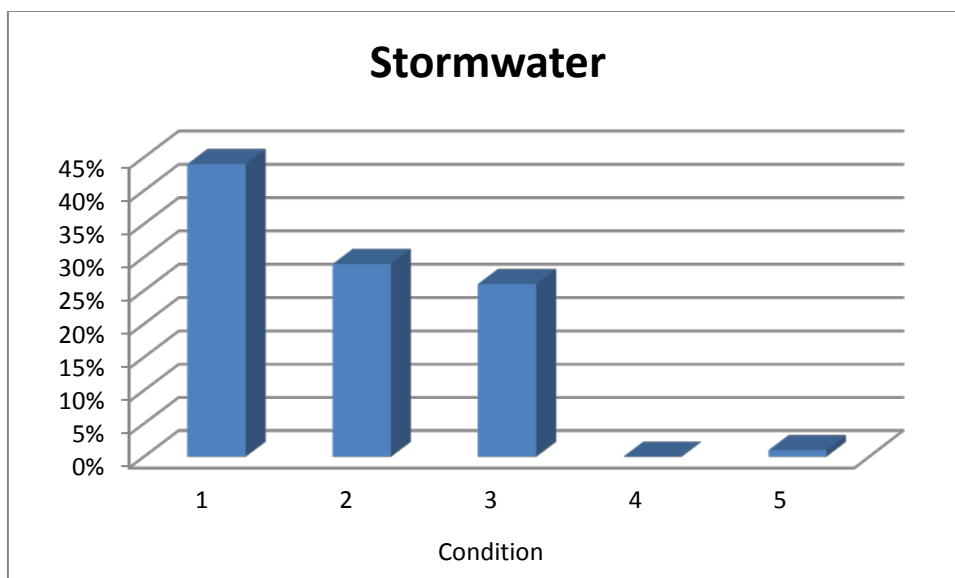


**Stormwater:**

Gunnedah Shire Council’s Stormwater system is 46.25km and has Current Replacement Cost of \$32.861 million and a written down value of \$23.874 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 2016/17 Council has spent \$65,601 on new works and \$51,882 on maintenance works.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$384,358	\$384,573	\$387,983	\$393,132
Asset Renewals	\$164,174	\$52,000	\$615,000	\$298,000



**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 \$2.901 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. 2016/17 the Gunnedah Waste Management Facility received a total of 34,501 tonnes of waste which consisted of the following:

- 8,123 tonnes of domestic waste;
- 4,044 tonnes of Commercial and Industrial;
- 22,334 tonnes of Construction and Demolition; (Alford Road clean-up increased construction and demolition weights significantly)
- 2,454 tonnes of resource recovery materials (recycled).

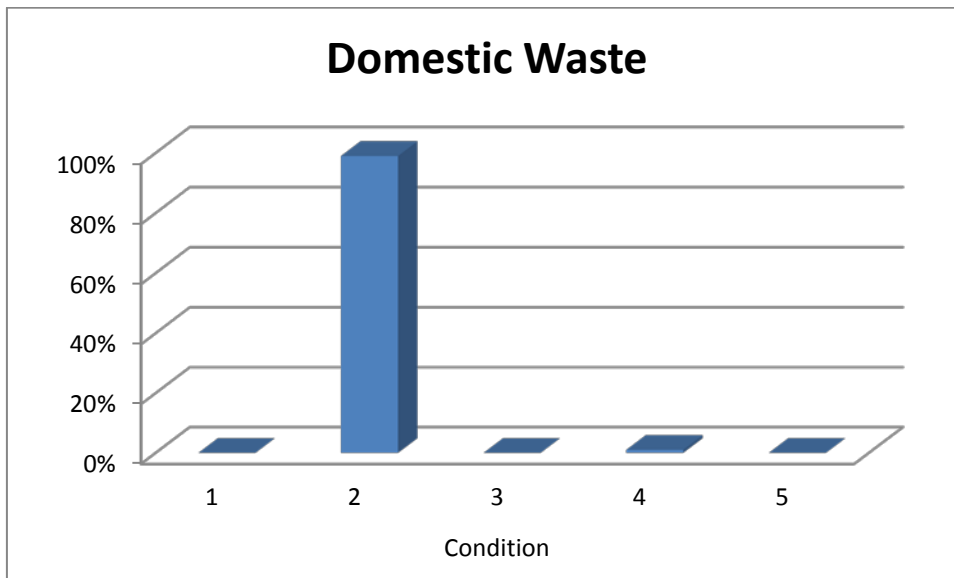
There are 4,824 households with a weekly kerbside bin service – 3392 of these households have a fortnightly green waste service.

During 2016/17 Council has spent \$437,610 at the Facility on Asset Renewal and New Assets and \$2,227,249 on the maintenance and operations expenses.



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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$3,431,472	\$3,518,796	\$3,566,517	\$3,634,728
Asset Renewals	\$119,000	-	\$50,000	\$1,900,350
New Assets	\$80,000	-	\$1,261,875	\$250,000

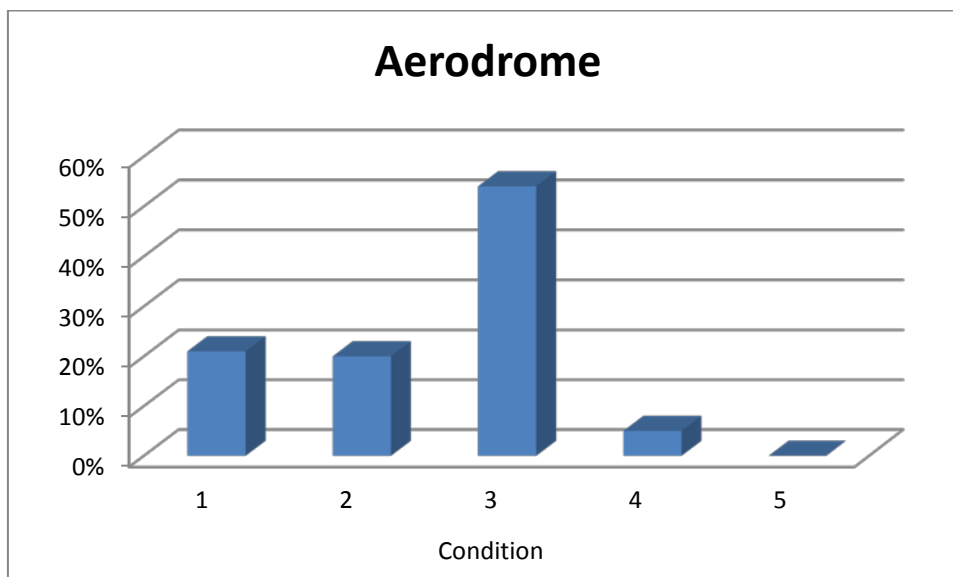


**Aerodrome:**

The Gunnedah Aerodrome is Valued at \$5.051 million excluding Land & Buildings with a written down value of \$941,254. The Valuation is based on an internal valuation as at 2015 and is rated in average condition. The Current maintenance cost is \$23,000 per year and costs to bring up to standard of \$490,000. The airport has a low income base of \$31,308 per year. During 2016/17 Council has spent \$395,819 on Asset Renewals and \$22,946 on Grounds and Airstrip Maintenance.

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

	2017/18	2018/19	2019/20	2020/21
Maintenance and Operations	\$181,814	\$183,346	\$186,828	\$18,904
Asset Renewals	\$5,586	\$5,692	\$36,127	\$5,946



**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 & Taxi Ranks	73%	27%	0%	0%	0%
Swimming Pools	0%	0%	67%	33%	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	22%	56%	22%	0%	0%

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

Attached to this 2016-17 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 a Report on the Conduct of Audit for the year ended 30 June 2017 prepared by the Audit Office of New South Wales.

**OPERATING RESULT:**

Councils Net Operating Result for the 2016/17 year is \$11.218 million after Grants and Contributions which compares with \$15.163 million for the year ended 2015/16.

Councils Net Operating Result before Capital Grants and Contributions is \$8.925 million compared to \$6.299 million for the year ended 2015/16.

This puts Councils overall financial position as strong. This result is as a result of Council undertaking a comprehensive Community Consultation process and has being successful in obtaining a Special Rate Variation spread over the 4 years from 2013/14 to 2016/17 to help ensure Councils long term sustainability. This Special Rate Variation rate increases is now complete and Council now returns to normal rate pegging.

#### INCOME:

Below is a detailed summary of Income from Continuing Operations in 2016/17 and variations from 2015/16 and a brief explanation of the variances:

TYPE	2016/17 \$'000	2015/16 \$'000	Percentage Change
Rates and Annual Charges	\$16,816	\$16,157	4.08%
User Charges and Fees	\$11,356	\$11,800	- 3.76%
Interest and Investment Revenue	\$1,722	\$1,693	1.71%
Other Revenues	\$708	\$819	- 13.55%
Grants and Contributions provided by Operating Purposes	\$14,107	\$12,218	15.46%
Grants and Contributions provided for Capital Purposes	\$2,293	\$8,864	- 74.13%
Net gains from the disposal of assets	\$12	-	-
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>\$47,014</b>	<b>\$51,551</b>	<b>- 8.80%</b>

- Special Rate Variation was approval for Rates and Annual Charges for 2016/17 was 7.5%.
- User Fees and charges – The reduction in User Fees and Charges was due in part to a reduction in water usage charges from \$2.865 million in 2015/16 to \$2.375 million in 2016/17. RMCC income reduced by \$181,000 from 2015/16 to 2016/17.
- Interest and Investments – the interest rates are at historical lows, however due to the increase in funds held (\$66.238 million as at 30<sup>th</sup> June 2017 as compared to \$56.071 million as at 30<sup>th</sup> June 2016) has meant increased interest revenue from Investments. Total Interest Income rose from \$1.693 million in 2015/16 to \$1.722 million in 2016/17.
- Operating Grants and Contributions – have increase from \$12.218 million in 2015/16 to \$14.107 million in 2016/17. In June 2017 Council received an advance payment of the 2017/18 Financial Assistance Grant amounting to \$2.108 million which has been recognised as revenue in 2016/17. This will affect the 2017/18 Operating Grants and Contributions if the same advance payment is not received.
- Capital Grant and Contributions – have decreased from \$8.864 million in 2015/16 to \$2.293 million in 2016/17. In 2015/16 Council recognised additional assets contributed by developers. These include land under roads, roads, stormwater, kerb and guttering, water and sewerage assets. Major Capital Grants and Contributions in 2016/17 related to the Blackjack Creek Project, Developer Contributions and Developer Contributed assets in Stormwater, Kerb and Gutter and Water Supplies.
- Other Revenues – decreased from \$819K in 2015/16 to \$708K in 2016/17. This includes rent recoveries on council properties and workers compensation recoveries.

#### EXPENSES:

Below is a detailed Summary of Operating Expenses from Continuing Operations for 2016/17 and variations from 2015/16 and a brief explanation of the variances:

<b>TYPE</b>	<b>2016/17 \$'000</b>	<b>2015/16 \$'000</b>	<b>Percent Change</b>
Employee Benefits and On-Costs	\$13,673	\$13,215	3.47%
Borrowing Costs	\$712	\$728	- 2.20%
Materials and Contracts	\$9,204	\$9,741	- 5.51%
Depreciation and Amortisation	\$9,399	\$9,341	0.62%
Impairment	\$8	\$57	- 85.96%
Other Expenses	\$2,800	\$2,809	- 0.32%
Net Losses from the Disposal of Assets	\$0	\$497	- 100.00%
	<b>\$35,796</b>	<b>\$36,388</b>	<b>- 1.63%</b>

- Employee Costs have increased by \$458K mainly due to an increase in wages and salaries of 2.35% across staff. Full time employees have increased to 171 from 170 as at 30 June 2016.
- Borrowing Costs reflecting the low loan Portfolio balance held by Council which will assist Councils capacity to borrow into the future. During 2016-17 Council borrowed an amount of \$4.7 million for the following projects: Swimming Pool upgrade \$3.7 million and Simpsons Bridge \$1million. This loans was finalised in June 2017.
- 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 Other Structures in 2015/16 which has varied depreciation slightly. During 2016/17 Council revalued the Water and Sewerage infrastructure assets.

#### **ASSETS:**

Council has net assets under its control as at 30 June 2017 of \$433.214 million being an Increase of \$3.197 million from 30 June 2016.

The majority of this figure relates to Infrastructure, Property, Plant and Equipment of \$391.082 million.

With such a large Asset base, on average, these assets are consumed at a rate of \$9.399 million per annum. With depreciation representing 26.26% 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 and a percentage of deterioration:



Asset Type	Fair Value \$'000	Accumulated Depreciation \$'000	Written Down Value \$'000	Accumulated Depreciation/FV %'000
Roads, Bridges, Footpaths	\$319,800	\$99,839	\$219,961	31.22%
Stormwater Drainage	\$32,861	\$8,987	\$23,874	27.35%
Water Supply Network	\$62,655	\$26,203	\$36,452	41.82%
Sewerage Network	\$54,536	\$26,297	\$28,239	48.22%
Buildings and Other Structures	\$64,724	\$25,645	\$39,079	39.62%
Plant and Equipment	\$19,427	\$10,616	\$8,811	54.65%
Land	\$18,100	\$0	\$18,100	n/a
Other Assets	\$20,972	\$4,406	\$16,566	21.01%
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT and EQUIPMENT</b>	<b>\$593,075</b>	<b>\$201,993</b>	<b>\$391,082</b>	<b>34.06%</b>

### CASH and CASH EQUIVALENTS

Council has a total of cash, cash equivalents and investments totalling \$66.238 million as at the 30<sup>th</sup> June 2017 which is an increase of \$10.167 million from 30<sup>th</sup> June 2016 where they totalled \$56.071 million. Council's investments increased during the year mainly due to capital projects being deferred to 2016/17 including the swimming pool, sewerage treatment plant, Apex Reservoir and Simpson's Bridge. Council has taken out loan funding on the swimming pool and Simpsons Bridge which remains unspent.

Whilst Council's Investments appear healthy, the majority of funds are either restricted by external legislation (\$40.788 million) or by Internal Policy (\$15.47 million) which only leaves \$9.98 million of Investments as unrestricted.

Major External Restrictions include as follows:

- Developer Contributions – S94 - \$2.271 million.
- Developer Contributions – S64 - \$4.874 million.
- Water Supplies – Gunnedah, Curlewis, Mullaley and Tambar Springs - \$10.93 million.
- Sewerage Schemes – Gunnedah and Curlewis - \$8.215 million.
- Waste Management Facilities - \$5.122 million.
- Unexpended Grants - \$4.665 million.
- Unexpended Loans - \$4.7 million

Internal Restrictions include as follows:

- Plant Replacement Reserves - \$960K.
- Employee Entitlement Reserves - \$1.485 million.
- Future Works - \$6.671 million.
- Saleyards - \$1.164 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 2017 nil investments subject to market variations.

### KEY FINANCIAL RESULTS SUMMARY (2016/17):

- Operating Result from Continuing Operations is \$11.218 million Surplus.
- Operating Result before Capital Funding is \$8.925 million Surplus.
- Net Assets Increased by \$3.197 million to \$433.214 million. (Note negative \$8.021 million relates to a revaluation decrement of Water and Sewerage Networks.)
- Total Expenses from Continuing Operations decreased by \$592k to \$35.796 million.
- Total Revenue from Continuing Operations decreased by \$4.537 million to \$47,014 million. (note \$7,355 was received in developer non-cash contributions in 2015/16).

- Cash, Cash Equivalents and Investment increased by \$10.167 million to a total of \$66.238 million. (Note loan funds taken up of \$4.7 million still not spent).
- Infrastructure, Property, Plant and Equipment decreased by \$1.534 million to \$391.082. million. (Revaluation decrement of \$8.021 million new, upgrades and renewal of assets \$16.538 million, depreciation of \$9.399 million).
- Borrowings increase by \$4.392 million to \$13.581 million.
- Provisions (Leave Entitlements) increased by \$415K to \$5.118 million.

#### PERFORMANCE INDICATORS:

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

Performance Indicators	2016/17	2015/16	2014/15	2013/2014
Operating Performance Ratio	19.94%	15.92%	11.74%	10.31%
Own Source Operating Revenue Ratio	65.11%	59.10 %	69.03%	73.08%
Unrestricted Current Ratio	6.06x	6.29 x	5.43 x	4.95 x
Debt Service Cover Ratio	18.66x	16.61x	13.36 x	22.49 x
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	4.34%	4.57%	5.46%	7.96%
Cash Expense Ratio	28.22 Months	23.25 Months	21.99 Months	20 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  $\geq$  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 and 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 2016/17 is 69.03% which is above the benchmark of 60%.

Local Government Benchmark  $\geq$  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  $\geq$  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 2016/17 of \$4.7 million. This has had little effect on the ratio this year with the loan taken out in June 2017. This ratio will increase in 2017/18. Gunnedah Council still remains in a strong position to take out additional loans when required.

Local Government Benchmark  $\geq$  2.00

5. **Rates, Annual Charges, Interest and 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:

Infrastructure Assets Indicators	2016/17	2015/16	2014/15	2013/2014
Infrastructure Renewals Ratio	120.68%	94.75 %	103.87%	121.79%
Infrastructure Backlog Ratio	2.44%	2.53 %	2.91%	4.27%
Asset Maintenance Ratio	1.20	1.07	.99	.95
Cost to bring assets to agreed service level	1.59	1.66	n/a	n/a

1. **Infrastructure renewals 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 120.68% 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 commitment to maintaining its current assets.

Local Government Benchmark >1.00

4. **Cost to bring assets to agreed service level** – *This ratio provides a snapshot of the proportion of outstanding renewal works compared to total value of assets under Council's care and stewardship.* Gunnedah Shire Council shows it is maintaining assets to the agreed service levels.

## Privacy and Personal Information Protection [Annual Reports (Statutory Bodies) Regulation 2015 Cl8]

### **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 2016/17.



Gunnedah Shire Council  
Final Progress Report  
2013/14—2016/17 Delivery Program

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Business & Finance	Financial Management	1.2.1.1 Provide systems and processes to effectively communicate and manage Council's financial performance.	Completed	100	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 budget and project reporting occurs monthly.
Business & Finance	Financial Management	1.2.10.1 Ensure Council meets all of its statutory requirements in a timely manner with regard to external financial reporting, returns and internal compliance processes.	Completed	100	Council has met all statutory reporting requirements during the period. The 2015/16 financial statements were completed, audited and lodged to the Office of Local Government on time. The financial statements were presented to the Audit Committee, and subsequently Council, in October 2016. Preparation of the 2016/17 financial statements has commenced and Council staff in collaboration with Council's Auditors, are working through the recommendations outlined in the Interim Audit Management Letter as at 30 June 2017.
Business & Finance	Financial Management	1.2.10.2 Ensure effective and efficient delivery of financial management services across the organisation.	In Progress	50	Financial services have been delivered within budget. All reporting requirements have been met.
Business & Finance	Financial Management	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.	Completed	100	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. \$58.3 million was held in various investment funds as at 31 December 2016 and \$59.3 million was invested as at 30 June 2017. The average % interest rate during the 2016/17 period was just under 3% and the average \$ invested was \$57.5 million.
Business & Finance	Financial Management	1.2.8.2 Provide Council with a Long Term Financial Plan.	Completed	100	Preparation for the 2017-2021 Long Term Financial Plan commenced in late 2016 and the final LTFP was adopted by Council at the June 2017 Ordinary meeting. The Plan provides a framework for sustainable financial management balancing our environmental, social, economic and governance objectives whilst delivering services and facilities to the people of the Gunnedah Shire Council area. The LTFP noted that Council's current financial position continues to be sound.
Business & Finance	Fleet/Workshop	1.2.8.6 Ensure effective and efficient management of Council's fleet.	Completed	100	Review of Council's fleet management processes and procedures is ongoing. 17 vehicles were sold during the 12 months from 1 July 2016 to 30 June 2017, with 15 new fleet vehicles purchased.
Business & Finance	Fleet/Workshop	1.2.8.7 Ensure effective and efficient management of Council's workshop.	In Progress	50	Initial action has been taken to transfer the management of Council's vehicle fleet to the Workshop to align with the management of Council's plant fleet. This will result in a more cost effective changeover regime being adopted as multiple purchases/trades can be timed to coincide to save money. It will also result in better servicing of the vehicle fleet and closer monitoring of the vehicles' performance.
Business & Finance	General Purpose Revenue	1.2.10.3 Ensure accurate and timely compliance with supplementary external reporting obligations.	In Progress	50	Supplemental reporting requirements met within timeframes.
Business & Finance	Loans	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 assist in providing better inter-generational equity.	In Progress	50	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	Plant	2.2.1.21 Ensure effective and efficient management of Council's plant.	Completed	100	Council's plant has been effectively managed within budget. During the 12 months 1 July 2016 to 30 June 2017, 23 items of plant were sold and/or traded and 25 items of plant were tendered through government contract or procured in accordance with Council's Procurement and Tendering Policy.



Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Business & Finance	Rates	1.2.8.4 Ensure rates and charges are modelled, levied and collected in accordance with regularity and Council requirements.	Completed	100	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. 19 short term and 127 long term payment arrangements for overdue rates and charges have been entered into following applications by residents requiring assistance with outstanding balances with Council. A further 58 short term and 52 long term payment arrangements were entered into during the period 1 January 2017 to 30 June 2017. 7 hardship applications have been received during the 6 months to December 2016, with 5 approved and 2 denied following consideration by the Hardship/Debt Recovery Team. 4 hardship applications were received, with 2 approved and 2 denied following review by the Team. Analysis commenced in relation to proposed sale of land for overdue rates, which identified 12 properties which may be listed for auction. Income from rates forms the largest single portion of Council's total overall revenue and is approximately 31% of the total income received. Council's rate base for 2016/17 was estimated to supply general rates of approximately \$12.3 million across all rating categories.
Business & Finance	Stores	1.2.10.7 Ensure effective and efficient management of Council's Store.	Ongoing		Council's store has operated effectively and within budget. The Internal Audit review of Store Processing and Physical Control resulted in 6 recommended actions, with 3 now finalised. The 3 outstanding recommendations are in progress, and include creation and implementation of policies, management directives and procedure documentation.
Business Systems and Governance	Administration	1.2.5.1 Ensure effective and efficient provision of administrative services to various corporate departments of Council.	Completed	100	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 2218 payroll forms, 932 tender documents, 219 election documents, 480 Section 149 certificates, 273 Section 603 certificates, and preparation of 23 recruitment packs for the period. A major review of Council's Legal Documents has commenced, with 411 documents reviewed to date. The project includes reviewing the document to determine whether each document is current, requires sentencing as a State Archive in accordance with the State Records Act or can be destroyed in accordance with the General Disposal Schedule for Local Government.
Business Systems and Governance	Administration	1.2.5.2 Oversee Administration Traineeship - 12 month fixed term and School-based Traineeship.	Ongoing		The Business Systems and Governance Business Administration Traineeship is offered commencing January each year. Karlee Longworth was appointed January 2016 and therefore employed during the six month period July to December. Karlee was of invaluable assistance as the 2016 LG Election was conducted in September 2016, and she worked with the election team coordinating the election. Karlee was also integral during the introduction of a new electronic document registration process for the Procurement and Tendering guidelines. Following her departure from Council, Karlee has secured full time employment in Gunnedah with the new trainee, Breanna Green, commencing with Council on 30 January 2017. Breanna has commenced a review of Council's Legal Documents, participated in an internal exchange program with the Customer Service Trainee, and commenced registration into Council's electronic records Management system of network documents currently stored in archive folders.
Business Systems and Governance	Administration	1.2.5.3 Provide systems and processes to manage stationery supplies for the Administration Office.	Completed	100	Ongoing savings achieved as a result of centralised purchasing for the Administration Office and sourcing alternative printers for business cards. An alternate supplier was also sourced for corporate letterhead, however following a trial, it has been determined that the previous local supplier provides a more competitive price. Council's Records and Administration Officer identified anomalies in identification of products purchased by Council under contract which resulted in savings.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Business Systems and Governance	Corporate Planning	1.2.5.4 Deliver and support effective corporate training services across the organisation.	Completed	100	In the 1 July 2016 to 30 June 2017 period, 6 corporate induction sessions have been conducted with 15 new employees participating in the one day workshops designed to provide an overview of Council's operations and our role in the community. Several in-house refresher training sessions were delivered, including: procurement - 10 participants; electronic records management system (Dataworks) - 9 participants; exponare - 2 participants; performance assessment system - 14 participants; 5S pilot sessions – 6 participants; 10 x recordkeeping policy and management directive – 90 participants; and bullying and harassment/code of conduct team meeting presentation – 25 participants. A specialised team building workshop was also delivered by Council's Corporate Trainer to the Finance Team. 2 Leadership Forums were held during the 12 months to 30 June 2017. The Forums provide an opportunity to deliver specific training to supervisors, managers and the Executive Management Team as well as encourage open discussions in relation to workplace operations. A refresher on the Internal Reporting Policy – Public Interest Disclosures Act was provided to participants at the March Forum, as well as an overview of the process to review the Community Strategic Plan. Participants at the June Forum were given advice and guidance in relation to dealing with mental health, with the majority indicating how valuable and worthwhile the training was. Several Webforms were created with training delivered across the organisation during the period to 31 December 2016 with associated training delivered to 19 participants. Webforms create a document record from an online form within Dataworks. These are designed for specific requests and trigger automatic workflows and associated tasks to several officers simultaneously.
Business Systems and Governance	Corporate Planning	1.7.4.1 Ensure effective and efficient management of the Integrated Planning and Reporting process.	Completed	100	The End of Term Report, which outlines the progress in implementing the Community Strategic Plan over the previous four years, was presented to the August Ordinary Meeting of Council. The Delivery Program update was presented to Council at the February Ordinary Meeting and provided a six monthly update on the progress of the strategies and actions for the 1 July 2016 to 31 December 2016 period. A review of the Community Strategic Plan commenced in early 2017. The document identifies the community's priorities which guide Council's direction over 10 years. A Stakeholder Engagement and Communication Plan was adopted by Council in December 2016 which outlined the activities and tools used to achieve the project objectives and facilitate effective communication with key stakeholders. These included: briefings with Councillors, staff and the media; website updates; postcards to the Mayor; community wide survey; tear off strip in rates instalment notice; community 'brainstorm' meetings; presentations to Village Progress Associations and Village Hall Committees; community ideas spot; pulse check polls; and a youth video project. The 2017-2021 Delivery Program and 2017/18 Operational Plan were also reviewed to detail the actions and tasks required of Council to deliver the revised Community Strategic Plan strategies. Council adopted the revised documents at the June Ordinary Meeting.
Business Systems and Governance	Corporate Planning	2.4.4.1 Ensure effective relevant communication to Council's achievements via the Annual Report.	Completed	100	The 2015/16 Annual Report was presented to the November Ordinary meeting of Council and forwarded to the Office of Local Government as required. The content of the Annual Report was derived from the Integrated Planning and Reporting progress updates.
Business Systems and Governance	Governance	1.2.1.2 Ensure effective and efficient purchasing and procurement framework is in place across the organisation.	Completed	100	Following the audit of Council's procurement and tendering practise, the Internal Auditor identified 11 recommendations requiring attention, with the final recommendations actioned in the July to December 2016 period. 6 tenders were completed during the July 2016 to December 2016 period and 3 procurement refresher training sessions were delivered across the organisation during this period. 4 tenders were completed the period January to July 2017, including two major project tenders commencing works, being: Simpson Bridge and Blackjack Creek Riparian Corridor/Channel Reconstruction.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Business Systems and Governance	Governance	1.2.1.3 Establish and support an internal audit function of Council, including Internal Audit Committee.	Ongoing		Audit Committee Meetings were held in July and October 2016, and March 2017. 5 internal audits were conducted in this period and the associated action plans include the methodology of the reviews and rate each agreed action in terms of risk. The audits undertaken were: Cash Handling Operations - 6 actions (nil high risk); Employee Performance Management - 8 actions (nil high risk); Project Management - 11 actions (nil high risk); Communication and Community Engagement Strategy - 6 actions (nil high risk); Work Health and Safety - 14 actions (1 high risk); Fraud Prevention Policy - 12 actions (1 high risk). A further 2 internal audits were conducted in the six months from January to June 2017: IT Control Environment 13 actions (2 high risk); Payroll Processes and Procedures - 8 actions (nil high risk).
Business Systems and Governance	Governance	1.2.1.4 Promote and support effective open and transparent Council decision making.	Completed	100	Council conducted 6 Ordinary in the period commencing July 2016, resulting in 155 resolutions adopted by Council (13 in Closed Council) with 30 outstanding as at 31 December 2016. 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. Following the LG election on 10 September 2016, all Councillors took the Oath or Affirmation of Office at the September Ordinary Meeting. The 6 Ordinary and 1 Extraordinary meetings held between January to July 2017 resulted in 126 resolutions adopted by Council (8 in Closed Council) with 14 resolutions outstanding as at 30 June 2017.
Business Systems and Governance	Governance	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.	Completed	100	A Project Management Steering Group has been implemented and meets on a monthly basis. The role of the Group is to review high risk projects with each project owner required to provide an update on the status, risk register and budget of their project. An Action Plan has been developed which has assisted in the identification of issues that may impact future projects. An on-line Delegations of Authority database has been implemented which applies legislation updates to delegations to ensure staff have the appropriate authority to undertake their roles. Delegations for all applicable staff have been completed.
Business Systems and Governance	Governance	1.2.5.7 Manage and conduct local government election process.	Completed	100	The 2016 LG Election was held on 10 September 2016 and Council engaged the services of Mr Ian Horwood as Returning Officer, and Mr Terry Curran as Assistant Returning Officer. Feedback received from the candidates confirms the process was professional and the staff knowledgeable with all facets of the election process. Candidates were declared Friday 16 September 2016 following the initial count completed at the close of voting, preference count commencing Monday and finalised Wednesday, and candidates given 48 hours to contest the election. Staff contributed a significant amount of time to assist in the conduct of the election, with the total cost of \$56,200 under the allocated budget of \$60,000. As the only Council in NSW to successfully conduct the election in-house, Council was asked to provide a report providing an insight into the advantages and cost savings of coordinating the election utilising staff and appropriately trained returning officers.
Business Systems and Governance	Governance	1.2.5.8 Provide systems and processes to identify and manage all risks of Council both operational and strategic.	Completed	100	As at 31 December 2016, 19 strategic risks and 104 operational risks had been identified and entered into Council's Risk Register, with the Register reviewed by the Audit Committee at each meeting. Each risk is reviewed regularly with the respective Manager. 15 formal public liability claim notifications were submitted during the period with 10 finalised and 24 motor vehicle notifications were submitted during the period with 14 finalised. During the period 1 January to 30 June 2017, one further operational risk was identified. For the same period, Council received 19 public liability notifications with 16 finalised as at 30 June 2017, and 9 motor vehicle notifications were submitted with 8 finalised.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Business Systems and Governance	Information Technology	1.2.10.5 Ensure effective and efficient delivery of information technology across the organisation.	Completed	100	354 IT support tickets were logged in the 1 July to 31 December 2016 period, with 17 outstanding as at 31 December 2016. The number of tickets lodged in the period 1 January to 30 June 2017 increased to 468 with 50 outstanding as at 30 June 2017. The high number of outstanding tickets is acknowledged, however, it should be noted the IT Department underwent significant change during this 12 month period including the extended leave of a long term staff member. IT support tickets continue to provide staff with an efficient and effective way of providing assistance across the organisation. Staff attended a course in database queries and SQL techniques. IT rolled out new desktop server infrastructure resulting in a more reliable and productive desktop experience for Council users.
Business Systems and Governance	Information Technology	3.6.5.1 Operation and ongoing management of CCTV Gunnedah CBD surveillance system.	Ongoing		5 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 6 working days of receipt of the request. Council entered into an agreement with the Local Land Services (LLS) in relation to the ongoing surveillance of LLS properties for the purpose of law enforcement. The agreement provides for data sharing between the two organisations to address the ongoing issue of illegal dumping.
Business Systems and Governance	Information Technology	4.6.2.1 Investigate opportunities to utilise new information technologies across the organisation.	In Progress	50	Information technology strategy continues to promote the adoption of new techniques based on business case assessment. Council's cyber security has been enhanced by utilising more robust and capable firewall technologies. Mobile device management has delivered efficiencies around maintenance and management of mobile devices.
Business Systems and Governance	Records Management	1.2.10.6 Ensure effective and efficient delivery of records management across the organisation.	Completed	100	The Records Team scanned and/or registered 15,883 documents in the period July-December 2016, inclusive of incoming, outgoing and internal documents, with a further 20,689 documents dealt with during the January-June 2017 period. The Business Systems and Governance Department engaged the services of a contractor to undertake scanning of paper-based property files into the electronic format, with 562 files completed in the six months July-December 2016, and 1,630 files sorted by the Records Team and scanned by the contractor in the period January-July 2017. A total of 104 boxes of documents were archived in the Records Storage Shed in accordance with the State Records Act in the 12 months from 1 July 2016 to 30 June 2017. This number is down on the previous financial year as a result of the digitisation of the financial records. 105 boxes of records that were no longer required and had been kept for the authorised retention period were destroyed in accordance with the State Records Act. The Records Management Policy and Management Directive were released to the organisation with the details disseminated across the organisation through training sessions for Councillors and staff.
Customer Relations Communications and Lifestyle	Arts and Culture	1.5.1.2 Ongoing delivery of community and cultural events promoted to current and prospective residents and visitors to the Shire.	Completed	100	A free Meet and Greet event was held in August 2016 and provided an opportunity to promote community groups and encourage inclusion, acknowledgement and acceptance into the Gunnedah community. Performance of the Music of War and Peace saw the attendance of over 520 patrons to the event and offered a free matinee for all schools within Gunnedah Shire as well as numerous community groups and businesses. This event included several community groups and was a platform to enhance the understanding and acknowledgement of the ANZAC legacy and pay tribute to those fallen. In the six months January to June 2017, the subscriber base to Council's weekly what's on email has grown to a base of 600+ subscribers. To meet the challenge of letting people know what cultural activities are happening, a HTML email template has been developed and makes it easier for people to read and get information about the events in the Shire. There has been an increase in the promotion and marketing collateral for cultural events through the Visitor Information Centre and media channels. Council's relatively new booking system, Seat Advisory, has helped facilitate this as bookings can now be made online. In March 2017, the Community Collective Carnival Day was held in conjunction with TRAC. This was an opportunity for residents to meet and greet and for the arts community to promote their activities.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Customer Relations Communications and Lifestyle	Arts and Culture	2.4.2.2 Ensure ongoing delivery of a broad range of community and cultural services that respond to the needs of the growing Gunnedah Shire.	In Progress	50	Several live performances were conducted during six months to 31 December 2016, including: Earth Dinosaur Zoo, the Music of War and Peace, Comedy Hypnotist Issac Lomman, An Evening with Groucho. Support was provided to community events such as the Eisteddfod, pre-school and school presentations, community fundraising events and Sing Australia performances. Monthly exhibitions are held at the Gunnedah Bicentennial Creative Arts Centre Gallery supporting and encouraging artistic opportunities. The TRAC Visual Arts 48th Annual Arts and Ceramics Exhibition was held with over 364 entries. Economic prosperity and income opportunities for local artists has increased through support with art sales and income and employment of local artists facilitating programs within the school holiday program. Collaborations with The Gunnedah Conservatorium, Dorothea Mackellar Memorial Society, Two Rivers Arts Council, Acting Out, Totally Dance Studio, 2TK and Rhana's Academy of Dance are ongoing. Local organisations are given the opportunity to generate income through delivery of services such as sale of food and beverages and by holding special movie screenings at The Civic.
Customer Relations Communications and Lifestyle	Arts and Culture	3.10.1.1 Coordinate and promote effective sustainable community development and cultural programs and assist community organisations to build capacity.	Completed	100	September 2016 saw the opening of the Dorothea Mackellar Memorial Centre and, with Council support, the installation of the Jean Isherwood Collection, citations and sticker decals. Council also financially supported the Centre to provide adequate lighting, hanging systems and roofing upgrades to ensure the security of the collection. NAIDOC Week celebration activities took place in July 2016 and included: the Desert Song Exhibition of local artists Vikki Devine and Des Mullion, free movie screening, school holiday program activities. In the six months January to June 2017, there has been a focus on working with community groups to increase their own capacity. The dissolution of the former TRAC Group has now been resolved resulting in two arts groups including TRAC and the newly formed Arts Gunnedah. Early in 2017, Young Access resumed. This group focusses on providing opportunities for young people with disabilities to discover, explore and socialise through art and other hobbies in a supportive environment, and Council staff and the Gunnedah Pottery Club conducted a weekend workshop for young people with disabilities. The event was well attended and further events are likely to run both on conjunction with Council and other service providers.
Customer Relations Communications and Lifestyle	Arts and Culture	3.10.3.1 Ensure delivery of best practice cultural and community events.	Completed	100	The Planning and Environmental Services Department and Customer Relations Communications and Lifestyle Departments (CRCL) collaborated to hold a Pet Awareness Movie Night that involved local business and incorporated a positive message and information about responsible pet ownership. Consultation with service providers, led by the Community Hub Worker, identified gaps for service provision for young people with disabilities. In partnership with Adult Community College, GoCo and the CRCL, "Young Access" was developed focusing on inclusion and skills development. "Our Place" disability consultation is a partnership with Council, Accessible Arts NSW, the Gunnedah Conservatorium, House with No Steps and individual community members for disability consultation to inform disability practices for our community. Through these projects, best practices strategies have been implemented on exhibition displays and event considerations. During the six months January to June 2017, there has been a major focus on cultural and community events. Not only has the focus concentrated on widening the scope of traditional activities, ways to enhance participation in typically run activities has been looked at. These activities include: Melbourne Comedy Festival Roadshow - which attracted 370+ community members and received rave reviewed in 2017; Flickerfest attracted a diverse audience with 130 tickets sold; Gavin Coote Workshop at the Gallery with a pop art/Reg Mombasa style which was a completely new style for the Gunnedah audience, and was very well attended and local students were shown examples of the work as a unique style and community members had the opportunity to attend a workshop run by the artist, with 90 students participating.



Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Customer Relations Communications and Lifestyle	Communication	1.2.9.1 Ensure effective and efficient delivery of communication across the organisation and to the community.	Completed	100	Traditional media options to engage with the community continue to be implemented, with twice monthly representation in the Namoi Valley Independent (The Council Page), fortnightly radio segments with 2MO, print advertising and website presences. Council is a very active user of Facebook and has increased its 'likes' from approximately 200 likes to 1016 likes in the reporting period. Council also launched its Instagram profile in 2016 with success The intranet, staff newsletter, internal email, and targeted communication campaigns have continued to provide positive outcomes for internal communications. The Community Strategic Plan - Stakeholder Engagement and Communications Plan was presented to Council at the December 2016 Ordinary Meeting. The Plan has been developed to ensure key project stakeholders and the local community are kept informed and are encouraged to take the opportunity to provide input and be involved with shaping their community for the future. Tools such as the Postcard to the Mayor, life sized pinterest boards, meetings with progress associations, media releases, engagement from Councillors, youth video projects, arts community meetings, pop up stalls were some of the activities undertaken which were disseminated through traditional media and online.
Customer Relations Communications and Lifestyle	Communication	1.5.1.1 Develop, distribute and provide information to promote services, activities and events across the Shire.	Completed	100	The promotion of Council functions, activities, events and services is ongoing. 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. In addition, Council has been very proactive in the facilitation of 'out of the box' promotion of initiatives and events, with the focus on providing greater opportunity for community involvement and engagement. Examples include Local Government Week initiatives, main street exhibitions of major projects (Draft Land Use Strategy, Draft Pool Renewal, Garage Sale Trail, Koala Count, Sister City Q&A, Book Fridge Social Project).
Customer Relations Communications and Lifestyle	Communication	1.7.1.1 Promote and support involvement in Council decision making process and ensure the community is engaged.	Completed	100	Community Engagement is a high priority function of local government organisations and this has been a key focus of the communications team. There has been a focus on promoting Council activities and decisions and ensuring the community are engaged and informed. The Community Strategic Plan community engagement was one of the largest communication projects undertaken in 2016/17. Council undertook a number of communication activities across a number of mediums to ensure we engaged with as many residents as possible. Other initiatives that have involved external stakeholder cooperation include the National Garage Sale Trail, National Koala Count and National Water Taste Testing Championships.
Customer Relations Communications and Lifestyle	Communication	2.4.4.2 Delivery and support web based technologies to facilitate effective communication both internally and within the community.	Completed	100	Council's website recorded 28,811 sessions (hits), with 10,325 of those are mobile/tablet sessions, 17,385 of visitors are new (60.3%) and 11,426 of visitors are returning (39.7%). The new corporate website for Gunnedah Shire Council was released in September 2016 - just in time for the Local Government Elections during which the site received a record number of hits. All existing content from the old website has been updated and redesigned into a modern, user friendly layout that is completely responsive across all desktops and devices. The site now features a brand new site navigation system that has been completely redesigned from the ground up and includes new features and components that have been designed to provide easier and quicker access to information. Being compliant with the Website Content Accessibility Guidelines also means that the site is now more easily accessible to those with a wide range of disabilities. During the six months to June 2017, Council's website recorded 23,874 sessions (hits), with 10,025 mobile/tablet sessions, 13,908 (58.3%) new users and 9,966 returning users (41.7%). The new Council website is being used as a model for website upgrades for The Civic which will commence in mid 2017. The introduction of Seat Advisor has revolutionised ticket sales and booking across Council and can be used for paid and free events. It will provide a indication of ticket sales in advance and has been used for such activities as the school holiday program, which enables time pushed parents to book online outside office hours.

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Customer Relations Communications and Lifestyle	Communication	2.4.6.1 Creation and implementation of a revised branding strategy to facilitate improved marketing for Council, business and industry.	Completed	100	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.
Customer Relations Communications and Lifestyle	Cultural Precinct - The Civic	2.4.2.1 Increase participation and access to the venues and amenities within the Cultural Precinct.	Completed	100	The Cultural Precinct venues were booked for 248 various events and activities during the six month period to 31 December 2016. The Studio Room and Meeting Room of the Creative Arts Centre are primarily utilised for group meetings whilst the Town Hall and Smithurst Theatre are utilised for large functions and events. 6 exhibitions held in the Gallery including: Desert Song - NAIDOC Week; TRAC 46th Annual Exhibition; Around and About; The Retrospective Exhibition of Marius Vanderkley; Stitches Through Time; and Putting the Pieces Together. Over 1,400 visitors to the Cultural Precinct were referred through the Gallery. The Civic Theatre held 53 events during the period and 362 movie sessions catering to 6,870 audience members with over \$5,000 in movie money sales was taken during the period. The Waste into Art Exhibition was a collaboration with One of a Kind Opportunity Shop, and had 50 entries which was a huge resurgence from previous years. In the six months January to June 2017, 351 events were held at the Cultural Precinct. The Civic hosted 65 of these events as well as 427 movie sessions catering to 7,393 audience members with over \$6,066.00 movie money sales. 1,277 visitors were referred through the Gallery which hosted 5 exhibitions: The Non-Humans of the North West; Annabel Hoskins, Louise and Judy Baker Pots and Paints; Community Contribution - Youth Week Exhibition; June Linda Lockyer - Country Meets Coast; Community Contribution Waste into Art.
Customer Relations Communications and Lifestyle	Cultural Precinct - The Civic	3.2.7.1 Promote and develop the broad range of cultural development opportunities provided by the Cultural Precinct.	Completed	100	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. Council is also working closely with community organisations to promote events that are held at Council venues. This is aiming to increase the vibrancy of the Cultural Precinct and to increase opportunities for community and visitors to find out about cultural events and be able to attend them.
Customer Relations Communications and Lifestyle	Customer Relations	1.2.5.5 Ensure effective and efficient delivery of customer service across the organisation and to the community.	Completed	100	Monitoring of Customer Service Requests are ongoing with 1,651 customer requests recorded and actioned in the 6 months to 31 December 2016. The Infrastructure Services Directorate receive the majority of customer requests, with the Works Department, Water Services Department and Public Facilities Departments being tasked the majority of requests. Customer requests are tabled on a monthly basis and reported to Senior Management for quality control and continuous improvement purposes. The introduction of webforms have resulted in a more efficient and effective recording of customers requests/complaints by all customer service staff. Customer service pulse checks have been implemented whereby customer service staff select a number of random customer requests from every department and contact them to check on the progress of their request. There are a number of questions asked including whether they were satisfied with the service they received, and whether their reason for contacting Council has been resolved. 1,887 customer requests were recorded and actioned in the six months to June 2017.

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Customer Relations Communications and Lifestyle	Events	2.4.2.3 Coordinate and promote events and initiatives that contribute to the community and cultural amenity of the Shire.	Completed	100	Artists from neighbouring Shires have been invited to exhibit their work to increase regional awareness and promotion of the Gallery. Many people travelling from outside Gunnedah utilise accommodation providers and hospitality businesses in Gunnedah have experienced an increase in visitor stays and exploration. The "Putting the Pieces Together" exhibition, conducted in conjunction with Arts North West, was held in the Gallery with many neighbouring Shire residents, community groups and service providers visiting the project. Many community events are included on the Visit Gunnedah Calendar and Council's website and facebook platforms as well as through media channels, both print, radio and community announcements. Australia Day is one of the biggest on the cultural calendar and this year included the addition of several very popular events including the Aussie Day Bake Off. A large number of people nominated for the Australia Day Awards and accordingly there was an increase in guest numbers to the Australia Day Dinner. This year's ANZAC Day events were something out of the ordinary. On Monday 24 April, the ANZAC Working Group held a free community 'ANZAC Tribute Concert' at sunset on Pensioners Hill Lookout. The Shire Band and artists from the Gunnedah Conservatorium of Music came together to entertain the audience with music and songs from across the hundred of ANZAC tradition.
Customer Relations Communications and Lifestyle	Library	3.8.1.1 Ensure ongoing delivery of broad range of community, cultural and library services that respond to the needs of the growing Gunnedah Shire.	Completed	100	The library team recognises that libraries are no longer just 'book places' but 'people spaces', and it contributes to the social and community wellbeing by: i. Providing a wide and reliable source of information and recreational reading. ii. Providing opportunities for people to connect and interact together. iii. Providing opportunities for people to try new hobbies and skills in a friendly and supportive environment. iv. Providing access to the wider world through the public access computers. v. Having staff available to speak to groups and organisations about the library and its services. vi. Catering to the needs of all members of the community, from the very young to the elderly, with appropriate materials and programmes.
Customer Relations Communications and Lifestyle	Tourism	2.4.1.1 Ensure effective and efficient delivery of home hosting services for events held in the Shire.	Completed	100	Gunnedah Home Hosting was activated for AgQuip 2016 with representatives from 22 companies being hosted by 21 hosts over 153 bed/nights. The Home Hosting website details have been updated for 2017 and enquiries are being received for AgQuip 2017. Gunnedah Home Hosting can be readily activated should there be a requirement for additional local accommodation.
Customer Relations Communications and Lifestyle	Tourism	2.4.1.2 Ensure effective and efficient delivery of tourism services in the Gunnedah region.	Completed	100	Council's Tourism Team provides advice, support and assistance to visitors and Shire residents through the resources of the Gunnedah Visitor Information Centre. From 1 July 2016 to 31 December 2016, staff serviced 4,769 VIC visits, being almost 10% more than the previous period July to December 2015. Staff serviced 4,335 VIC visits during the six months 1 January 2017 to 30 June 2017, being a 2.5% reduction from the same period in 2016. Service delivery has been via staff interaction, the internet and collateral such as brochures and maps. Many positive comments were received in the VIC's Visitor Book.
Customer Relations Communications and Lifestyle	Tourism	2.4.1.3 Provide advice and in-kind support to community groups conducting events in a tourism capacity.	Completed	100	Council's Tourism Team provides 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: Gunnedah Show Jumping Festival; AgQuip; Chamber of Commerce Spirit of Christmas Fair; and Dog Shows. Most notably, staff provided coordination and promotional assistance for community groups conducting events as part of the 2017 Weeks of Speed Festival which this year was held over the four weekends in March. Numerous other events have been promoted on Council's website and the electronic display board. The Event Planning tool for community groups remains available on visitgunnedah.com.au and can be obtained in hard copy form. The VIC maintains information on the State Tourism Data Warehouse Database to ensure local events are promoted state wide on various websites.
Customer Relations Communications and Lifestyle	Tourism	2.4.1.4 Maintain an accredited Visitor Information Centre to ensure effective and efficient service delivery to visitors and the community.	Ongoing		The Gunnedah Visitor Information Centre is an accredited Level 2 VIC, which requires it to be opened 363 days of the year. Use of the yellow on blue 'i' logo is permitted with accredited VIC's. Monthly report of visitor statistics are provided to the Accredited Visitor Information Centre Network management company. Staff met with the new manager of the AVIC Network during his famil tour of NSW AVICs.

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Customer Relations Communications and Lifestyle	Tourism	3.11.1.1 Coordinate activities and events for the Week of Speed.	Completed	100	Preparations commenced for the 2017 Week of Speed activities and events, with the program scheduled to extend over 4 weeks. The event involved various organisations and sporting groups including: Gunnedah Motorcycle Club; Keepit Aquatic Club; Rural Museum; Lake Keepit Sailing Club; Gunnedah Blue Vale Speedway; and the Gunnedah Aeromodellers Club. 18 'speed' events were conducted over the 4 weeks with the program including: triathlon events; greyhound race meeting' NSW senior bike track championships; Rural Museum tractor trek and car, bike and ute street parade; drag racing; and speed chess. Several events were also held at Lake Keepit with activities such as the Keepit Aquatic Club come and try day and the Keepit Cup Regatta.
Customer Relations Communications and Lifestyle	Tourism	3.8.3.1 Market the Gunnedah Shire to potential tourists to encourage growth to the visitor economy.	Ongoing		Council continues to represent its tourism industry and stakeholders potential tourists through core industry boards and working groups including Country & Outback NSW Destination Network, Kamilaroi Highway Group and New England North West Tourism and is an active participant in joint marketing initiatives and trade shows. VIC staff representatives attended the Newcastle Caravan & Camping Show and will attend and interact with potential visitors at tourism related consumer shows in Sydney and Penrith. Over 20,000 copies of YONDER have been distributed across the State and locally since its launch in June. The marketing of the Gunnedah Shire remains consistent with the application of a mix of traditional, digital and direct marketing techniques. The VIC has introduced Z-Cards to promote Gunnedah and its tourist precincts. These are distributed from the VIC, motels and consumer shows. Specific street banners, eg ANZAC Day, AgQuip, are displayed to enhance the streetscape.
Customer Relations Communications and Lifestyle	Youth Services	1.1.1.1 Identify opportunities to encourage participation by youth and increase volunteer levels.	Not Started	0	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	1.6.1.1 Coordinate and manage the Gunnedah Community Scholarship Fund.	Ongoing		Preparations commenced for the 2017 Gunnedah Community Scholarship Golf Day which is scheduled by held on Sunday 15 January 2017. Council has created an account with a website that enables online scholarship applications to be lodged and collated. Applicants can log into Council's website, select the link to the Wufoo website and lodge their applications completely online. Once applications have closed, Council staff log in and download all applications for evaluation. This online process has resulted in a more efficient and effective way for students to apply for a scholarship as well as being more streamlined for Council once applications close.
Customer Relations Communications and Lifestyle	Youth Services	1.6.2.1 Identify and support opportunities for disadvantaged youth to participate in education.	Not Started	0	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 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.

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Customer Relations Communications and Lifestyle	Youth Services	3.7.1.1 Provide quality youth services that are comprehensive, responsive and empowering for young people.	Completed	100	Gunnedah Youth Services has been actively involved in community events and partnerships in order to become more approachable and better utilised by Gunnedah youth and the community as a whole. Events and partnerships during the period included: High School Well Being Day; Community Round Table Membership; Teddy Bears Picnic; Luminosity Youth Summit; NENW YDO Network; school holiday program; GYC; NAIDOC Week Committee; Every Gunnedah Child Committee; Tamworth Youth Interagency membership; Gunnedah Youth Interagency facilitation and membership; Gunnedah Community Scholarship Fund; meetings with principals and teachers at St Marys College and Gunnedah High School; and Club Creative. The theme for Youth Week 2017 was 'Be here, Be heard' and this was an opportunity for the youth of Gunnedah to express how they want to be heard in the Gunnedah community, through their chosen artistic mediums. A focus during the six months to June 2017 has been to empower youth to become a voice in the wider community. The aim is to not only involve young people, but for them to be a part of promoting and coordinating initiatives that contribute to the sense of community in the Gunnedah Shire. Events the Gunnedah Youth Club have included: Youth Run Video Project; Pop up Shop and Skate Park event, which involved the Gunnedah Youth Council making and selling their own merchandise and snacks to raise money; Winter Onesie Party, which was held at The Civic to raise funds; and a Photo Scavenger Hunt for Youth. In order to get ideas and bring them back to our community, Gunnedah Youth Council have been represented at a number of different Youth Forums including the NSW Youth Week Forum and the Ideation Conference focusing on inclusion. These events are aimed at teaching young people how to have a voice and be involved in their own community. The Youth Council has managed to forge good relationships with other Youth Councils across the State.
Customer Relations Communications and Lifestyle	Youth Services	3.7.2.1 Identify, develop and implement youth programs and activities that empower young people and encourage them to stay within the Shire.	In Progress	50	Council provides four core programs: Gunnedah Youth Council (GYC); Club Creative; the School Holiday Program; and the Gunnedah Community Scholarship Fund. We also provide support to other youth events and partner with other organisations to provide more opportunities, along with targeted opportunities. GYC has enabled members to travel outside of Gunnedah to participate in conferences and leadership opportunities at a state level. Providing support and opportunities for young people creates meaningful ties within the community and encourages them to stay within the Shire long term, as they feel their needs are being addressed.
General Manager	GM Management	1.2.4.1 Collaborate and share resources with other organisations.	Ongoing		Management continues to pursue resource sharing and shared service opportunities with neighbouring, and other regional, councils. During this period, Liverpool Plains Shire Council has determined to withdraw from the proposed sharing of resources program. Council continues to benefit from successful relationships with Northern Inland Regional Waste and various regional Weeds Committees and Advisory Groups. These groups provide opportunities to participate in tenders, funding applications and works programs in conjunction with member Councils across the region. The Namoi Joint Organisation (Namoi JO) meets monthly to review issues affecting the region, including: Murray Darling Basin; regional road network; inland rail project; Namoi Regional Investment Prospectus; emergency services levy; and the NBN. The Joint Organisation Leadership Team (JOLT) is made up of Namoi JO member Council's General Managers. JOLT aims to identify and remove roadblocks to achieving the aims of the JO and provides direction for General Managers to deploy their staff resources and make them accountable for assisting with regional initiatives. The Procurement Group of the Namoi JO commenced preparing a suite of documents to assist and encourage collaborative procurement on a regional level, where practical, in order to gain the maximum efficiencies and returns for the JO and its member Councils.
General Manager	GM Management	1.2.5.6 Ensure the existence and implementation of systems and processes to review and continually improve Council operations.	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, oversighted by the Audit Committee, also ensures a continuous improvement focus in the delivery of Council services.



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General Manager	GM Management	1.2.7.1 Identify, represent, advocate and lobby for inclusion of Gunnedah Shire's community needs within regional and state planning processes.	Ongoing		The review of the Actions and Tasks linked to the strategies identified within the CSP (Community Strategic Plan) and the required strategies by Council to deliver those outcomes has resulted in a more streamlined document that has a more defined link to the needs of the community and deliverables that are easier to measure. 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	GM Management	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.	Ongoing		Weekly meetings are held with the executive of the Gunnedah and District Chamber of Commerce and as a result, a closer relationship has been developed with a focus on encouraging development and investment in Gunnedah Shire. The Chamber is notified of Council's tenders when as they are advertised to ensure local business with the capacity to tender have an opportunity to do so. Council resolved to conduct workshops in relation to voluntary planning agreements to ensure that ongoing negotiations with mining companies result in the best possible outcome for the Gunnedah community.
General Manager	GM Management	4.6.1.1 Identify resources from government agencies to facilitate investment in renewable energy operations in partnership with Namoi Councils.	Ongoing		Namoi Councils JO continues to seek opportunities for support from other government for renewable energy operations. The Namoi JO has convened an energy and sustainability group which will identify opportunities for Councils in the New England North West Climate Adaptation Plan and how Councils can assist each other in delivering on more energy efficient technologies and funding in collaboration with member Councils. The Group will also review street lighting funding across the region.
General Manager	GoCo	3.1.1.1 Market Council's community care services.	Completed	100	Marketing and Communication Strategy 16/17 completed and included: Production and distribution of the GoCo Winter Newsletter in August and Summer Edition in December and Autumn Edition in March; Regular updates of GoCo Website; Attendance by staff at a range of events to promote GoCo; Regular media releases and advertisements; Production and distribution of GoCo marketing collateral. Set up GoCo Facebook completed February 2016. Signage on vehicles.
General Manager	GoCo - Aboriginal Elders	1.7.2.1 Ensure effective and efficient delivery of services to Aboriginal Elders.	Completed	100	The Aboriginal Elders Commonwealth Home Support Program (CHSP) Service is progressing well with outputs met for 2016/17. This program largely provides group social support including trips away, day trips to significant Aboriginal sites, weekly craft group and luncheons. There up to 12 Aboriginal Elders actively participating in this group. Service Provision reports collected and provided to funding bodies on time. Computer Software Renewal completed. 2016/17 Budget income and expenditure on target. The Annual Customer Service Satisfaction Survey completed in 3rd Quarter of 2016/17 with high level of satisfaction reported by 100% of Elders attending.
General Manager	GoCo - Community Hub	3.7.3.1 Provide quality youth services that are comprehensive, responsive and empowering for young people.	Completed	100	The GoCo Community Hub provided quality services to its target groups during 2016/17 which is evident in outputs achieved. Additional grant funds were received during 2016/17 which enabled service levels to be increased. Service Provision reports collected and delivered to funding body on time. GoCo Community Hub actual outputs exceeded 2016/17 targets. The Annual Customer Services Satisfaction Survey completed in 3rd Quarter of 2016/17. GoCo Community Hub budget income and expenditure met target for 2016/17.
General Manager	GoCo - Community Transport and Neighbour Aid	3.3.2.1 Ensure effective and efficient delivery of Neighbour Aid to eligible elderly people and young people with disabilities.	Completed	100	This program provided group and individual social support and transport to customers residing in villages across the Gunnedah Shire local government area. A recent initiative is the involvement of GoCo's Community Hub as an outreach service to these areas. Recruitment and induction of volunteers is took place in 2nd, 3rd and 4th quarters of 2016/17. Service Provision reports collected and provided on time to funding bodies. GoCo Neighbour Aid outputs met 2016/17 target. Annual Customer Services Satisfaction Survey was completed in 3rd Quarter of 2016/17. GoCo Neighbour Aid 2016/17 budget income and expenditure met 2016/17 target. Community Transport received growth funding which is being partly used for increasing service delivery in villages across the Gunnedah Shire local government area. An application for CHSP growth funds was also successful.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
General Manager	GoCo - Community Transport and Neighbour Aid	3.3.2.2 Ensure effective and efficient delivery of community transport to eligible elderly people and younger people with disabilities through the GoCo Community Transport Service.	Completed	100	This program provided group and individual social support and transport to customers residing in Gunnedah and villages across the Gunnedah Shire local government area. A recent initiative is the involvement of GoCo's Community Hub as an outreach service to these areas. New volunteers recruited and inducted in 2016/17. Service Provision reports collected and provided on time to funding bodies. GoCo Community Transport outputs met 2016/17 target. Computer Software Renewal is scheduled for later in 2016/17 subject to Transport for NSW making it available. Software not available by 30 June 2017. The Annual Customer Services Satisfaction Survey was completed 3rd Quarter of 2016/17. GoCo Community Transport budget income and expenditure met target for 2016/17. GoCo Community Transport received growth funding in 1st Quarter of 2016/17 which is being used to provide Community Transport to transport disadvantaged individuals across the Gunnedah Shire. One new vehicle renewal took place with receipt of the Mercedes Benz Sprinter modified bus in July. This bus is branded with GoCo's colours and logo.
General Manager	GoCo - Multi Service Outlet	3.2.1.1 Ensure effective and efficient delivery of Commonwealth Home Support Program (CHSP) services to eligible elderly people and younger people with disabilities in the Gunnedah Shire.	Completed	100	GoCo MSO provided individual and group social support with transport complementing these services. The recruitment and induction of new volunteers took place in 2nd, 3rd and 4th quarters of 2016/17. Service Provision reports were collected and provided to funding bodies on time. Computer software renewal completed. Annual customer service satisfaction survey was completed in 3rd Quarter of 2016/17. GoCo MSO YTD budget income and expenditure met 2016/17 target. A number of new grant funding opportunities have been pursued YTD, including: Application lodged for funds to hold Seniors Week in 2017 which was successful; Application for Commonwealth Home Support Program growth funds which was successful; \$250.00 in grant funds received for Carers Week 2016.
General Manager	GoCo Packages	3.2.1.2 Ensure effective and efficient delivery of individualised packages of support to eligible elderly people and younger people with a disability across GoCo Packages' catchment.	Completed	100	Service Provision reports for GoCo Packages were collected and delivered to funding bodies on time. GoCo Packages brokered a range of support services for customers from a panel of suppliers across 5 local government areas during the reporting period. These support services included case management, personal care, domestic assistance, respite care, social support (both group and individual), transport, assistive equipment and allied health services. The Annual Customer Services Satisfaction Survey was completed in the 3rd Quarter of 2016/17. The GoCo Packages income and expenditure was within forecasts for 2016/17. Home Care Packages were delivered in line with Consumer Directed Care requirements in 2016/17. GoCo was accredited as complying with the National Aged Care Standards by the Aged Care Quality Agency in August 2016. GoCo was successful in attracting 3 new additional HCPs and \$35k for Quality Improvement. DSP funding has decreased in line with budget projections and NDIS reforms.
General Manager	Human Resources	1.2.3.1 Talent management and succession plan developed and actioned to facilitate best practice through continuous improvement by demonstrable leadership.	Completed	100	Review of status of potential leaders has been completed and training and development plans have commenced for outdoor staff and indoor staff.
General Manager	Human Resources	1.2.6.1 Ensure effective and efficient delivery of training programs to staff, trainees and apprentices.	Ongoing		Corporate induction and on-boarding program bedded down. Australian Qualification Framework traineeships continued. A number of in-house courses have been conducted to leverage from internal capability to increase staff knowledge base and reduce cost through reliance on external service providers. Leadership training provided through Institute of Management to support principles of change management and accountability. An e-list is updated annually on our e-performance program to help staff and their leads with training selection. The Corporate Trainer continues embedding knowledge into employees to ensure accountability and compliance concerning various processes and procedures.
General Manager	Human Resources	1.2.6.2 Implement systems and processes to facilitate attraction and retention.	Ongoing		Scout e-recruitment program being utilised to provide a streamlined and user friendly platform. This has resulted in considerable cost savings in relation to advertisements and will reach a broader recruitment pool of applicants. Time to recruit reduced.

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General Manager	Human Resources	1.2.6.3 Performance Management: accountable and compliant.	Ongoing		Electronic performance system now embedded. This uses the NSW Government capability framework and provides greater focus on accountability and performance. Gunnedah Shire Council is one of only nine Councils to implement the framework in NSW and LG NSW is developing a very similar framework on the same set of capabilities.
General Manager	Human Resources	1.2.6.4 Review Workforce Labour Plan annually.	Completed	100	Critical assumptions that inform potential labour needs have been obtained from stakeholders for assessment. Other Considerations include: major works projects; changes to Labour laws; industrial landscape; and contemporary work patterns.
General Manager	Human Resources	1.2.6.5 Work, health and safety and employee wellbeing articulated into action.	Ongoing		Work Place Health surveillance continues The Employee Assistance Program continues to provide appropriate, consistent and equitable assistance and support to all employees experiencing problems and/or difficulties, by they personal or work related. Council has collaborated with Centacare New England North West to assist in sourcing solutions for problems experienced by employees, including: physical illness; alcohol and/or drug dependence; emotional problems; marriage and/or family problems; financial or legal problems; or interpersonal conflicts.
General Manager	Human Resources	1.2.6.6 Workplace culture of engaged employees.	In Progress	50	Council has implemented a number of strategies in response to its Employee Engagement initiative and wishes to evaluate any further opportunities in areas that were identified as hot buttons. Recommendations will be sought for implementation that provide for effective interventions for changing workplace culture.
General Manager	Human Resources	1.6.3.1 Opportunities explored and promoted concerning traineeships, apprenticeships and cadetships in the wider community.	Ongoing		Council has disseminated information concerning traineeships through Gunnedah and District Chamber of Commerce and continues to engage trainees in its work force.
General Manager	Human Resources	1.6.4.1 Evaluate and promote opportunities for trainees in Council.	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	Saleyards	1.2.5.9 Ensure safe, effective and efficient operation of the Gunnedah Regional Saleyards.	Completed	100	All systems running well. No safety incidents.
General Manager	Saleyards	1.2.8.5 Ensure financially sustainable operation of the Gunnedah Regional Saleyards.	Completed	100	revised numbers from april budget review came in very close to budget. dividend paid to council and small money into reserve Numbers are running behind due to weather and prices. Will have better idea when come to April quarterly budget review.
Infrastructure Services	Administration Buildings	2.2.1.1 Review and update Capital Works Programs - Administration Buildings.	In Progress	80	Internal painting completed Replacement of unserviceable air conditioners 80% completed Quotations for carpet replacement are being reviewed
Infrastructure Services	Administration Buildings	4.8.3.1 Provide systems and processes to identify opportunities to reduce the energy consumption of the organisation.	Ongoing		Energy audit completed on Council key buildings, Solar installed with high energy use assets Solar systems have been serviced to ensure they are operating at capacity and effective Reviewing energy efficient lighting options for Administration building Replacement program in place for aging unserviceable & high energy use air conditioning units, with more energy efficient systems
Infrastructure Services	Airport	2.2.1.2 Ongoing maintenance and reseal Runway 11-29.	Completed	100	Main run way completely resealed and reline marked with miner defects rectified before seal under taken
Infrastructure Services	Airport	2.2.1.3 Review and update Airport Capital Works Program.	Ongoing		Capital Works Program consistent with Asset Management Plan, works under taken as per program
Infrastructure Services	Airport	2.3.4.1 Creation and implementation of Airport Master Plan.	Ongoing		Negotiations have been under taken with area club, for the implementation of the master plan
Infrastructure Services	Assets	2.2.4.1 Coordinate asset revaluation programs.	In Progress	90	Revaluations have been received and are currently being input into the asset management system ready for revaluations.

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Infrastructure Services	Assets	2.2.4.2 Review and update Asset Management Plans across the organisation.	In Progress	95	Currently awaiting updates from asset managers for technical briefs.
Infrastructure Services	Bridges	2.2.1.4 Ongoing maintenance of bridges and culverts across the Shire.	Completed	100	Various culverts throughout the Shire repaired for separation whilst council received a grant for a level 2 and 3 assessment to be under taken, provide council with a maintenance estimate whilst ensuring that they are safe for HML loads
Infrastructure Services	Bridges	2.2.1.5 Review and update Bridges Capital Works Program.	In Progress	30	Simpson bridge is under construction in early August with the completion scheduled for the end of November 2017
Infrastructure Services	Bus Shelters	2.2.1.6 Ongoing maintenance of bus shelters across the Shire.	Completed	100	A bus shelter at Curlewis required Glass replaced with mesh, and the bus shelter in Conadilly street required Perspex replacement due to Vandals
Infrastructure Services	Car Parks	2.2.1.7 Ongoing maintenance and upgrade of car parks within the Shire.	Completed	100	Maintenance under taking as required, at which included removal of some dead trees
Infrastructure Services	Car Parks	2.2.1.8 Review and update Car Parks Capital Works Program. Capital plan updated and car park shortage has been identified, council will be looking at a solution going forward	Completed	100	No carpark capital works for carparks identified in the 2016/17 year. However it has been identified that going forward there may be a shortage of parking
Infrastructure Services	Caravan Parks and Camping Grounds	2.4.7.1 Ensure ongoing access for caravans and recreational vehicles to South Street Caravan Park.	Ongoing		South Street caravan park is currently under Licence to the Gunnedah & District Kennel Club, Council engages with the organisation to maintain standards and access to all Caravans and Recreational vehicles under the Licence agreement terms
Infrastructure Services	Cemeteries	2.2.5.2 Provide timely burial service for the Gunnedah Memorial Park Cemetery, Hunter Street Cemetery and Villages.	Ongoing		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
Infrastructure Services	Cemeteries	2.2.5.3 Review and update Maintenance Programs - Cemeteries, across the Shire.	Ongoing		Ongoing process of review dependant on seasonal and burial requirements. Maintenance schedules are displayed in advance for the communities information at the entrance to the Memorial Park Cemetery. Village cemeteries are maintained through Progress Associations and or Contractual services
Infrastructure Services	Commercial Properties	2.2.1.10 Review and update Capital Works Programs - Commercial Properties.	Completed	100	Town hall upgrade for lease requirements completed
Infrastructure Services	Commercial Properties	2.2.1.9 Ongoing maintenance and repairs of Council's building assets (commercial properties) to meet operational standards.	Ongoing		Councils commercial property maintenance & repairs schedules are based on regular inspections along with engaging cyclic, reactive, historical and planned processes
Infrastructure Services	Commercial Properties	4.8.3.2 Provide systems and processes to identify opportunities to reduce the energy consumption of the organisation.	Ongoing		Energy audit completed on Council key buildings, Solar installed with high energy use assets Solar systems have been serviced to ensure they are operating at capacity and effective Reviewing energy efficient lighting options for Administration building Replacement program in place for aging unserviceable & high energy use air conditioning units, with more energy efficient systems
Infrastructure Services	Community Housing	2.2.1.11 Ongoing maintenance and repairs of Council's building assets (community housing) to meet operational standards.	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
Infrastructure Services	Community Housing	2.2.1.12 Review and update Capital Works Programs - Community Housing.	Completed	100	No capital works identified for the 2016/17 financial year
Infrastructure Services	Depot	2.2.1.13 Ensure effective and efficient operation of the Depot Facility.	Ongoing		Depot secure and accessible for all users.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Infrastructure Services	Depot	2.2.1.14 Review and update Depot Capital Works Program.	Completed	100	Capital works completed for 16/17 year. Capital program included a Concrete slab in front of welding bay for unloading of plant. Pavement rebuilding in front and back of workshop in conjunction with resealing the high trafficable areas
Infrastructure Services	Design	2.2.1.15 Undertake survey and design work.	Completed	100	Survey and Design works undertaken in line with works programs.
Infrastructure Services	Design	2.2.5.4 Creation and implementation of traffic studies to improve the safety of the community.	Completed	100	Ongoing Traffic Counter Program
Infrastructure Services	Emergency Services and Fire Control	3.2.5.1 Ensuring that appropriate access for emergency services is available across the Shire.	Ongoing		As 2.3.3.1 with respect to second road over rail bridge construction.
Infrastructure Services	Emergency Services and Fire Control	4.2.4.1 Review and update the DISPLAN annually, including sub-plans for bushfires, wildfires, evacuation procedures, floods and aerodrome.	Ongoing		Sub-plans for flood updated April 2014. Bushfire Risk Management Plan updated August 2015 prior to fire season. Aerodrome Emergency Plan to be updated June 2016. DISPLAN contacts updated every four months.
Infrastructure Services	Footpaths and Bike Tracks	2.2.1.16 Ongoing maintenance and upgrade of footpaths and bike tracks across the Shire.	Completed	100	A number of footpath trip hazards/defects were identified at which required remediation including Conadilly street, Barber, and Bloomfield
Infrastructure Services	Footpaths and Bike Tracks	2.2.1.17 Works program updated however the highlight for Gunnedah was the adoption of the Pedestrian Access Mobility Plan know as the PAMP and Cycleway plan.	Completed	100	A review of the pedestrian access mobility plan has been completed with a number of Pram ramps identified at which don't meet standard
Infrastructure Services	GIS/LIS	1.2.10.4 Ensure effective and efficient delivery of geographical information services across Council and to the community.	Completed	100	GIS position has been filled and we are currently reviewing the GIS applications used throughout Council.
Infrastructure Services	Halls and Centres	3.9.1.2 Ongoing maintenance and repairs of Council's building assets (halls and centres) to meet operational standards.	Ongoing		Councils Halls and centres maintenance & repairs schedules are based on regular inspections along with engaging cyclic, reactive, historical and planned processes. Emerald Hill Hall stage 2 works completed. Town Hall upgrade for lease requirements completed
Infrastructure Services	Halls and Centres	3.9.1.3 Review and update Capital Works Programs - Halls and Centres.	Completed	100	Town Hall upgrade for lease requirements completed
Infrastructure Services	Infrastructure Management	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.	Ongoing		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	Infrastructure Management	2.3.3.2 Identify strategies to maintain long term infrastructure.	Ongoing		Continuing to work with RMS to construct the second road over rail bridge.
Infrastructure Services	Kerb and Gutter	2.2.1.18 Ongoing maintenance and upgrade of kerbs and gutters across the Shire.	Completed	100	Ongoing maintenance undertaken in various locations within the urban area, including: Links Road, Johnson Street, Barber Street and Gallen Avenue. Additional areas identified for 17/18 budget including the intersection of Elgin and Barber



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Infrastructure Services	Kerb and Gutter	2.2.1.19 Review and update Kerb and Gutter Capital Works Program. Capital works reviewed and updated for 2017/18 year	Completed	100	Capital works completed for 16/17 year including Went worth, Bloomfield, Little Barber and Elgin street
Infrastructure Services	Noxious Weeds	4.2.1.1 Provide systems and processes to ensure compliance with noxious weeds legislation and standards.	Not Started	0	Continued aerial weed inspection and personal follow up on known outbreaks.
Infrastructure Services	Noxious Weeds	4.2.2.1 Identify and provide noxious weed spraying services to the community.	Not Started	0	Continued education programs including Ag-Quip, Keepit Dam, etc.
Infrastructure Services	Parks and Gardens	2.2.5.5 Investigate and pursue opportunities for increased usage of Open Spaces (parks and gardens) throughout the Shire.	Ongoing		A playground equipment 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.
Infrastructure Services	Parks and Gardens	2.2.5.6 Provide systems and processes to manage Council and crown land leases and licenses.	Ongoing		Council maintains a lease/Licence/facility agreement portfolio with various Clients/organisations, these agreements are managed for currency and reviewed/inspected regularly to ensure compliance
Infrastructure Services	Parks and Gardens	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.	Ongoing		An outdoor gym equipment installation program has been 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	Parks and Gardens	3.4.1.1 Collaborate with Village progress associations to ensure effective and efficient delivery of maintenance of the Village open spaces.	Ongoing		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 service delivery through regular inspections and consultation with the Progress Associations. Council also engages contractual services for villages that do not have active Progress Associations
Infrastructure Services	Parks and Gardens	4.9.4.1 Implementation of Street Tree Strategy.	Ongoing		Stage two of the Street tree strategy has commenced with the removal of the trees in the footpaths along Conadilly Street between Rosemary street and Blackjack creek Trees will be planted in the Street corridor in the cooler months
Infrastructure Services	Parks and Gardens	4.9.4.2 Review and update Maintenance Programs - Parks and Gardens across the Shire.	Ongoing		This is an ongoing process, maintenance programs are reviewed constantly and amended as required based on seasonal aspects, environmental considerations and communities usage and requirements.
Infrastructure Services	Private Works	2.2.7.1 Creation and implementation of private works program.	Completed	100	Various grading jobs throughout the Shire for private land holders, primarily road grading.
Infrastructure Services	Quarry Operations	2.2.1.22 Ongoing maintenance of Council's quarries.	In Progress	80	Test provided council with verification that Rank mores has a high quality gavel source to which council is currently under taken a DA to extract material for its local network
Infrastructure Services	Regional Roads	2.2.1.23 Ongoing maintenance of Regional Roads.	Completed	100	Council has been under taken a trial whilst estimating and comparing the utilising grader, water cart, and roller on the unsealed network. Council has received positive results from the local residents at which will be carried onto a regional network. Investigation have already been arrange in 17/18 for pavement material testing on Grain valley for future works.
Infrastructure Services	Rural Sealed Roads	2.2.1.24 Ongoing maintenance of pavement reconstruction programs across the Shire.	Completed	100	Maintenance under taken as required, however due to the extra warmer months the rural network required extra road side slashing

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Infrastructure Services	Rural Sealed Roads	2.2.1.25 Ongoing maintenance of Rural Sealed Roads.	Completed	100	Capital works program has successfully been completed for 16/17, including Wandobah, Kelvin, Goolhi, and Quia
Infrastructure Services	Rural Sealed Roads	2.2.1.26 Review and update Rural Sealed Roads Capital Works Program.	In Progress	50	The capital works program for the reporting period included shoulder widening and pavement renewal on various roads, such as Blue Vale Road, Black Stump Way, Kelvin Road and Goolhi Road.
Infrastructure Services	Rural Unsealed Roads	2.2.1.34 Ongoing maintenance of Rural Unsealed Roads.	Ongoing		Trials have been undertaken for the past couple of months with the change of practice utilising Grader, roller, and water cart, at which council has received positive results from all stakeholders. Going forward council will be implementing grader, roller, and water cart on the main Arterial roads including Pullaming, Clifton, Normans, Kelvin, Mystery just to name a few
Infrastructure Services	Sewer Services	2.2.2.2 Creation and implementation of upgrade works for improvement of infrastructure and increased capacity for Sewage Treatment Works.	In Progress	40	Construction of STP upgrade in progress. Significant concrete structures completed and main contractor is scheduled for completion in December 2017
Infrastructure Services	Sewer Services	2.2.2.3 Ensure effective and efficient delivery of sewerage services across the Shire.	Ongoing		On going maintenance and repairs undertaken as required. Regular inspections completed in-line with EPA requirements
Infrastructure Services	Sewer Services	2.2.2.4 Review and update Sewer Capital Works Programs.	Ongoing		Sewer main relining program commenced with new lines being investigated and previous relined junctions surveyed. Major junction dig ups are planned.
Infrastructure Services	Sporting Grounds	1.7.6.1 Creation and implementation of the Gunnedah Racecourse Master Plan.	Completed	100	Racecourse Master Plan is completed
Infrastructure Services	Sporting Grounds	2.2.5.8 Investigate and pursue opportunities for increased usage of open spaces (sporting grounds) throughout the Shire.	Ongoing		Consultation with sporting organisations in respect to their requirements has been undertaken & will be an ongoing process. Sporting facilities are being improved in conjunction with the Riverine Precinct Project to cater for sporting events.
Infrastructure Services	Sporting Grounds	3.6.2.1 Review and update Capital Works Program - Sporting Grounds.	In Progress	90	Construction of a three turfed Cricket wicket table at Namoi Playing fields has been completed. Riverine sporting precinct project completed Riverine road works 90% completed, drainage culvert on the corner of Maitland & Rosemary Streets required
Infrastructure Services	Sporting Grounds	4.9.4.3 Review and update Maintenance Programs - Sporting Grounds across the Shire.	Ongoing		This is an ongoing process, maintenance programs are reviewed constantly and amended as required based on seasonal aspects, environmental considerations, communities usage and sporting organisations requirements.
Infrastructure Services	State Roads	2.2.1.27 Review and complete Roads Maintenance Council Contract (RMCC - Roads and Maritime Services) Maintenance Program.	Completed	100	Council has had a extensive year with RMS, Completing Wilkinson road, Western and Easter overtaking, Bar at Mullaley, Heavy Patching and resealing programs for the RMS
Infrastructure Services	Stormwater Drainage	2.2.1.28 Ongoing maintenance and upgrade of stormwater infrastructure in the Shire.	Completed	100	Gross pollutant traps have been cleaned, whilst various gull pits required cleaning and repairing
Infrastructure Services	Stormwater Drainage	2.2.1.29 Review and update Stormwater Capital Works Program.	In Progress	60	Links road stormwater is currently being constructed with 7 new 2.4 lintels, and 4 new 1.8 lintels to enhance the catchment into George street
Infrastructure Services	Stormwater Drainage	4.4.4.1 Creation and implementation of Stormwater Education Program.	Completed	100	Ongoing works with Council's stormwater infrastructure are undertaken on a regular basis.
Infrastructure Services	Stormwater Drainage	4.4.4.2 Provide systems and processes to identify opportunities to harvest stormwater runoff.	Ongoing		Review of potential methods of reducing stormwater volumes, flows and runoff frequencies is ongoing.

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Infrastructure Services	Stormwater Drainage	4.4.6.1 Ongoing maintenance of gross pollutant traps across the Shire.	Completed	100	The four gross pollutant traps are inspected and cleaned on a regular basis throughout the year
Infrastructure Services	Street Cleaning	2.2.1.30 Ongoing maintenance and cleaning of streets across the Shire.	Completed	100	Street cleaning program has been implemented to enhance the pavers within the main street at which Crewing Gum and high pressure cleaning will take place before agquip
Infrastructure Services	Street Lighting	4.8.3.3 Identify opportunities to reduce costs to deliver efficient and effective lighting to streets across the Shire.	Completed	100	Expansion of councils light has called for a lighting design to be upgraded on the corner of hunter and Rodney
Infrastructure Services	Swimming Pools	2.2.1.31 Ensure effective and efficient swimming pool complex is available to the community.	Ongoing		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.
Infrastructure Services	Urban Streets	2.2.1.32 Ongoing maintenance of Urban Streets.	Completed	100	Maintenance as and when required.
Infrastructure Services	Urban Streets	2.2.1.33 Review and update Urban Streets C	Completed	100	Completion of Councils renewal program for the current urban years budget was a major achievement for all of Council at which included Links road, another block in Bloomfield street, changing Chandos back 2 way Hunter and Rodney street round about( black spot funded)
Infrastructure Services	Urban Streets	2.2.6.1 Ongoing review and maintenance of urban streets to ensure car, bicycle and pedestrian safety.	Completed	100	Linemarking undertaken to refresh pedestrian access in Conadilly Street and Stock Road and several trees were trimmed in Conadilly Street to ensure sign visibility whilst minor defects repaired through out the urban network
Infrastructure Services	Water Services	2.2.3.1 Ensure effective and efficient delivery of water services across the Shire.	Ongoing		On going maintenance and repairs undertaken as required. Regular inspections completed in-line with Water NSW requirements
Infrastructure Services	Water Services	2.2.3.2 Implementation of Water Quality Assurance Framework in accordance with the Public Health Act.	Ongoing		Water Quality Management System implemented inline with quality assurance plan.
Infrastructure Services	Water Services	2.2.3.3 Main replacement program for Gunnedah Water Services (CAPITAL).	Ongoing		Water main replacement program in progress. Main replacements in 2016/17 include Hopedale Avenue, Barber St, Little Bloomfield St, Conadilly St, Beulah St and McDonaugh Place. Water main extension was completed in O'Neill Rd.
Infrastructure Services	Water Services	2.2.3.4 Review and update Water Capital Works Programs.	Ongoing		Program updated regularly
Infrastructure Services	Water Services	4.4.3.1 Collaborate with Save Water Alliance delivering educational strategies on water consumption reduction.	Ongoing		Undertaking joint water education and conservation program through new provider with Namoi Water alliance.
Infrastructure Services	Water Services	4.4.5.1 Implement strategies to ensure permanent water allocation retained.	Ongoing		On going discussions with DPI-Water to insure water allocation remains.
Planning and Environmental Services	Animal Control	4.3.2.1 Administer the Companion Animals legislation across the Shire.	Completed	100	As a result of administering Companion Animals legislation across the Shire 288 dogs and 68 cats were processed through the pound between 1 July 2016 and 30 June 2017. Of the animals processed, 62 dogs and 2 cats were rehomed, with a further 77 dogs released to their owners.

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Planning and Environmental Services	Building Control	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.	Completed	100	All applications for Swimming Pool Barrier Compliance Certificates were processed in accordance with the Swimming Pools Act 1992 and the Swimming Pools Regulation 2008. Key staff undertook additional training which focused on interpretation of the Swimming Pool Act, the Swimming Pool Regulations and associated Australian Standards. Inspections of swimming pool barriers were also undertaken in accordance with the Gunnedah Shire Council Swimming Pool Barrier Inspection Program.
Planning and Environmental Services	Building Control	4.8.1.1 Assess and process construction certificate applications in accordance with legislation and the Building Code of Australia.	Completed	100	Construction certificate applications were assessed and processed in accordance with the Environmental Planning and Assessment Act, the Environmental Planning and Assessment Regulation and the Building Code of Australia. Assessment templates have been developed to assist in assessing Construction Certificate applications against the relevant parts of the Building Code of Australia and associated Australian Standards. Key staff have undertaken professional training to ensure that they are informed/educated in changes to the Building Codes and Australian Standards.
Planning and Environmental Services	Building Control	4.8.2.1 Provision of advice and guidance on legislative compliance for the construction of dwellings and commercial/industrial buildings to applicants.	Ongoing		Pre-lodgement advice relating to compliance with relevant pieces of legislation has been provided to applicants of residential, commercial and industrial developments. This advice was delivered at 'face to face' meetings and by reviewing preliminary plans, details and specifications submitted to Council. This initiative has resulted in complex constructive certificates being able to be processed in shorter timeframes and without the need for amended or additional information to be provided.
Planning and Environmental Services	Community and Social Planning	1.1.2.1 Celebrate volunteers and role models in our community.	Ongoing		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.
Planning and Environmental Services	Community and Social Planning	1.1.3.1 Identify opportunities to support and build capacity of local community groups and organisations to enhance service delivery.	Ongoing		Utilise opportunities to network and shared resources sharing opportunities in relation to service delivery. Ongoing support of local events to raise awareness of social issues. Ongoing liaison with and participation at village hall committees and progress association meetings. Connections to grant funding opportunities and support for grant writing. Participated in strategic planning workshops to identify gaps in services.
Planning and Environmental Services	Community and Social Planning	1.1.4.1 Collaborate with Progress Associations and Hall Committees to enhance access opportunities for the residents.	Ongoing		Maintaining contact with Village Halls and Progress Associations to increase participation in local and regional events. Connect committees with opportunities such as Section 356 Community grants, with the Section 356 Policy to facilitate greater access and equity.
Planning and Environmental Services	Community and Social Planning	1.7.6.2 Encourage and support community action groups and progress associations.	Ongoing		Liaison with village hall committees and progress associations ongoing, with strong level of engagement. Support and attend meetings to provide information and linkages to grant opportunities and provide practical support for grant writing. Council staff work with groups to encourage access to insurance support initiative of Council seeking to clarify terms of the Licence Agreements and facilitates options for smaller committees.
Planning and Environmental Services	Community and Social Planning	2.1.6.1 Promote the Gunnedah Shire as a liveable community.	Ongoing		An extensive engagement process was completed involving over 340 residents in order to develop the Disability Inclusion Plan by 30 June 2017. Numerous projects were initiated including the Postcards to the Mayor – connecting Children to Council art initiative, community workshops, community cafes, surveys and face to face discussion. A survey in relation to the proposed Inclusive Playground was undertaken with 119 respondents. The Inclusive Playground Working Group considered a detailed report and consultant design brief to facilitate action of development of the Inclusive Playground Concept Plan. Ongoing liaison with community groups to build their capacity to deliver events which enhance social connectedness to the community and foster sense of place. The Crime Prevention Plan focuses on delivery of community safety initiatives and Report submitted to reconvene defunct Access Working Group which now meets bi-monthly to foster and facilitate inclusion activities. Initiated the Disability Parking awareness event in Conadilly Street and lobbied Council for increased focus on disability parking enforcement.

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Planning and Environmental Services	Community and Social Planning	3.10.5.1 Advocate and administer grant funding to support community and cultural activities across the Shire.	Ongoing		Provide ongoing linkages to community and sporting groups and in particular village hall committees and progress associations. Several grant applications were prepared and submitted, including: Gallery Revitalisation Project, Wolesey Park Safety Enhancement and Reactivation Project, Gunnedah Shire Tree Change to Fill Skills Shortage Project and two Expressions of Interest on behalf of Council.
Planning and Environmental Services	Community and Social Planning	3.11.2.1 Identify opportunities to partner with Aboriginal organisations and the community to recognise and retain Aboriginal heritage and culture.	Ongoing		Participation and support of NAIDOC Week event and 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. A draft Welcome to Country and Acknowledgement of Country Policy have been developed, with a Councillor Workshop conducted in 2017. Commenced Cultural Plan activities.
Planning and Environmental Services	Community and Social Planning	3.12.2.1 Administer financial assistance to community and sporting groups with Section 356 Community and Sports Small Grants Program.	Completed	100	The 2016/17 Section 356 grant funds were disseminated in August 2016, with 7 sports grant applications received. Five were successful with \$15,300 allocated. 15 community grant applications were received with 9 successful and \$18,698.40 allocated. The Section 356 Policy was reviewed to facilitate greater access and equity.
Planning and Environmental Services	Community and Social Planning	3.2.3.1 Advocate for delivery of health services to the community.	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. Lobbying and advocacy provided through the development of Disability Inclusion Action Plan 2017-21 and delivery of Crime Prevention Plan actions. Supported community events through attendance at Domestic and Family Violence Action Group meetings, Community Roundtable, NAIDOC meetings. Initiated the Shoes on Kitchener Park domestic violence awareness event with the support of the Domestic and Family Violence Action Group.
Planning and Environmental Services	Community and Social Planning	3.3.3.1 Continue to participate in forums and initiatives aimed at supporting the low socio economic members of the community.	Ongoing		Participation and promotion of Council initiatives is ongoing via interagency meetings such as community roundtable and social media.
Planning and Environmental Services	Community and Social Planning	3.6.1.1 Undertake a review of Alcohol Free Zones within the Gunnedah Shire.	Completed	100	The designated zones have been reinstated for another four year term, with two new areas of coverage included. Some signage has been renewed.
Planning and Environmental Services	Community and Social Planning	3.6.4.1 Identify and develop opportunities that reduce crime and enhance community safety throughout the Shire.	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. Reports considered by the Working Group were provided to enhance community safety knowledge ie Sharps, domestic violence, CCTV. A CCTV walking tour was initiated with local Police, Working Group members and Councillors to map and review existing locations. Preparation of a report to develop a CBD CCTV Strategy commenced. Currently implementing Eastern CBD CCTV Stage 3 project. Monitored ongoing implementation of the actions within the Crime Prevention Plan 2014-2017 across Council with a review to be commenced in July 2017. The Safer by Design safety audit was conducted by the Working Group at Wolesey Park to support a grant submitted under the Safer Communities Fund.
Planning and Environmental Services	Community and Social Planning	3.8.2.2 Identify opportunities to develop multi cultural resources that promote access and increase knowledge.	Ongoing		The Disability Inclusion Action Plan was developed over a 3 month period and identified actions to facilitate multicultural, bilingual and access focused resources and adherence to WCAG(2) guidelines in the printing and development of marketing and event collateral. An Accessible Events Policy has been developed and will identify gaps in web resources and the development of an Accessible Contents Policy to set a standard across Council for publications has been proposed.
Planning and Environmental Services	Community and Social Planning	3.9.1.1 Participate in Village community group meetings to communicate available services across the Shire.	Ongoing		Liaison with and participation at village hall committees and progress association meeting is ongoing, with a strong rapport developed with Council staff.

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Planning and Environmental Services	Development and Planning	1.2.2.1 Assess and process development proposals in accordance with the Environmental Planning and Assessment Act.	Ongoing		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.
Planning and Environmental Services	Development and Planning	1.2.2.2 Implement Open Space Strategy initiatives.	Ongoing		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	1.2.2.3 Ongoing implementation of floodplain management strategies into the development application assessment process.	Ongoing		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	1.4.1.1 Identify funding opportunities for local services and facilities through developer contributions, voluntary planning agreements and lobbying government agencies.	Ongoing		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	1.8.3.1 Identify educational requirements through submission on major development proposals.	Ongoing		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.
Planning and Environmental Services	Development and Planning	2.2.8.1 Implement Council's Section 94A Contributions Plan where applicable.	Ongoing		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	Development and Planning	2.3.3.1 Ongoing liaison with rail and government agencies in relation to State Government approved major projects impacting rail infrastructure.	Ongoing		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	Development and Planning	2.5.2.1 Review Development Control Plan provisions.	Ongoing		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	Development and Planning	3.3.3.2 Consideration of affordable housing during the development review of strategies and plans.	Ongoing		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	3.3.4.1 Encourage development incorporating residential blocks to attract new residents to the Shire.	Ongoing		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	Development and Planning	3.6.3.1 Enforce Safer by Design principles in development applications.	Ongoing		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	Development and Planning	4.1.1.1 Identify and promote reductions in energy and water consumption for new developments across the Shire through BASIX.	Ongoing		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	Development and Planning	4.1.2.1 Implement Council's Development Control Plan with regard to provisions and location of open space areas.	Ongoing		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.



Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Planning and Environmental Services	Development and Planning	4.1.3.1 Consideration of inclusion of suitable koala habitat during assessment of major developments.	Ongoing		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.
Planning and Environmental Services	Development and Planning	4.2.3.1 Identify and promote legislative rehabilitation requirements for new developments across the Shire.	Ongoing		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	Development and Planning	4.3.2.2 Review legislation to facilitate identification of threatened species and the implementation of provisions for their protection.	Ongoing		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	Development and Planning	4.4.1.1 Support the Catchment Management Action Plan strategies.	Ongoing		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	4.4.2.1 Collaborate with Government Agencies to implement catchment management strategies across the region.	Ongoing		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	4.5.2.1 Implement protection measures in respect of European heritage and items of Aboriginal significance.	Ongoing		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	Development and Planning	4.9.1.1 Implement Council's Development Control Plan with regard to streetscape consistency across the Shire.	Ongoing		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	Development and Planning	4.9.2.1 Encourage appropriate development of items of heritage significance.	Ongoing		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	Development and Planning	4.9.3.1 Implement the provisions of the Local Environmental Plan 2012.	Ongoing		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	Domestic Waste Management	4.7.1.1 Ensure effective and efficient delivery of recycling services across the Shire.	Completed	100	Recycling services have been delivered across the Shire in accordance with the existing contractual arrangements in place with the service providers. A number of meetings have been held with service providers where Council has provided feedback on issues relating to the effective delivery of recycling services (collection and processing of yellow and green kerbside bins).
Planning and Environmental Services	Domestic Waste Management	4.7.2.1 Investigate strategies to increase the amount of waste recycled by households and industry in the Shire.	Ongoing		As part of the Northern Inland Regional Waste Group (NIRW), Gunnedah Shire Council has investigated strategies to increase the amount of waste recycled by households. Projects delivered included: audits of the amount of recyclable materials disposed of in the kerbside red bins – the result of these audits has led to improvements to kerbside recycling performance; education initiatives such as television advertisements informing the public of the types of waste that can be processed at the Gunnedah Community Recycling Centre.
Planning and Environmental Services	Domestic Waste Management	4.7.3.1 Investigate strategies to reduce waste produced by households and industry in the Shire.	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 proposed by NIRW to achieve this include: promote reuse of discarded products; promote home composting and guide the community in reducing waste.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Planning and Environmental Services	Domestic Waste Management	4.7.4.1 Provide systems and processes to manage the future waste management services across the Shire.	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; provisioning for closure and remediation of the Gunnedah landfill. The Final Closure Plan for the Gunnedah Landfill is currently being prepared and will be completed in the 2017/18 Financial Year.
Planning and Environmental Services	Economic Development	2.1.4.2 Identify opportunities to advocate our local interests with local community groups and organisations and the State and Federal Government on issues such as planning and development, the provision of services and facilities.	Ongoing		Meetings attended when requested. Interaction with villages has been formalised with Council's Community and Social Planner being the main point of contact. Disability Inclusion Action Plan developed and adopted. Numerous grants for community projects applied for. Access Working Group reformed to advocate for people with access issues. Inclusive Playground Project Master plan prepared in draft format with adoption from Council expected early in the 17/18 financial year.
Planning and Environmental Services	Economic Development	2.1.5.1 Ensure a diversified economy by supporting existing industry and encouraging new industry to the Shire.	Ongoing		Monthly meetings with the Gunnedah and District Chamber of Commerce and Industry are held to discuss attraction of business to Gunnedah. Council has collaborated with the Chamber to develop an Investment Prospectus that has been translated into the Mandarin, Japanese and Korean languages. Trade and Investment Mission to China held in March 2017 which has led to significant interest. Leads have been followed up. Several return delegations have been received.
Planning and Environmental Services	Economic Development	2.1.8.1 Identify new business opportunities and assist in the expansion of existing businesses in the Shire by providing incentives through the Business Partner Program.	Completed	100	All Business Partner Program applications have been assessed, determined and acquitted. Council, in association with the Gunnedah and District Business and Industry Chamber have reviewed and augmented the Program Guidelines. Council approved an increase in the allocation to \$40,000 for the new financial year.
Planning and Environmental Services	Economic Development	2.1.9.1 Support Gunnedah and District Chamber of Commerce.	Ongoing		Council staff and Mayor meet with the Chamber on a monthly basis throughout the year. Council was the Major Sponsor of the Chamber's Spirit of Christmas Event and provided logistical and administrative support to its development and delivery.
Planning and Environmental Services	Economic Development	2.4.3.1 Identify potential partners to enhance access to and delivery of telecommunications activities across the Shire.	Ongoing		Meetings attended upon invitation.
Planning and Environmental Services	Economic Development	2.4.5.1 Identify opportunities to attract economic, sporting and cultural events to the area.	Ongoing		This is occurring on an ongoing basis.
Planning and Environmental Services	Economic Development	2.5.1.1 Review and provide updated business and organisation's details via range of promotional activities.	Ongoing		Planning is underway to develop a smart device app that will link with Council's system. It is hoped that this will also include a business directory that can be updated by businesses while providing unprecedented access to information for consumers.
Planning and Environmental Services	Economic Development	2.5.3.1 Creation and implementation of strategies to facilitate and market economic growth in the Shire.	Ongoing		The Gunnedah Shire Economic Development Strategy provides the framework and directions for economic development within the Shire, and investigations commenced in relation to the implementation of the actions within the Strategy. A Manager Economic Development has been appointed and has commenced duties. A temporary Chinese Liaison Officer has also been appointed to further Sister City, as well as trade and investment negotiations.
Planning and Environmental Services	Economic Development	2.5.5.1 Coordinate and promote effective and sustainable community development and cultural programs and assist community organisations to build capacity.	Ongoing		This is occurring on an ongoing basis in association with Council's Lifestyle team. Back to Business Week breakfast held with 235 local businesses. Keynote address by Linda Mailey with the event building on business capacity of attendees.
Planning and Environmental Services	Environmental Management	1.2.2.4 Investigate environmental and natural resource management programs.	Ongoing		Ongoing investigation of available programs for environmental and natural resource management is being undertaken. No environmental and natural resource management programs have been determined.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Planning and Environmental Services	Environmental Management	4.3.1.1 Investigate funding opportunities with Government Agencies for additional habitat construction.	Ongoing		Funding opportunities are being investigated when presented. However, no additional opportunities have been taken up to date.
Planning and Environmental Services	Environmental Management	4.3.3.1 Creation and implementation of strategies to sustain the koala population across the Shire.	Ongoing		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	Environmental Management	4.5.1.1 Creation and implementation of the Blackjack Creek Riparian Corridor/Channel Reconstruction project.	Ongoing		Blackjack Creek Riparian Corridor and Channel Reconstruction project is being undertaken in accordance with the approved work plan. Council has completed Milestones 1-4 of the work plan.
Planning and Environmental Services	Parking Control	2.3.1.1 Regulate parking control in the Gunnedah Central Business District.	Completed	100	Parking control was regulated primarily throughout the Gunnedah CBD. Particular focus was placed on regulating disabled car parking spaces and school bus zones. An audit was also undertaken of all parking signs and associated line marking on road pavements. As a result of the audit, additional signs and replacement signs will be installed this financial year.
Planning and Environmental Services	Planning and Environmental Services Management	1.4.1.2 Represent Council on regional and strategic planning matters through consultation with Government agencies.	Ongoing		Liaison with NSW Department of Premier and Cabinet into proposed Regional Economic Development Strategies. Liaison with LGNSW in relation to topical matters upon request. The Draft New England North West Regional Plan was exhibited early in 2017, and provides a holistic approach to land, environmental, water and natural resource management, through an overarching framework to guide development and investment in the New England North West. Council submitted an extensive submission in relation to the draft Plan, particularly highlighting that the document largely focused on Armidale and Tamworth.
Planning and Environmental Services	Planning and Environmental Services Management	2.1.4.1 Support business and economic development organisations across the Shire.	Ongoing		Meetings attended upon request. Manager of Economic Development appointed. Business Partner Program reviewed, augmented and funding bolstered. Monthly meeting held with Gunnedah and District Chamber of Commerce and Industry. Investment and trade leads from China Delegation followed up. Council provided both financial and in-kind support to the 2016 Chamber Spirit of Christmas Fair.
Planning and Environmental Services	Planning and Environmental Services Management	2.2.1.20 Oversee the swimming pool complex renewal project.	Not Started	0	Concept design finalised and adopted with architectural consultants progressing to complete development application documentation for lodgement.
Planning and Environmental Services	Planning and Environmental Services Management	2.5.5.2 Support economic development within Gunnedah Shire.	Ongoing		Support is ongoing in numerous ways as outlined elsewhere herein, including Chamber support, Business Partner Program, Trade and Investment Mission to China with nine businesses supporting the Mission, and follow up trade support also provided.
Planning and Environmental Services	Planning and Environmental Services Management	3.8.2.1 Ensure that the community is provided with high quality community and cultural services that meets community expectations, demands and need.	Ongoing		Monitoring is continual and ongoing.
Planning and Environmental Services	Planning and Environmental Services Management	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.	Ongoing		Actions to deliver the Gunnedah and Economic Development Strategy, Destination Management Plan and Community Strategic Plan are ongoing and aimed at meeting the needs of the community, including Business Partner Program, trade and investment support and collaboration with the Chamber.
Planning and Environmental Services	Planning and Environmental Services Management	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.	Ongoing		Monitoring is continual and ongoing. Community Information Nights are proposed in the new financial year to engage with stakeholders to ensure that they remain informed in changes to the regulatory system. Advice service provided on a daily basis free of charge.

Directorate	Business Unit	Action	Action Status	Percent Complete	Comments
Planning and Environmental Services	Planning and Environmental Services Management	4.9.3.2 Ensure that the community is provided with a high quality built environment that meets regulatory standards and community expectations.	Ongoing		Community and Council endorsed Environmental Planning Instrument are consistently enforced. A Duty Planner worked in collaboration with Customer Service to provide developed with advice with a view to improving outcomes, and discussions have been held to provide additional support in 2017/18 and beyond.
Planning and Environmental Services	Planning and Environmental Services Management	4.9.3.3 Ensure that the community is provided with high quality environmental management services.	Ongoing		Monitoring is continual and regulations are consistently applied, and planning, building and environmental advice service provided on a daily basis.
Planning and Environmental Services	Public Health	2.2.5.7 Provide systems and processes to manage removal and destruction of abandoned vehicles in accordance with the Impounding Act 1993.	Completed	100	A draft Standard Operating Procedure (SOP) detailing systems and processes to manage the removal and destruction of abandoned vehicles has been prepared. Template letters and forms have also been developed to ensure consistency when processing abandoned vehicles.
Planning and Environmental Services	Public Health	3.2.2.1 Provide systems and processes to ensure compliance with food legislation and standards.	Completed	100	A Food Premises Inspection Register has been developed to track what inspections are completed for each reportable year, what level of compliance the food premises inspected achieved and what action was taken as a result of noncompliance with Food Standards. A Council representative has attended three Northern Regional Food Surveillance Group meetings throughout the year. At these meetings the following matters were reviewed and developed: all Councils being required to use the standardised Food Premises Assessment Reporting templates created by the Food Authority and the compulsory implementation of the "Scores on Doors" points system, which scores the level of compliance of each food premises inspected against the Food Standards.
Planning and Environmental Services	Public Health	4.9.3.4 Assess and process Fire Permit Applications during Bush Fire Danger Periods.	Completed	100	Fire Permit Applications have been assessed/processed and returned to applicants within the required times frames. Copies of the Permits have been forwarded to the Rural Fire Service so that they are informed of programmed burns.
Planning and Environmental Services	Public Health	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.	Completed	100	A system has been implemented to track and manage properties which have excess vegetation (overgrown in nature). This system includes standardised letters, Notices and Orders and processes for enforcement officers to follow.
Planning and Environmental Services	Sanitation	2.2.2.1 Ensure efficient provision of Section 68 Septic Tank Approvals.	Completed	100	Section 68 Septic Tank applications were processed and issued within 10 working days, where all required information was provided. Key staff received comprehensive on-site wastewater management training which focused on compliance with the relevant regulatory framework.



# Gunnedah Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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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 2017

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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 guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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 18 October 2017. 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 2017

#### 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 2017.

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

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

Primarily records changes in the fair value of Council's Infrastructure, Property, Plant and Equipment.

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

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "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

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 annual financial statements are required to be audited by the NSW Audit Office. 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 2017

### 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 18 October 2017.



J CHAFFEY  
Mayor



R G SWAIN  
Councillor



E J GROTH  
General Manager



D CONNOR  
Responsible Accounting Officer

## Gunnedah Shire Council

## Income Statement

for the year ended 30 June 2017

Budget <sup>1</sup> 2017	\$ '000	Notes	Actual 2017	Actual 2016
<b>Income from continuing operations</b>				
<b>Revenue:</b>				
16,618	Rates and annual charges	3a	16,816	16,157
8,052	User charges and fees	3b	11,356	11,800
1,626	Interest and investment revenue	3c	1,722	1,693
350	Other revenues	3d	708	819
11,252	Grants and contributions provided for operating purposes	3e,f	14,107	12,218
3,004	Grants and contributions provided for capital purposes	3e,f	2,293	8,864
<b>Other income:</b>				
–	Net gains from the disposal of assets	5	12	–
<b>40,902</b>	<b>Total income from continuing operations</b>		<b>47,014</b>	<b>51,551</b>
<b>Expenses from continuing operations</b>				
13,388	Employee benefits and on-costs	4a	13,673	13,215
781	Borrowing costs	4b	712	728
7,957	Materials and contracts	4c	9,204	9,741
9,407	Depreciation and amortisation	4d	9,399	9,341
–	Impairment	4d	8	57
3,837	Other expenses	4e	2,800	2,809
–	Net losses from the disposal of assets	5	–	497
<b>35,370</b>	<b>Total expenses from continuing operations</b>		<b>35,796</b>	<b>36,388</b>
<b>5,532</b>	<b>Operating result from continuing operations</b>		<b>11,218</b>	<b>15,163</b>
<b>5,532</b>	<b>Net operating result for the year</b>		<b>11,218</b>	<b>15,163</b>
5,532	Net operating result attributable to Council		11,218	15,163
<b>2,528</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>8,925</b>	<b>6,299</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 2017

\$ '000	Notes	Actual 2017	Actual 2016
<b>Net operating result for the year</b> (as per Income Statement)		<b>11,218</b>	<b>15,163</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)	(8,021)	3,075
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(8,021)</b>	<b>3,075</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>(8,021)</b>	<b>3,075</b>
<b>Total comprehensive income for the year</b>		<b>3,197</b>	<b>18,238</b>
<b>Total comprehensive income attributable to Council</b>		<b>3,197</b>	<b>18,238</b>

## Gunnedah Shire Council

## Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	2,459	3,777
Investments	6b	63,779	52,294
Receivables	7	5,108	5,092
Inventories	8	480	470
Other	8	215	238
<b>Total current assets</b>		<b>72,041</b>	<b>61,871</b>
<b>Non-current assets</b>			
Receivables	7	29	31
Infrastructure, property, plant and equipment	9	391,082	392,616
<b>Total non-current assets</b>		<b>391,111</b>	<b>392,647</b>
<b>TOTAL ASSETS</b>		<b>463,152</b>	<b>454,518</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	3,309	2,960
Income received in advance	10	373	266
Borrowings	10	492	308
Provisions	10	4,866	4,523
<b>Total current liabilities</b>		<b>9,040</b>	<b>8,057</b>
<b>Non-current liabilities</b>			
Borrowings	10	13,089	8,881
Provisions	10	7,809	7,563
<b>Total non-current liabilities</b>		<b>20,898</b>	<b>16,444</b>
<b>TOTAL LIABILITIES</b>		<b>29,938</b>	<b>24,501</b>
<b>Net assets</b>		<b>433,214</b>	<b>430,017</b>
<b>EQUITY</b>			
Retained earnings	20	205,081	193,853
Revaluation reserves	20	228,133	236,164
Council equity interest		433,214	430,017
<b>Total equity</b>		<b>433,214</b>	<b>430,017</b>

## Gunnedah Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Notes	2017				2016			
		Retained earnings	Asset revaluation reserve (Refer 20b)	Council interest	Total equity	Retained earnings	Asset revaluation reserve (Refer 20b)	Council interest	Total equity
<b>Opening balance</b> (as per last year's audited accounts)		193,853	236,164	<b>430,017</b>	<b>430,017</b>	178,690	233,089	<b>411,779</b>	<b>411,779</b>
<b>Revised opening balance</b>		<b>193,853</b>	<b>236,164</b>	<b>430,017</b>	<b>430,017</b>	<b>178,690</b>	<b>233,089</b>	<b>411,779</b>	<b>411,779</b>
<b>a. Net operating result for the year</b>		<b>11,218</b>	–	<b>11,218</b>	<b>11,218</b>	15,163	–	<b>15,163</b>	<b>15,163</b>
<b>b. Other comprehensive income</b>									
– Revaluations: IPP&E asset revaluation rsv	20b (ii)	–	(8,021)	<b>(8,021)</b>	<b>(8,021)</b>	–	3,075	<b>3,075</b>	<b>3,075</b>
<b>Other comprehensive income</b>		<b>–</b>	<b>(8,021)</b>	<b>(8,021)</b>	<b>(8,021)</b>	<b>–</b>	<b>3,075</b>	<b>3,075</b>	<b>3,075</b>
<b>Total comprehensive income</b> (c&d)		<b>11,218</b>	<b>(8,021)</b>	<b>3,197</b>	<b>3,197</b>	<b>15,163</b>	<b>3,075</b>	<b>18,238</b>	<b>18,238</b>
<b>c. Distributions to/(contributions from) non-controlling interests</b>		–	–	–	–	–	–	–	–
<b>d. Transfers between equity</b>		10	(10)	–	–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>205,081</b>	<b>228,133</b>	<b>433,214</b>	<b>433,214</b>	<b>193,853</b>	<b>236,164</b>	<b>430,017</b>	<b>430,017</b>



## Gunnedah Shire Council

## Statement of Cash Flows

for the year ended 30 June 2017

Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
16,672	Rates and annual charges		16,873	16,242
9,861	User charges and fees		11,703	13,819
1,706	Investment and interest revenue received		1,670	1,599
14,341	Grants and contributions		14,979	13,954
681	Other		2,785	1,591
<b>Payments:</b>				
(11,266)	Employee benefits and on-costs		(13,122)	(13,500)
(11,980)	Materials and contracts		(8,995)	(11,992)
(604)	Borrowing costs		(533)	(549)
(3,654)	Other		(5,206)	(2,609)
<u>15,757</u>	<b>Net cash provided (or used in) operating activities</b>	11b	<u>20,154</u>	<u>18,555</u>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
6,007	Sale of investment securities		69,900	67,500
563	Sale of infrastructure, property, plant and equipment		656	406
3	Deferred debtors receipts		2	2
<b>Payments:</b>				
(104)	Purchase of investment securities		(81,385)	(75,500)
(25,850)	Purchase of infrastructure, property, plant and equipment		(15,037)	(11,349)
<u>(19,381)</u>	<b>Net cash provided (or used in) investing activities</b>		<u>(25,864)</u>	<u>(18,941)</u>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
4,000	Proceeds from borrowings and advances		4,700	–
<b>Payments:</b>				
(376)	Repayment of borrowings and advances		(308)	(291)
<u>3,624</u>	<b>Net cash flow provided (used in) financing activities</b>		<u>4,392</u>	<u>(291)</u>
–	<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(1,318)</u>	<u>(677)</u>
1,000	Plus: <b>cash and cash equivalents – beginning of year</b>	11a	3,777	4,454
<u>1,000</u>	<b>Cash and cash equivalents – end of the year</b>	11a	<u>2,459</u>	<u>3,777</u>
Additional Information:				
	plus: <b>Investments on hand – end of year</b>	6b	63,779	52,294
	<b>Total cash, cash equivalents and investments</b>		<u>66,238</u>	<u>56,071</u>

# Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

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

##### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act 1993 (NSW) and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purpose of preparing these financial statements.

##### **(i) New and amended standards adopted by Council**

AASB 124 Related Party Disclosures was adopted during the year, the impact of this standard had no impact on reporting financial position or performance, however note 28 has been added.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11] this standard has had no impact on Council's Financial Statements.

##### **(ii) Early adoption of standards**

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2016.

##### **(iii) Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of property, plant and equipment and investment property.

##### **(iv) Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also 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 the 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 include:

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

##### ***Significant judgements in applying the Council's accounting policies***

- (i) Impairment of Receivables

Council has made a significant judgement 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 the Council and specific criteria have been met for each of the Council's activities as described below.

Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

##### (i) Rates, annual charges, grants and contributions

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

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

Control over granted assets/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.

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 un-discharged at reporting date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

##### (ii) User charges and fees

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

##### (iii) 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.

##### (iv) Interest

Interest income is recognised using the effective interest rate at the date that interest is earned.

##### (v) Rent

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

##### (vi) Dividend income

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

##### (vii) 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

##### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), 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.

Cash and other assets of 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 (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

and property subject to Council's control have been included in these reports.

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

Council is not a member of any county councils.

#### (iv) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint arrangements

Council has no interest in any joint arrangements.

#### (d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any

incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

#### (e) Impairment of assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (f) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

##### (g) Inventories

###### (i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

###### (ii) 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.

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

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

###### Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

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

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

##### (ii) Loans and receivables

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

Loans and receivables are included in other receivables (note 8) and receivables (note 7) in the Statement of Financial Position.

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

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, that are classified as current assets.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless

management intends to dispose of the investment within 12 months of the reporting date.

Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

##### **Recognition and de-recognition**

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

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

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

##### **Subsequent measurement**

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

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

##### **Impairment**

Council assesses at the end of each reporting period 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

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

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.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

##### (i) Assets carried at amortised cost

For 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 Council may measure impairment on the basis of an instrument's fair value using an observable market price.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

amounts previously written off are credited against other expenses in the income statement.

##### Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act 1993 (NSW) and Clause 212 of the Local Government (General) Regulation 2005 (NSW).

Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it, or its representatives, exercise the care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order (the Order) arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed; however, they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

##### (j) 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 reporting 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 reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

#### (k) Infrastructure, property, plant and equipment (IPPE)

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At reporting date, the following classes of IPPE were stated at their fair value:

##### Externally valued:

- Operational land
- Community land
- Buildings – specialised/non-specialised
- Other structures
- Water and sewerage networks
- Swimming pools
- Other open space/recreational assets

##### Internally valued:

- Roads assets including roads, bridges and footpaths
- Stormwater drainage

##### As approximated by depreciated historical cost:

- Plant and equipment

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. Council has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For all other asset classes, 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 revalue the asset to that amount. Full revaluations are undertaken for all assets on a five-year cycle.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation

reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss.

Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

#### Depreciation

Land is not depreciated.

Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

##### 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

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

- 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

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

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

#### (l) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, Council uses alternative valuation methods such as recent prices in less active markets, or discounted cash flow projections. Changes in fair values are recorded in the income statement as part of other income.

Properties that are under construction for future use as investment properties are regarded as investment properties. These are also carried at fair value unless the fair value cannot yet be reliably

determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

#### (m) Payables

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

#### (n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

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

##### (o) Borrowing costs

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

##### (p) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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

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

##### (q) Employee benefits

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee

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

###### (ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

###### (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 Statement of Financial Position, 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 that arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method.



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable.

##### **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.

##### **(r) Land under roads**

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

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

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

##### **(s) Self-insurance**

Council does not self-insure. Council has a full range of Insurance policies including Public Liability, Property, Motor Vehicle, Personal Accident, Councillors & Officer, Crime with various excesses applied. However Council has elected that some low risk and low value properties have been excluded from the Property Insurance schedule.

##### **(t) Intangible assets**

Council has not classified any assets as intangible.

##### **(u) 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.

##### **(v) Rural fire service assets**

Under section 119 of the Rural Fire Services Act 1997 (NSW), *"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 recognise rural fire service assets including land, buildings, plant and vehicles as it has been doing in previous years, which is to exclude the assets from the financial statements.

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

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

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

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



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

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

##### (x) New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

##### Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities

##### Effective for annual reporting periods beginning on or after 13 February 2017

AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle

##### Effective for annual reporting periods beginning on or after 13 December 2017

AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

##### Effective for annual reporting periods beginning on or after 1 January 2018

AASB 9 Financial Instruments (December 2009)

- AASB 15 Revenue from Contracts with Customers

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15

##### Effective for annual reporting periods beginning on or after 1 January 2019

AASB 16 Leases

AASB 16 Leases (Appendix D)

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities

AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

The full impact of these standards has yet to be ascertained or quantified but will range from additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

##### (y) Rounding of amounts

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

##### (z) 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.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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 and non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual
	2017	2017	2016	2017	2017	2016	2017	2017	2016	2017	2016	2017	2016
Governance	1	2	2	701	640	600	(700)	(638)	(598)	–	–	89	92
Administration	136	167	221	1,443	1,344	1,262	(1,307)	(1,177)	(1,041)	3	2	9,570	9,564
Public order and safety	184	227	265	663	594	632	(479)	(367)	(367)	–	8	1,335	1,544
Health	32	28	48	43	120	64	(11)	(92)	(16)	–	17	408	416
Environment	5,344	4,013	3,819	4,346	4,080	3,701	998	(67)	118	561	169	37,523	36,298
Community services and education	4,100	4,318	4,604	4,191	3,575	4,099	(91)	743	505	4,013	4,396	4,337	3,447
Housing and community amenities	740	651	970	835	746	1,106	(95)	(95)	(136)	20	125	5,982	7,970
Water supplies	3,391	4,445	4,816	3,050	2,820	3,251	341	1,625	1,565	39	39	53,181	55,601
Sewerage services	2,717	2,979	3,586	1,865	1,635	1,645	852	1,344	1,941	36	36	42,067	44,385
Recreation and culture	624	838	904	4,308	4,618	4,424	(3,684)	(3,780)	(3,520)	147	110	47,660	39,963
Mining, manufacturing and construction	11	9	8	1,164	916	902	(1,153)	(907)	(894)	–	–	1,986	2,089
Transport and communication	5,749	8,801	14,348	10,777	12,601	12,808	(5,028)	(3,800)	1,540	2,139	2,667	238,650	236,504
Economic affairs	942	1,472	1,382	1,984	2,107	1,894	(1,042)	(635)	(512)	5	–	7,591	7,117
<b>Total functions and activities</b>	<b>23,971</b>	<b>27,950</b>	<b>34,973</b>	<b>35,370</b>	<b>35,796</b>	<b>36,388</b>	<b>(11,399)</b>	<b>(7,846)</b>	<b>(1,415)</b>	<b>6,963</b>	<b>7,569</b>	<b>450,379</b>	<b>444,990</b>
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income <sup>1</sup>	16,931	19,064	16,578	–	–	–	16,931	19,064	16,578	6,291	4,190	12,773	9,528
<b>Operating result from continuing operations</b>	<b>40,902</b>	<b>47,014</b>	<b>51,551</b>	<b>35,370</b>	<b>35,796</b>	<b>36,388</b>	<b>5,532</b>	<b>11,218</b>	<b>15,163</b>	<b>13,254</b>	<b>11,759</b>	<b>463,152</b>	<b>454,518</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 2017

#### 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**

Includes Council's fire and emergency services levy, fire protection, emergency services, beach control, enforcement of regulations and animal control.

##### **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 2017

## Note 3. Income from continuing operations

\$ '000	Actual 2017	Actual 2016
<b>(a) Rates and annual charges</b>		
<b>Ordinary rates</b>		
Residential	3,880	3,557
Farmland	4,820	4,494
Mining	1,177	1,468
Business	2,037	1,936
<b>Total ordinary rates</b>	<b>11,914</b>	<b>11,455</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	2,104	2,002
Stormwater management services	94	94
Water supply services	818	796
Sewerage services	1,886	1,810
<b>Total annual charges</b>	<b>4,902</b>	<b>4,702</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>	<b>16,816</b>	<b>16,157</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 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(b) User charges and fees</b>		
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)		
Domestic waste management services	608	501
Water supply services	2,375	2,865
Sewerage services	578	561
Waste management services (non-domestic)	44	44
<b>Total user charges</b>	<b>3,605</b>	<b>3,971</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	232	321
Private works – section 67	443	177
Regulatory/ statutory fees	43	67
Registration fees	29	22
Section 149 certificates (EPA Act)	34	35
Section 603 certificates	35	31
<b>Total fees and charges – statutory/regulatory</b>	<b>816</b>	<b>653</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Aerodrome	31	13
Aged care	98	106
Caravan park	5	5
Cemeteries	120	112
Events	7	106
Library and art gallery	8	7
Noxious weeds	17	20
Park rents	71	71
Public halls	54	7
RMS (formerly RTA) charges (state roads not controlled by Council)	5,364	5,545
Saleyards	730	789
Swimming pools	184	165
Tourism	21	28
Theatre	211	194
Other	14	8
<b>Total fees and charges – other</b>	<b>6,935</b>	<b>7,176</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>11,356</b>	<b>11,800</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(c) Interest and investment revenue (including losses)</b>		
<b>Interest</b>		
– Interest on overdue rates and annual charges (incl. special purpose rates)	81	79
– Interest earned on investments (interest and coupon payment income)	1,641	1,614
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>1,722</b>	<b>1,693</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	81	79
General Council cash and investments	778	854
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 94	55	49
– Section 64	122	91
Water fund operations	285	250
Sewerage fund operations	260	239
Domestic waste management operations	141	131
<b>Total interest and investment revenue recognised</b>	<b>1,722</b>	<b>1,693</b>
<b>(d) Other revenues</b>		
Rental income – other council properties	145	185
Fines	18	19
Fines – parking	4	2
Legal fees recovery – rates and charges (extra charges)	121	114
Commissions and agency fees	27	51
Diesel rebate	36	37
Government paid parental leave	12	36
Insurance claim recoveries	7	17
Reimbursements	91	75
Sales – domestic waste	64	15
Sales – swimming pools	77	85
Sales – tourism	7	29
Sales – theatre	68	68
Workers compensation – wages recoveries	–	64
Other	31	22
<b>TOTAL OTHER REVENUE</b>	<b>708</b>	<b>819</b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance – general component	3,940	2,610	–	–
Financial assistance – local roads component	2,258	1,491	–	–
Pensioners' rates subsidies – general component	93	89	–	–
<b>Total general purpose</b>	<b>6,291</b>	<b>4,190</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Water	39	39	–	–
– Sewerage	36	36	–	–
– Domestic waste management	35	36	–	–
Community care	3,993	4,413	–	–
Domestic waste management	–	–	–	17
Economic development	5	–	–	–
Employment and training programs	3	–	–	–
Environmental protection	–	–	378	–
Heritage and cultural	50	–	–	–
Library	47	47	–	–
Noxious weeds	148	116	–	–
Recreation and culture	–	26	70	37
Street lighting	20	19	–	–
Transport (roads to recovery)	1,464	2,020	–	–
Transport (other roads and bridges funding)	675	647	–	–
Other	–	116	–	–
<b>Total specific purpose</b>	<b>6,515</b>	<b>7,515</b>	<b>448</b>	<b>54</b>
<b>Total grants</b>	<b>12,806</b>	<b>11,705</b>	<b>448</b>	<b>54</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	10,186	8,779	–	–
– State funding	2,375	2,757	448	54
– Other funding	245	169	–	–
	<b>12,806</b>	<b>11,705</b>	<b>448</b>	<b>54</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 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	–	–	64	76
S 94 – contributions towards amenities/services	–	–	200	256
S 64 – water supply contributions	–	–	303	468
S 64 – sewerage service contributions	–	–	124	317
S 64 – stormwater contributions	–	–	58	79
<b>Total developer contributions</b>	<b>–</b>	<b>–</b>	<b>749</b>	<b>1,196</b>
<b>Other contributions:</b>				
Community services	54	2	–	–
Drainage	–	–	333	893
Emergency services	171	197	–	–
ELE contributions – other councils	57	–	–	–
Kerb and gutter	–	–	–	982
Paving	–	–	–	7
Recreation and culture	–	2	–	75
Roads and bridges	830	183	222	4,835
Saleyards	81	76	–	–
Sewerage (excl. section 64 contributions)	–	–	–	552
Water supplies (excl. section 64 contributions)	41	53	530	261
Waste	–	–	–	9
Weeds	13	–	11	–
Other	54	–	–	–
<b>Total other contributions</b>	<b>1,301</b>	<b>513</b>	<b>1,096</b>	<b>7,614</b>
<b>Total contributions</b>	<b>1,301</b>	<b>513</b>	<b>1,845</b>	<b>8,810</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>14,107</b>	<b>12,218</b>	<b>2,293</b>	<b>8,864</b>

\$ '000	Actual 2017	Actual 2016
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**(g) Unspent 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	10,093	8,511
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:	1,886	2,652
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:	(169)	(1,070)
<b>Net increase (decrease) in restricted assets during the period</b>	<b>1,717</b>	<b>1,582</b>
<b>Unexpended and held as restricted assets</b>	<b>11,810</b>	<b>10,093</b>
<b>Comprising:</b>		
– Specific purpose unexpended grants	4,665	3,811
– Developer contributions	7,145	6,282
	<b>11,810</b>	<b>10,093</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
<b>(a) Employee benefits and on-costs</b>			
Salaries and wages		11,211	11,101
Travel expenses		108	105
Employee leave entitlements (ELE)		1,605	1,335
Superannuation		1,374	1,342
Workers' compensation insurance		319	218
Fringe benefit tax (FBT)		50	47
Payroll tax		51	35
Training costs (other than salaries and wages)		182	211
Protective clothing		51	54
Other		27	38
<b>Total employee costs</b>		<b>14,978</b>	<b>14,486</b>
Less: capitalised costs		(1,305)	(1,271)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>13,673</b>	<b>13,215</b>
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on overdraft		–	1
Interest on loans		538	549
<b>Total interest bearing liability costs expensed</b>		<b>538</b>	<b>550</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	174	178
<b>Total other borrowing costs</b>		<b>174</b>	<b>178</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>712</b>	<b>728</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(c) Materials and contracts</b>		
Raw materials and consumables	22,669	17,383
Contractor and consultancy costs		
– Domestic waste management	91	10
– Community services	41	63
– Tourism/economic development	24	1
– Community planning and development	22	14
– Human resources	35	39
– Swimming Pools	–	26
– Planning	22	68
– Parking	7	–
– Information technology	65	20
– Governance	9	5
– Contractor and consultancy costs	103	11
Auditors remuneration <sup>(1)</sup>	90	69
Legal expenses:		
– Legal expenses: planning and development	3	22
– Legal expenses: debt recovery	132	137
– Legal expenses: other	26	14
<b>Total materials and contracts</b>	<b>23,339</b>	<b>17,882</b>
Less: capitalised costs	(14,135)	(8,141)
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>9,204</b>	<b>9,741</b>
<b>Auditor remuneration</b>		
a. During the year, the following fees were incurred for services provided by the Auditor-General:		
<b>Audit and other assurance services</b>		
– Audit and review of financial statements: Auditor-General	39	–
<b>Remuneration for audit and other assurance services</b>	<b>39</b>	<b>–</b>
<b>Total Auditor-General remuneration</b>	<b>39</b>	<b>–</b>
b. During the year, the following fees were incurred for services provided by the other Council's Auditors:		
<b>Audit and other assurance services</b>		
– Audit and review of financial statements: Council's Auditor	–	32
– Due diligence services – Internal Audit	51	27
– Other audit and assurance services – Asset Preparedness	–	10
<b>Remuneration for audit and other assurance services</b>	<b>51</b>	<b>69</b>
<b>Total remuneration of other Council's Auditors</b>	<b>51</b>	<b>69</b>
<b>Total Auditor remuneration</b>	<b>90</b>	<b>69</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Notes	Actual 2017	Actual 2016
<b>(d) Depreciation, amortisation and impairment</b>			
Plant and equipment		1,408	1,581
Office equipment		251	255
Furniture and fittings		77	92
Infrastructure:			
– Buildings – non-specialised		263	276
– Buildings – specialised		342	386
– Other structures		125	101
– Roads		4,101	3,952
– Bridges		137	137
– Footpaths		89	88
– Stormwater drainage		323	308
– Water supply network		916	884
– Sewerage network		765	735
– Swimming pools		69	47
– Other open space/recreational assets		76	51
Other assets			
– Library books		18	15
– Other		93	84
Asset reinstatement costs	9 & 26	346	349
<b>Total depreciation and amortisation costs</b>		<b>9,399</b>	<b>9,341</b>
<b>Impairment</b>			
Plant and equipment		–	4
Office equipment		8	8
Furniture and fittings		–	45
<b>Total gross impairment costs</b>		<b>8</b>	<b>57</b>
<b>Total impairment costs</b>		<b>8</b>	<b>57</b>
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		<b>9,407</b>	<b>9,398</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(e) Other expenses</b>		
Advertising	59	105
Bad and doubtful debts	21	15
Bank charges	41	39
Computer software charges	196	240
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	23	21
– NSW rural fire service levy	164	237
Councillor expenses – mayoral fee	33	35
Councillor expenses – councillors' fees	88	72
Councillors' expenses (incl. mayor) – other (excluding fees above)	63	45
Donations, contributions and assistance to other organisations (Section 356)	33	29
– Donations, contributions and assistance	94	149
Election expenses	8	–
Electricity and heating	641	669
Gas	8	8
Insurance	536	432
Postage	58	44
Printing and stationery	146	146
Street lighting	191	176
Subscriptions and publications	175	143
Telephone and communications	176	155
Valuation fees	48	47
Other	12	28
<b>Total other expenses</b>	<b>2,814</b>	<b>2,835</b>
Less: capitalised costs	(14)	(26)
<b><u>TOTAL OTHER EXPENSES</u></b>	<b><u>2,800</u></b>	<b><u>2,809</u></b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
<b>Property</b> (excl. investment property)		
Proceeds from disposal – property	20	–
Less: carrying amount of property assets sold/written off	(46)	–
<b>Net gain/(loss) on disposal</b>	<b>(26)</b>	<b>–</b>
<b>Plant and equipment</b>		
Proceeds from disposal – plant and equipment	636	380
Less: carrying amount of plant and equipment assets sold/written off	(377)	(152)
<b>Net gain/(loss) on disposal</b>	<b>259</b>	<b>228</b>
<b>Infrastructure</b>		
Less: carrying amount of infrastructure assets sold/written off	(221)	(725)
<b>Net gain/(loss) on disposal</b>	<b>(221)</b>	<b>(725)</b>
<b>Financial assets</b>		
Proceeds from disposal/redemptions/maturities – financial assets	69,900	67,500
Less: carrying amount of financial assets sold/redeemed/matured	(69,900)	(67,500)
<b>Net gain/(loss) on disposal</b>	<b>–</b>	<b>–</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>	<b><u>12</u></b>	<b><u>(497)</u></b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Notes	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		206	–	477	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		2,253	–	3,300	–
<b>Total cash and cash equivalents</b>		<b>2,459</b>	<b>–</b>	<b>3,777</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Long term deposits		63,779	–	52,294	–
<b>Total investments</b>		<b>63,779</b>	<b>–</b>	<b>52,294</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>66,238</b>	<b>–</b>	<b>56,071</b>	<b>–</b>

<sup>1</sup> Those investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:**

<b>Cash and cash equivalents</b>					
a. 'At fair value through the profit and loss'		2,459	–	3,777	–
<b>Investments</b>					
a. 'Held to maturity'		63,779	–	52,294	–
<b>Investments</b>		<b>63,779</b>	<b>–</b>	<b>52,294</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 2017

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

\$ '000	2017	2017	2016	2016
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	66,238	–	56,071	–
<b>attributable to:</b>				
External restrictions (refer below)	40,788	–	34,182	–
Internal restrictions (refer below)	15,470	–	13,055	–
Unrestricted	9,980	–	8,834	–
	<b>66,238</b>	<b>–</b>	<b>56,071</b>	<b>–</b>

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

## Details of restrictions

## External restrictions – included in liabilities

Specific purpose unexpended loans – general (A)	–	4,700	–	4,700
<b>External restrictions – included in liabilities</b>	<b>–</b>	<b>4,700</b>	<b>–</b>	<b>4,700</b>

## External restrictions – other

Developer contributions – general (B)	1,958	376	(63)	2,271
Developer contributions – water fund (B)	3,009	388	–	3,397
Developer contributions – sewer fund (B)	1,315	162	–	1,477
Specific purpose unexpended grants (C)	3,811	854	–	4,665
Water supplies (D)	10,378	552	–	10,930
Sewerage services (D)	8,992	–	(777)	8,215
Domestic waste management (D)	4,714	1,246	(838)	5,122
Other (E)	5	6	–	11
<b>External restrictions – other</b>	<b>34,182</b>	<b>3,584</b>	<b>(1,678)</b>	<b>36,088</b>
<b>Total external restrictions</b>	<b>34,182</b>	<b>8,284</b>	<b>(1,678)</b>	<b>40,788</b>

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- C Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- D 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.
- E Contributions received which are not yet expended for which the contributions were obtained. (refer Note 1 (b))

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions</b>				
Plant and vehicle replacement	961	–	(1)	960
Employees leave entitlement	1,361	124	–	1,485
Aerodrome	407	–	(403)	4
Business partnering program	47	15	–	62
Community facilities fund	471	436	(471)	436
Contract works	189	–	–	189
Cycleways	38	–	–	38
Depot refuelling upgrade	142	–	–	142
Future works	6,668	6,671	(6,668)	6,671
Gravel pit restoration	253	80	–	333
Information technology	155	79	–	234
Land	45	–	–	45
Parking areas	83	400	–	483
Roads	318	–	–	318
Saleyards	1,152	12	–	1,164
Storm water – contingency	178	71	(78)	171
Strategic planning	164	–	–	164
Tourism	186	–	–	186
Motor Vehicles	–	77	–	77
Financial Assistance Grants	–	2,108	–	2,108
Other	237	63	(100)	200
<b>Total internal restrictions</b>	<b>13,055</b>	<b>10,136</b>	<b>(7,721)</b>	<b>15,470</b>
<b>TOTAL RESTRICTIONS</b>	<b>47,237</b>	<b>18,420</b>	<b>(9,399)</b>	<b>56,258</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 7. Receivables

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
<b>Purpose</b>				
Rates and annual charges	660	–	716	–
Interest and extra charges	203	–	159	–
User charges and fees	896	–	1,030	–
Private works	2,017	–	2,123	–
Contributions to works	613	–	401	–
Accrued revenues				
– Interest on investments	579	–	568	–
– Other income accruals	40	–	13	–
Deferred debtors	–	29	–	31
Government grants and subsidies	20	–	111	–
Net GST receivable	171	–	58	–
<b>Total</b>	<b>5,199</b>	<b>29</b>	<b>5,179</b>	<b>31</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(12)	–	(11)	–
Interest and extra charges	(79)	–	(76)	–
<b>Total provision for impairment – receivables</b>	<b>(91)</b>	<b>–</b>	<b>(87)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,108</b>	<b>29</b>	<b>5,092</b>	<b>31</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	69	–	67	–
– Other	540	–	468	–
<b>Sewerage services</b>				
– Rates and availability charges	135	–	140	–
– Other	45	–	61	–
<b>Total external restrictions</b>	<b>789</b>	<b>–</b>	<b>736</b>	<b>–</b>
<b>Internally restricted receivables</b>				
Nil				
<b>Unrestricted receivables</b>	<b>4,319</b>	<b>29</b>	<b>4,356</b>	<b>31</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,108</b>	<b>29</b>	<b>5,092</b>	<b>31</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% (2016 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 2017

## Note 8. Inventories and other assets

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
<b>(a) Inventories</b>				
<b>(i) Inventories at cost</b>				
Stores and materials	480	–	470	–
<b>Total inventories at cost</b>	<b>480</b>	<b>–</b>	<b>470</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>				
Nil				
<b><u>TOTAL INVENTORIES</u></b>	<b><u>480</u></b>	<b><u>–</u></b>	<b><u>470</u></b>	<b><u>–</u></b>
<b>(b) Other assets</b>				
Prepayments	211	–	238	–
Other	4	–	–	–
<b><u>TOTAL OTHER ASSETS</u></b>	<b><u>215</u></b>	<b><u>–</u></b>	<b><u>238</u></b>	<b><u>–</u></b>
<b>Externally restricted assets</b>				
<b>Water</b>				
Stores and materials	108	–	123	–
<b>Total water</b>	<b>108</b>	<b>–</b>	<b>123</b>	<b>–</b>
<b>Sewerage</b>				
Stores and materials	1	–	–	–
<b>Total sewerage</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total externally restricted assets</b>	<b>109</b>	<b>–</b>	<b>123</b>	<b>–</b>
<b>Total internally restricted assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>	<b>586</b>	<b>–</b>	<b>585</b>	<b>–</b>
<b><u>TOTAL INVENTORIES AND OTHER ASSETS</u></b>	<b><u>695</u></b>	<b><u>–</u></b>	<b><u>708</u></b>	<b><u>–</u></b>



## Gunnedah Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2017

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

Asset class \$ '000	as at 30/6/2016			Asset movements during the reporting period							as at 30/6/2017		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in P/L)	WIP transfers	Revaluation decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	4,099	–	4,099	2,180	3,169	–	–	–	(1,302)	–	8,146	–	8,146
Plant and equipment	19,336	10,988	8,348	–	2,249	(378)	(1,408)	–	–	–	19,427	10,616	8,811
Office equipment	2,353	1,611	742	–	207	–	(251)	(8)	–	–	2,529	1,839	690
Furniture and fittings	997	572	425	–	57	–	(77)	–	–	–	1,052	647	405
<b>Land:</b>													
– Operational land	8,472	–	8,472	–	385	(24)	–	–	26	–	8,859	–	8,859
– Community land	5,995	–	5,995	–	–	(22)	–	–	–	–	5,973	–	5,973
– Land under roads (post 30/6/08)	3,268	–	3,268	–	–	–	–	–	–	–	3,268	–	3,268
<b>Infrastructure:</b>													
– Buildings – non-specialised	20,422	8,010	12,412	9	–	–	(263)	–	–	–	20,431	8,273	12,158
– Buildings – specialised	30,175	10,781	19,394	55	–	–	(342)	–	–	–	30,230	11,123	19,107
– Other structures	6,120	2,189	3,931	–	31	–	(125)	–	84	–	6,235	2,314	3,921
– Roads	292,736	88,027	204,709	5,779	335	(153)	(4,101)	–	425	–	298,975	91,981	206,994
– Bridges	13,697	6,218	7,479	–	–	–	(137)	–	–	–	13,697	6,355	7,342
– Footpaths	7,112	1,414	5,698	11	–	–	(89)	–	5	–	7,128	1,503	5,625
– Stormwater drainage	32,528	8,664	23,864	–	333	–	(323)	–	–	–	32,861	8,987	23,874
– Water supply network	67,870	27,004	40,866	347	577	(67)	(916)	–	94	(4,449)	62,655	26,203	36,452
– Sewerage network	54,875	23,219	31,656	302	200	–	(765)	–	418	(3,572)	54,536	26,297	28,239
– Swimming pools	3,973	1,875	2,098	–	–	–	(69)	–	–	–	3,973	1,944	2,029
– Other open space/recreational assets	3,447	1,914	1,533	97	60	–	(76)	–	250	–	3,855	1,991	1,864
<b>Other assets:</b>													
– Library books	183	52	131	30	–	–	(18)	–	–	–	212	69	143
– Other	2,029	512	1,517	57	68	–	(93)	–	–	–	2,107	558	1,549
<b>Reinstatement, rehabilitation and restoration assets (refer Note 26):</b>													
– Tip assets	5,208	671	4,537	–	–	–	(309)	–	–	–	5,208	980	4,228
– Quarry assets	1,718	276	1,442	–	–	–	(37)	–	–	–	1,718	313	1,405
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	<b>586,613</b>	<b>193,997</b>	<b>392,616</b>	<b>8,867</b>	<b>7,671</b>	<b>(644)</b>	<b>(9,399)</b>	<b>(8)</b>	<b>–</b>	<b>(8,021)</b>	<b>593,075</b>	<b>201,993</b>	<b>391,082</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 2017

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

\$ '000	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
WIP	1,076	–	<b>1,076</b>	178	–	<b>178</b>
Plant and equipment	497	317	<b>180</b>	418	273	<b>145</b>
Office equipment	21	11	<b>10</b>	21	10	<b>11</b>
Land						
– Operational land	164	–	<b>164</b>	164	–	<b>164</b>
– Community land	9	–	<b>9</b>	9	–	<b>9</b>
Infrastructure	62,655	26,203	<b>36,452</b>	67,870	27,003	<b>40,867</b>
Other assets	36	–	<b>36</b>	–	–	<b>–</b>
<b>Total water supply</b>	<b>64,458</b>	<b>26,531</b>	<b>37,927</b>	<b>68,660</b>	<b>27,286</b>	<b>41,374</b>
<b>Sewerage services</b>						
WIP	3,230	–	<b>3,230</b>	1,482	–	<b>1,482</b>
Plant and equipment	137	91	<b>46</b>	137	85	<b>52</b>
Office equipment	93	77	<b>16</b>	94	68	<b>26</b>
Land						
– Operational land	465	–	<b>465</b>	465	–	<b>465</b>
– Community land	110	–	<b>110</b>	110	–	<b>110</b>
Infrastructure	54,536	26,297	<b>28,239</b>	54,874	23,219	<b>31,655</b>
<b>Total sewerage services</b>	<b>58,571</b>	<b>26,465</b>	<b>32,106</b>	<b>57,162</b>	<b>23,372</b>	<b>33,790</b>
<b>Domestic waste management</b>						
WIP	483	–	<b>483</b>	41	–	<b>41</b>
Plant and equipment	341	295	<b>46</b>	341	292	<b>49</b>
Office equipment	–	–	<b>–</b>	2	2	<b>–</b>
Furniture and fittings	25	11	<b>14</b>	25	9	<b>16</b>
Land						
– Operational land	661	–	<b>661</b>	661	–	<b>661</b>
– Community land	113	–	<b>113</b>	113	–	<b>113</b>
Buildings	1,250	250	<b>1,000</b>	1,250	229	<b>1,021</b>
Other structures	208	80	<b>128</b>	320	112	<b>208</b>
Other assets	557	101	<b>456</b>	557	75	<b>482</b>
<b>Total DWM</b>	<b>3,638</b>	<b>737</b>	<b>2,901</b>	<b>3,310</b>	<b>719</b>	<b>2,591</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>126,667</b>	<b>53,733</b>	<b>72,934</b>	<b>129,132</b>	<b>51,377</b>	<b>77,755</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Notes	Actual 2017	Actual 2016
<b>Impairment losses recognised in the Income Statement:</b>			
Tourism Precinct Banners – Worn – No Longer Usable		(6)	–
VIC – Relocation Banners – Worn – No longer Usable		(2)	–
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)
<b><u>IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L</u></b>	4(d)	<b><u>(8)</u></b>	<b><u>(57)</u></b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
<b>Payables</b>					
Goods and services – operating expenditure		1,618	–	1,399	–
Goods and services – capital expenditure		1,291	–	1,302	–
Accrued expenses:					
– Borrowings		16	–	11	–
– Salaries and wages		384	–	248	–
<b>Total payables</b>		<b>3,309</b>	<b>–</b>	<b>2,960</b>	<b>–</b>
<b>Income received in advance</b>					
Payments received in advance		373	–	266	–
<b>Total income received in advance</b>		<b>373</b>	<b>–</b>	<b>266</b>	<b>–</b>
<b>Borrowings</b>					
Loans – secured <sup>1</sup>		489	13,079	305	8,866
Government advances		3	10	3	15
<b>Total borrowings</b>		<b>492</b>	<b>13,089</b>	<b>308</b>	<b>8,881</b>
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		1,637	–	1,569	–
Long service leave		3,052	259	2,779	187
Rostered days off		136	–	121	–
Wages – time in lieu		34	–	47	–
Sub-total – aggregate employee benefits		<b>4,859</b>	<b>259</b>	<b>4,516</b>	<b>187</b>
Asset remediation/restoration (future works)	26	–	7,550	–	7,376
Other		7	–	7	–
<b>Total provisions</b>		<b>4,866</b>	<b>7,809</b>	<b>4,523</b>	<b>7,563</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>9,040</b>	<b>20,898</b>	<b>8,057</b>	<b>16,444</b>
<b>(i) Liabilities relating to restricted assets</b>					
		2017		2016	
		Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>					
Water		73	–	9	–
Sewer		1	–	1	–
Liabilities relating to externally restricted assets		<b>74</b>	<b>–</b>	<b>10</b>	<b>–</b>
<b>Internally restricted assets</b>					
Nil					
<b>Total liabilities relating to restricted assets</b>		<b>74</b>	<b>–</b>	<b>10</b>	<b>–</b>
<b>Total liabilities relating to unrestricted assets</b>		<b>8,966</b>	<b>20,898</b>	<b>8,047</b>	<b>16,444</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>9,040</b>	<b>20,898</b>	<b>8,057</b>	<b>16,444</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 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(ii) Current liabilities not anticipated to be settled within the next twelve months</b>		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	3,949	3,777
Other liabilities	7	7
	<u>3,956</u>	<u>3,784</u>

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

Class of provision	2016		2017			
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/17
Annual leave	1,569	990	(922)	–	–	1,637
Long service leave	2,966	586	(241)	–	–	3,311
Other leave	168	506	(504)	–	–	170
Asset remediation	7,376	174	–	–	–	7,550
Other	7	–	–	–	–	7
<b>TOTAL</b>	<b>12,086</b>	<b>2,256</b>	<b>(1,667)</b>	<b>–</b>	<b>–</b>	<b>12,675</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 2017

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

\$ '000	Notes	Actual 2017	Actual 2016
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	2,459	3,777
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>2,459</b>	<b>3,777</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>11,218</b>	<b>15,163</b>
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		9,399	9,341
Net losses/(gains) on disposal of assets		(12)	497
Non-cash capital grants and contributions		(1,512)	(7,355)
Impairment losses recognition – I,PP&E		8	57
Unwinding of discount rates on reinstatement provisions		174	178
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(20)	753
Increase/(decrease) in provision for doubtful debts		4	15
Decrease/(increase) in inventories		(10)	(66)
Decrease/(increase) in other assets		23	(194)
Increase/(decrease) in payables		219	(316)
Increase/(decrease) in accrued interest payable		5	1
Increase/(decrease) in other accrued expenses payable		136	(495)
Increase/(decrease) in other liabilities		107	58
Increase/(decrease) in employee leave entitlements		415	267
Increase/(decrease) in other provisions		–	651
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>20,154</b>	<b>18,555</b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
<b>(c) Non-cash investing and financing activities</b>		
Other non-cash items	1,085	6,717
Developer Contributions to the Gunnedah Sewerage Network	124	377
Developer Contributions to the Gunnedah Water Network	303	261
<b>Total non-cash investing and financing activities</b>	<b>1,512</b>	<b>7,355</b>
<b>(d) Financing arrangements</b>		
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>		
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>
<b>Amounts utilised as at balance date:</b>		
– Credit cards/purchase cards	6	–
<b>Total financing arrangements utilised</b>	<b>6</b>	<b>–</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.

**(e) Bank guarantees**

Nil for 2016/17

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 12. Commitments for expenditure

\$ '000	Actual 2017	Actual 2016
<b>(a) Capital commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	97	–
Plant and equipment	352	292
Other Structures - Swimming Pools	117	–
Sewerage Network	3,996	–
Bridges	898	–
Other Assets	50	–
Waste Management facility	108	–
<b>Total commitments</b>	<b>5,618</b>	<b>292</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	5,618	292
<b>Total payable</b>	<b>5,618</b>	<b>292</b>
<b>Sources for funding of capital commitments:</b>		
Future grants and contributions	147	292
Externally restricted reserves	4,104	–
Internally restricted reserves	1,367	–
<b>Total sources of funding</b>	<b>5,618</b>	<b>292</b>

#### Details of capital commitments

The following are items that Council has committed to but services not yet received. Plant - \$352k for items of plant ordered but not yet received, Donnelly Amenities \$97k contract let not yet completed, Pool - \$117k for design of pool upgrade, Sewer Treatment Plant - contract not completed - \$3.938 million, Simpsons bridge - \$898k design.

#### (b) Finance lease commitments

Nil

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

Nil

#### (d) Investment property commitments

Nil

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Amounts 2017	Indicator 2017	Prior periods		Benchmark
			2016	2015	
<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>8,913</u>	<b>19.94%</b>	15.92%	11.74%	>0.00%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<u>44,709</u>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>30,602</u>	<b>65.11%</b>	59.10%	69.03%	>60.00%
Total continuing operating revenue <sup>(1)</sup>	<u>47,002</u>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions <sup>(2)</sup>	<u>30,355</u>	<b>6.06x</b>	6.29x	5.43x	>1.5x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	<u>5,010</u>				
<b>4. Debt service cover ratio</b>					
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>19,032</u>	<b>18.66x</b>	16.61x	13.36x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>1,020</u>				
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<u>772</u>	<b>4.34%</b>	4.57%	5.46%	<10% Rural
Rates, annual and extra charges collectible	<u>17,806</u>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<u>66,238</u>	<b>28.22 mths</b>	23.2 mths	22.0 mths	> 3 mths
Payments from cash flow of operating and financing activities	<u>2,347</u>				

## Notes

(1) 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.

(2) Refer Notes 6-8 inclusive.

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

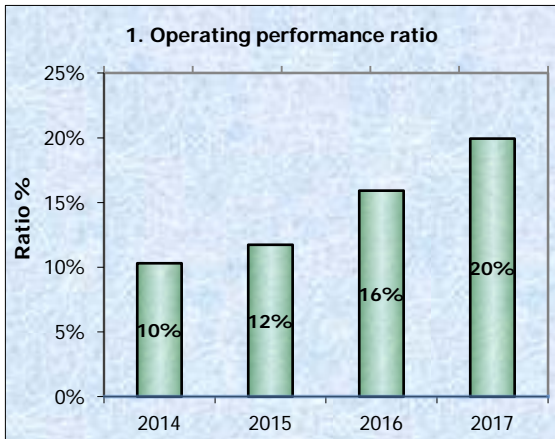
(3) Refer to Note 10(a).

(4) 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 2017

### 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 2016/17 result**

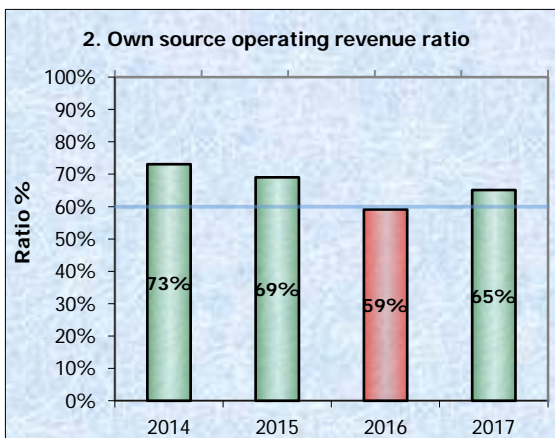
**2016/17 ratio 19.94%**

Council continues to maintain operating expenditures within operating revenues. This result is an improvement in the previous year and reflects increased revenues. Additional revenue was obtained from the final year on the Special Rate Variation and the advance payment of the Financial Assistance Grant for 2017/18.

Benchmark: ——— Minimum  $\geq 0.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

 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 2016/17 result**

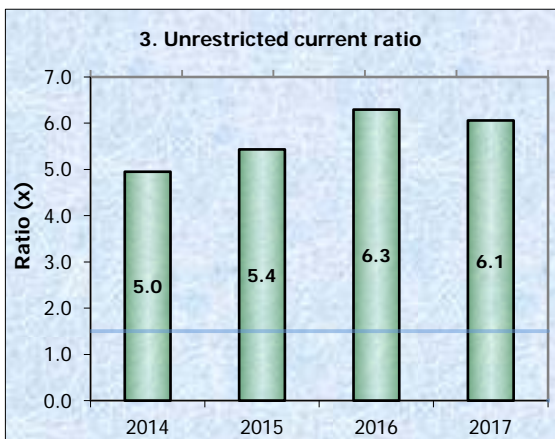
**2016/17 ratio 65.11%**

This ratio reflects council's reliance on Rating Income. The result has improved this year with the final year of the Special Rates Variation. Council is above the Local Government Benchmark of 60%.

Benchmark: ——— Minimum  $\geq 60.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

 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 2016/17 result**

**2016/17 ratio 6.06x**

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

Benchmark: ——— Minimum  $\geq 1.50$

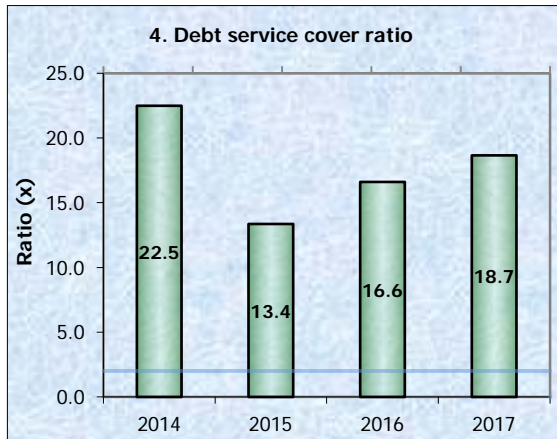
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

 Ratio achieves benchmark  
 Ratio is outside benchmark

# Gunnedah Shire Council

## Notes to the Financial Statements for the year ended 30 June 2017

### 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 2016/17 result**

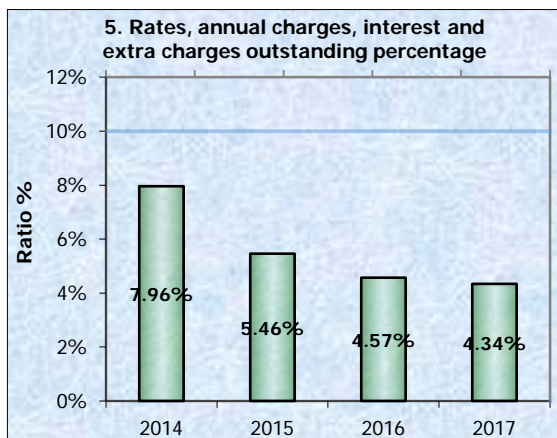
**2016/17 ratio 18.66x**

This result has been effected by the good operating result for the years. Council undertook borrowings during the year for \$4.7 million which will effect the ratio in future years. Council has projected to continue above the Local Government Benchmark of 2%. Council maintains 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 #25

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 2016/17 result**

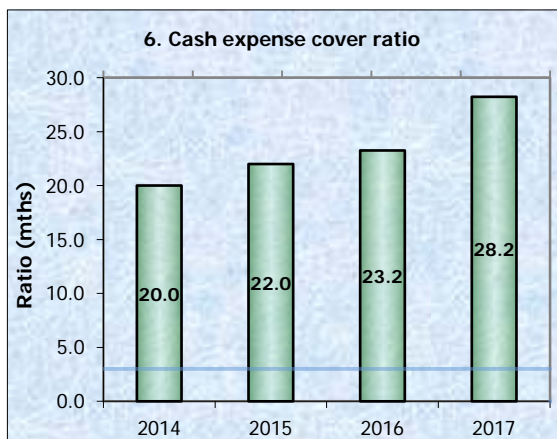
**2016/17 ratio 4.34%**

This year Council has maintained a strong result in the Rates and Annual Charges Outstanding ratio. Councils Rating staff have continued their push to collect outstanding debts. This ratio reflects great improvement over many years and is well under the Local Government Benchmark for country councils of 10%.

Benchmark: Maximum <10.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting #25

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 2016/17 result**

**2016/17 ratio 28.22 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 \$10.4 million with loan funds taken out for \$4.7 million and an advance payment of the Financial Grant of \$2.1 million.

Benchmark: Minimum >=3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
 Ratio is outside benchmark

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 13b. Statement of performance measurement – indicators (by fund)

\$ '000	General indicators <sup>5</sup>		Water indicators		Sewer indicators		Benchmark
	2017	2016	2017	2016	2017	2016	
<b>Local government industry indicators – by fund</b>							
<b>1. Operating performance ratio</b>							
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<b>17.74%</b>	11.53%	<b>26.85%</b>	34.42%	<b>39.54%</b>	41.53%	>0.00%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<b>60.89%</b>	54.77%	<b>81.11%</b>	84.07%	<b>94.63%</b>	74.86%	>60.00%
Total continuing operating revenue <sup>(1)</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions <sup>(2)</sup>	<b>6.06x</b>	6.29x	<b>159.55x</b>	1,226.22x	<b>8396.00x</b>	9,193.00x	>1.5x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>							

## 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 2017

## Note 13b. Statement of performance measurement – indicators (by fund) (continued)

\$ '000	General indicators <sup>5</sup>		Water indicators		Sewer indicators		Benchmark
	2017	2016	2017	2016	2017	2016	
<b>Local government industry indicators – by fund (continued)</b>							
<b>4. Debt service cover ratio</b>							
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation							
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>14.80x</b>	12.29x	<b>0.00x</b>	0.00x	<b>0.00x</b>	0.00x	>2x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	<b>3.77%</b>	3.98%	<b>8.13%</b>	8.10%	<b>7.11%</b>	7.68%	<10% Rural
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits							
Payments from cash flow of operating and financing activities	<b>28.05 months</b>	23.08 months	<b>0.00 months</b>	0.00 months	<b>0.00 months</b>	0.00 months	> 3 months

## Notes

(1) 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 2017

#### 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	
	2017	2016	2017	2016
<b>Financial assets</b>				
Cash and cash equivalents	2,459	3,777	2,459	3,777
Investments				
– 'Held to maturity'	63,779	52,294	63,779	52,294
Receivables	5,137	5,123	5,046	5,036
<b>Total financial assets</b>	<b>71,375</b>	<b>61,194</b>	<b>71,284</b>	<b>61,107</b>
<b>Financial liabilities</b>				
Payables	3,309	2,960	3,309	2,960
Loans/advances	13,581	9,189	13,581	9,189
<b>Total financial liabilities</b>	<b>16,890</b>	<b>12,149</b>	<b>16,890</b>	<b>12,149</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 2017

#### 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>2017</b>				
Possible impact of a 1% movement in interest rates	581	581	(581)	(581)
<b>2016</b>				
Possible impact of a 1% movement in interest rates	536	536	(536)	(536)

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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.

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:

	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 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>

		2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
<b>(ii) Ageing of receivables – value</b>					
<b>Rates and annual charges</b>	<b>Other receivables</b>				
Current	Current	–	3,473	–	3,791
< 1 year overdue	0 – 30 days overdue	492	323	525	247
1 – 2 years overdue	31 – 60 days overdue	68	22	121	40
2 – 5 years overdue	61 – 90 days overdue	52	–	43	15
> 5 years overdue	> 91 days overdue	48	750	27	401
		<b>660</b>	<b>4,568</b>	<b>716</b>	<b>4,494</b>

**(iii) Movement in provision for impairment of receivables**

	2017	2016
Balance at the beginning of the year	87	72
+ new provisions recognised during the year	21	18
– amounts already provided for and written off this year	(16)	–
– amounts provided for but recovered during the year	(1)	(3)
<b>Balance at the end of the year</b>	<b>91</b>	<b>87</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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>2017</b>									
Trade/other payables	–	3,309	–	–	–	–	–	3,309	3,309
Loans and advances	–	492	516	541	571	600	10,861	13,581	13,581
<b>Total financial liabilities</b>	<b>–</b>	<b>3,801</b>	<b>516</b>	<b>541</b>	<b>571</b>	<b>600</b>	<b>10,861</b>	<b>16,890</b>	<b>16,890</b>
<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>

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:

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Bank overdraft	–	8.21%	–	8.34%
Trade/other payables	3,309	0.00%	2,960	0.00%
Loans and advances – fixed interest rate	13,581	5.07%	9,189	5.35%
	<u>16,890</u>		<u>12,149</u>	

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 16. Material budget variations

\$ '000

Council's original financial budget for 16/17 was adopted by the Council on 22 June 2016.

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	2017 Budget	2017 Actual	2017 ----- Variance* -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	<b>16,618</b>	<b>16,816</b>	<b>198</b>	1%	<b>F</b>
<b>User charges and fees</b>	<b>8,052</b>	<b>11,356</b>	<b>3,304</b>	41%	<b>F</b>
The user charges and fees and charges have exceeded budget in the following areas: Additional Works under the RMCC contract amounting to \$2.7 million for works on the State Roads and Water usage charge of \$357 being additional water usage from a dry, hot summer.					
<b>Interest and investment revenue</b>	<b>1,626</b>	<b>1,722</b>	<b>96</b>	6%	<b>F</b>
<b>Other revenues</b>	<b>350</b>	<b>708</b>	<b>358</b>	102%	<b>F</b>
Various factors have affected this variance including additional rental income from properties, Legal costs from recovery of outstanding rates and charges, scrap metal income and Southern Phone dividend.					
<b>Operating grants and contributions</b>	<b>11,252</b>	<b>14,107</b>	<b>2,855</b>	25%	<b>F</b>
Operating grants and contributions have increased mainly by the advance payment of the Financial Assistance Grant. \$2.8 million. Additional grants and contributions have been received by GoCo and Road Funding.					
<b>Capital grants and contributions</b>	<b>3,004</b>	<b>2,293</b>	<b>(711)</b>	(24%)	<b>U</b>
The major shortfall in capital grants and contributions is from the delay in works for the Blackjack Creek project.					
<b>Net gains from disposal of assets</b>	<b>–</b>	<b>12</b>	<b>12</b>	0%	<b>F</b>
This balance is made up from the disposal and sale of plant and land items. This has been counter balanced by the disposal of infrastructure assets such as Kerb and Guttering, Roads and Water assets.					

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	<b>13,388</b>	<b>13,673</b>	<b>(285)</b>	(2%)	<b>U</b>
<b>Borrowing costs</b>	<b>781</b>	<b>712</b>	<b>69</b>	9%	<b>F</b>
<b>Materials and contracts</b>	<b>7,957</b>	<b>9,204</b>	<b>(1,247)</b>	(16%)	<b>U</b>
The additional Material and contracts reflects the additional works carried out by the RMCC contract.					
<b>Depreciation and amortisation</b>	<b>9,407</b>	<b>9,399</b>	<b>8</b>	0%	<b>F</b>
<b>Impairment expenses</b>	-	<b>8</b>	<b>(8)</b>	100%	<b>U</b>
A review of assets were undertaken in the 2016/17 year and assets have been identified as being unworkable, previously disposed of or out of date.					
<b>Other expenses</b>	<b>3,837</b>	<b>2,800</b>	<b>1,037</b>	27%	<b>F</b>
The other expenses have decreased mainly due to lower than expected electricity costs with the installation of solar panels and less than anticipated on Software licences.					
<b>Budget variations relating to Council's Cash Flow Statement include:</b>					
<b>Cash flows from operating activities</b>	<b>15,757</b>	<b>20,154</b>	<b>4,397</b>	27.9%	<b>F</b>
During the year Council has received additional funds from the State Roads contract, Developer Contributions, additional water as a result of the dry summer and the advance receipt of the Financial Assistance Grant where half of the 2017/18 grant received in June 2017.					
<b>Cash flows from investing activities</b>	<b>(19,381)</b>	<b>(25,864)</b>	<b>(6,483)</b>	33.5%	<b>U</b>
Council has a large amount of Capital Projects from the Capital Works Program carried over to the 2017/18 yet to be completed or yet to start. These projects have been carried over to future works. Major projects include Simpsons Bridge replacement, Swimming Pool upgrade, Sewerage Treatment Plant, Blackjack Creek Project.					
<b>Cash flows from financing activities</b>	<b>3,624</b>	<b>4,392</b>	<b>768</b>	21.2%	<b>F</b>
Council carried over \$700,000 of loan funds from the 2015/16 year to take a loan out of \$4.7 million in May 2017.					

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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	375	57	–	12	–	–	444	–
Parking	139	6	–	4	–	–	149	–
Open space	20	–	–	–	–	–	20	–
Community facilities	28	1	–	–	–	–	29	–
<b>S94 contributions – under a plan</b>	<b>562</b>	<b>64</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>–</b>	<b>642</b>	<b>–</b>
<b>S94A levies – under a plan</b>	<b>1,397</b>	<b>194</b>	<b>–</b>	<b>39</b>	<b>–</b>	<b>–</b>	<b>1,630</b>	<b>–</b>
<b>Total S94 revenue under plans</b>	<b>1,959</b>	<b>258</b>	<b>–</b>	<b>55</b>	<b>–</b>	<b>–</b>	<b>2,272</b>	<b>–</b>
S93F planning agreements	–	63	–	–	(63)	–	–	–
S64 contributions	4,323	428	–	122	–	–	4,873	–
<b>Total contributions</b>	<b>6,282</b>	<b>749</b>	<b>–</b>	<b>177</b>	<b>(63)</b>	<b>–</b>	<b>7,145</b>	<b>–</b>



## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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	375	57	–	12	–	–	444	–
Parking	139	6	–	4	–	–	149	–
Open space	20	–	–	–	–	–	20	–
Community facilities	28	1	–	–	–	–	29	–
<b>Total</b>	<b>562</b>	<b>64</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>–</b>	<b>642</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	1,397	194	–	39	–	–	1,630	–
<b>Total</b>	<b>1,397</b>	<b>194</b>	<b>–</b>	<b>39</b>	<b>–</b>	<b>–</b>	<b>1,630</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	–	64	–	–	(64)	–	–	–
<b>Total</b>	<b>–</b>	<b>64</b>	<b>–</b>	<b>–</b>	<b>(64)</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### 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 2017

#### 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

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 2017

## Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2017	Actual 2016
<b>(a) Retained earnings</b>			
<b>Movements in retained earnings were as follows:</b>			
Balance at beginning of year (from previous years audited accounts)		193,853	178,690
a. Net operating result for the year		11,218	15,163
<b>Balance at end of the reporting period</b>		<b>205,081</b>	<b>193,853</b>
<b>(b) Revaluation reserves</b>			
<b>(i) Reserves are represented by:</b>			
– Infrastructure, property, plant and equipment revaluation reserve		228,133	236,164
<b>Total</b>		<b>228,133</b>	<b>236,164</b>
<b>(ii) Reconciliation of movements in reserves:</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		236,164	233,089
– Revaluations for the year	9(a)	(8,021)	3,075
– Transfer to retained earnings for asset disposals		(10)	–
<b>– Balance at end of year</b>		<b>228,133</b>	<b>236,164</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>228,133</b>	<b>236,164</b>

**(iii) Nature and purpose of reserves****Infrastructure, property, plant and equipment revaluation reserve**

– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.

**(c) Correction of error/s relating to a previous reporting period**

Council made no correction of errors during the current reporting period.

**(d) Voluntary changes in accounting policies**

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 2017

## Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2017	Actual 2017	Actual 2017
<b><u>Continuing operations</u></b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from continuing operations</b>			
Rates and annual charges	849	1,899	14,068
User charges and fees	2,699	617	8,040
Interest and investment revenue	369	298	1,055
Other revenues	2	5	701
Grants and contributions provided for operating purposes	80	72	13,955
Grants and contributions provided for capital purposes	834	88	1,371
<b>Other income</b>			
Net gains from disposal of assets	–	–	80
<b>Total income from continuing operations</b>	<b>4,833</b>	<b>2,979</b>	<b>39,270</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	766	367	12,540
Borrowing costs	–	–	712
Materials and contracts	566	293	8,345
Depreciation and amortisation	960	781	7,658
Impairment	–	–	8
Other expenses	536	285	1,979
Net losses from the disposal of assets	68	–	–
<b>Total expenses from continuing operations</b>	<b>2,896</b>	<b>1,726</b>	<b>31,242</b>
<b>Operating result from continuing operations</b>	<b>1,937</b>	<b>1,253</b>	<b>8,028</b>
<b><u>Discontinued operations</u></b>			
Net profit/(loss) from discontinued operations	–	–	–
<b>Net operating result for the year</b>	<b>1,937</b>	<b>1,253</b>	<b>8,028</b>
<b>Net operating result attributable to each council fund</b>	<b>1,937</b>	<b>1,253</b>	<b>8,028</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>1,103</b>	<b>1,165</b>	<b>6,657</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 2017

## Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 2017	Actual 2017	Actual 2017
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current assets</b>			
Cash and cash equivalents	165	229	2,065
Investments	14,162	9,462	40,155
Receivables	609	181	4,318
Inventories	108	1	371
Other	–	–	215
<b>Total current assets</b>	<b>15,044</b>	<b>9,873</b>	<b>47,124</b>
<b>Non-current assets</b>			
Receivables	–	–	29
Infrastructure, property, plant and equipment	37,927	32,106	321,049
<b>Total non-current assets</b>	<b>37,927</b>	<b>32,106</b>	<b>321,078</b>
<b>TOTAL ASSETS</b>	<b>52,971</b>	<b>41,979</b>	<b>368,202</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	73	1	3,235
Income received in advance	–	–	373
Borrowings	–	–	492
Provisions	–	–	4,866
<b>Total current liabilities</b>	<b>73</b>	<b>1</b>	<b>8,966</b>
<b>Non-current liabilities</b>			
Borrowings	–	–	13,089
Provisions	–	–	7,809
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>	<b>20,898</b>
<b>TOTAL LIABILITIES</b>	<b>73</b>	<b>1</b>	<b>29,864</b>
<b>Net assets</b>	<b>52,898</b>	<b>41,978</b>	<b>338,338</b>
<b>EQUITY</b>			
Retained earnings	33,551	17,530	154,000
Revaluation reserves	19,347	24,448	184,338
<b>Total equity</b>	<b>52,898</b>	<b>41,978</b>	<b>338,338</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 2017

#### 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 2017) 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 18/10/17.

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 2017.

##### **(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 2017 and which are only indicative of conditions that arose after 30 June 2017.

#### 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 2017

## 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	
		2017	2016
Quarry Sites	2036	1,930	1,882
Waste Management Tip Sites	2065	5,620	5,494
<b>Balance at end of the reporting period</b>		<b>7,550</b>	<b>7,376</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	7,376	6,547
Amounts capitalised to new or existing assets:		
Quarries Revised Remediation Costs	–	651
Amortisation of discount (expensed to borrowing costs)	174	178
<b>Total – reinstatement, rehabilitation and restoration provision</b>	<b>7,550</b>	<b>7,376</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 2017

#### 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 2017

## 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:

2017	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	30/06/17	–	–	8,811	8,811
Office equipment	30/06/17	–	–	690	690
Furniture and fittings	30/06/17	–	–	405	405
Operational land	30/06/13	–	–	8,859	8,859
Community land	30/06/17	–	–	5,973	5,973
Land Under Roads (post 30/6/2008)	30/06/16	–	–	3,268	3,268
Buildings - non specialised	30/06/13	–	–	12,158	12,158
Buildings - specialised	30/06/13	–	–	19,107	19,107
Other structures	30/06/16	–	–	3,921	3,921
Roads	30/06/15	–	–	206,994	206,994
Bridges	30/06/15	–	–	7,342	7,342
Footpaths	30/06/15	–	–	5,625	5,625
Stormwater drainage	30/06/15	–	–	23,874	23,874
Water supplies networks	30/06/17	–	–	36,452	36,452
Sewerage networks	30/06/17	–	–	28,239	28,239
Swimming pools	30/06/16	–	–	2,029	2,029
Other open space/ recreational assets	30/06/16	–	–	1,864	1,864
Library books	30/06/16	–	–	143	143
Other assets	30/06/16	–	–	1,549	1,549
Tip remediation assets	30/06/14	–	–	4,228	4,228
Quarry remediation assets	30/06/16	–	–	1,405	1,405
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>–</b>	<b>382,936</b>	<b>382,936</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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)

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>

## (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 2017

#### 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 fair 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 fair value (highest and best use). As these rates are 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. The highest and best use of a non-financial assets takes into account the use of the asset that is physically possible, legally permissible and financially feasible. Land under roads are 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 2017

#### Note 27. Fair value measurement (continued)

\$ '000

#### (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 fair 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 2017

#### Note 27. Fair value measurement (continued)

\$ '000

#### (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 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 2017 by AssetVal Pty Ltd. The Water supplies comprise the Gunnedah, Curlewis, Tambar Springs & Mullaleey 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 2017

#### 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 2017 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 2017

#### 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 Mullaley, 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 2017

## 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.

	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community land	Buildings non - specialised	Buildings specialised	Total
<b>Opening balance – 1/7/15</b>	8,137	904	557	8,432	5,797	12,442	19,779	56,048
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>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>
Purchases (GBV)	2,248	207	57	411	–	9	55	2,987
Disposals (WDV)	(377)	–	–	(24)	(22)	–	–	(423)
Depreciation and impairment	(1,408)	(259)	(77)	–	–	(263)	(342)	(2,349)
<b>Closing balance – 30/6/17</b>	<b>8,811</b>	<b>690</b>	<b>405</b>	<b>8,859</b>	<b>5,973</b>	<b>12,158</b>	<b>19,107</b>	<b>56,003</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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 – 1/7/15</b>	3,522	201,540	7,616	5,736	23,190	39,828	30,789	991	313,212
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>
Purchases (GBV)	115	6,539	–	16	333	1,018	920	–	8,941
Disposals (WDV)	–	(153)	–	–	–	(67)	–	–	(220)
Depreciation and impairment	(125)	(4,101)	(137)	(89)	(323)	(916)	(765)	(69)	(6,525)
Revaluations to Equity	–	–	–	–	–	(4,449)	(3,572)	–	(8,021)
<b>Closing balance – 30/6/17</b>	<b>3,921</b>	<b>206,994</b>	<b>7,342</b>	<b>5,625</b>	<b>23,874</b>	<b>36,452</b>	<b>28,239</b>	<b>2,029</b>	<b>314,476</b>

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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 – 1/7/15</b>	–	1,171	123	1,466	4,846	830	8,436
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>
Purchases (GBV)	–	407	30	125	–	–	562
Depreciation and impairment	–	(76)	(18)	(93)	(309)	(37)	(533)
<b>Closing balance – 30/6/17</b>	<b>3,268</b>	<b>1,864</b>	<b>143</b>	<b>1,549</b>	<b>4,228</b>	<b>1,405</b>	<b>12,457</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 2017

## 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 (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E</b>			
Plant & Equipment	19,427	Approximate Fair Value	Remaining Life, Residual Value
Office Equipment	2,529	Approximate Fair Value	Remaining Life, Residual Value
Furniture & Fittings	1,052	Approximate Fair Value	Remaining Life, Residual Value
Land - Operational	8,859	Fair Value (highest & best use)	Price per square metre
Land - Community	5,973	Fair 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 physically possible, legally permissible and financially feasible use.
Buildings - non specialised	20,431	Depreciated replacement costs taking into account physical wear and tear.	Estimates of residual values and pattern of consumption require extensive judgement.
Buildings - Specialised	30,230	Depreciated replacement costs taking into account physical wear and tear.	Estimates of residual values and pattern of consumption require extensive judgement.
Other Structures	6,235	Replacement cost taking into a range of factors.	Pattern of consumption, residual value, asset condition and useful life.

## Gunnedah Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2017

## 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 (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E (continued)</b>			
Roads	298,975	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	7,128	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Stormwater Drainage	32,861	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Water Supply Network	62,655	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	54,536	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	3,855	Cost Approach	Pattern of consumption, residual value, asset condition and useful life, requiring professional judgement
Library Books	212	Approximate Fair Value	Remaining Life, Residual Value



## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### 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 (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E (continued)</b>			
Other Assets	2,107	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.

##### d. The valuation process for level 3 fair value measurements

This year Gunnedah Shire Council have valued Water and Sewerage assets on a fair value basis in accordance Accounting Standards AASB 13, AASB116 and the the Australian Property Institute's practice standards. Due to the nature of Local Government Assets the Cost approach has been taken and is deemed a Level 3 Input.

As there is no market, the net current value of an assets is the current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Estimate replacement cost is determined by unit rates collated from similar recent projects, quotes, unit rate databases and Rawlinson's Construction Handbook. As the unobservable inputs (such as useful lives, and assets condition) are estimated taking into account construction date, recent repairs, capital works and environmental factors.

The Asset valuation process is arranged by the Manager - Mapping, Assets, Design and Developments and the Assets Officer who under tak a review after the valuation is complete. A listing is formulated by the Asset department, given to the Valuers and a site inspection was carried out on 19th April 2017.

The valuation was completed by AssetVal Pty Ltd.

Once completed the valuations a maintained by Gunnedah Shire Council utilising Councils Asset Management System (Biz E Asset).

##### (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 2017

#### Note 28. Related party disclosures

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\$ '000

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##### a. Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	Actual 2017
<b>Compensation:</b>	<b>2017</b>
Short-term benefits	876
Post-employment benefits	89
Other long-term benefits	23
Termination benefits	14
<b>Total</b>	<b>1,002</b>

## Gunnedah Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 28. Related party disclosures (continued)

\$ '000

##### b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction		Value of transactions during year \$'000	Outstanding balance (incl. loans and commitments) \$'000	Terms and conditions	Provisions for doubtful debts outstanding \$'000	Doubtful debts expense recognised \$'000
A KMP related party supplied labour and materials relating to council for road works.	1	166	–	As per Council's 30 day terms	–	–
Council and a KMP Related party have a Voluntary Planning Agreement and Council carried out road works for the entity.	2	137	90	30 Days Terms plus interest on overdue amounts	–	–
A KMP is Director of an organisation that is leasing part of a Council Building The lease is for \$15,000 pa	3	5	–	30 Days Terms plus interest on overdue amounts	–	–

- 1 The supply of labour and materials have been purchased and supplied under Council's Purchasing & Procurement Policy.
- 2 The Voluntary is based on output from the Related Party Entity and the private works was carried out within normal business terms.
- 3 Lease has been negotiated between the Organisation and Council.

##### c. Other related party transactions

Nil

## Gunnedah Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 29. 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

**Facsimile:** 02 6740 2119

**Internet:** [www.infogunnedah.nsw.gov.au](http://www.infogunnedah.nsw.gov.au)

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

**Officers**

**GENERAL MANAGER**

E J GROTH

**RESPONSIBLE ACCOUNTING OFFICER**

D CONNOR

**PUBLIC OFFICER**

L E ROWE

**AUDITORS**

NSW AUDIT OFFICE  
LEVEL 15, 1 MARGARET STREET  
GPO BOX 12,  
SYDNEY NSW 2001

**Elected members**

**MAYOR**

J CHAFFEY

**COUNCILLORS**

G SWAIN  
J CAMPBELL  
C FULLER  
O HASLER  
R HOOKE  
A LUKE  
D MOSES  
M O'KEEFE

**Other information**

**ABN:** 80 183 655 793



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Gunnedah Shire Council

To the Councillors of Gunnedah Shire Council

### Opinion

I have audited the accompanying financial statements of Gunnedah Shire Council (the Council), which comprise the statement of financial position as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- 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 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Other Matter**

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 20 October 2016.

### **The Councillors' Responsibility for the Financial Statements**

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

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

### **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and Note 16 budget variation explanations
- on the attached Special Schedules
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'C. Clayton', with a large, stylized flourish at the end.

Chris Clayton  
Director, Financial Audit Services

20 October 2017  
SYDNEY



Councillor Jamie Chaffey  
Mayor  
Gunnedah Shire Council  
PO Box 63  
GUNNEDAH NSW 2380

Contact: Chris Clayton  
Phone no: 9275 7248  
Our ref: D1725849/1735

20 October 2017

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2017  
Gunnedah Shire Council**





We have audited the general purpose financial statements of Gunnedah Shire Council (the Council) for the year ended 30 June 2017 as required by s415 of the *Local Government Act 1993* (the Act).

We expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2017 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

**INCOME STATEMENT**

**Operating result**

	<b>2017</b>	<b>2016</b>	<b>Variance</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Rates and annual charges revenue</b>	16,816	16,157	4.1 
<b>Grants and contributions revenue</b>	16,400	21,082	(22.2) 
<b>Operating result for the year</b>	11,218	15,163	(26.0) 
<b>Net operating result before capital amounts</b>	8,925	6,299	41.7 

Council’s operating result for the year (\$11.2 million) was \$3.9 million less than the previous financial year, however was more than the \$5.6 million budgeted by Council. The decrease from last year is mainly attributed to a significant drop in grants and contributions provided for capital purposes.

Rates and annual charges slightly increased by \$0.7 million (4.1 per cent) to \$16.8 million as result of an increase in ordinary rates (\$0.4 million) and an increase in annual charges (\$0.2 million) due to 52 additional rateable properties. Sewerage annual charges increased by 4 per cent to \$0.5 million while domestic waste management access charges increased by 3 per cent to \$0.3 million.

Grants and contributions revenue decreased by \$4.6 million (22.2 per cent) to \$16.4 million. This is mainly attributed to a decrease in grants and contributions for capital purposes.

Council’s depreciation and amortisation expense is consistent across both financial years. Council recognised \$5.3 million of capital expenditure as capital works in progress for the year ended 30 June 2017 (\$1.1 million for the year ended 30 June 2016) that are not ready for use and therefore not depreciated.

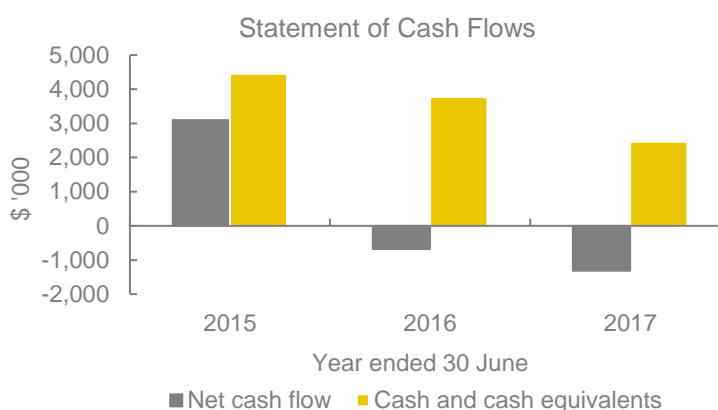
## STATEMENT OF CASH FLOWS

Council recorded a net decrease in cash and cash equivalents of \$1.3 million during 2016-17 (net decrease of \$0.7 in 2015-16).

Net cash provided by operating activities amounted to \$20.1 million for 2016-17 (2015-16: \$18.5 million).

Net cash used in investing activities amounted to \$25.8 million for 2016-17 compared to \$18.9 million in 2015-16.

This is largely due to the net cash outflow of \$15.0 million for the purchase of infrastructure, property, plant and equipment during the year.



## FINANCIAL POSITION

### Cash and Investments

Restricted Cash and Investments	2017	2016	Commentary
	\$'000	\$'000	
External restrictions	40,788	34,182	Cash and investments increased by \$11.4 million during 2016-17. Externally restricted cash and investments are restricted in their use by externally imposed requirements. The movement in external restrictions was because of an increase in developer contributions, specific purpose unexpected grants, water supplies and domestic waste management.
Internal restrictions	15,470	13,055	
Unrestricted	9,980	8,834	
<b>Cash and investments</b>	<b>66,238</b>	<b>56,071</b>	Internally restricted cash and investments have been restricted in the use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in internally restricted cash balances included an increase of \$2.1 million due to the receipt of 2017-18 financial assistance grant instalments in 2016-17.

## Debt

At 30 June 2017, Council recognised \$13.6 million in loans (30 June 2016: \$9.2 million), including \$4.7 million of new borrowings obtained for bridge replacement and pool complex upgrades. \$13.5 million of Council’s loans are secured over the general rating income of Council.

At 30 June 2017, Council also had access to a \$500,000 (30 June 2016: \$500,000) bank overdraft facility. This facility was unused at year end.

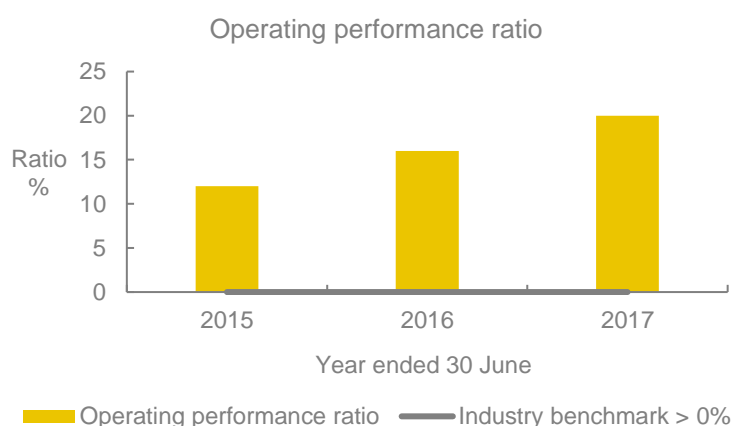
## PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the ‘building and infrastructure renewals ratio’) is included in Note 13 of the Council’s audited general purpose financial statements. The ‘building and infrastructure renewals ratio’ is defined in Council’s Special Schedule 7.

### Operating performance ratio

Council’s operating performance ratio exceeded the industry benchmark over the past three years.

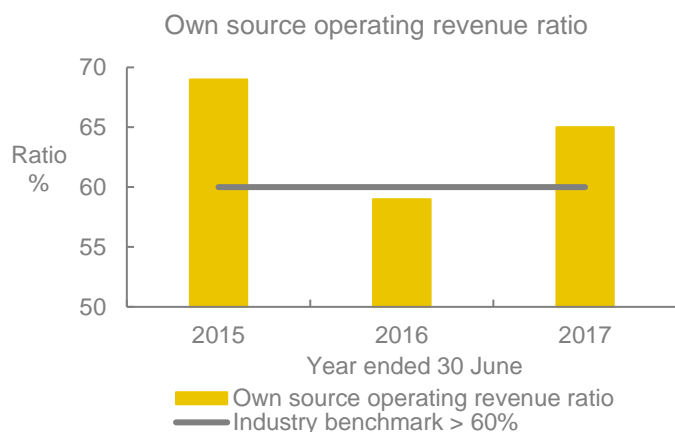
The ‘operating performances ratio’ measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent



### Own source operating revenue ratio

Council’s own source operating revenue ratio of 65.1 per cent for the year ended 30 June 2017 is once again higher than the industry benchmark; having fallen slightly below the benchmark last financial year. The ratio for the year ended 30 June 2016 was impacted by a larger than normal value of contributed assets (roads, bridges, drainages, kerbs and gutters) during that financial year.

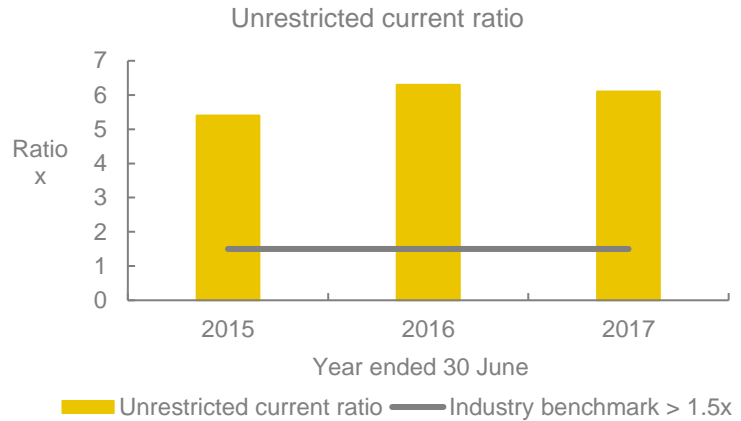
The ‘own source operating revenue ratio’ measures council’s fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council's unrestricted current ratio exceeded the industry benchmark over the past three years. This indicates Council has sufficient liquidity to meet its current liabilities as and when they fall due.

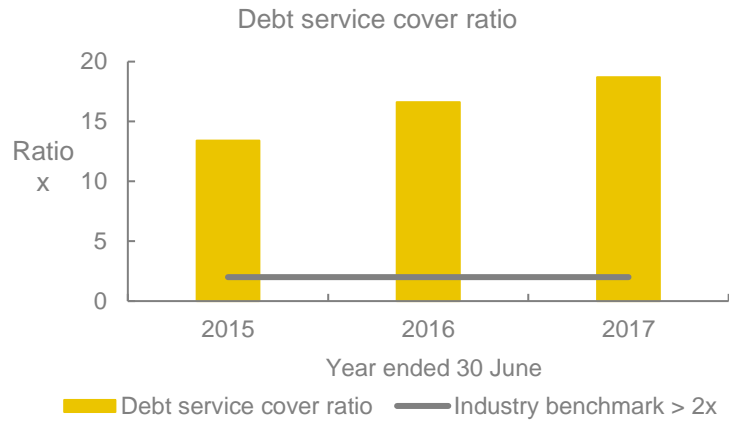
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council's debt service cover ratio exceeded the industry benchmark over the past three years. The ratio indicates Council has adequate revenue to cover the principal repayments and borrowing costs of its debt. This result has been impacted by the improved operating result for the year.

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

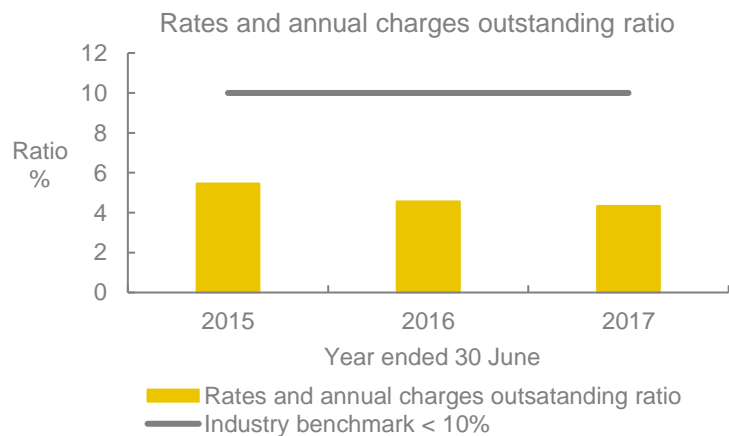


### Rates and annual charges outstanding ratio

Council's rates and annual charges outstanding ratio is better than the benchmark for rural councils over the past three years.

The ratio has continued to decline year on year, reflecting Council's sustained effort to effectively manage rates and charges recovery.

The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for rural councils.

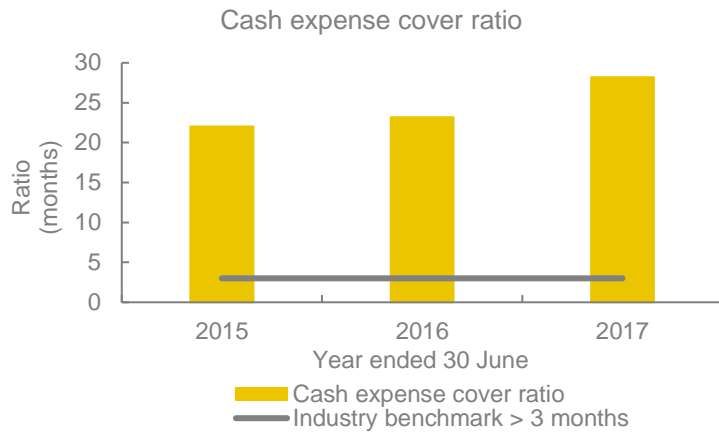


## Cash expense cover ratio

As at 30 June 2017, Council had the capacity to cover 28 months of cash expenditure without additional cash inflows.

Council's high levels of liquidity means its cash expense cover ratio far exceeded the industry benchmark over the past three years.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

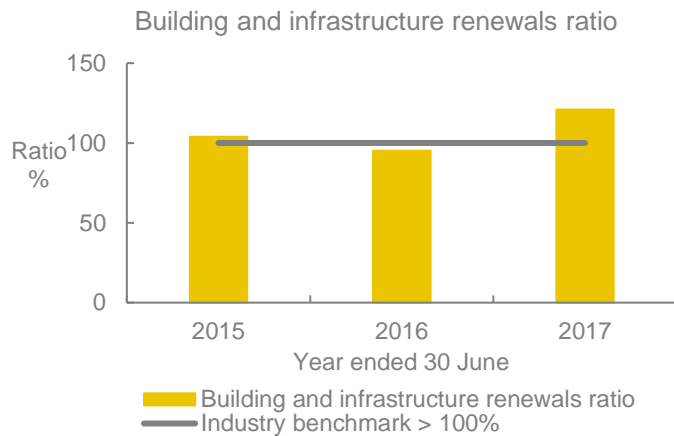


## Building and infrastructure renewals ratio

Council met the building and infrastructure renewals ratio benchmark for the year ended 30 June 2017. Council advise the previous financial year's ratio was impacted by the incorrect allocation of infrastructure additions between 'renewals' and 'new assets'.

The 'building and infrastructure renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from information contained in council's Special Schedule 7 which has not been audited.



## OTHER MATTERS

### Council Entities

Council's interest in 'council entities' include:

- Statewide Limited
- StateCover Limited
- Southern Phone Company Limited.

I have obtained sufficient audit evidence to be satisfied Council's general purpose financial statements materially reflect Council's interest in the entities.

## New accounting standards implemented

### AASB 124 'Related Party Disclosures'

Effective for annual reporting periods beginning on or 1 July 2016

AASB 2015-6 extended the scope of AASB 124 to include not-for-profit public-sector entities. As a result, Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of their related party relationships
- amount and nature of their related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

## Legislative compliance

Our audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Chris Clayton  
Director, Financial Audit Services

cc: Mr Eric Groth, General Manager  
Mr Grahame Marchant, Chair of the Audit Committee  
Mr Tim Hurst, Acting Chief Executive of the Office of Local Government



# Gunnedah Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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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 2017

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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).
-

## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2017

### 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:**

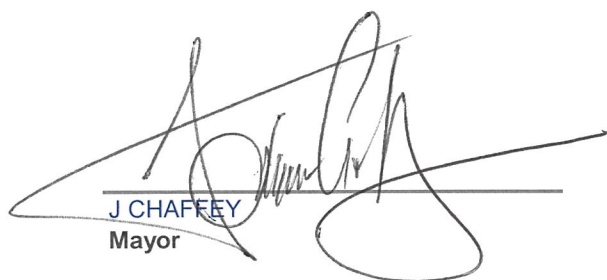
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

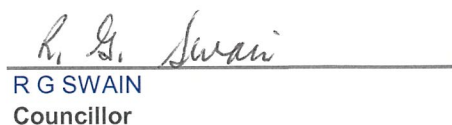
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

**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 18 October 2017.**



J CHAFFEY  
Mayor



R G SWAIN  
Councillor



E J GROTH  
General Manager



D CONNOR  
Responsible Accounting Officer

## Gunnedah Shire Council

## Income Statement of Council's Water Supply Business Activity

for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
<b>Income from continuing operations</b>		
Access charges	849	827
User charges	2,699	3,166
Fees	–	–
Interest	369	315
Grants and contributions provided for non-capital purposes	80	92
Profit from the sale of assets	–	8
Share of profit from equity accounted investment	–	–
Other income	2	19
<b>Total income from continuing operations</b>	<b>3,999</b>	<b>4,427</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	766	704
Borrowing costs	–	–
Materials and contracts	566	548
Depreciation, amortisation and impairment	960	929
Water purchase charges	–	–
Loss on sale of assets	68	399
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	536	679
<b>Total expenses from continuing operations</b>	<b>2,896</b>	<b>3,259</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,103</b>	<b>1,168</b>
Grants and contributions provided for capital purposes	834	728
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,937</b>	<b>1,896</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>1,937</b>	<b>1,896</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(331)	(350)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,606</b>	<b>1,546</b>
<b>Plus opening retained profits</b>	31,614	29,718
<b>Plus/less: prior period adjustments</b>	–	–
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	331	350
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>33,551</b>	<b>31,614</b>
<b>Return on capital %</b>	<b>2.9%</b>	<b>2.8%</b>
<b>Subsidy from Council</b>	–	–
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,606	1,546
Less: capital grants and contributions (excluding developer contributions)	(531)	(260)
<b>Surplus for dividend calculation purposes</b>	<b>1,075</b>	<b>1,286</b>
<b>Potential dividend calculated from surplus</b>	<b>538</b>	<b>643</b>

## Gunnedah Shire Council

## Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
<b>Income from continuing operations</b>		
Access charges	1,899	1,823
User charges	617	604
Liquid trade waste charges	–	–
Fees	–	–
Interest	298	265
Grants and contributions provided for non-capital purposes	72	36
Profit from the sale of assets	–	2
Share of profit from equity accounted investment	–	–
Other income	5	1
<b>Total income from continuing operations</b>	<b>2,891</b>	<b>2,731</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	367	374
Borrowing costs	–	–
Materials and contracts	293	245
Depreciation, amortisation and impairment	781	754
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	285	325
<b>Total expenses from continuing operations</b>	<b>1,726</b>	<b>1,698</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,165</b>	<b>1,033</b>
Grants and contributions provided for capital purposes	88	869
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,253</b>	<b>1,902</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>1,253</b>	<b>1,902</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(350)	(310)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>904</b>	<b>1,592</b>
<b>Plus opening retained profits</b>	16,277	14,375
<b>Plus/less: prior period adjustments</b>	–	–
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	350	310
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>17,530</b>	<b>16,277</b>
<b>Return on capital %</b>	<b>3.6%</b>	<b>3.1%</b>
<b>Subsidy from Council</b>	–	–
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	904	1,592
Less: capital grants and contributions (excluding developer contributions)	36	(552)
<b>Surplus for dividend calculation purposes</b>	<b>940</b>	<b>1,040</b>
<b>Potential dividend calculated from surplus</b>	<b>470</b>	<b>520</b>

## Gunnedah Shire Council

## Statement of Financial Position – Council's Water Supply Business Activity

as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	165	410
Investments	14,162	12,977
Receivables	609	535
Inventories	108	123
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total current assets</b>	<b>15,044</b>	<b>14,045</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	37,927	41,374
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
<b>Total non-current assets</b>	<b>37,927</b>	<b>41,374</b>
<b>TOTAL ASSETS</b>	<b>52,971</b>	<b>55,419</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	73	9
Income received in advance	–	–
Borrowings	–	–
Provisions	–	–
<b>Total current liabilities</b>	<b>73</b>	<b>9</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>73</b>	<b>9</b>
<b>NET ASSETS</b>	<b>52,898</b>	<b>55,410</b>
<b>EQUITY</b>		
Retained earnings	33,551	31,614
Revaluation reserves	19,347	23,796
Other reserves	–	–
Council equity interest	52,898	55,410
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>52,898</b>	<b>55,410</b>

## Gunnedah Shire Council

## Statement of Financial Position – Council's Sewerage Business Activity

as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	229	–
Investments	9,462	10,307
Receivables	181	201
Inventories	1	–
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total current Assets</b>	<b>9,873</b>	<b>10,508</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	32,106	33,790
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
<b>Total non-current assets</b>	<b>32,106</b>	<b>33,790</b>
<b>TOTAL ASSETS</b>	<b>41,979</b>	<b>44,298</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	1	1
Income received in advance	–	–
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>41,978</b>	<b>44,297</b>
<b>EQUITY</b>		
Retained earnings	17,530	16,277
Revaluation reserves	24,448	28,020
Other reserves	–	–
Council equity interest	41,978	44,297
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>41,978</b>	<b>44,297</b>

## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2017

#### Contents of the notes accompanying the financial statements

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1	Summary of significant accounting policies	8
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 2017

#### Note 1. Significant accounting policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements 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 these Special Purpose Financial Statements 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 prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled '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 a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with *Pricing 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, Mullaaley & 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, except for 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. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector

## Gunnedah Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

#### Note 1. Significant accounting policies (continued)

businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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 \$549,000 of combined land values attracts 0%. For the combined land values in excess of \$549,001 up to \$3,357,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,357,000 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 Department of Primary Industries Water (DPIW), 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 to in the NSW Office of Water 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 to the NSW Office of Water 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 the business activities.

Whilst 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/(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 gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the 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 the SPFS.

The rate applied of 30% is the equivalent company tax rate prevalent at reporting 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.

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

## Gunnedah Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

#### Note 1. Significant accounting policies (continued)

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 NCP 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 actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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**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 2.38% at 30/6/17.

#### (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.

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2017 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

## Gunnedah Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2017Note 2. Water supply business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

**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	14,763
(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]	537,550
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	147,630
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	2,866,200

2017 Surplus	1,075,100	2016 Surplus	1,285,600	2015 Surplus	505,500
		2016 Dividend	-	2015 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	147,630
(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]	
(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 2017Note 2. Water supply business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

## 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	4,464
<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)]	%	71.68%
<b>NWI F9</b>	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	36,451
<b>NWI F11</b>	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	1,819
<b>NWI F14</b>	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	1,399
<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)]	%	4.44%
<b>NWI F26</b>	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
- References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
  - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
    - 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 2017Note 3. Sewerage business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

**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	12,417
(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]	469,750
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	124,170
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	2,686,100

2017 Surplus	939,500	2016 Surplus	1,040,100	2015 Surplus	706,500
		2016 Dividend	-	2015 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	124,170
(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 2017Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017


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**National Water Initiative (NWI) financial performance indicators**

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	2,681
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	28,239
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	945
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	2,641
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	2.97%
NWI F27	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)**

NWI F3	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	7,077
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.06%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	4,040
NWI F19	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)]	%	3.77%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	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 2017Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017


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**National Water Initiative (NWI) financial performance indicators**  
**Water and sewer (combined)**

<b>NWI F22</b>	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)]	%	-25.32%
<b>NWI F23</b>	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;">2,640</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;">- 667</span> Interest expense (w4a + s4a) – interest income (w9 + s10)		> 100
<b>NWI F24</b>	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	3,190
<b>NWI F25</b>	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 AUDITOR'S REPORT**  
**Report on the special purpose financial statement**  
**Gunnedah Shire Council**

To the Councillors of Gunnedah Shire Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Gunnedah Shire Council's (the Council) Declared Business Activities, which comprise the statement of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2017, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report and in particular, the Emphasis of Matter referring to the basis of accounting.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note (1) to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 20 October 2016.

## The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

## Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Clayton  
Director, Financial Audit Services

20 October 2017  
SYDNEY



# Gunnedah Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2017

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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 2017

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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

#### 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 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>640</b>	<b>2</b>	<b>–</b>	<b>(638)</b>
<b>Administration</b>	<b>1,344</b>	<b>167</b>	<b>–</b>	<b>(1,177)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	380	171	–	(209)
Beach control	–	–	–	–
Enforcement of local government regulations	13	4	–	(9)
Animal control	201	52	–	(149)
Other	–	–	–	–
<b>Total public order and safety</b>	<b>594</b>	<b>227</b>	<b>–</b>	<b>(367)</b>
<b>Health</b>	<b>120</b>	<b>28</b>	<b>–</b>	<b>(92)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	326	180	–	(146)
Other environmental protection	254	–	378	124
Solid waste management	2,770	2,970	–	200
Street cleaning	323	–	–	(323)
Drainage	–	–	–	–
Stormwater management	407	94	391	78
<b>Total environment</b>	<b>4,080</b>	<b>3,244</b>	<b>769</b>	<b>(67)</b>
<b>Community services and education</b>				
Administration and education	249	–	20	(229)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	3,051	4,198	–	1,147
Children's services	275	100	–	(175)
<b>Total community services and education</b>	<b>3,575</b>	<b>4,298</b>	<b>20</b>	<b>743</b>
<b>Housing and community amenities</b>				
Public cemeteries	183	120	–	(63)
Public conveniences	–	–	–	–
Street lighting	209	20	–	(189)
Town planning	331	278	194	141
Other community amenities	23	39	–	16
<b>Total housing and community amenities</b>	<b>746</b>	<b>457</b>	<b>194</b>	<b>(95)</b>
<b>Water supplies</b>	<b>2,820</b>	<b>3,612</b>	<b>833</b>	<b>1,625</b>
<b>Sewerage services</b>	<b>1,635</b>	<b>2,855</b>	<b>124</b>	<b>1,344</b>

## Gunnedah Shire Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2017

\$'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	405	55	–	(350)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	613	57	–	(556)
Performing arts venues	432	240	–	(192)
Other performing arts	–	–	–	–
Other cultural services	249	90	16	(143)
Sporting grounds and venues	909	36	–	(873)
Swimming pools	948	262	–	(686)
Parks and gardens (lakes)	1,062	48	34	(980)
Other sport and recreation	–	–	–	–
<b>Total recreation and culture</b>	<b>4,618</b>	<b>788</b>	<b>50</b>	<b>(3,780)</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	435	9	–	(426)
Other mining, manufacturing and construction	481	–	–	(481)
<b>Total mining, manufacturing and const.</b>	<b>916</b>	<b>9</b>	<b>–</b>	<b>(907)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	1,683	413	–	(1,270)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	2,833	1,482	222	(1,129)
Sealed rural roads (SRR) – regional	5,017	6,001	–	984
Unsealed rural roads (URR) – local	2,688	339	64	(2,285)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	264	–	–	(264)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	23	–	6	(17)
Footpaths	160	–	–	(160)
Aerodromes	178	31	–	(147)
Other transport and communication	(245)	232	11	488
<b>Total transport and communication</b>	<b>12,601</b>	<b>8,498</b>	<b>303</b>	<b>(3,800)</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	20	11	–	(9)
Other economic affairs	2,087	1,461	–	(626)
<b>Total economic affairs</b>	<b>2,107</b>	<b>1,472</b>	<b>–</b>	<b>(635)</b>
<b>Totals – functions</b>	<b>35,796</b>	<b>25,657</b>	<b>2,293</b>	<b>(7,846)</b>
<b>General purpose revenues</b> <sup>(1)</sup>		<b>19,064</b>		<b>19,064</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET OPERATING RESULT</b> <sup>(2)</sup>	<b>35,796</b>	<b>44,721</b>	<b>2,293</b>	<b>11,218</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 2017

\$'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	–	–	–	–	–	–	–	–	–	–	–
NSW Treasury Corporation	–	–	–	4,700	–	–	–	7	163	4,537	4,700
Other State Government	–	–	–	–	–	–	–	–	–	–	–
Public subscription	–	–	–	–	–	–	–	–	–	–	–
Financial institutions	305	8,868	9,173	–	305	–	–	530	326	8,542	8,868
Other	–	–	–	–	–	–	–	–	–	–	–
<b>Total loans</b>	<b>305</b>	<b>8,868</b>	<b>9,173</b>	<b>4,700</b>	<b>305</b>	<b>–</b>	<b>–</b>	<b>537</b>	<b>489</b>	<b>13,079</b>	<b>13,568</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	3	13	16	–	3	–	–	1	3	10	13
Finance leases	–	–	–	–	–	–	–	–	–	–	–
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
<b>Total long term debt</b>	<b>3</b>	<b>13</b>	<b>16</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>3</b>	<b>10</b>	<b>13</b>
<b>Total debt</b>	<b>308</b>	<b>8,881</b>	<b>9,189</b>	<b>4,700</b>	<b>308</b>	<b>–</b>	<b>–</b>	<b>538</b>	<b>492</b>	<b>13,089</b>	<b>13,581</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	288	366
b. Engineering and supervision	249	234
<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	677	627
– <b>Reservoirs</b>		
e. Operation expenses	–	–
f. Maintenance expenses	70	93
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	262	331
i. Maintenance expenses	225	186
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	–	–
k. Chemical costs	15	16
l. Maintenance expenses	1	1
– <b>Other</b>		
m. Operation expenses	5	19
n. Maintenance expenses	–	29
o. Purchase of water	27	29
<b>3. Depreciation expenses</b>		
a. System assets	916	882
b. Plant and equipment	44	45
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	49	–
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>2,828</b>	<b>2,860</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	698	689
b. Usage charges	1,767	2,082
<b>7. Non-residential charges</b>		
a. Access (including rates)	151	137
b. Usage charges	933	1,084
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	369	315
<b>10. Other income</b>	2	19
<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	39
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	344	53
b. Developer provided assets	530	729
c. Other contributions	–	–
<b>13. Total income</b>	<b>4,833</b>	<b>5,147</b>
<b>14. Gain (or loss) on disposal of assets</b>	(68)	(391)
<b>15. Operating result</b>	<b>1,937</b>	<b>1,896</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	1,937	1,896

## 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 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	611	225
b. New assets for growth	92	26
c. Renewals	623	551
d. Plant and equipment	73	4
<b>17. Repayment of debt</b>	–	–
<b>18. Totals</b>	<b>1,399</b>	<b>806</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)	3,930	4,251
b. Residential (unoccupied, ie. vacant lot)	372	218
c. Non-residential (occupied)	407	409
d. Non-residential (unoccupied, ie. vacant lot)	212	4
<b>23. Number of ETs for which developer charges were received</b>	33 ET	7 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 70,985	\$ 70,773

## 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 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	3,397	–	3,397
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	10,930	–	10,930
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	69	–	69
c. User charges	539	–	539
d. Other	1	–	1
<b>27. Inventories</b>	108	–	108
<b>28. Property, plant and equipment</b>			
a. System assets	–	36,451	36,451
b. Plant and equipment	–	1,476	1,476
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>15,044</b>	<b>37,927</b>	<b>52,971</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	73	–	73
<b>33. Borrowings</b>	–	–	–
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<b>73</b>	<b>–</b>	<b>73</b>
<b>36. NET ASSETS COMMITTED</b>	<b>14,971</b>	<b>37,927</b>	<b>52,898</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			32,929
<b>38. Asset revaluation reserve</b>			19,969
<b>39. Other reserves</b>			–
<b>40. TOTAL EQUITY</b>			<b>52,898</b>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			62,655
<b>42. Accumulated current cost</b> depreciation of system assets			(26,204)
<b>43. Written down current cost</b> of system assets			<b>36,451</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	232	256
b. Engineering and supervision	126	145
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	–	–
b. Maintenance expenses	162	182
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	59	68
e. Maintenance expenses	41	30
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	–	–
g. Chemical costs	7	4
h. Energy costs	26	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	219	193
– Other		
l. Operation expenses	19	17
m. Maintenance expenses	54	48
<b>3. Depreciation expenses</b>		
a. System assets	765	735
b. Plant and equipment	16	19
<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>1,726</b>	<b>1,697</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	1,899	1,823
<b>7. Non-residential charges</b>		
a. Access (including rates)	–	–
b. Usage charges	573	560
<b>8. Trade waste charges</b>		
a. Annual fees	11	10
b. Usage charges	33	34
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	298	265
<b>11. Other income</b>	5	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	36
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	124	694
b. Developer provided assets	–	–
c. Other contributions	–	175
<b>14. Total income</b>	<b>2,979</b>	<b>3,598</b>
<b>15. Gain (or loss) on disposal of assets</b>	–	1
<b>16. Operating result</b>	<b>1,253</b>	<b>1,902</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	1,253	1,902



## 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 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	2,074	–
b. New assets for growth	164	1,124
c. Renewals	403	96
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	–	–
<b>19. Totals</b>	<b>2,641</b>	<b>1,220</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)	3,470	3,451
b. Residential (unoccupied, ie. vacant lot)	265	195
c. Non-residential (occupied)	396	392
d. Non-residential (unoccupied, ie. vacant lot)	8	4
<b>24. Number of ETs for which developer charges were received</b>	16 ET	44 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 65,286	\$ 65,511

## 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 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	1,477	–	1,477
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	8,215	–	8,215
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	135	–	135
c. User charges	45	–	45
d. Other	–	–	–
<b>28. Inventories</b>	1	–	1
<b>29. Property, plant and equipment</b>			
a. System assets	–	28,239	28,239
b. Plant and equipment	–	3,867	3,867
<b>30. Other assets</b>	–	–	–
<b>31. Total assets</b>	<b>9,873</b>	<b>32,106</b>	<b>41,979</b>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	–	–	–
<b>34. Borrowings</b>	–	–	–
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	1	–	1
<b>36. Total liabilities</b>	<b>1</b>	<b>–</b>	<b>1</b>
<b>37. NET ASSETS COMMITTED</b>	<b>9,872</b>	<b>32,106</b>	<b>41,978</b>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			17,364
<b>39. Asset revaluation reserve</b>			24,614
<b>40. Other reserves</b>			–
<b>41. TOTAL EQUITY</b>			<b>41,978</b>
<b>Note to system assets:</b>			
<b>42. Current replacement cost</b> of system assets			54,536
<b>43. Accumulated current cost</b> depreciation of system assets			(26,297)
<b>44. Written down current cost</b> of system assets			28,239

## Gunnedah Shire Council

### Notes to Special Schedules 3 and 5 for the year ended 30 June 2017

#### 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 2017

\$'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	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Commercial Buildings	64	64	128	125	9,042	13,321	8%	8%	61%	23%	0%
	Community Housing	213	213	5	5	1,036	1,636	13%	25%	44%	13%	5%
	Halls, Community Centres	–	–	90	91	21,187	35,704	40%	40%	20%	0%	0%
	<b>Sub-total</b>	<b>277</b>	<b>277</b>	<b>223</b>	<b>221</b>	<b>31,265</b>	<b>50,661</b>	<b>30.7%</b>	<b>31.1%</b>	<b>31.6%</b>	<b>6.5%</b>	<b>0.2%</b>
<b>Other structures</b>	Other structures	8	8	5	13	3,921	6,235	29%	33%	19%	19%	0%
	<b>Sub-total</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>13</b>	<b>3,921</b>	<b>6,235</b>	<b>29.0%</b>	<b>33.0%</b>	<b>19.0%</b>	<b>19.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	850	850	600	864	58,046	84,456	30%	31%	34%	4%	1%
	Unsealed roads	148	148	1,500	1,939	73,242	96,982	32%	27%	38%	2%	1%
	Bridges / Culverts	860	860	9	9	21,397	32,820	43%	29%	21%	7%	0%
	Footpaths	27	27	50	52	5,624	7,128	59%	29%	11%	1%	0%
	Other road assets	141	141	5	–	6,113	7,907	29%	21%	41%	9%	0%
	Urban Roads	560	560	300	408	40,537	56,955	37%	25%	36%	2%	0%
	Kerb & Gutter	230	230	40	43	13,523	27,346	19%	71%	10%	0%	0%
	Aerodrome	390	390	22	23	941	5,051	21%	20%	54%	5%	0%
	Parking Areas	–	–	3	3	538	1,156	41%	49%	10%	0%	0%
<b>Sub-total</b>	<b>3,206</b>	<b>3,206</b>	<b>2,529</b>	<b>3,341</b>	<b>219,961</b>	<b>319,801</b>	<b>32.8%</b>	<b>31.5%</b>	<b>32.1%</b>	<b>3.1%</b>	<b>0.6%</b>	

## Gunnedah Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (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	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Gunnedah Water	450	450	900	879	32,276	55,626	36%	28%	15%	20%	1%
	Curlewis Water	85	85	40	41	2,865	4,739	13%	19%	59%	9%	0%
	Mullaley Water	186	186	20	17	369	835	10%	10%	40%	40%	0%
	Tambar Springs Water	141	141	20	30	942	1,455	13%	63%	11%	13%	0%
	<b>Sub-total</b>	<b>862</b>	<b>862</b>	<b>980</b>	<b>967</b>	<b>36,452</b>	<b>62,655</b>	<b>33.4%</b>	<b>27.9%</b>	<b>18.6%</b>	<b>19.3%</b>	<b>0.9%</b>
Sewerage network	Gunnedah Sewerage	2,641	2,641	380	417	25,126	50,314	41%	22%	15%	22%	0%
	Curlewis Sewerage	–	–	8	8	3,113	4,222	1%	70%	6%	23%	0%
	<b>Sub-total</b>	<b>2,641</b>	<b>2,641</b>	<b>388</b>	<b>425</b>	<b>28,239</b>	<b>54,536</b>	<b>37.9%</b>	<b>25.7%</b>	<b>14.3%</b>	<b>22.1%</b>	<b>0.0%</b>

## Gunnedah Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (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	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Stormwater drainage</b>	Stormwater drainage	–	–	30	52	23,874	32,861	44%	29%	27%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>30</b>	<b>52</b>	<b>23,874</b>	<b>32,861</b>	<b>44.0%</b>	<b>29.0%</b>	<b>27.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Open space/recreational assets</b>	Swimming pools	1,500	1,500	45	31	2,029	3,973	0%	0%	67%	33%	0%
	Other Recreational Assets	–	–	–	–	1,864	3,855	35%	45%	20%	0%	0%
	<b>Sub-total</b>	<b>1,500</b>	<b>1,500</b>	<b>45</b>	<b>31</b>	<b>3,893</b>	<b>7,828</b>	<b>17.2%</b>	<b>22.2%</b>	<b>43.9%</b>	<b>16.7%</b>	<b>0.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>8,494</b>	<b>8,494</b>	<b>4,200</b>	<b>5,050</b>	<b>347,605</b>	<b>534,577</b>	<b>33.6%</b>	<b>30.2%</b>	<b>28.3%</b>	<b>7.4%</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 2017

\$ '000	Amounts	Indicator	Benchmark	Prior periods	
	2017	2017		2016	2015
<b>Infrastructure asset performance indicators * consolidated</b>					
<b>1. Infrastructure renewals ratio</b>					
Asset renewals <sup>(1)</sup>	<u>8,696</u>	<b>120.68%</b>	>= 100%	94.75%	103.87%
Depreciation, amortisation and impairment	<u>7,206</u>				
<b>2. Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<u>8,494</u>	<b>2.44%</b>	< 2%	2.53%	2.91%
Net carrying amount of infrastructure assets	<u>347,605</u>				
<b>3. Asset maintenance ratio</b>					
Actual asset maintenance	<u>5,050</u>	<b>1.20</b>	> 1.00	1.07	0.99
Required asset maintenance	<u>4,200</u>				
<b>4. Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<u>8,494</u>	<b>1.59%</b>		1.66%	
Gross replacement cost	<u>534,577</u>				

## Notes

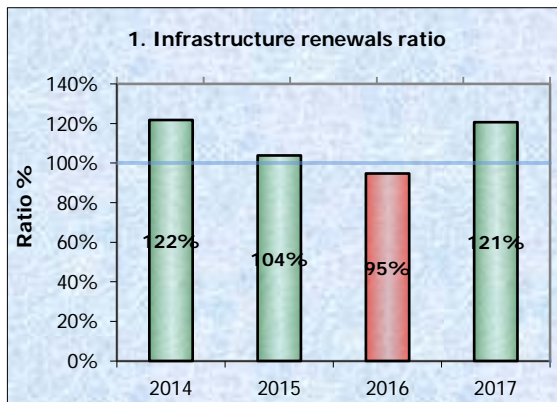
\* All asset performance indicators are calculated using the asset classes identified in the previous table.

(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 2017



**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.

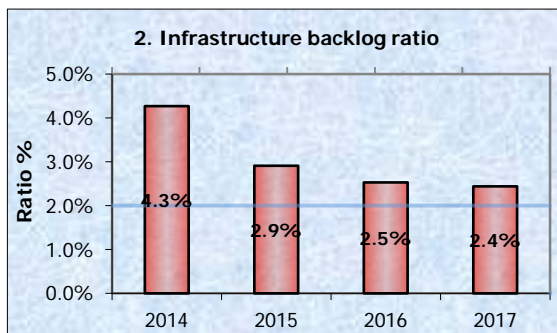
**Commentary on 2016/17 result**

**2016/17 Ratio 120.68%**

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 120.68%. The previous year is effected by not including Infrastructure Renewal from Work In Progress. This would have been 1.10%

Benchmark: 100.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

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.

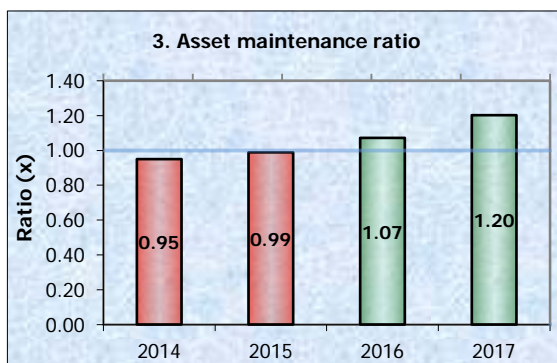
**Commentary on 2016/17 result**

**2016/17 Ratio 2.44%**

The ratio continues to show a positive trend back to benchmark as Council continues to tackle its Infrastructure backlog.

Benchmark: 2.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

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.

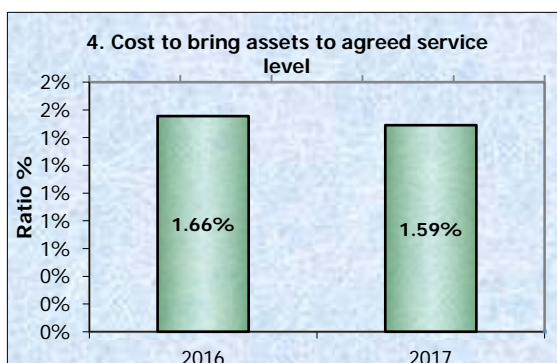
**Commentary on 2016/17 result**

**2016/17 Ratio 1.20 x**

This ratio reflects Council's commitment to maintaining current assets and improving where fiscally responsible.

Benchmark: 1.00  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark



**Purpose of agreed service level ratio**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on 2016/17 result**

**2016/17 Ratio 1.59%**

This ratio shows an improvement as Council continues to maintain assets to the agreed service levels.

## Gunnedah Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017

\$ '000	Benchmark	Water 2017	Sewer 2017	General <sup>(1)</sup> 2017
<b>Infrastructure asset performance indicators by fund</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(2)</sup>		<b>37.88%</b>	<b>39.48%</b>	<b>145.65%</b>
Depreciation, amortisation and impairment	>= 100%			
	prior period:	167.76%	0.00%	95.70%
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard		<b>2.36%</b>	<b>9.35%</b>	<b>1.76%</b>
Net carrying amount of infrastructure assets	< 2%			
	prior period:	3.06%	12.34%	1.35%
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance		<b>0.99</b>	<b>1.10</b>	<b>1.29</b>
Required asset maintenance	> 1.00			
	prior period:	1.12	1.03	1.07
<b>4. Cost to bring assets to agreed service level</b>				
Estimated cost to bring assets to an agreed service level set by Council		<b>1.38%</b>	<b>4.84%</b>	<b>1.20%</b>
Gross replacement cost				

## 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 2018

\$'000		Calculation 2016/17	Calculation 2017/18
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	11,698	12,136
Plus or minus adjustments <sup>(2)</sup>	b	(415)	159
<b>Notional general income</b>	c = (a + b)	<b>11,283</b>	<b>12,295</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	7.50%	0.00%
Or rate peg percentage	e	0.00%	1.50%
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)	846	–
Or plus rate peg amount	i = c x e	–	184
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>12,129</b>	<b>12,479</b>
Plus (or minus) last year's carry forward total	l	9	(0)
Less valuation objections claimed in the previous year	m	–	–
<b>Sub-total</b>	n = (l + m)	<b>9</b>	<b>(0)</b>
<b>Total permissible income</b>	o = k + n	<b>12,138</b>	<b>12,479</b>
Less notional general income yield	p	12,136	12,478
<b>Catch-up or (excess) result</b>	q = o – p	<b>2</b>	<b>1</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>(0)</b>	<b>1</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.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule No. 8

### Gunnedah Shire Council

To the Councillors of Gunnedah Shire Council

### Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Gunnedah Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Gunnedah Shire Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of Special Schedule No.8' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

## **Other Matter**

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 20 October 2016.

## **Councillors' Responsibility for Special Schedule No. 8**

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of Special Schedule No. 8**

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Chris Clayton  
Director, Financial Audit Services

20 October 2017  
SYDNEY



## **GUNNEDAH SHIRE COUNCIL**

# **Government Information (Public Access) Act 2009**

## **ANNUAL REPORT 2016/17**

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*Government Information (Public Access) Act 2009 – 2016/17  
Annual Report*

# 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.



- ii) 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.

## **2. Number of access applications received – Clause 7(b)**

During the reporting period, 1 July 2016 to 30 June 2017, Council received a total of three 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 three 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 three were 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	0	2	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	0	0	0	0	0	0	0
Members of the public (other)	0	1	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)	0	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 Schedule 1 of Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	3
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 of Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	3
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)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
TOTAL	3

**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 2016/17

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*Public Interest Disclosures Act – 2016/17*

*Annual Report*

## 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 2016 to June 2017.

### 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 2016 – June 2017
Number of public officials who made PIDs	2
Number of PIDs received	2
Number of PIDs received relating to:	
▪ Corrupt conduct	2
▪ 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	1

### 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:

- 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.
- New training package on public interest disclosures developed and delivered in conjunction with our code of Conduct Training refresher.